

DGC



**E-MONEY  
SPECIALIST  
JON MATONIS**

**2011 DGC PERSON OF THE YEAR**

# DGC

Digital Gold Currency

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<http://www.dgcmagazine.com>

DGC Magazine is committed to expanding the legal use of digital gold currency around the world. Slowly, legally and ethically we are trying to move digital gold currency and sound money forward into everyday business.

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# DGCs

## The Next Generation

by Paul Rosenberg

Over the past few months I've been involved with several events where people asked me lots of questions about DGCs. Aside from being a very nice change from the early days, I encountered another two surprises:

1. The people asking questions were mostly young
2. The people asking questions were very well informed.

After a lot of pretty dry years, I have to tell you that these meetings were really refreshing.

### DIFFERENCES

The young guys I met (and, by the way, I usually use "guys" in the generic sense, referring to both males and females) were a bit different than a lot of the early DGC people. For example, I heard absolutely no talk about gambling or HYIPs. I found that to be a very good sign.

What I did hear was talk about new DGC systems. These people were interested in Bitcoin first, but also in Loom, Truledger, Open Transactions and Voucher-Safe. They're also interested in future iterations of Bitcoin including physical backing.

Another difference is that these new guys tend to be serious voluntaryists and agorists. The early gold currency people, on the other hand, tended to be either libertarians, conservatives, objectivists, or just hyper-aggressive businessmen looking for a hot new thing.

I'm not sure that I've had a big enough sample to say that this is happening industry-wide, but the new people I've seen are more principled and far more philosophically-informed than early players in the DGC business. I think that's a very, very good thing.

### IF THIS CONTINUES

Like I say, I don't have enough data to be sure this is a widespread thing, or that it will continue. But I sure hope it is and does. Because if so, it bodes well for the future of the business.

For one thing, these people are the type to go after small businesses, individuals, and lasting commercial relationships. As we all know too well, a lot of early DGC players were looking for big bucks, and in a hurry. That nearly always leads to ugly and self-

destructive places. Long-term commerce, conducted by people with real philosophical grounding, is what produces good results over the long run, and with them a stable industry.

If these guys stay and develop we might find ourselves with a serious industry association one of these days. And if we're very lucky, we may have a solid industry before fiat crashes entirely. (Though that may be too much to wish for.)

Finally, these new people seem very comfortable working with the traditional silver and gold crowd, as well as people at flea markets, fairs, swap meets, and so on. In my opinion, that is exactly what we need: regular working people, not just high-tech wizards, economic savants and a-little-too-eager-entrepreneurs.

## OLD GUYS – YOUNG GUYS

Those of us who are older should go out of our ways to welcome and assist the new young guys. Sure, some of them will have what we think are questionable ideas. Some will be over-eager and will close their eyes to risks. Some may say or do silly things. We need to help them anyway.

These guys are our next generation. We need to inform them and guide them wherever possible. Instead of telling them how silly and wrong they're being, we should tell them how to do things better: our role is not to prove that we're smarter and righter, but to create progress... to help the young guys avoid pitfalls and move forward.

Those of us who have learned painful and important lessons should pass along that knowledge, even when the young guys act in ways that seem different or strange to us. That's just the way life goes, and we need to let them live their lives and learn their lessons their own ways. We need to assist, not beat them into our molds.

This is a real opportunity for us. We must rise to the challenge.

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## WebMoney turnover will reach UAH 15 billion by 2014

January 27. WebMoney (WMU) turnover in Ukraine will reach UAH 15 billion by 2014 (1 USD - 7.99 UAH), this forecast was made public by First Deputy Chairman of the State Tax Administration (STA) and head of the tax police Andriy Holovach.

“According to forecasts, such a rapid growth will be preserved. And in 2014, the volume of WMU on the market will make up UAH 15 billion,” he said.

At the same time, Holovach says, the WMU volume in 2011 made up UAH 2.5 billion. “This is twofold up against 2009 and 10 fold up against 2007,” he noted.

The tax officer also said about the need of control over payments through the WebMoney system due to growth of their volume. “We see that turnover of the funds with the help of Internet resources considerably grows, but actually there are no revenues from subjects, carrying out this activity,” he said.

The STA Deputy Chairman added that for today relevant subdivisions in the tax police have been created to control electronic money turnover. “... Choosing of specialists is being carried out, who will counter cybercrimes, related to non-payment of taxes,” Holovach said.

As it has been already reported, the WebMoney system introduced possibility of money conversion into cash WMU at Ukrposhta mail enterprise departments.

The National New Agency of Ukraine  
<http://www.ukrinform.ua/eng/>

## WebMoney in the Post

WebMoney has recently become available in any Ukrainian post office. Ukrainian mass media reports that for cash receiving one needs fill in a form at [banking.ukrgarant.com](http://banking.ukrgarant.com), fix ID and a postal address for money receiving. 1-2 days passed, the system sends a paper notification about successful fund transfer to the sender.

<http://techno.bigmir.net>

# WHO CONTROLS WHAT THE GOVT DOES?

Insight from  
Fellow Traveler

**E**ven without corporate charters issued by the government, corporations would still exist. (That is, *in the absence of government force to the contrary*, investors would still voluntarily band together of their own accord in order to hire employees to manage their collective property, and to split the profits from the revenues derived.)

The only reason that corporations now control the government, is because you do not have fair representation; you do not have proper apportionment.

I will make this clear... (using extreme example)

Hypothetical situation 1: There is 1 representative for every 1 thousand people.

Hypothetical situation 2: There is 1 representative for every 1 **trillion** people.

As you can see, in situation (1), you have fair representation. (Democracy!)

But in situation (2), you do not have fair representation. (Dictator!!!)

(Notice that the only difference between “democracy” and “dictator” is the number of people being



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represented.)

In situation (1), a person cannot be elected to the House unless he actually lives in your neighborhood, operates a business nearby, attends your church, etc. No amount of TV commercials can change this. No outsider could ever win. Certainly no one would be in office for very long, unless he was available to meet with constituents, who would all actually meet with him and voice their concerns on a regular basis.

In situation (2), on the other hand, a person cannot be elected to the House unless he gets lots and lots of money from big corporations, and spends it on lots and lots of TV commercials. No “real person” could ever win. Certainly no one would be in office for very long, unless he was entirely bought-and-paid-for by large corporations, who would all actually meet with him and voice their concerns on a regular basis.

When the Constitution was written, the House had 1 representative for every 30,000 people.

Today, Congress is very different. There are 435 people ruling over FOUR HUNDRED MILLION. This is no different than 1 person reigning over 1 million. (In the old days they called that a “king.”)

**You see, “everybody has one vote” is a lie they sell you. What’s actually important is how diluted that vote is.**

Consider also the SENATE. In the old days, each Senator was appointed by his respective state legislature. He had a strong incentive to represent the interests of that state legislature, for otherwise, they would remove him from office. This meant that the Senators were beholden to the States, just as the House was beholden to the People. (The Senators actually represented the States, in those days.) Therefore, a Senator actually had to deal with 50 or 100 actual state legislators and their concerns, or he was fired.

But today, things are very different. The Senator is elected by direct election of the people. For example in California, there are THIRTY MILLION PEOPLE but only 2 Senators. But those Senators do not *represent* those people, since it is physically impossible for anyone to represent thirty million people. Instead, those Senators represent the large corporations who pay for TV commercials that get them elected. As for the voters, the Senators really only care about a certain vague notion of whether the voters are “angry”, and this they only care about once every 6 years. They certainly do not *represent* those voters, nor do they represent the interests of their State government.

So you see, the States WERE represented in the Senate, but no longer. And the People WERE represented in the House, but no longer. Those times have passed / are passing.

This is not a problem of corporations, which are a simple fact of natural law. **Rather, this is a problem of an uneducated populace being unwilling or unable to demand their right to fair representation.** Once you fix that, then suddenly all problems of “corporations” or “campaign finance” or “district gerrymandering” are revealed as false issues, and disappear. Those issues are actually used as a red herring in order to distract the population and keep them occupied in the two-party system. Don’t fall for it.

Also, see: <http://www.apportionment.us>

Corporations can only become an illicit power center (as well as a bogeyman) in cases where your vote has been diluted away. The same is true of unions, and even government agencies. This is why you move through life with that vague feeling of pressure to either become part of the investor class and under SEC and FDIC regulation, or the corporate class regulated by your manager who is regulated by the FTC, or to join a union,



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regulated by the Department of Labor, or work for a government agency, or to end up in the prison system or living off of the Dept. of Housing and Urban Development. *You certainly don't feel as if the system is pushing you towards "running your own ship", now do you?*

All of the problems that conservatives normally associate with unions are not a result of the unions themselves (i.e. the workers' natural rights of association and collective bargaining.) Rather, they are problems caused by state and federal laws which favor unions at the expense of our rights.

Similarly, the problems that liberals associate with corporations are not a result of the corporations themselves (i.e. the investors' and employees' natural rights of association, property, voluntary exchange and the right to contract.) Rather, they are problems caused by state and federal laws which favor corporations at the expense of our rights.

It's always the same: Unfair advantages (granted via government force) to the corporations/unions/banks/whatever, **bundled with increased government power to regulate** those same corporations/banks/unions/etc--always at the expense of individuals and small businesses--with the ill-gotten gains being distributed disproportionately to those who are well-connected.

The cause is also always the same: *lack of fair representation* stemming from *ignorance* about our rights under Magna Carta, under the Enlightenment, under Natural Law, under the Declaration of Independence, and the Judeo-Christian ethic. This same ignorance also destroys our right to a fair jury trial via juries who judge the law itself (and not merely the facts of the case.) For if jurors are ignorant of this right, it becomes of no effect.



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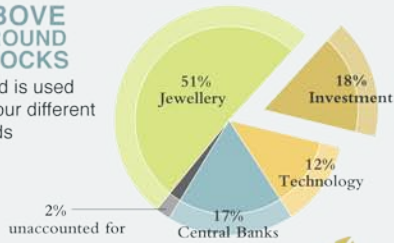
# The Gold Tree

Where gold comes from and where it goes

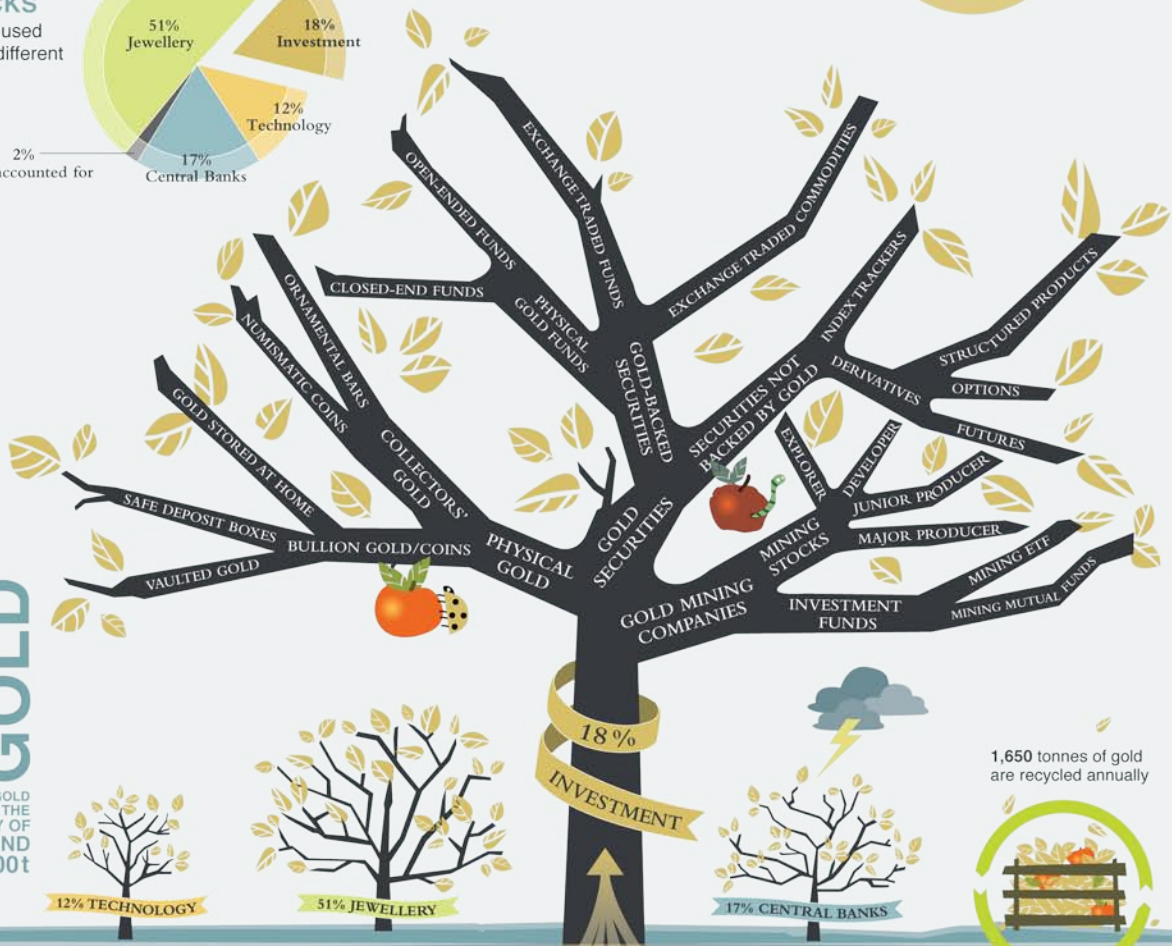
Forms of gold investment

## ABOVE GROUND STOCKS

Gold is used in four different fields



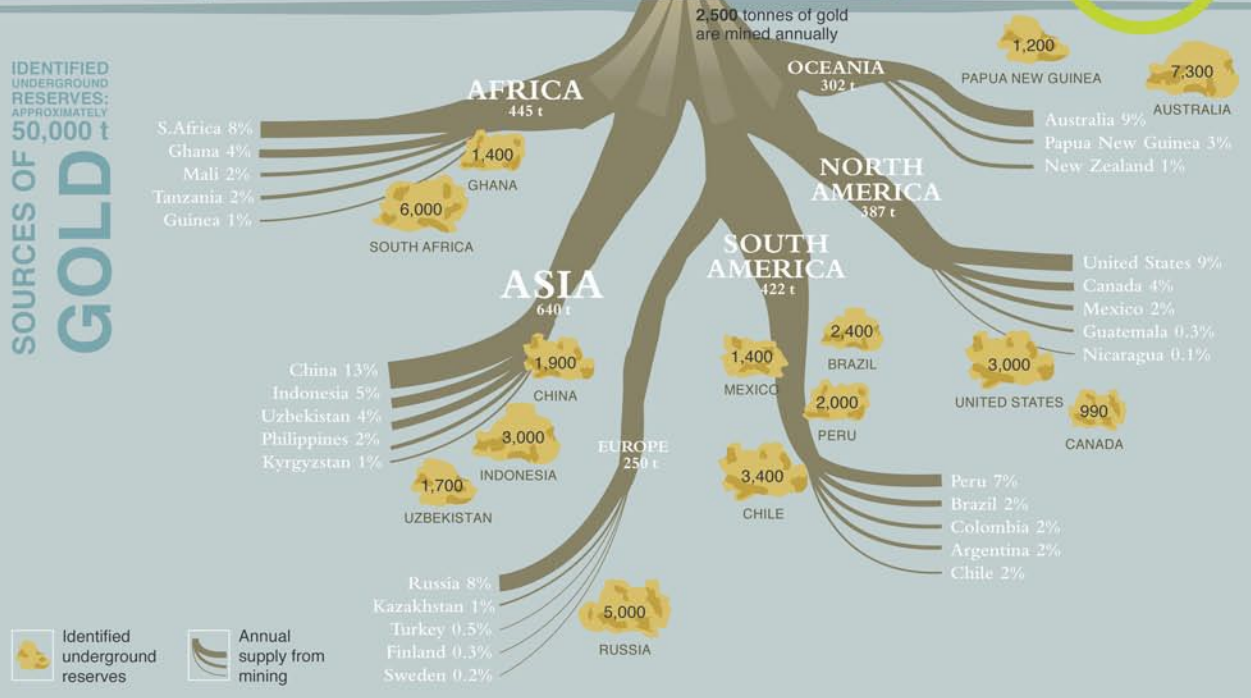
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# Interview with **Jon Matonis** DGC Person of the Year 2011



Today I'm interviewing Mr. Jon Matonis. He is a friend and a man of unquestionable integrity. His background includes posts at Sumitomo Bank, VISA, VeriSign, and Hushmail.

Jon has been an outstanding positive voice for Internet freedom and free market non-political digital currency. A big supporter of Bitcoin, Jon is an immovable pillar of strength in our digital community.

For his tireless work in the digital currency community and beyond, we make Mr. Jon Matonis our person of the year for 2011.

**Q.** You and I had a quick discussion earlier this month where I complained that all the digital gold and digital currency companies were bailing on the U.S. market because of excessive regulations. I mentioned that hypothetically, it seemed the free Internet world was heading for private payment systems that only operated P2P. If I want to make a payment with these systems, I would turn on the old laptop sending and collecting payments via PC to PC on a system with absolutely no Internet presence. We would be one localhost to another. Systems like Bitcoin, Loom

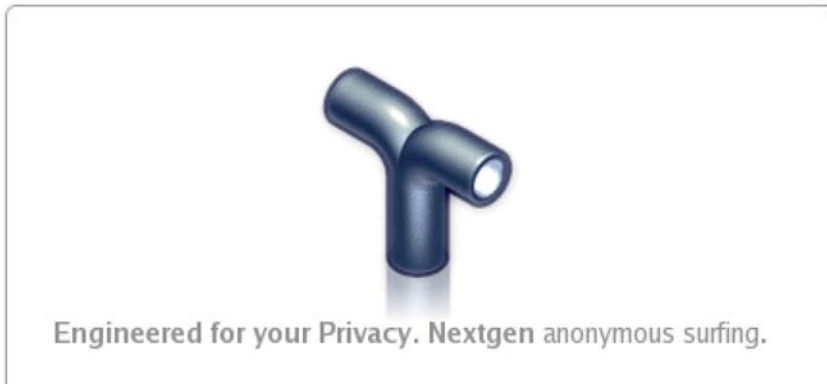
& Truledger...to name a few. Is this the REAL future of money or just some folks on the "fringe" or reality?

A. Yes, I think you are correct in stating that some type of decentralized system is where we are headed. You can already do offline transactions with things like BitBills, Printcoins, and Casascius, although you do have to validate that the coins haven't been spent. And, this type of validation will require Internet connection to the block chain.



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The digital gold and digital currency companies are bailing on the U.S. market because of the increased regulation around MSBs (Money Service Businesses). With Know-Your-Customer rules, anti-money laundering rules and Suspicious Activity Reports, the financial institutions and MSBs are becoming the complicit agents for State enforcement and ultimately for reductions in overall financial privacy. This is making it increasingly unattractive to enter or to remain in that type of business. Digital currency commerce will tend to flow towards jurisdictions that embrace financial privacy rather than dismantle it.

**Q. Why is financial privacy so important as the world moves toward a ‘cashless society’?**

Financial privacy is a fundamental global human right. Money was never intended to be a method of identity tracking or transaction tracking. We have allowed our money to be co-opted for this purpose. If we used toothpaste for money, would stores track our toothpaste usage and locations where we used toothpaste? You can see how this notion seems ridiculous when you look at it in that context.

Now, as the world moves toward a cashless society, the concept of financial privacy becomes even more important. It becomes extremely important! In using the term financial privacy, I am referring mainly to user-defined anonymity and user-defined traceability. Not all transactions will require anonymity and untraceability. However, those are the beneficial features of physical paper cash that we stand to lose in a cashless society utopia. When money goes 100% digital and there is no more outlet for the anonymity and untraceability of paper analogue cash, we had better be prepared for what that means. I think it means a very ugly totalitarian, surveillance State unless we work diligently now to incorporate those essential features into electronic money. The decentralized p2p cryptocurrency bitcoin is a step in that direction which is why I am so supportive of the bitcoin project.

**Q. James Turk has forecast a total collapse of the U.S. Dollar and he’s not alone. I would never - ever in my lifetime bet against Mr. Turk’s advice (EVER) but it seems that the big banks like Goldman Sachs run the world and that is just never going to change. How do you feel about**

**Mr. Turk’s predictions and what do you feel will eventually happen with the U.S. dollar?**

A. I agree with James Turk and I follow his work closely. No paper currency scheme has ever lasted more than 100 years and with the 100-year anniversary of the Federal Reserve Note occurring next year, I would say that the wheels are starting to come off the cart. Over 97% of the U.S. Dollar purchasing power has been lost in that timeframe and it is merely trickery and gross manipulations that even keep it on life support now. The USD and the Euro are like two drunks leaning on each other in order to stay standing.

The U.S. Dollar as we know it will probably not exist by the year 2015. After the forthcoming monetary crisis, they will declare a bank holiday (or several) and then take two or three zeroes off of the currency. I managed the VISA foreign exchange desk and countries were routinely dropping zeroes from their currencies. However, I don’t expect that to happen in the U.S. until gold exceeds \$20,000 or \$30,000 per ounce. The currency will then be called the New Dollar and it will be just as successful as New Coke.

**Q. I often hear people say this about Bitcoin, “well Bitcoin is not backed by anything”. There are something like 140+ popular government currencies in use today, what are they backed by?**

A. Well, I wouldn’t say that they’re all popular. All government currencies today are backed by the apparent strength of their respective economies and their ability to leverage their natural resources and/or ultimately their standing armies and weapons. I do not know of any political currency today that has direct commodity backing.

What people don’t realize when they say that bitcoin is not backed by anything is that over 90% of gold’s so-called intrinsic value is actually due to its role as a monetary metal which in turn is really just based on an aggregate mass belief. Gold’s value as an industrial and jewelry metal is not the only factor reflected in its price otherwise its price would be much lower. All commodities of any type, digital or physical, that are selected by the market as the exchange medium gain their perceived value from the market partici-



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pants that collectively and mutually agree. Gold may have the longest history in this mass belief but, in many ways, money resembles religion because more adherents tend to increase the perceived value of the dominant faith. When it comes to government paper fiat currencies or bitcoin, I happen to believe in math and cryptography and many other bitcoin users seem to share that belief.

**Q. I've read your Blogger profile and it says you are an "e-Money specialist". Can you break down what kind of background, knowledge and skills it takes to be an "e-Money specialist?" What is your day to day focus?**

A. An e-Money specialist is all-encompassing way of stating that I work with all facets of electronic money, including issuing, managing, trading, and clearing functions. Sometimes e-Money can involve national currencies such as those defined by the recent European Union e-Money Directive and sometimes it can involve virtual currencies like Facebook Credits or Linden Dollars.

Lately, my day-to-day focus has been nonpolitical currencies such as the cryptocurrency bitcoin and working on the two-way convertibility between national currencies and bitcoin. I like to think of myself more as a crypto economist.

**Q. Which is more private for the user:**

- a) A decentralize online currency.
- b) A digital bearer certificate

A. Digital bearer certificates are more private for the user than a decentralized online currency but that is only because of the stronger built-in anonymity and untraceability features. Prudent bitcoin use can achieve the same end if care is taken in not linking your bitcoin public key address to your real-world identity and if Tor or i2p are utilized correctly.

**Q. At the KPMG eGaming summit you completed an excellent presentation entitled, "Monetizing Game Play on Social Network Sites", can you share with us some feedback you received after giving that presentation? Was there much input or discussion on Bitcoin?**



Screenshot of Jon appearing on the Keiser Report with Max back in May of 2011  
Watch this video on YouTube <http://youtu.be/2GiQEECNcZM>

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# SILVER SAVER

A. Thank you for the question about the Gibraltar KPMG eGaming conference. I have long felt that bitcoin represents the digital equivalent of the physical casino chip. It is immediate, irreversible, and anonymous.

Bitcoin was well received at the conference and I did receive many inquiries. The attendees came from various places (i.e., Malta, Isle of Man, Ireland, UK, Bulgaria, etc) but they were all involved at some level in the online gaming industry. A member of the EU, Gibraltar has its own constitution and governs its own affairs via its own elected parliament. The independent judicial system of Gibraltar is modeled on the common laws of England & Wales which is seen as a benefit in business dealings (compared to Panama or Costa Rica for instance). Financial law follows the EU and the UK, but having said that Gibraltar has been very effective at leveraging the recent e-Money legislation and e-Money companies do quite well in Gibraltar. Several companies have been set up and they are permitted to issue VISA and Mastercard pre-paid cards without having a full bank license which is required in the US.

I wouldn't get too hopeful though about any country formally embracing bitcoin, because they all still answer to OECD/FATF and Know-Your-Customer anti-money laundering laws. Considerable pressure still comes from the U.S. government on these matters and online gambling companies respect the U.S. law of not allowing U.S. players.

The bottom line is that the attendees did not seem to perceive the payment method as a "competitive advantage" so they happily receive the other fee-based payment alternatives. They tend to focus more on the competition for eyeballs and affiliates feeding them traffic so in many ways it resembles the economics of online porn.

**Q. What is the next step for Bitcoin to gain:**

- a) More exchange agents?
- b) More merchants?
- c) More global users?

A. For bitcoin to gain more exchange agents, exchangers need to embrace many different payment alternatives. I believe that the exchanges of the future

will tend to be fixed-rate exchanges with a variety of jurisdictions. The trend towards intermediaries will continue as sometimes that is the only way around a direct prohibition against a payment mechanism being used to purchase or sell bitcoin.

In order for bitcoin to gain more merchants, the process of accepting bitcoin transactions and blinding the complexities of confirmations from the merchant will be of paramount importance. More merchants will accept bitcoin once they realize that transactions are irreversible and that they can eliminate foreign exchange risk by trading into the currency of their choice.

As for users, they will materialize as bitcoin continues its advance into the parallel economy that currently operates on a cash basis today. The gray economy is estimated to exceed \$10 trillion worldwide.

**Q. Can you give us the 5 big reasons why private digital currency is "better" than government issued money?**

A. I will give you three. Three big reasons are: (1) nonpolitical digital currencies cannot lose their purchasing power through State intervention and manipulation; (2) nonpolitical digital currencies are selected via the free market so the most reliable solution will survive; and (3) without being subject to national boundaries, nonpolitical digital currencies dramatically increase financial privacy and capital flow.

**Q. I've read a lot online about Bitcoin and generally I see this sentence, "Bitcoin is a long way from replacing the dollar." Do these privately issued e-money currencies replace national currency or are they only expected to work alongside them as a "complementary currency". Should our focus be getting people to stop using U.S. dollars and try to only use BTCs?**

A. This is an important question. Also, it's a bit of a misnomer to refer to bitcoin as a privately-issued e-currency, because it is in fact a very public and very global currency. This is entirely acceptable due to its decentralized nature and as you know without a central issuing or transactional authority, the transactions are managed by the collective nodes of the network.

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So, you could really say that bitcoin is the world's first collectivist currency.

Private, or non-Statist, currencies do not have to replace national currencies in order to be successful. The evolving uses of the bitcoin currency will determine how successful it becomes and I personally believe that cryptocurrencies, like bitcoin, will ultimately dominate international trade making national currencies increasingly irrelevant. The uptake will be organic so it will not be necessary to 'convert' people away from the U.S. dollar.

**Q. I notice that you are not in the U.S. at present. What is your favorite offshore jurisdiction in which to conduct digital money business?**

A. I don't really have a preferred jurisdiction because I believe in a multi-jurisdictional approach where the functional areas of a company are divided among multiple jurisdictions via outsourcing arrangements. This makes the whole defensible and greater than the sum of its parts. The U.S. and the EU are becoming increasingly meddlesome so I would tend towards Central and South America countries like Panama and Uruguay and also the offshore financial center and free trade zone of Labuan in Asia.

Also, it is important to remember that given current OECD/FATF rules and guidelines, no jurisdiction is immune from the collective forces of the anti-financial privacy gang, save North Korea and Iran who give the finger to the OECD black list. Sadly, no one's wealth would have escaped Hitler's Germany if today's anti-privacy, anti-AML regulations were in place during the 1930s.

**Q. We all know that regulation tends to develop around 3-4 years after a new technology comes to market. We are about two years into the emergence of Bitcoin, can you forecast ahead and predict how the government might attempt to regulate Bitcoin?**

A. The only effective way that governments will have at their disposal to combat the growing bitcoin ecosystem will be to make merchant acceptance illegal and to target the exchange operators. I predict that both will happen within two to three years. Large,

established merchants will not want to risk their tax status by accepting bitcoin at the point-of-sale. This will tend to drive that business to other more-friendly jurisdictions which will benefit greatly from the influx of new business.

Exchange operators are centralized by nature so they make for an easy target. This is why I advise that exchanges (and merchants), both floating-rate and fixed-rate, domicile in a jurisdiction that will insulate them from the most aggressive nation-States.

**Q. Do you see a future for Bitcoin and other types of decentralized e-money in the online gambling business? When do you think that online casinos will begin accepting Bitcoin on a wider scale?**

A. Bitcoin is ideally suited to the online gambling business and it's only a matter of time before it is standard in the online gaming environment. Once one of the larger online casino operators decides to deploy bitcoin as a competitive advantage wedge, the others will quickly follow suit so as not to be left behind. We are probably a year or two away from that occurring so there is still room for a smaller player to become established through the exclusive use of bitcoin as a payment mechanism.

**Q. Can you tell if most libertarians are in favor of Bitcoin?**

A. Libertarians are currently split on bitcoin because of the intrinsic value debate and the Mises Regression Theorem. Ultimately, libertarians will see that a decentralized currency is the only free-market money that can withstand an attack from the State so reluctantly they will be forced to support it.

###

I'd like to thank Jon for taking time to answer my questions and for all the hard work he puts in towards the advancement of non-political digital currency.

You can catch up with Jon at his popular blog.  
<http://themonetaryfuture.blogspot.com/>

*INTERVIEW BY MARK HERPEL*

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## A Note From Dinar Wakala LLC

As you are aware, we now have our Dinar and Dirham medallions in place, which was the first building block for economic empowerment. It is now time to build the rest of our economic edifice on top of these. In the coming days, you will hear about several different programs that we are starting. Today, we will introduce the first one, which is our barter program.

A fact which both our friends in the American Open Currency initiative and the global Dinar movement have long realized, is that saving one's assets in bullion, while a worthwhile objective on its own, is still very different from actually conducting trade in these. Our aim is not to just have people invest in metal, but to actually use it in barter. We want to have people to buy and sell things using these medallions. And so to encourage this, we are offering significant discounts in medallion sales to those people who show active participation in implementing trade.

The program will work as follows:

- a) Anyone can register in our barter program by emailing us at [info@dinarwakala.com](mailto:info@dinarwakala.com).
- b) Conditions for enrollment are:
  - i) Participant must offer at least one item of common use for sale against Dinars and Dirhams. "Common use" will be subjectively evaluated by Dinar Wakala.
  - ii) The item offered must be continuously available i.e. something that can be repeatedly supplied if demanded. One off sales of house-hold goods do not apply.
  - iii) Currently, only products will be considered, and not services.
  - iv) Pictures of products must be available, so they can be displayed on our marketplace website.
  - v) For buyers willing to pay shipping cost, shipping and delivery should also be offered.
  - vi) Be willing to accept all kinds of Dinars, Dirhams and other AOCs medallions of same composition as payment against these items.
  - vii) Item must be competitively priced (again something which Dinar Wakala will evaluate)

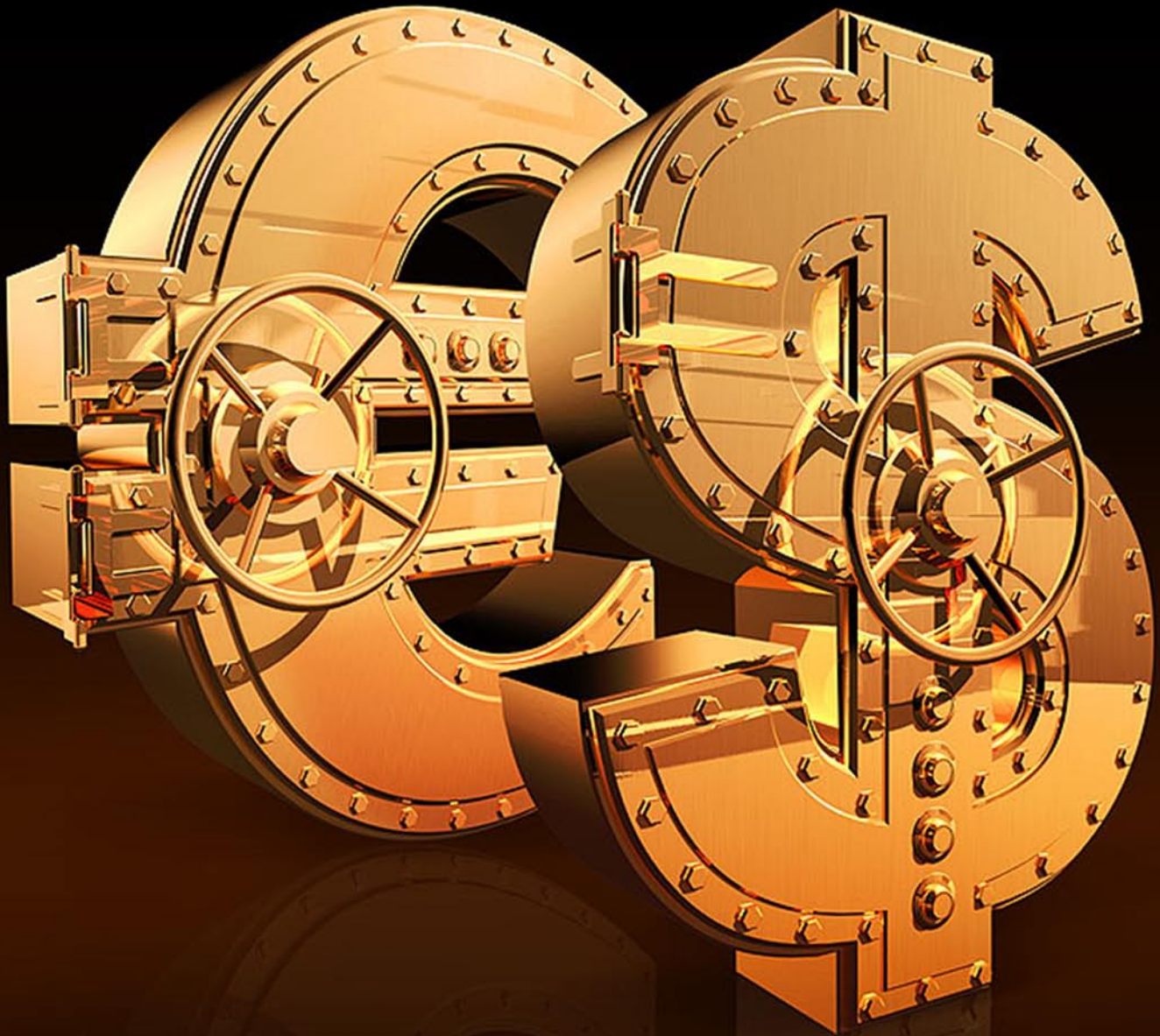
Hint: If you are not a supplier of products yourself, you can convince a friend or a shopkeeper, and obtain the program benefits for both of yourselves.
- c) In return for becoming a registered seller accepting bullion barter, Dinar Wakala will offer the following incentives:
  - i) At least 50 cent discount per piece on Silver Dirhams, or "price matching" to any other silver coin from any other vendor in this denomination (3 grams).
  - ii) At least 5 Dollar discount on Gold Dinar, or "price matching" to any other gold coin from any other vendor in this denomination (4 grams or less)

The rationale behind this program is that the biggest hindrance to "sound money" usage in the community is the "chicken and egg" problem, i.e. does the egg come first to hatch a chicken, or the chicken come first to lay the egg. In other words, will people first buy the medallions so that sellers start accepting them, or will sellers start accepting them for people to buy them? It appears that neither of the two comes first, but both have to grow organically such that a critical mass is obtained which is self-sustaining. The aim of this program to artificially achieve this critical mass by offering incentives, which will eventually not be needed as the idea catches on.

We would also love to hear feedback from all of you regarding the sanity (or insanity :) of this program, so it can be further improved.

Thanks  
Asif Shiraz, Dinar Wakala LLC  
<http://www.dinarwakala.com/>

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# Commission Goes Down! Time to Buy Gold.

Dear GBULLION Customers,

as we start the new year we enter into a unique opportunity to buy gold as it is beginning to show various signs of recovery from the recent correction during the final months of 2011. We are happy to inform you that over the past 30 days gold price has gone up by 10%! To encourage our investors and support the trend we have reduced our purchase commission from 1.2% to 0.8%. Now on [www.gbullion.com](http://www.gbullion.com) you can buy physical gold at spot price + 0.8% only!

Take some time and read the article below, we have put it together for you to have an overview of the current situation as well as of some forecasts...

Over the past 3 years there has been at least 3 other times when the price of gold has corrected itself in such a drastic manner. Each time though, the recovery took the metal to new record highs: with 10-20% drops followed by 50-85% increases. What will be the magnitude of this current recovery will only be determined by the market however, what can be said confidently (and with consensus) is that gold will recover as it does time and time again.

Morgan Stanley for example, lists gold among its "favorite longs" and forecast prices of \$2200 an ounce. "We believe the defensive nature of gold...will create significant investment demand as investors look for safe havens in a period of risk aversion."

UBS' central view on gold remains aggressive, forecasting an average 2012 price of \$2050. "Most of the factors that pushed gold higher in 2011 are not going away. Indeed, a compelling case for higher gold returns next year can be built on: persistent sovereign stress, an expected recession in Europe, benign growth across developed markets, a relatively sedate outlook for competing asset classes, still-low interest rates in the US, and further rate declines in Europe, as we expect."

Barclays Capital thinks gold should trade as high as \$2200 an ounce in 2012 with the three pivotal watch factors for gold remain intact. "First, central-bank buying continues and with new interest emerging; second, uncertainty continues to surround the financial markets and sovereign debt; and finally, growth in investment demand is occurring despite price corrections."

The idea that gold will comfortably surpass the \$2000/oz. point in 2012 is not only shared by these three financial service powerhouse but also much of the financial establishment in the world. The only question a savvy-investor should ask is how to participate in the recovery. In this sense, it is 'vaulted gold' or in other words, physical quantities of gold that is bought online and stored, insured and appraised in highly secure vaults.

This is where [www.gbullion.com](http://www.gbullion.com) comes in.

Should you have any questions, please feel free to contact us.

Kind regards, GBULLION Team.

# Washington State Legislature 2012 Regular Session

## HB 2731 - 2011-12

Establishing the 2012 gold and silver legal tender act of Washington state.

Sponsors: Representatives Condotta, Overstreet, Shea, McCune

Jan 27 First reading, referred to Ways & Means.

HB 2731 - DIGEST

Establishes the gold and silver legal tender act of Washington state.

Provides that gold and silver used as legal tender are treated in the same manner as United States currency for taxation purposes.

Declares an intent to provide a choice of United States constitutional currency of gold and silver.

###



<http://www.bullionbullscanada.com/>

# If George III Had Internet Surveillance:

Thomas Jefferson

Died July 3, 1776

*After-action report:*

*The Office of Colonial Security had monitored suspicious transmissions between one Thomas Jefferson, who is described as studious and secretive, and at least a dozen other radical extremists, over a period of months. Finally, on July the second, they agreed together to execute their plan. Acting selflessly to preserve our way of life, agents of the Colonial Security Administration risked their lives storming the homes of the traitors and arrested them. However, the author of their extremist manifesto, Jefferson, after apparently setting his home afire with oil lamps, died in the resulting conflagration. All known copies of the manifesto were destroyed in the above-mentioned actions.*

*Privacy is a  
tragic thing  
to lose.*



**\*Professional Strength Internet Anonymity\***

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

“I was personally present when the deputy economics minister of Iran was talking to a foreign society in Berlin”

“And the gentleman said very openly to the shocked audience ‘OK. You don’t want to buy our goods. Well, the Chinese do.’”

Christoph R. Horstel



## IRAN, GOLD AND OIL - THE NEXT BANKSTERS WAR

Remember the real reason why Moammar Gadhafi is dead. He dared to propose and started creating an alternative currency to the world reserve U.S. Dollar. The lesson learned in Libya is now ready for teaching in Iran. Forget all the noise about going nuclear, the true message is that the banksters rule and nation states serve their ultimate masters. The hype and disinformation that surrounds the push for war is best understood by examining the viewpoint of Iranian MP Kazem Jalali. The Tehran Times quotes him in saying,

“The European Union must be aware that it can never compel the Islamic Republic to succumb to their will and undermine the Iranian nation’s determination to achieve glory and independence, access modern technologies, and safeguard its rights, through the intensification of the pressure.”

“The European Union is seeking to politicize the atmosphere ahead of nuclear talks with Iran and is aware that sanctions on Iran’s oil exports cannot be implemented since the world is not

# 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

limited to a number of European countries”

Many political commentators warn that an embargo is an act of war. Chris Floyd provides this observation of the recent oil embargo against Iran.

Many political commentators warn that an embargo is an act of war. Chris Floyd provides this observation of the recent oil embargo against Iran.

“This week, the warlords of the West took yet another step toward their long-desired war against Iran. (Open war, that is; their covert war has been going on for decades -- via subversion, terrorism, and proxies like Saddam Hussein.) On Monday, the European Union obediently followed the dictates of its Washington masters by agreeing to impose an embargo on Iranian oil.

The embargo bans all new oil contracts with Iran, and cuts off all existing deals after July. The embargo is accompanied by a freeze on all European assets of the Iranian central bank. In imposing these draconian measures on a country which is not at war with any nation, which has not invaded or attacked another nation in centuries, and which is developing a nuclear energy program that is not only entirely legal under international law but is also subject to the most stringent international inspection regime ever seen, the EU is “targeting the economic lifeline of the regime,” as one of its diplomats put it, with admirable candor.”

The most important aspect of the Iranian response lies in the way that changes oil settlement for delivery and the futile effect of the US/Anglo/EU imperialist dictates have in the marketplace.

Debkafle reports that India (and probably China) will pay for Iranian oil in gold.

“India and China take about one million barrels per day, or 40 percent of Iran’s total exports of 2.5 million bpd. Both are superpowers in terms of gold assets.

By trading in gold, New Delhi and Beijing enable Tehran to bypass the upcoming freeze on its central bank’s assets and the oil embargo which the European Union’s foreign ministers agreed to

impose Monday, Jan. 23. The EU currently buys around 20 percent of Iran’s oil exports.”

A more detailed analysis in Tehran Pushes to Ditch the US Dollar provided ample arguments that an embargo will fail.

“Iran may be isolated from the United States and Western Europe, but Tehran still has some pretty staunch allies. Iran and Venezuela are advancing \$4 billion worth of joint projects, including a bank. India has pledged to continue buying Iranian oil because Tehran has been a great business partner for New Delhi, which struggles to make its payments. Greece opposed the EU sanctions because Iran was one of very few suppliers that had been letting the bankrupt Greeks buy oil on credit. South Korea and Japan are pleading for exemptions from the coming embargoes because they rely on Iranian oil. Economic ties between Russia and Iran are getting stronger every year.

Then there’s China. Iran’s energy resources are a matter of national security for China, as Iran already supplies no less than 15% of China’s oil and natural gas. That makes Iran more important to China than Saudi Arabia is to the United States. Don’t expect China to heed the US and EU sanctions much – China will find a way around the sanctions in order to protect two-way trade between the nations, which currently stands at \$30 billion and is expected to hit \$50 billion in 2015. In fact, China will probably gain from the US and EU sanctions on Iran, as it will be able to buy oil and gas from Iran at depressed prices.”

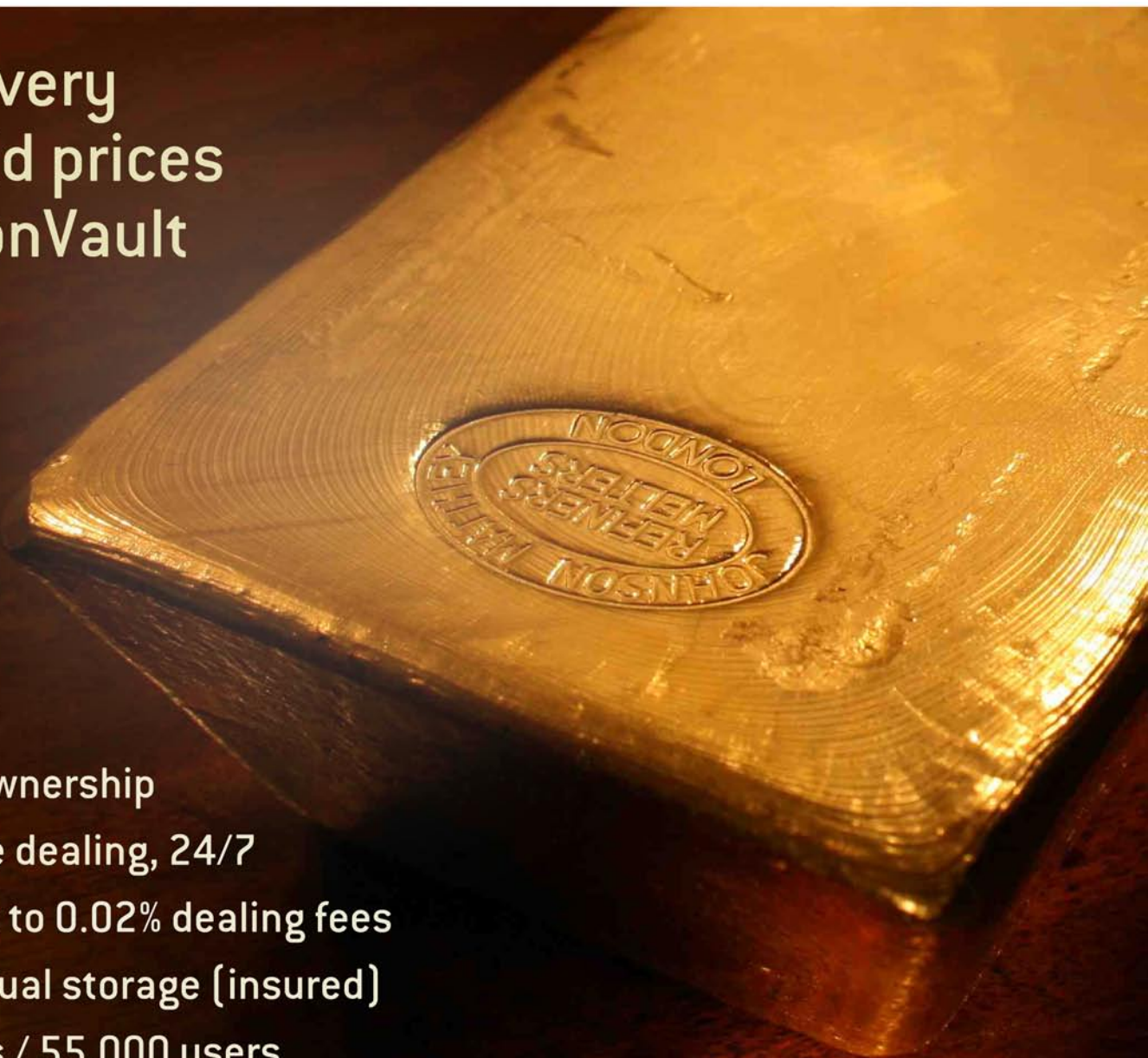


<http://youtu.be/Bzr9zEN00As>

So why is the EU so determined to apply restrictions is answered in the video, Why does the EU join in sanc-

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tions against Iran?

Now that is part of the reason but for the entire story, one needs to confront the contentions in the You Tube Israel pulling the strings for war with Iran.



<http://youtu.be/-UgwVzleLck>

Where it gets so confusing for the casual observer is that any discussion that deems to be critical of Israel is a taboo discussion in polite company. Well, when it comes to addressing the impending prospects of a major conflict in the Middle East, the linkage between the deciding influences in American policy that coincide with a greater Israel objective, is silenced in the old-line press and media. Therefore, the key element to explore is the relationship of Zionist interests with the fundamental preservation of the paper currency imperium of Federal Reserve notes as the medium of payment for oil.

Think about this equation in light of ultimate control. Oil is the fuel that runs the engine of all economies. Money is the medium of exchange that pays for the petroleum. War is the universal method used to avoid the breakdown of the money recycling system. In The Petro-Dollar and the EURO, the nature of this formula is probed.

“War is always about achieving a political end. Even holy wars seek to impose a secular control over the vanquished. At the root of every political conflict, lies the MONEY component. On the scale of greed or fear, international discords can slide up or down. Depending on the circumstances or demands, governments rally domestic populations to accept their foreign interventionist goals. Claims of altruistic liberation are fictitious, when the rhetoric is stripped away and the real substance is exposed. Notwithstanding, variances of emphasis; the motive of money underpins the movements of all military confrontations.”

Who can deny that the interest of the Israeli state advances under the Petro-Dollar system for oil payment? The prospect of allowing an oil exporter to do business paid in gold disrupts the balances that maintain an uneasy political rapprochement. Even more threatening to the globalist monopoly is a defiant regime like the Islamic Republic playing by different rules that bypass central banking approval.

It seems that the NeoCon Christian Zionists will never be happy until they institute a techno drone bombing campaign to shut off even more oil resources. With Iraqi and Libyan production in shambles, it is now time to eliminate the Iranian resource. Spiking oil to \$200 or more through another foreign intervention just



hikes the balance sheets of the oil traders and banking interests. There is no doubt that foreign aid to Israel will rise at even a higher amount.

The bonus is that the gold hordes of Iran would become the spoils of war and conveniently find their way into the storage vaults of the banksters. This is a sweet game as long as there is a continuous supply of gung ho mercenaries to push the button of terror from the skies. Moreover, sending boots on the ground serve an even more profitable hellhole, the War Party can demand a much higher budget, floated with even more debt bought by China with the proceeds from the oil supply that are secured from the export of Canadian shale oil.



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Miraculously, this pattern builds an even larger, if not, greater empire. As long as new villains are found to master, the Iran's of the world will become subjugated under the background music of God Bless America.

What fools our fellow citizens became somewhere in the last century. Remember the John D. Rockefeller quote: "Competition is a sin", especially if IRAN is the player.

Body bags are made from petroleum base material. In the height of ironv. the oil wars are fought to secure



the substance to form the burial cloth for disposable soldiers. If America really wants to stand behind the troops, their genuine duty is to prevent and oppose the next Middle East war.

Iran is not an existential threat to the United States. Haaretz reports that former Mossad chief Meir Dagan said in a television interview, "If Israel attacks Iran, it will be dragged into a regional war". According to Dagan, Iran, Hezbollah and Hamas will respond with massive rocket attacks on Israel. In that scenario, Syria may join in the fray, Dagan said on the television program "Uvda". Dagan added that such a war would take a heavy toll in terms of loss of life and would paralyze life in Israel."

An America First foreign policy cannot wage another bankers war.

**SARTRE** – January 29, 2012  
Source: <http://batr.org/view/012912.html>

--Hat Tip to Patrick Murck from Engage Legal for pointing this out. <http://www.engagelegal.com>

...from the **Facebook** S-1 filing as a Risk Factor:

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