DGC

MARCH 2011 #39

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SILVER IS FINALLY TRADING.

DGC

Digital Gold Currency Magazine

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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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http://www.webmoney.ru

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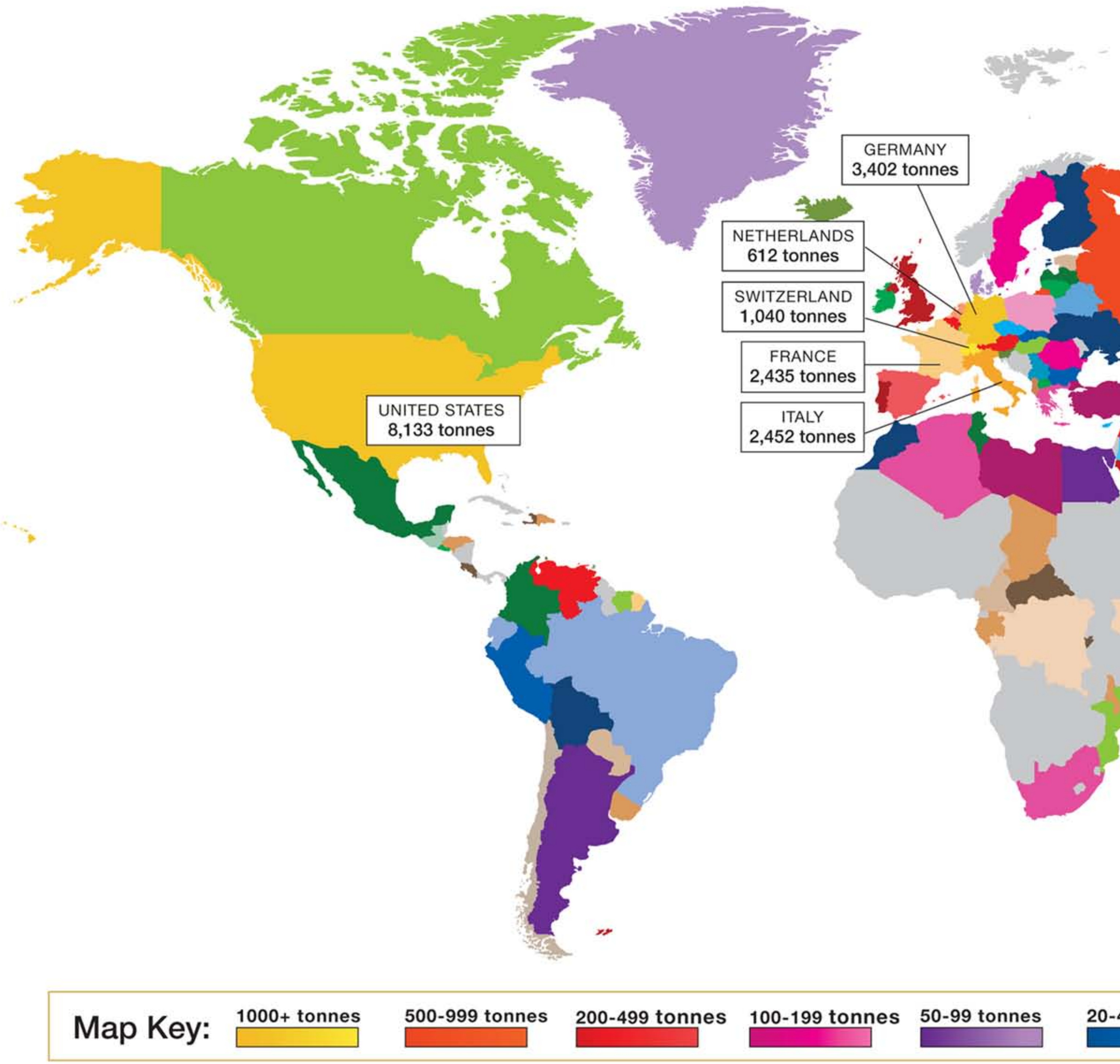
World Official Go



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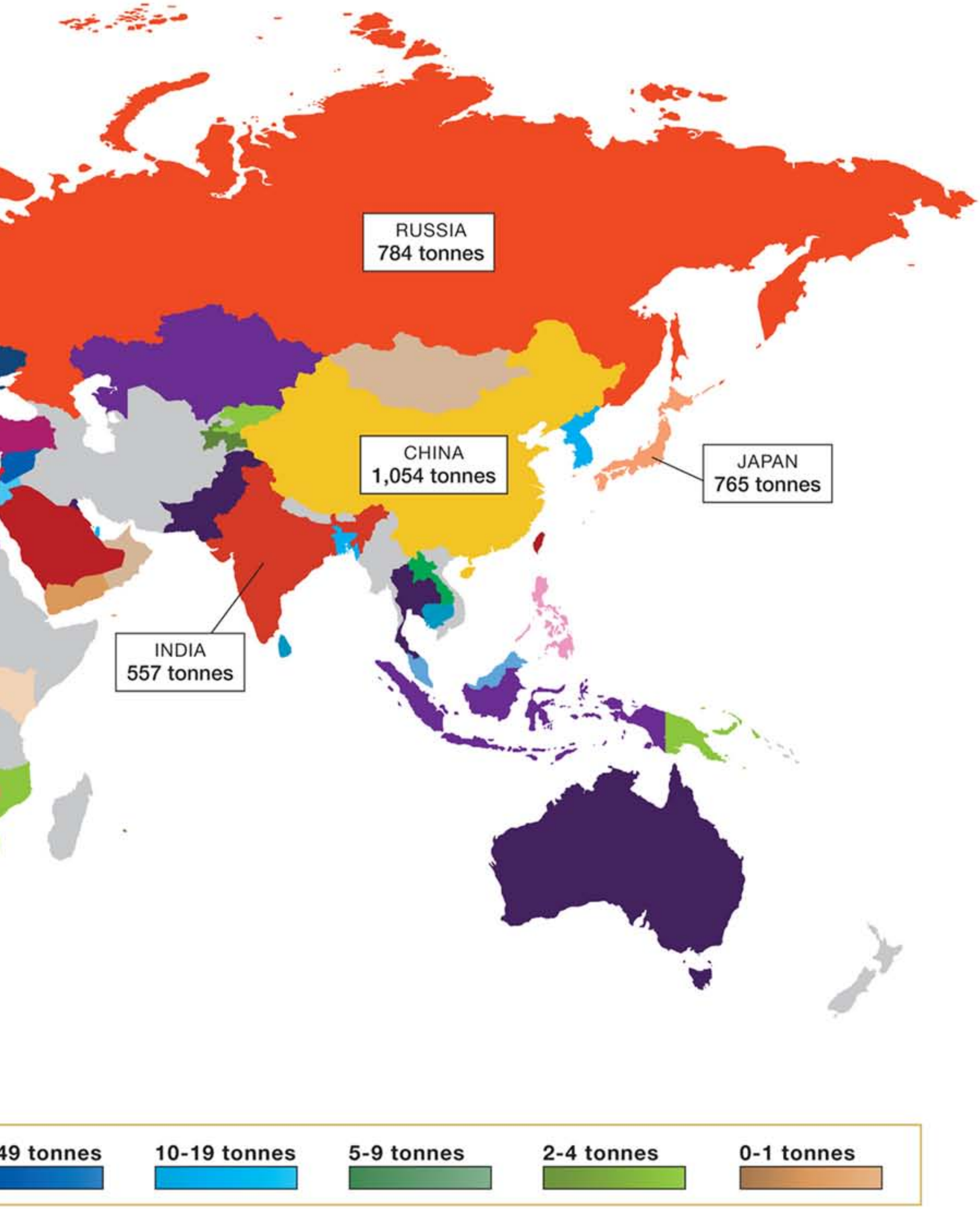

TOP 40 HOLDINGS

1. United States 8,133.5
2. Germany 3,401.8
3. IMF 2,827.2
4. Italy 2,451.8
5. France 2,435.4
6. China 1,054.1
7. Switzerland 1,040.1
8. Russia 784.1
9. Japan 765.2
10. Netherlands 612.5
11. India 557.7
12. ECB 501.4
13. Taiwan 423.6
14. Portugal 382.5
15. Venezuela 365.8
16. Saudi Arabia 322.9
17. United Kingdom 310.3
18. Lebanon 286.8
19. Spain 281.6
20. Austria 280.0
21. Belgium 227.5
22. Algeria 173.6
23. Philippines 156.5
24. Libya 143.8
25. Singapore 127.4
26. Sweden 125.7
27. South Africa 124.9
28. BIS 120.0
29. Turkey 116.1
30. Greece 111.7
31. Romania 103.7
32. Poland 102.9
33. Thailand 99.5
34. Australia 79.9
35. Kuwait 79.0
36. Egypt 75.6
37. Indonesia 73.1
38. Kazakhstan 67.3
39. Denmark 66.5
40. Pakistan 64.4

* A tonne, also referred to as a metric ton, has a unit of mass equal to 1,000 kg

Statistics acquired from: "World Official Gold Holdings." World Gold Council. World Gold Council, Jan 2011. Web. 1 Feb 2011. http://www.gold.org/download/value/stats/statistics/archive/pdf/World_Official_Gold_Holdings_January_2011.pdf


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FINE
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88


FINE
GOLD
999.9

WE ARE NOT READY

by Paul Rosenberg

There has to be something to fall back on. Everything is in the hands of the Fed and the banking system. If it goes kaput, what then?
– Hugo Salinas Price, interview with James Turk

Some nine US states considering some sort of Sound Money Act, as were covered in some length in our February issue. But those are political moves, and even if some are successful, will they arrive in time? And if not, what other choices remain? The choice should be digital gold, but we are not ready.

Mind you, it's not entirely our fault – we have been persecuted and terrorized for creating better money – but the fact is that if the fiat money system of the West crashed next month, we would not be ready to fill the gap. Not remotely.

Jim Turk and Gold Money might be able to handle a lot of business, but they're setup for large holdings, not for daily commerce. Perhaps Web Money could handle the daily commerce aspects, but I don't know enough about them to be sure of much. Then we have the other (generally smaller) currencies, some of which I respect, but I don't think any are prepared to step into the gap when fiat fails.

The questions in front of us are these: Can we become ready? (My answer is clearly “no.”) And if not, what should we do once the crisis starts?

WHAT ARE THE ANSWERS?

First of all, let's state the premise: We are supposing that fiat currencies world-wide will fail. This is a very safe bet, since 0% of fiat currencies have survived over a protracted time, but we are really looking at this as an event that will occur fairly soon. I still think that's a good bet, though not a certain one. We could get another World War, of course, in which all foreign debts between combatants would be cancelled. That's a hell of an ugly possibility, but, sadly, we cannot discount it.

So, presuming that the dollar, Euro and other currencies fail, what would happen next?

Probably the largest set of responses would involve the “obedient citizens.” They would mostly sit still and wait for instructions. But, that would only last until they got hungry; then they'd start to pull out of their stupor and start making phone calls.

The criminal and near-criminal people, of course, would go about to loot stores. The amount of damage they did would vary from place to place. Where “regular people” are armed, the damage would be real, but mostly contained and of a fairly short duration. Where regular folks have been disarmed, it could get pretty bad, at least for a time.

But wherever entrepreneurs are found, there will be action. These people will be making connections, setting up trading deals, arranging work and trade groups, and generally jumping in to supply whatever it is that people need most. The WILL find ways to get goods and deliver them to customers.

In this type of scenario, it would seem that our primary job should be to facilitate the work of the entrepreneurs. Let them use barter and gold/silver coin where possible, then use digital gold for long distance transfers, settlements and segmented payments.

If the meltdown comes, my opinion is that we should not go after the daily commerce of average people: There are far too many and they are not prepared to use new and unapproved systems. Entrepreneurs are prepared to work out of the box – they've been doing it for years and they are not choked by the fear of new things. Not many of them have used digital gold yet, but they will be able to adapt. An already frightened Joe Average will have a much harder time.

HOW COULD WE GET READY?

I am more or less repeating myself here, but in order to mature, the digital gold business needs to start acting like serious, adult businesspeople. That, to my mind, would include things like this:

1. Setup a serious industry organization. I am not talking about a coercive boss, but a cooperative group of industry people who will do things like establishing a code of ethics, organizing mediations and dispute resolutions, promoting the industry in general, and coordinating with friendly outside people and groups.

2. Start shunning Ponzis and other less-honest operators. Yes, we need to start weeding our own garden. If we ever want serious business, we have to reject the low-end. You don't have to (and should not) start calling policemen; just refuse to do business with the Ponzis and with people who do. Do you think you will lose business? Maybe in the short term, but getting rid of the dead weight will also allow us to be taken seriously, which means major growth. If you can't see the value in that, maybe you shouldn't be here in the first place.

3. Allow and publicize audits. Pick known honest auditors and have them visit and verify the gold in storage. The first fear of new users is that there really is no gold. Warranted or not, we can undercut that fear easily. It's rather amazing that this isn't done universally. Are we really all that neurotic that we can't let an auditor check the gold? Why would you NOT want people to know that you have the goods?

4. Eventually, coordinate insurance policies for gold storage. Makes sense, doesn't it?

THINK AGAIN

I've asked this before and I'll ask it again: *Are we ready to grow up, or not?*

So far, this business has NOT grown up. Solid, professional people have walked away from it because it has been so full of questionable, short-sighted people and petty fights. More are in danger of walking away and it's hard to blame them. This is not just a “fear of Big Brother” thing; it is a professional pride thing. Who wants to lead their clients into a nest of arguing, questionable actions and a widespread lack of maturity?

The odds are very good that in the next few years there will be a massive need for digital gold. Unless things change in this business, and change soon, it will become one of the great stories of people who were oozing ability, had a stunning opportunity sitting in their laps, and pissed it away with juvenile, short-sighted behavior.

Try to think about that... really.

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Nigeria is located in western Africa on the Gulf of Guinea and has a total area 356k square miles making it the world's 32nd-largest country. It is comparable in size to Venezuela, and is about twice the size of California.

Nigeria is the most populous country in Africa and the eighth most populous country in the world. It is the 12th largest producer of petroleum in the world and the 8th largest exporter.

The abundant supply of natural resources, well-developed financial, legal, communications, transport sectors and stock exchange make the economy of Nigeria one of the fastest growing in the world.

The following is a brief interview with Mr. Alli Rasheed who is the co-founder of www.rawgoldnigeria.com.

This digital currency exchange has been in existence since 2007 and even back in 2006 Alli's business operated as a local exchange within Nigeria.

Here is the February 2011 interview with Mr. Rasheed.

(Q) I had originally interviewed you back in early 2009 almost exactly two years ago. What has changed in your digital currency exchange business over the past two year?

(A) Things had changed more than I personally expected. RawGoldNigeria now has branch offices in other states across Nigeria and indirectly I supply exchangers, resellers in other African countries. I just came back from a week trip to South Africa and Botswana in other to look at how Raw Gold Nigeria would be able to be working from both South African countries.

(Q) How has the downfall of e-gold affected your business and customers?

(A) E-gold affected my business a lot in the sense that I did not know that e-gold would finally lose its value, we lost a lot of funds to e-gold and e-bullion and am sure loosing e-gold values also affect most of my customers as most of them still come for e-gold exchange up till now.

(Q) What is your most popular digital currency at this time or which does the most volume in transactions?

(A) The most popular digital currency request now is Libertyreserve.

(Q) What type of payments to you accept and pay out to customers?

(A) We accept cash payment in all our Nigerian office branches, we accept Bank payment, wire transfer, western union , Moneygram but we only pay international customers through wire transfer and local customers with bank payment and/or cash payment.

(Q) Is there one country or city that you have identified where a majority of your customers live? In other words are most of your customers from Nigeria or somewhere else?

(A) Most of my customers come from my state, Lagos state, Abuja, Portharcourt, Abeokuta. Especially Lagos and Abuja, these are all within Nigeria, I do sell a lot through international customers, I mean large amount of sales through international customers.

(Q) In Nigeria, I understand that digital gold and digital currency are both very popular. Last time we talked in 2009 you mentioned that digital currency users would often spend their funds on "forex trading, MLM, online investments etc." What are the most popular goods or services that you have identified today being purchased by digital currency users?

(A) Most users are using digital currency on forex and online investment, mlm are now in minimal.

(Q) Now that you have been using iGolder for about two years, what can you tell us about the system?

(A) The system is great to my own understanding, but the request are not encouraging.

(Q) How about Commerce Gold, www.c-gold.com , is that popular with customers in Nigeria?

(A) Before it was popular but not at moment. Libertyreserve had gone beyond expectation compare to other digital gold or digital currency.

(Q) Nigeria has Africa's largest population of mobile phone subscribers, estimated at between 40-70 million cell phone users. Are there any business connections between cell phones and digital currency payments in your area?

(A) Not in Nigeria.

(Q) Outside of the digital currency business, do local people use cell phones to send and receive money?

(A) It has never happen here in Nigeria, I only

experience it when I visited Kenya by June last year, when I loaded and recharged my mobile phone with Mascom recharge card and send funds to my customers in London.

(Q) Do you think that call phone integration with digital currency is an area that DGC companies could expand into?

(A) If you can work on it, it will be a great avenue for the progress of DGC companies as its an expectations from most people all over the world.

(Q) When a local customer is buying or selling digital currency, how fast can you fund his account?

(A)We process all orders as soon as we confirmed payment and he office branches of raw gold Nigeria all process all orders as soon as they received or confirmed payment.

(Q) How popular is Global digital Pay?

(A) Not popular in Nigeria.

(Q) On your website I see, Live Help, Skype, email and direct phone numbers for your offices. How do most customers reach you?

(A) Most customers reach me through Skype, yahoo messengers and direct phone calls.

(Q) Do you frequent any discussion boards or online forums that offer advice on digital currency products?

(A) Yes.

(Q) Do your local Nigerian customers still have confidence in the U.S. dollar? How about the euro?

(A) They have confidence in the U.S dollar a lot compare to euro.[more confidence in the dollar over the euro]

(Q) Have you ever surveyed or asked customers what they pay for using digital currency? What's popular right now?

(A) Yes, Forex indeed.

(Q) Are there any local companies or brick & mortar local businesses that would accept a payment for good or services in digital currency? (utilities, groceries etc?)

(A) Not in Nigeria for now.

(Q) Do you work directly with any prepaid cards that can be loaded with digital currency funds?

(A) No.

(Q) During our last interview I asked why you got started in this exchange business and you said, "To make the exchange service work faster within and outside Nigeria that there a good integrity within Nigeria and to make the world proud of Nigeria." Almost two years later, can you say that you are achieving this original goal?

(A) Basically and truly, YES. We have achieved more to our expectation and we are still progressing everyday.

(Q) Now that your company has become the premiere digital currency exchange agent in all of Nigeria, where do you see your company business headed in the next 5 years?

(A) As I said we have achieved more than expectation in Nigeria and we are working on getting more branches in other African countries.

Cheers.
Alli Rasheed Adekunle

Admin,
RawGoldNigeria
http://www.rawgoldnigeria.com

Digital currency lets GPU cycles print money

Written by Andrew Johnson
http://www.i-programmer.info
February 2011

Recently we ran a news item on how you could make money by selling your GPU's unwanted cycles - Sell your unused GPU cycles - the only mystery was what was being computed, was it legal or illegal and how did the company concerned actually make money out of GPU cycles. Now we have the answer and the story is stranger than you could have imagined. It involves a cyber currency and a controlled inflation.

It seems that there are more ways of making money than most people imagine. This is strange story of how money can be conjured from the thin air and how if there is money to be had there are always better ways of getting it.

To understand what is going on in the case of Compute4money you first need to know about Bitcoin. This an open source project to create a P2P cryptographic digital currency. You might at first thing that creating a digital currency would be a huge financial undertaking involving the monetary reserves of a few countries. But no, the miracles of economics mean that you can create wealth from nothing as long as you are careful about how you do it. You also need some clever software but it is the economics that is truly mind-boggling.

Bitcoin works by using a distributed database supported by a peer-to-peer network. It was created in 2009 by Satoshi Nakamoto and even though it is still in beta it has been steadily creating digital money in the form of Bitcoins since then. Digital signatures are used to track the exchange of the tokens. To stop a payee using the same token multiple times the transactions are stored in the distributed database.

Now we come to the complicated but very interesting part. We need to validate each transaction using a majority vote of the distributed servers. If this majority vote could be manipulated then Bitcoins would become worthless because a single coin could be spent multiple times.

One solution is to use a one IP address one vote scheme but you can see that this is open for abuse by anyone who can muster a block of IP addresses. The scheme used is an implementation of the proof-of-work algorithm. When a node receives a block containing the details of a set of transaction it has to perform a complex and time consuming computation before it can submit its vote. The computation takes the form of adding an item of data to the block that makes its computed hash start with a specified number of zeros.

It turns out that the amount of work required to do this is exponential in the number of zero bits. The only way to do the job is essentially trial and error.

Once the value has been computed it is added to the block and from this point on any changes to the block would require the work to be redone to make the hash have the correct number of zero bits. At this point the node can submit the block to all the other nodes for inclusion in the official chain - the nodes also check the block for consistency at this point and make sure that a transaction doesn't spend a Bitcoin twice. The need to do work makes the system dependent on the fact that the majority of CPUs engaged in the network are honest.

This is a strange idea but the next refinement is even stranger. The first transaction in any block is always the payment of a new batch of Bitcoins to the owner of the machine that submits it. This mean that users participating in the P2P network get paid for the work they they do in newly minted Bitcoins. This is how the new currency is distributed. Slowly but surely Bitcoins are being handed out for work done helping to run the Bitcoin system.

The system is designed so that the total number of Bitcoins in circulation tends toward 21 million exponentially - so 3/4 of this figure will have been generated by 2017. This means that the money supply is subject to a controlled inflation. But printing money doesn't necessarily lead to a fall in its values. When Bitcoin was launched one Bitcoin was worth around $0.05 now they are worth around £1.00 each. How has this happened? Simply by trading them. You can buy and sell Bitcoins with other currencies and you can use them to buy (at the moment a limited range of) services and goods. Just by being controlled and reliable the Bitcoin has acquired value. This is how all currencies work.

Now we come to the part of the story where the GPU and Compute4Cash enter the picture. Compute4Cash pay for use of your GPU and the program that they run simply does the work required to complete a Bitcoin block. When they are first to complete a block they gain a Bitcoin. At the current rates they are making about 50% profit. As the program they use is an open source GPU "miner" then there is no reason why you couldn't just download it and make 100% of the profit for yourself and your GPU.

So the mystery is now solved. We now know what Compute4Cash is using the GPU time for and it isn't illegal. It may not be illegal but it is cheeky in using an open source program on your GPU to cream off 50% of the profit. The sad part is that this is such a specific application of the GPU to make money that there doesn't seem to anything much to generalise. So this isn't a trend but a one-off anomaly - until another one off anomaly comes along.

Economics, finance and money in general are just plain strange... I for one will stick to programming.
More information
Sell your unused GPU cycles
http://www.i-programmer.info/news/141-cloud-computing/1992-sell-your-unused-gpu-cycles.html
Instructables
http://www.instructables.com/id/How-to-make-money-using-your-computer/
Compute4Cash http://www.compute4cash.com/
Geeks3D
http://www.geeks3d.com/20110212/compute4cash-use-your-gpu-to-make-money-with-opencl/
Bitcoin website http://www.bitcoin.org/
Wikipedia Bitcoin entry http://en.wikipedia.org/wiki/Bitcoin
The original paper describing Bitcoin - Bitcoin: A Peer-to-Peer Electronic Cash System
http://www.bitcoin.org/sites/default/files/bitcoin.pdf
OpenCL_miner https://en.bitcoin.it/wiki/OpenCL_miner

Acknowledgment
A huge thanks to Matt Marts for providing the information on how it all works and for pointing out that with only a little more effort the GPU owners could get 100% of the profit.

Source:
http://www.i-programmer.info/news/141-cloud-computing/2015-digital-currency-lets-gpu-cyles-print-money.html

Silver class-action suits against Morgan, HSBC consolidated in New York

A judicial panel on Tuesday consolidated class-action litigation alleging that JPMorgan Chase & Co. and HSBC Holdings PLC violated antitrust laws by manipulating the silver market and potentially reaped billions of dollars while keeping the price of silver artificially low.

The U.S. Judicial Panel on Multidistrict Litigation on Tuesday consolidated the seven class-action lawsuits pending against the two banks in the U.S. District Court for the Southern District of New York.

"A majority of the domestic defendants are located in that district, and thus many witnesses and discoverable documents are likely to be found there," the panel ruled. "In addition, a substantial majority of the constituent and potential tag-along actions are pending in that district (including the first-filed action)."

The MDL has been assigned to Judge Robert P. Patterson Jr.

According to the order, six of the seven cases pending against JPMorgan and HSBC were filed in the Southern District of New York, while the seventh is pending in the U.S. District Court for the Eastern District of New York. The panel found that consolidating the litigation would "eliminate duplicative discovery; prevent inconsistent pretrial rulings on class certification, discovery, and other pretrial issues; and conserve the resources of the parties, their counsel and the judiciary." The suits were spurred in part by a statement in October by Commissioner Bart Chilton of the U.S. Commodities Futures Trading Commission saying there had been "repeated attempts to influence prices in the silver markets."

The CFTC has been investigating the silver market for two years, and Chilton said the "fraudulent efforts to persuade and deviously control" silver prices should be prosecuted.

The suits, which specifically allege violations of the Commodity Exchange Act and the Sherman Act, claim that the banks collaborated to suppress the price of silver futures and options contracts by amassing "enormous" short positions in Commodity Exchange Inc., or Comex, beginning June 1, 2008.

Many of the allegations in the suits come from information provided by a whistleblower who used to work in the London office of Goldman Sachs Group Inc., the suits say. The whistleblower is not named in the complaints, but in testimony before the CFTC in March, Bill Murphy, chairman of the advocacy group the Gold Anti-trust Action Committee, said it was a metals trader in London named Andrew Maguire.

After Maguire went public in March, the defendants began to unwind their positions in Comex, the suits claim. Since then, the net short position of silver futures that are held by commercial banks -- the vast majority of which are made up of JPMorgan and HSBC -- has dwindled by more than 30 percent, the suits say. As that happened, the price of silver skyrocketed, reaching $24.95 an ounce in October, its highest level in 30 years, the suits contend.

JPMorgan and HSBC declined to comment on the suits.
Cleary Gottlieb Steen & Hamilton LLP is representing HSBC.
Counsel for JPMorgan was not immediately available.

The MDL is In re: Commodity Exchange Inc., Silver Futures and Options Trading Litigation, MDL number 2213, in the U.S. District Court for the Southern District of New York.
Daily Dispatches By Evan Weinberger
Law360.com, New York
Tuesday, February 8, 2011
http://www.law360.com/securities/articles/224556

The Dinar People Magazine February 2011

The first of our Dinar People e-magazines is ready for download! The e-magazine contains current affairs and developments in the growth of Islamic Gold Dinar, Silver Dirham, Halal currency, trade and economy. Dinar People is about promoting links and trade between like minded people.

DP e-magazine is available to all members and will also be distributed to an even greater audience through associated groups.

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Discover how the Islamic Gold Dinar is changing Asia.

GoldMoney introduces a new way to verify your ID with Postident

LONDON - (Business Wire) GoldMoney, one of the world's largest providers of physical bullion for retail and institutional investors, gives customers the ability to purchase and store precious metals in a secure environment. With the aim of making the customer signup process even easier, GoldMoney is now offering all German residents a new way of verifying their ID and signing up for a Holding. Customers can download the documents for the Postident verification from the GoldMoney website and take them to any branch of Deutsche Post AG to complete the verification process. Deutsche Post is Germany's only universal provider of postal services.

"One of the main goals at GoldMoney is ensuring that our service is as convenient for our customers as possible. The new initiative with Deutsche Post helps us to meet this goal," says Geoff Turk, CEO of GoldMoney. By identifying customers through Deutsche Post, GoldMoney is utilising the same process that is employed by banks in Germany. "Our customers can identify themselves quickly and easily via Postident, so this new service works well with our corporate philosophy," explains GoldMoney spokesman Alex Preukschat. He adds: "Even if customers don't choose to use Postident, they can still make use of the online signup process which was introduced in 2009."

About GoldMoney

GoldMoney is a fast growing enterprise founded by James and Geoff Turk. As one of the world's largest providers of physical bullion for retail investors, GoldMoney is combining 21st century technology with the world's oldest money: Gold. The company efficiently uses the internet to make the online purchase and the storage of gold, silver, platinum and palladium secure, convenient and economical. Residents of 86 countries can establish a GoldMoney Holding to build savings and secure their wealth by owning pure gold, silver, platinum and palladium with www.GoldMoney.com. All precious metals are insured and stored safely and conveniently for the investor in specialized precious metals vaults in London, Zurich and Hong Kong. By performing regular audits GoldMoney constantly ensures and verifies the contents of their precious metals vaults, thereby setting the industry standard for companies in this sector.
GoldMoney services can be accessed at http://www.GoldMoney.com

Photo: http://www.flickr.com/photos/goldmoneynews/4700036351/

Build a better mousetrap, and the world will beat a path to your door

-Ralph Waldo Emerson

The better an idea...the more helpful a project....the more people will want to participate. As the size and success of DGC industry leaders like GoldMoney and WebMoney Transfer grows, we are now seeing business partnerships and agreements with more main stream financial businesses. Here are some examples for the month of February.

GoldMoney forges strategic partnership with Fidor Bank

February 2, 2011 – GoldMoney has entered into its first strategic partnership with a financial institution. The Munich-based Fidor Bank AG, which operates through the concept of a "mobile banking community", will use the GoldMoney platform to offer physical precious metals to its clients in Germany.

The partnership will enable Fidor's customers to buy gold, silver, platinum and palladium without completing any GoldMoney application forms. Orders will be processed daily through the FidorPay Account at the Bank and then placed with GoldMoney through an 'Omnibus-Holding' in the name of Fidor. Furthermore, Fidor's customers can now make precious metal transactions directly with each other by using Fidor's FidorPay facilities.

Geoff Turk, CEO of GoldMoney, said: "We have recognised that many banking customers are currently demanding solutions enabling them to invest in precious metals. This partnership is an excellent opportunity for GoldMoney to open itself up to new customers seeking to purchase precious metals. Fidor will utilise GoldMoney´s expertise to provide this service and we are therefore delighted that this strategic partnership has been forged."

Matthias Kröner, Fidor Bank's CEO, added: "We want to offer our customers facilities to buy physical precious metals very easily, fast and online. Also we want to enable our customers to buy precious metal with as little as 1 Euro. This will make precious metals accessible to a wide range of retail customers in Germany who previously have been prevented from buying precious metals due to high minimum-thresholds. We're delighted to announce our new partnership with GoldMoney who will be able to help us achieve these objectives and we're looking forward to a successful long-term relationship."

Standard Life customers can now hold physical gold through GoldMoney

February 14, 2011 – Investors worldwide view gold as an effective way to preserve their purchasing power over long periods of time. Accordingly, gold is a sensible option when considering how best to allocate your pension investments. GoldMoney and Standard Life, one of the largest pension providers in the UK, have joined forces to provide a practical way for Standard Life's Self Invested Personal Pension ("SIPP") owners to hold physical gold bullion.

As of today, Standard Life has added physical gold bullion to the wide range of investment options available as part of its highly successful SIPP. GoldMoney and Standard Life have seamlessly integrated their respective systems so that Standard Life's customers can now easily and cost effectively trade and store physical gold bullion within their SIPPs.

"We're delighted to be working with Standard Life to provide an effective solution for their class-leading SIPP product. Facilitating pension investment into precious metals – especially physical gold – remains one of our key objectives, so this new partnership with Standard Life represents a significant step forward for us", said Geoff Turk, CEO of GoldMoney.

Alistair Hardie, Head of SIPP for Standard Life, commented: "Advisers and customers have asked us to introduce gold as part of our specialist SIPP proposal and I am delighted we can respond by working with GoldMoney. GoldMoney is a well-established company with a decade of experience working with customers wishing to buy and store physical precious metal. Our SIPP has broad appeal, as evidenced by us recently passing the 100,000 customer milestone. We will continue to be responsive to adviser and customer needs to ensure our SIPP remains market leading."

WebMoney Now Offers The PaySpark UnionPay cards

February 15, 2011 -- WebMoney now offers PaySpark UnionPay cards, denominated in USD via WebMoney Cards Service. PaySpark UnionPay Card can be funded via your WMZ Purse. Funds are added to a card within several minutes for up to an hour.

As soon as the card is activated it appears at your WebMoney Keeper in the Purses' List.

PaySpark UnionPay Card can be used as a regular UnionPay ATM card (anywhere where UnionPay Logo is shown).

Learn about the very inexpensive card usage fees here: https://cards.wmtransfer.com/en/products/tariff/cup

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Anglo Far-East Launches Physical Gold and Silver Bullion Logistics Platform for Institutions and Fund Managers

PANAMA, Feb. 10, 2011 /PRNewswire/ -- Anglo Far-East Bullion Company is pleased to announce the launch of Anglo Far-East Custodial Company (AFECC). AFECC provides logistics and support services to institutions and funds that wish to source bullion at the core of the industry for private institutional holdings or for gold or silver backed funds and ETF's.

AFECC draws on several decades of experience and a solid track record of providing physical gold and silver acquisition, transportation, vaulting, and liquidation of "Good Delivery" gold and silver bullion.

About Anglo Far-East Custodial Company
Anglo Far-East Custodial Company (AFECC) is part of the Anglo Far-East group of companies, and provides logistics support to institutions, funds, and trusts in the market of good delivery gold and silver bullion.

AFECC handles the full range of acquisition, storage, and liquidation of good delivery gold and silver bullion on behalf of its clients.

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Buddy Can You Spare 0010110010001110100110 10011011000110110000110100100101100010011101?

Article from Mac, Fredericton, New brunswick, Canada,
haynes@nbnet.nb.ca,
http://digital-donuts.blogspot.com/

Remember money? I bet some of you used to get paid with real money just like I did. And I don't mean a cheque either - I mean real folding money and coins, right down to the last penny owed. I think the last time I was paid in real money was when I worked retail in Calgary. Every Friday afternoon we would form a long line and receive our pay packets from the payroll lady who sat behind a folding card table in the lunch room. Pay packets were kind of exciting to receive; little brown envelopes with your name on the outside and cash on the inside - actual legal tender in exchange for a job well done. Now there is a blast from the past!

But for the last few decades it seems that more and more of us have been getting paid with electronic currency, digital money or to call it what it really is - numbers. The numbers are assigned to our bank accounts and then we in turn assign some of these numbers to other accounts in other banks to pay bills or buy goods. Then if we have enough numbers left over we can merely swipe or wave a card to purchase virtually anything - even a cup of coffee and a donut at Tim Horton's.

This is not necessarily a bad thing but it makes one wonder how much real money there actually is in the world anymore. Does anyone know, does anyone really care? How about panhandlers - a segment of the economy that has traditionally dealt in cold, hard cash? Their way of doing business surely must be threatened as prices go up and actual money becomes increasingly scarce. The days of soliciting the public for nickels and dimes are surely drawing to an end - why just last week an ambitious fellow in the street asked me for $7.00. Now I ask you, who carries around that kind of cash - certainly not me!

But there is hope. How long before we see an enterprising beggar on the street offering strangers the opportunity to transfer him some funds on his laptop or cellphone? The technology exists today although few of us would have the confidence to actually participate in such a scheme. But I fear it won't be long until someone comes up with a handy pocket sized gadget for that very purpose. Think of the opportunities for an entirely new mobile device with clever names like the PanHandler, the BumBuddy or Heaven forbid - the iSwipe.

Ours is a fast moving economy built on innovation and ingenuity, so it is only a matter of time before we long once more for the good old days of the pay packet. And how we will wish that guy on the corner could still be satisfied with a couple of quarters.

http://digital-donuts.blogspot.com/2011/01/buddy-can-you-spare-0010110010001110100.html

Present day photos of the Fort Knox Bullion depository. Is it full or almost empty?

Flickr Photo By cliff1066™ http://www.flickr.com/photos/nostri-imago/2861016147/

Gold all there when Ft. Knox Opened doors

September 15, 2009
by David L. Ganz
http://www.numismaticnews.net/

America's gold bullion depository at Ft. Knox, Ky., was built to be impregnable to enemy invasion, but 35 years ago, it was invaded by 120 members of a press contingent. It remains a gold-letter day for those who made it to the "A" list and attended.

America's gold bullion depository at Ft. Knox, Kentucky was built in the 1930s to be impregnable to enemy invasion, but 35 years ago on Sept. 23, 1974, it was invaded by 120 members of a press contingent that I was part of, and a dozen members of Congress and representatives of the Mint and Treasury Department. It remains a gold-letter day for those who made it to the "A" list and attended, and a bitter day for those who were not allowed into Ft. Knox, but even more so for the journalists who had relentlessly argued, publicly, that the visit would never be allowed in the first place because the government had secretly trucked the gold out.
Even for the jaded, the experience was nothing short of amazing.

Visiting Ft. Knox, then as today, is virtually unheard of. The Treasury and the Federal Reserve, both of whom serve as co-administrators of the facility, have a strong policy against it. Dozens of requests are turned down annually. Even former Presidents are denied entry.

Visit turndowns were efficient and specific: "The Depository is a classified facility. No visitors are permitted, and no exceptions are made."

No one from the public other than President Franklin D. Roosevelt, who made an inspection trip in 1943, has been inside before or since, the 1974 occasion.

Reversal of this policy on a one time only basis came as a result of a series of peculiar events that resulted in a congressional demand for an audit of the bullion depository, and a first-hand viewing of the gold deposited there.

Prior to Ft. Knox, centralization of the nation's gold supply in New York was policy until it was recalled that the British seized it during the Revolutionary War and Nazi forces might try to do likewise.

It was determined that a military reservation was needed to act as protector, and that the nation's gold and silver reserves would be separated. West Point, with the nearby U.S. Military Academy was chosen for silver; for gold it turned out to be the Ft. Knox military reservation outdid Lexington, Ky.

About a year and a half was taken in a project that included 16,000 cubic feet of granite, 4,200 cubic yards of concrete, 750 tons of reinforcing steel, and 670 tons of structural steel.

Gold was transported by caravan across eastern America, reported afterwards in the daily newspapers who marveled at the ingenuity of the building, its interior vaults and symbolic meaning of the original secure location.

The cost of construction was $560,000 and the building was completed in December 1936.

By the end of the Truman Administration in 1952, some $2 billion in gold had been repatriated abroad to our allies. Suspecting that this was not the whole story, the incoming Eisenhower Administration was faced with demands for an investigation and promptly conducted one.

An advisory committee was organized under the directorship of Treasury Secretary George Humphrey, and with the consultation of former Treasury chief John Snyder. Rules were formulated and an audit conducted.

Reporting to the President, the committee said it "was impressed with the evidence of the adequacy and effectiveness of the audit and controls methods that are being followed ... Your committee has no reason to doubt the accuracy of the Treasury's accounts." For two decades, the result of this audit was accepted.

Vaults were sealed after that audit in 1953.

Vault doors containing this gold really are little more than compartments within the giant vault. They have been sealed with a special tape designed to show breakage and tampering. Hot sealing wax covers both ends, holding them to a card that was signed at the time of the dealing by three representatives of the government.

One persistent rumor that there was no gold left in Ft. Knox resulted in the first opening of the depository to the public in 1974. The cause: Dr. Peter David Beter, a Washington attorney, whose book "Conspiracy Against the Dollar," makes an attack on international monetary reform and the Rockefeller interests.

Beter charged that "powerful Americans have secretly permitted $20 billion worth of gold to be removed from Ft. Knox." The weekly publication National Tattler picked up the story, blazed it into headlines, and members of Congress soon began to receive inquiries from constituents.

Ed Busch, of WPAA Radio, Dallas, Texas, gave Beter a forum to continue with his charges. The Treasury initially refused comment, not wishing to dignify the charges by way of rebuttal. Soon, however, congressional pressure for an answer mandated a statement, made informally, that Beter's view was "ridiculous."
Heightening suspicion on the part of Beter, and others, was the continued refusal by the Treasury to open the facility for inspection by anyone – including members of Congress.

Reason for this was well-explained by Mint Director Mary T. Brooks, whose Mint bureau had full charge over the depository facility. "The policy against visitors is longstanding," she commented in an interview with me in 1973.

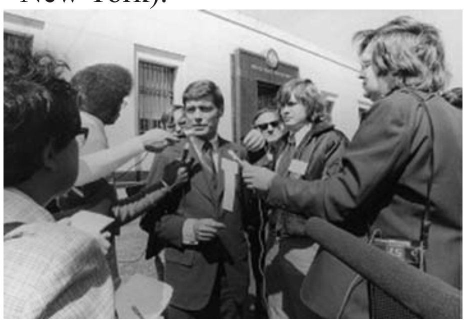
Security, to be sure, was a dominant factor, but in the minds of some, there could be only one reason: something to hide.

For me, the trip to Kentucky was a long one. Signs up for Ft. Knox press contingent were all over the Louisville airport. Ft. Knox personnel handling the press were present (not terribly large). An army bus awaited to take us to the depository located on the military reservation.

Among those on the bus besides me: Clifford Mishler [then a senior editor at Numismatic News, now ANA president], Robert Simon of the Chicago Sun Times and Bill Barnhill of The

Tattler (which started the whole Ft. Knox expose). Joining later: Margo Russell, editor of Coin World, and Jim Miller, publisher of COINage. My position was unique – a freelance writer then taking a day off from law school to have a story of a lifetime.

My notes from that day reflect the times: gas at 50.9 cents a gallon. (It was priced 9 cents higher in New York).



Soon, a sign was visible on the road: Ft. Knox: Home of the 194th Armored Brigade. Traveling along Brandenburg Road turnoff, which leads into the military reservation, there are some railroad spur lines, rusted and weed infested, indicating lack of use. I remember thinking, the gold didn't get out that way.

As we moved still closer to the fort, however, the spur lines criss-cross the entire area and these aren't rusted, or weeded, and seem to be well used. I started to wonder.

Helicopters and small aircraft seemed to be in the air all the time.

The bus turned on to Bullion Blvd. The bus continues until it runs into the perpendicular "Gold Vault Road." One hundred yards, or so, up is Ft. Knox Bullion Depository.

At the entrance to Gold Vault Road was a sign and a large speaker. The sign states in bold, large capital letters: HALT. STATE YOUR BUSINESS IN LOUD SPEAKER. DO NOT ENTER WITHOUT PERMISSION.

Inside, I met up with Charles Stahl, president of the Economic News Agency and publisher of Green's Commodity Market Comments. I asked him what would happen if no gold was to be found. Stahl said that the price of gold on the free market would rise.

"But there's no way it's not here," he said, noting in addition that it was not even the world's greatest hoard.

"There's $60 billion in the Fed in New York," he noted, "the largest hoard there contains 402 million ounces." Ft. Knox, he reminded me "has only 147 million ounces."

Recognizing Rep. Philip M Crane, R-Ill., I asked him why he had suggested a tour of Knox.

"I suggested it because of rampant rumors that significant portions of our gold reserves were gone," he replied.

"I suggested it to William Simon [Secretary of the Treasury] because, if coupled with an audit, would serve to help gain confidence in the monetary system.

"I'll be satisfied with the audit,"

he said, noting that there was a previous one in 1953, just after President Eisenhower took office.

Crane noted he had held one of the 400-ounce brick (approximately 27 pounds) and noted its worth of $65,000 on the free market.

"Exciting" was the way he put it. "It was impressive how much value can be found in such a small package," he remarked.

Today, the value of the same bullion cube is worth over $360,000.
Ed Busch, of WFAA Radio questioned Crane closely.

Another member of Congress, Clair W. Burgener, R-Calif., on the House Banking and Currency Committee, was among those present at Ft. Knox. In an interview with me, he said it was both "interesting and educational and reassuring" to have been there.

"Concern by some of my

constituents," was the reason he cited for his presence. "The audit is timely," he said, noting that it was "over 20 years" since the last one.

"Personally," he said, "I'm convinced that only a conspiracy or a military invasion could get the gold out of here."

Other members of Congress arrived for the tour.

Reporters drew sticks to see who went in first. The space is so crowded and limited inside that only small groups could go in. Jim Miller and I were chosen to go in with the congressional delegation.
The guards frisked everyone including congressmen with a sensitive metal detector.

Maneuvering around the narrow corridors, the group entered a large staging area and carefully examined the 20-ton steel vault door – proclaimed "impenetrable" by the guards.

There is a 104-hour time lock on the vault, and, usually, it is kept closed. Since we went off the gold exchange standard in 1971, there was little call for gold from the depository.

(Until Aug. 15, 1971, foreign governments could ask for physical gold in exchange for U.S. Federal Reserve Notes at the rate of $35 a troy ounce, necessitating physical removal.)

Entering the vault, which is the size of a comfortable four room apartment, we saw a dozen compartments spread over two floors. Each was sealed with a special tape designed to show if any forced entry had been made.

Mint Director Brooks took a scissors and prepared to cut the tape, breaking the seal. She did so, and an officer opened the vault.

"I'm very happy to show the country that the gold is here," she declared.

"I knew it was here, of course." So did nearly everyone else who came, most believing that the government would never show off an empty vault to the press or public.

Seeing that much gold for the first time is overwhelming. Initially, the glare from the light and flashbulbs on the shimmering metal is blinding

Rep. John Rousselot, R-Calif., was next to me and asked a guard about an unsubstantiated rumor that Beter popularized: that there was an escape tunnel from the building that was used to take out gold bullion.

Indeed, Rousselot was told, there is a tunnel in the lower level. He asks to see it and was rebuffed. An argument ensued going up the food chain to Mint Director Brooks, who approves the visit. I stick by Rousselot's elbow and take out my camera to start taking pictures.

"No pictures here," a Treasury official said.

"Why not?" Rousselot demands. "He's an American!" Pictures allowed.

We found the tunnel sealed and dated as the vaults are. Explained an official from the depository, "All vaults have this type of escape device." It can only be opened from inside the vault and has an intended use only when the door is shut, the time-lock set and someone mistakenly trapped in the vault.

The escape tunnel is about the size of a sewer pipe, and as Rousselot and other members of Congress noted at the time, it moves horizontally and can only he crawled through with some degree of difficulty.

The seal was broken at the delegation's request, and the door opened. Conclusion was that the tunnel – which opens inside the depository building, but outside the vault proper – was not a viable means for anyone to try to remove substantial quantities of gold. The escape could only be made outside the vault, not the building itself.

For a coin collector visiting the facility, there was one terribly ironic note. More than a quarter of the gold that was viewed appeared to be coinage gold – .900 fine, obtained from the melting of United States gold coinage.

It was difficult not to be struck by the irony of seeing the end result of the destruction of so many formerly collectible coins.

http://www.numismaticnews.net/article/Gold_all_there_when_Ft_Knox_opened_doors/

1099 Repeal Near?

By Numismatic News

A bipartisan bill in the Senate that would repeal the unpopular 1099 provision in the healthcare law garnered 60 co-sponsors on Jan. 27, giving the legislation its best chance at passage so far.

Since Sens. Joe Manchin, D-W.Va., and Mike Johanns, R-Neb., introduced the bill, lawmakers have quickly signed onto the measure, which would eliminate the requirement that businesses file the forms to the IRS for every vendor with which they have at least $600 in transactions.

The measure has the support of 45 Republicans and 15 Democrats.

Johanns failed twice last year to push through a bill, even though Democrats, Republicans and the White House agreed that the provisions would place an “onerous burden” on businesses.

He credited President Obama’s backing of the repeal, combined with lawmakers learning about the issue, for his bill’s fast popularity in the 112th Congress.

> *“We can start right now by correcting a flaw in the legislation that has placed an unnecessary bookkeeping burden on small businesses,”*

Obama said in his State of the Union address on Jan. 25.
http://www.numismaster.com/ta/numis/Article.jsp?ad=article&ArticleId=17603

UPDATE

H.R. 4, the “Small Business Paperwork Mandate Elimination Act of 2011,” repeals the new Form 1099 information reporting requirements that were imposed on small businesses to help pay for the health care law.

Senate Repeals 1099 Mandate

On Feb. 3 the Senate voted 81-17 to repeal the 1099 reporting requirement mandated by last year’s health care law, said Nicholas Pyle of the Numismatists United for Political Action.

The measure was adopted as an amendment to Federal Aviation Administration Reauthorization Bill.

Unless repealed, in 2012, firms, including numismatic and precious metals concerns, must file a 1099 tax form for almost any company they buy goods from as well as business-to-person transactions they make aggregating $600 or more in a year.

Action is required by both the Senate and the House, where a House Ways and Means Committee spokesman said Chairman Dave Camp, R-Mich., intended to mark up legislation before the House recesses for Presidents Day weekend.

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GRAPES OF WRATH – 2011

13th February 2011
http://www.theburningplatform.com/

"And the great owners, who must lose their land in an upheaval, the great owners with access to history, with eyes to read history and to know the great fact: when property accumulates in too few hands it is taken away. And that companion fact: when a majority of the people are hungry and cold they will take by force what they need. And the little screaming fact that sounds through all history: repression works only to strengthen and knit the repressed." **– John Steinbeck –** Grapes of Wrath

John Steinbeck wrote his masterpiece The Grapes of Wrath at the age of 37 in 1939, at the tail end of the Great Depression. Steinbeck won the Nobel Prize and Pulitzer Prize for literature. John Ford then made a classic film adaption in 1941, starring Henry Fonda. It is considered one of the top 25 films in American history. The book was also one of the most banned in US history. Steinbeck was ridiculed as a communist and anti-capitalist by showing support for the working poor. Some things never change, as the moneyed interests that control the media message have attempted to deflect the blame for our current Depression away from their fraudulent deeds. The novel stands as a chronicle of the Great Depression and as a commentary on the economic and social system that gave rise to it. Steinbeck's opus to the working poor reverberates across the decades. He wrote the novel in the midst of the last Fourth Turning Crisis. His themes of man's inhumanity to man, the dignity and rage of the working class, and the selfishness and greed of the moneyed class ring true today.

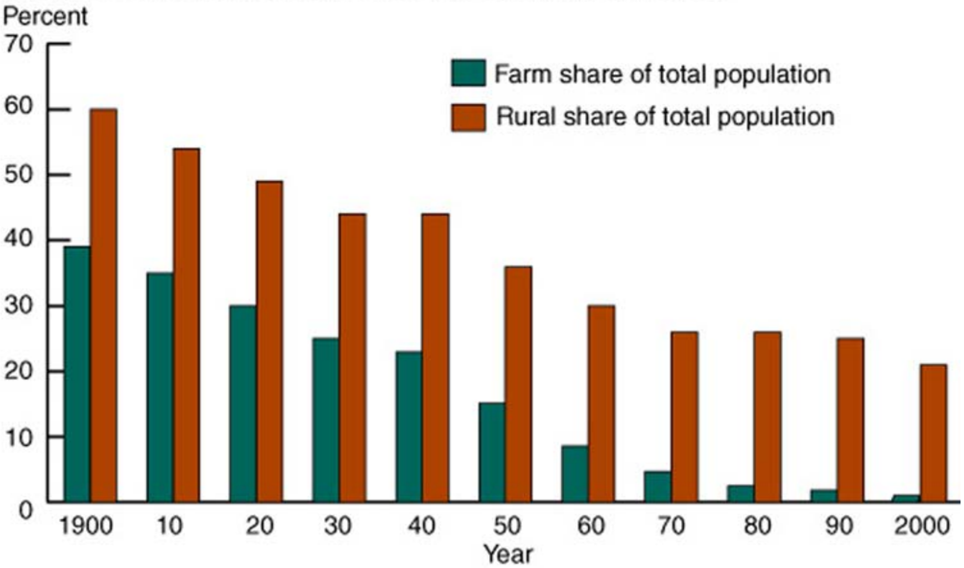
Steinbeck became the champion of the working class. When he decided to write a novel about the plight of migrant farm workers, he took his task very seriously. To prepare, he lived with an Oklahoma farm family and made the journey with them to California. Seventy years later the plight of the working class is the same. If Steinbeck were alive today he would live with a Michigan auto manufacturing family making a journey to fantasyland of green energy, where automobiles ran on corn and sunshine. The working class bore the brunt of the Great Depression in the 1930s and they are bearing the burden during our current Greater Depression. Steinbeck knew who the culprits were seventy years ago. We know who the culprits are today. They are one in the same. The moneyed banking interests caused the Great Depression and they created the disastrous collapse that has thus far destroyed 7 million middle class jobs. Steinbeck understood that the poor working class of this country had more dignity and compassion for their fellow man than any Wall Street banker out for enrichment at the expense of the working class.

Okies and the Land of Milk & Honey

"How can you frighten a man whose hunger is not only in his own cramped stomach but in the wretched bellies of his children? You can't scare him–he has known a fear beyond every other." - **John Steinbeck –** Grapes of Wrath

The America of 1930 was different in many aspects from the America of 2011. The population of the U.S. was 123 million, living in 26 million households, or 4.7 people per household. Today the population of the U.S. is 310 million, living in 118 million households, or 2.6 people per household. The living and working structure of the country was dramatically different in 1930. The percentage of the population that lived in rural areas exceeded 40%, down from 60% in 1900, as the country rapidly industrialized. One quarter of the population still worked on farms. Today, less than 20% of Americans live in rural areas, while less than 2% live on farms. In 1935, there were 6.8 million farms in the U.S. Today there are 2.1 million farms. The family farm has been slowly but surely displaced by corporate mega-farms since the 1920s, with 46,000 farms now accounting for 50% of all farm production today.

Figure 1
Both the U.S. farm population and rural population have dwindled as a share of the Nation's overall population



The sad plight of the American working farmer did not begin with the Stock Market Crash of 1929. The seeds of destruction were planted prior to and during World War I. Automation through technology allowed for more cultivation of land. Agricultural prices rose due to strong worldwide demand, leading farmers to dramatically increase

cultivation. With food commodity prices soaring, farmers fell into the classic trap that McMansion buyers fell into from 2000 through 2006. Farmers took on huge amounts of debt to acquire more land and farming equipment as local banks were willing to feed their illusions with loans. It was a can't miss proposition. Jim Grant in his book Money of the Mind: Borrowing and Lending from the Civil War to Michael Milken described the end result:

> *Like bull markets in stocks, the bull market in farmland engendered the belief that prices would rise forever. "Speculators who had no interest whatever in farming bought land for the 6 percent or 8 percent annual rise that seemed a certainty throughout the early years of the century…" The rise in farm prices had only begun. The price of wheat was 62 cents a bushel in 1900. It was 99 cents in 1909, $1.43 in 1916, and $2.19 at the peak in 1919. To put $2.19 in perspective, it was not a price seen again until 1947.*
>
> *The collapse of prices in the early 1920s would have been devastating enough, but the damage was compounded by debt. By the summer of 1921, crop prices were down by no less than 85 percent from the postwar peak. Nebraskans, finding that corn had become cheaper than coal, burned it. As it does in every market, the fall in prices revealed the weaknesses in the structure of credit that had financed the rise.*

Between 1919 and 1921, the number of banks that failed totaled 724, with only one of the largest, National City Bank, being bailed out by Washington DC. The heartland, where more than 40% of the population lived, did not participate in the Roaring Twenties. Wall Street and the urbanized Northeast experienced the rapid wealth accumulation during the 1920s. The working poor of the farm belt struggled to subsist. Land under cultivation continued to rise even after the bust of the early 1920s, tripling between 1925 and 1930. The land was over farmed and not properly cared for, depriving the soil of organic nutrients and increasing exposure to erosion. Then Mother Nature took her pound of flesh, much like she is doing today across the globe.

The Dust Bowl was a period of severe dust storms causing major ecological and agricultural damage to Midwest prairie lands from 1930 to 1936. The phenomenon was caused by severe drought coupled with decades of extensive farming without crop rotation, fallow fields, cover crops or other techniques to prevent erosion. Deep plowing of the virgin topsoil of the Great Plains had displaced the natural deep-rooted grasses that normally kept the soil in place and trapped moisture even during periods of drought and high winds. These immense dust storms—given names such as “Black Blizzards” and “Black Rollers”—often reduced visibility to a few feet. The Dust Bowl affected 100,000,000 acres, centered on the panhandles of Texas and Oklahoma.

Small farmers were hit especially hard. Even before the dust storms hit, the invention of the tractor drastically cut the need for manpower on farms. These small farmers were usually already in debt, borrowing money for seed and paying it back when their crops came in. When the dust storms damaged the crops, not only could the small farmer not feed himself and his family, he could not pay back his debt. Banks would then foreclose on the small farms and the farmer’s family would be both homeless and unemployed. Between 1930 and 1935, nearly 750,000 farms were lost through bankruptcy or sheriff sales.

Millions of acres of farmland became useless, and hundreds of thousands of people were forced to leave their lifelong homes. They set out on Route 66 toward the land of milk and honey – California. Hundreds of thousands of families traveled this lonely road during the 1930s.

Many of these families, often known as “Okies”, since so many came from Oklahoma migrated to California and other states, where they found economic conditions little better during the Great Depression than those they had left. Owning no land, many became migrant workers who traveled from farm to farm to pick fruit and other crops at starvation wages. While the Great Depression affected

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

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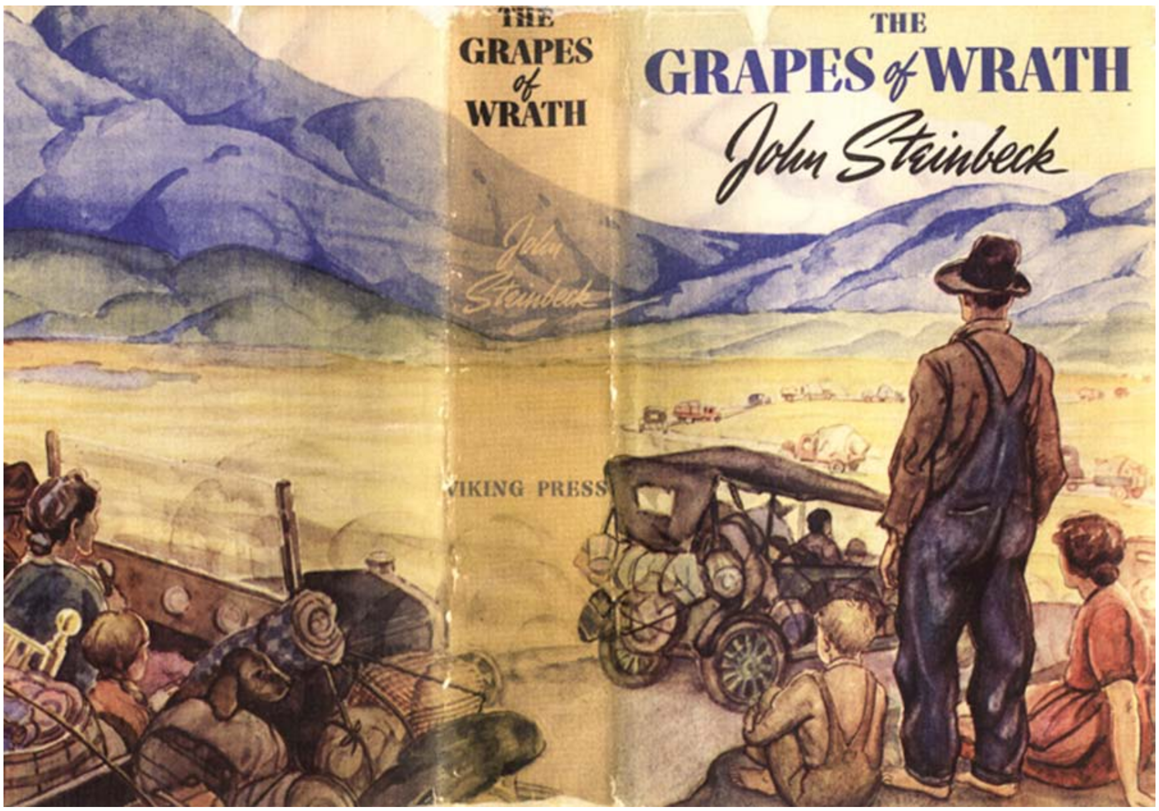
GATA

all Americans, about 40% of the population was relatively unscathed. Not so for the "Okies".

Californians tried to stop migrants from moving into their state by creating checkpoints on main highways called "bum blockades." California even initiated an "anti-Okie" law which punished anyone bringing in "indigents" with jail time. While Steinbeck highlights the plight of migrant farm families in The Grapes of Wrath, in reality, less than half (43%) of the migrants were farmers. Most migrants came from east of the Dust Bowl and did not work on farms. By 1940, 2.5 million people had moved out of the Plains states; of those, 200,000 moved to California.

Man's Inhumanity to Man

"It has always seemed strange to me… the things we admire in men, kindness and generosity, openness, honesty, understanding and feeling, are the concomitants of failure in our system. And those traits we detest, sharpness, greed, acquisitiveness, meanness, egotism and self-interest, are the traits of success. And while men admire the quality of the first they love the produce of the second." **– John Steinbeck**



Steinbeck's novel was a national phenomenon. The book won Steinbeck the admiration of the working class, due to the book's sympathy to the common man and its accessible prose style. It also got him branded a communist by the large California land barons and the non-stop harassment by J. Edgar Hoover and the IRS for most of his life. The book was lauded, debated, banned and burned. A book can only generate that amount of heat by getting too close to a truth that those in power do not want revealed. The Grapes of Wrath did just that. Steinbeck meant to pin the blame where it belonged:

"I want to put a tag of shame on the greedy bastards who are responsible for this [the Great Depression and its effects]."

The bankers who took their farms and cast them aside like a piece of trash, the Wall Street speculators who got rich by peddling debt to the working class, and the wealthy land barons who treated the migrant farm workers like criminals, were to blame for the suffering of millions. The pyramid of wealth was as unequal in 1929 as it is today. The 1% of the population at the very top of the pyramid had incomes 650% greater than those 11% of Americans at the bottom of the pyramid. The tremendous concentration of wealth in the hands of a few meant that continued economic prosperity was dependent on the high investment and luxury spending of the wealthy.

By 1929, the richest 1% owned 40% of the nation's wealth. The top 5% earned 33% of the income in the country. The bottom 93% experienced a 4% drop in real disposable income between 1923 and 1929. The middle class comprised only 20% of all Americans. Society was skewed heavily towards the haves. By 1929, more than half of all Americans were living below a minimum subsistence level. Those with means were taking advantage of low interest rates by using margin to invest in stocks. The margin requirement was only 10%, so you could buy $10,000 worth of stock for $1,000 and borrow the rest. With artificially low interest rates and a booming economy, companies extrapolated the good times and invested in huge expansions. During the 1920s there were 1,200 mergers that swallowed up more than 6,000 companies. By 1929, only 200 mega-corporations controlled over half of all American industry. The few were enriched, while the many wallowed in poverty and despair.

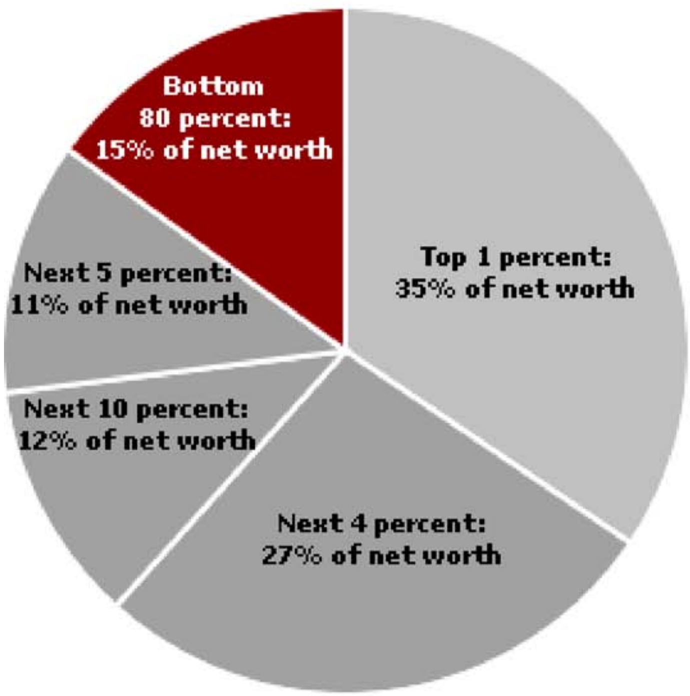
When self proclaimed experts on the Great Depression, like Ben Bernanke, proclaim that the Federal Reserve contributed to the Depression by not expanding the monetary supply fast enough, they practice the art of the Big Lie. The Great Depression was mainly caused by the expansion of the money supply by the Federal Reserve in the 1920's that led to an unsustainable credit driven boom. Both Friedrich Hayek and Ludwig von Mises predicted an economic collapse in early 1929. In the Austrian view it was this inflation of the money supply that led to an unsustainable boom in both asset prices (stocks and bonds) and capital goods. Ben Strong, the head of the Federal Reserve, attempted to help Britain by keeping interest rates low and the USD weak versus the Pound. The artificially low interest rates led to over investment in textiles, farming and autos. In 1927 he lowered rates yet again leading to a speculative frenzy leading up to the Great Crash. The ruling elite of society were the Wall Street speculators. Only 1.5 million people out of an entire population of 127 million invested in the stock market. Margin loans increased from $3.5 billion in 1927 to $8.5 billion in 1929. Stock prices rose 40% between May 1928 and September 1929, while daily trading rose from 2 million shares to 5 million shares per day. By the time the Federal Reserve belatedly tightened in 1928, it was far too late to avoid a stock market crash and depression.

The Federal Reserve was created by bankers to benefit bankers. The Federal Reserve purchased $1.1 billion of government securities from February to July 1932, which raised its total holding to $1.8 billion. Total bank reserves only rose by $212 million, but this was because the American populace lost faith in the banking system and began hoarding more cash, a factor very much beyond the control of the Central Bank. The potential for a run on the banks caused local bankers to be more conservative in lending out their reserves, and was the cause of the Federal Reserve's inability to inflate. From its backroom middle of the night creation in 1913, the bank owned Federal Reserve has sought to benefit its owners, the large Wall Street banking interests and its politician protectors in Congress. The working class has always been nothing more than hosts used by the parasites to tax and peddle debt to.

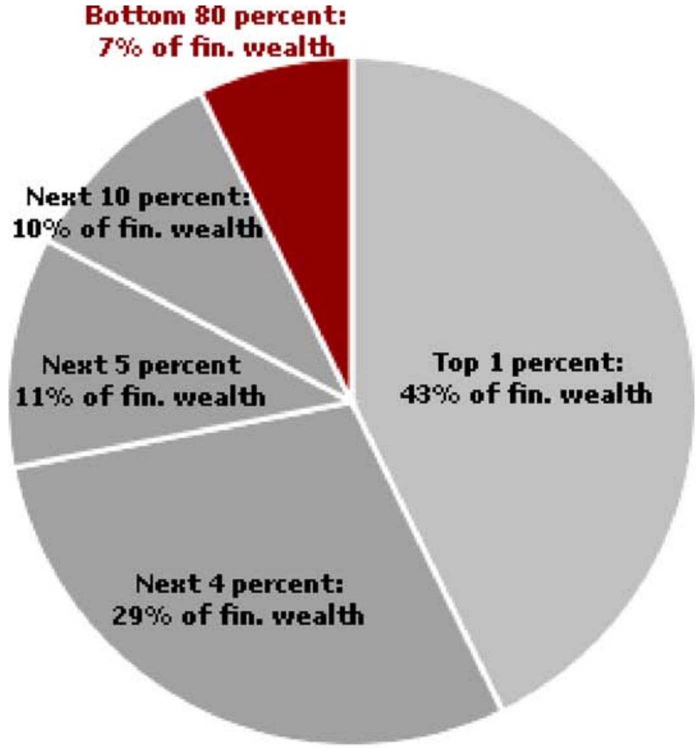
Income and wealth inequality reached a new peak in 2007, the highest level of inequality since 1929. William Domhoff details this inequality in the following terms:

In the United States, wealth is highly concentrated in a relatively few hands. As of 2007, the top 1% of households

(the upper class) owned 34.6% of all privately held wealth, and the next 19% (the managerial, professional, and small business stratum) had 50.5%, which means that just 20% of the people owned a remarkable 85%, leaving only 15% of the wealth for the bottom 80% (wage and salary workers). In terms of financial wealth (total net worth minus the value of one's home), the top 1% of households had an even greater share: 42.7%.



Net worth
distribution, 2007



Financial wealth
distribution, 2007

Real median household income in the U.S. is $49,777 today. It was $52,388 in 1999 before George Bush took office. This is a 5% decline over ten years. Even more disturbing is the fact that the top 20% of households showed real increases in income. The bottom 50% lost income during the last ten years, with the bottom 20% losing 8% of income over this time frame. No wonder there is so much anger among the working middle class in the country regarding the bailout for the top 1%. Sixty million households make less today than they made 10 years ago. The policies of the Federal Reserve over the last ten years have benefitted speculators and punished seniors, savers and the working middle class. Every policy, program and regulation rolled out by the Federal Reserve in the last three years has been to prop up, enrich, and support their Too Big To Fail Wall Street owners. The middle class American working family is Too Small To Matter.

Steinbeck presciently realized that the suffering of the working class was not due to bad weather, bad luck, or the actions of the working class. It was caused by the rich ruling elite wielding their power and influence across the land in their effort to enrich themselves by any means necessary. Historical, social, and economic circumstances separate people into rich and poor, landowner and tenant, and the people in the dominant roles struggle viciously to preserve their positions. During the Great Depression it was the brokers, bankers and businessmen who maintained a dominant role, while farmers, workers, and the common man were treated like dogs. Steinbeck used this symbolism by having the Joad's family dog be run over by a rich person driving a fancy roadster early in the novel. Steinbeck saw the large California landowners as the epitome of the evil Haves. The landowners created a system in which the migrants were treated like animals, shuffled from one filthy roadside camp to the next, denied livable wages, and forced to turn against their brethren simply to survive.

Steinbeck's world was black and white, good and evil, rich and poor. Today, the corporate mainstream media would brand him a anti-capitalist, socialist crackpot. Those in control want to keep the masses lost in shades of grey. In the 1930s it was clearer regarding who was to blame. The social safety net of New Deal programs from FDR had just begun. At the time, I'm sure they seemed like a good idea to ease the suffering of the poor. In reality, they did little to help, as the unemployment rate was still 18% in 1939, ten years after the Depression began. These programs, along with hundreds implemented since the 1930s, have created a dependent underclassand have left America with unfunded liabilities in excess of $100 trillion. The rich use the 70,000 page IRS tax code to avoid taxes. They use their wealth to buy influence in Washington DC, rigging the game in their favor. The bottom 50% of the population pays no income taxes. The working middle class, with declining real incomes, foot the bill. They are bamboozled into believing they can live like the rich by a financial industry willing to lie, obfuscate and defraud them. Corporate superstar CEOs, fawned over by the corporate media, outsourced their good paying middle class jobs to foreign lands, boosting EPS, their stock price and their mega-million bonuses. This may not look like the 1930s, but it is worse for millions of American working middle class families.

The Dignity of Wrath

"…and in the eyes of the people there is the failure; and in the eyes of the hungry there is a growing wrath. In the souls of the people the grapes of wrath are filling and growing heavy, growing heavy for the vintage."
-- **John Steinbeck** - Grapes of Wrath


Sacramento police officers patrol the homeless tent city.

Steinbeck's feelings about the people he was writing about can be summed up in this passage:

"If you're in trouble, or hurt or need - go to the poor people. They're the only ones that'll help - the only ones."

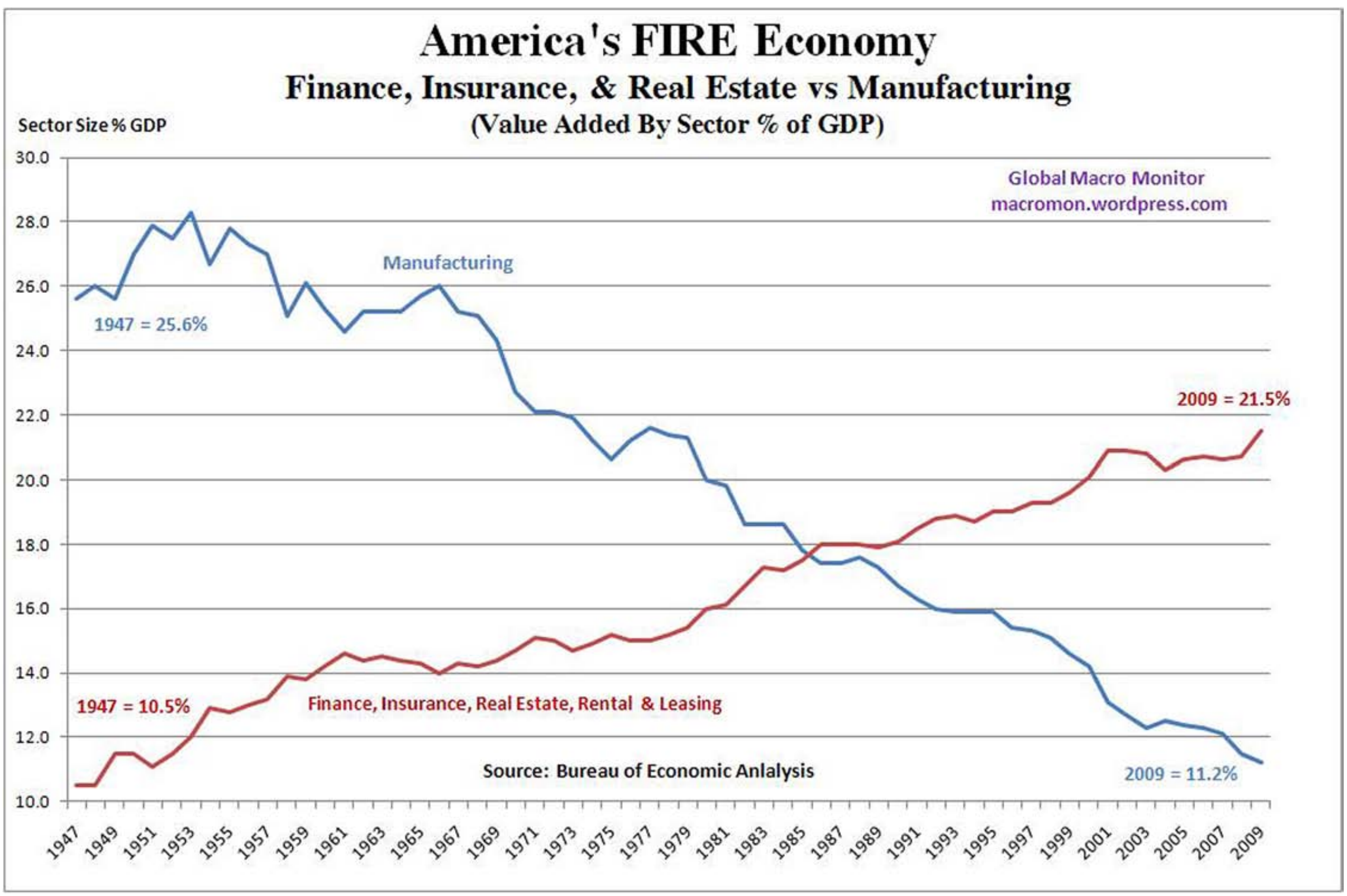
The Joads refuse to be broken by their circumstances. They maintain their dignity, honor and self respect, despite the trials and tribulations that befall them. Hunger, tragic death, and maltreatment by the authorities do not break their spirit. Their dignity in the face of tragedy stands in contrast to the vileness of the rich landowners and the cops that treated the migrant workers like criminals.

No matter how much misfortune and degradation are heaped upon the Joads, their sense of justice, family, and honor never waver. Steinbeck believed that as long as people maintained a sense of injustice—a sense of anger against those who sought to undercut their pride in themselves—they would never lose their dignity. Tom Joad is the symbol of all the mistreated working poor who refuse to be beaten down. The landowners and the police are the oppressors. Tom kills a policeman in a struggle for the dignity of the workers. Tom's farewell to his Ma, captures the essence of the struggle:

"Wherever they's a fight so hungry people can eat, I'll be there. Wherever they's a cop beatin' up a guy, I'll be there. If Casy knowed, why, I'll be in the way guys yell when they're mad an'—I'll be in the way kids laugh when they're hungry n' they know supper's ready. An' when our folks eat the stuff they raise an' live in the houses they build—why, I'll be there." – **Tom Joad** – Grapes of Wrath

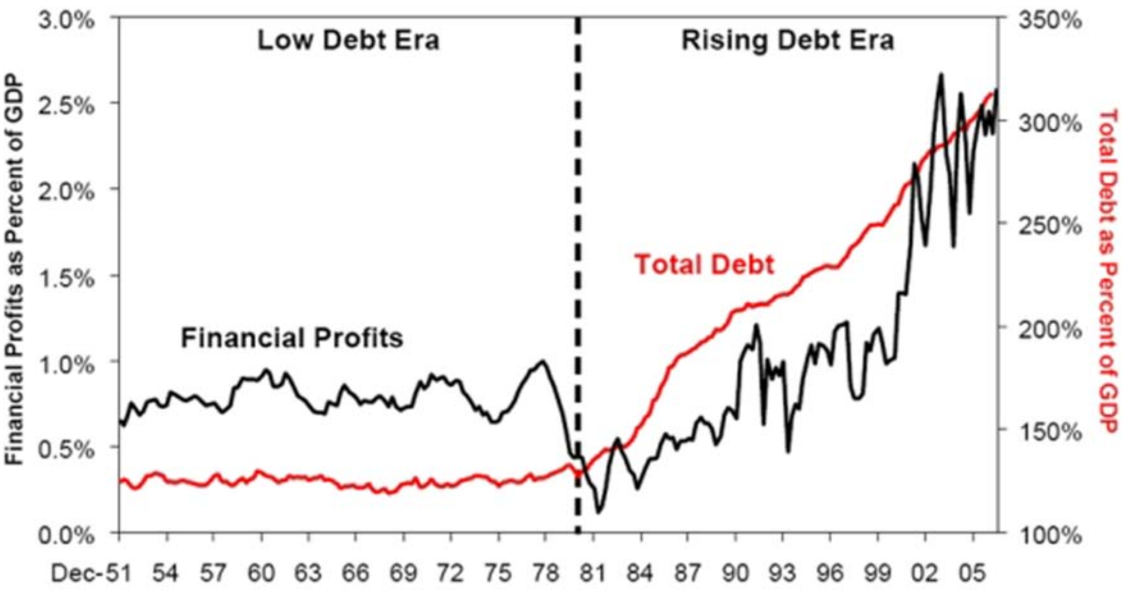
Steinbeck's wrath was directed towards the bankers who stole the farms, the California landowners that treated the workers like vermin, and the police who sided with the wealthy and carried out the brutality on the workers. Tom Joad's anger and wrath toward those who meant to make them cower is portrayed powerfully in this passage:
"I know, Ma. I'm a-tryin'. But them deputies- Did you ever see a deputy that didn't have a fat ass? An' they waggle their ass an' flop their gun aroun'. Ma", he said, "if it was the law they was workin' with, why we could take it. But it ain't the law. They're a-working away at our spirits. They're a-tryin' to make us cringe an' crawl like a whipped bitch. They're tryin' to break us. Why, Jesus Christ, Ma, they comes a time when the on'y way a fella can keep his decency is by takin' a sock at a cop. They're working on our decency"."

Today, Steinbeck's wrath would be focused upon Wall Street Mega-Banks, Mega-Corporations and the politicians that allow them to pillage the wealth of the nation. Droughts, foreclosures and technology drove millions of farmers into the cities during the 1930s and it accelerated with the onset of World War II. America became manufacturer to the



world, with manufacturing accounting for over 28% of GDP in the mid-1950s. The business of banking, insurance and real estate accounted for less than 11% of GDP.

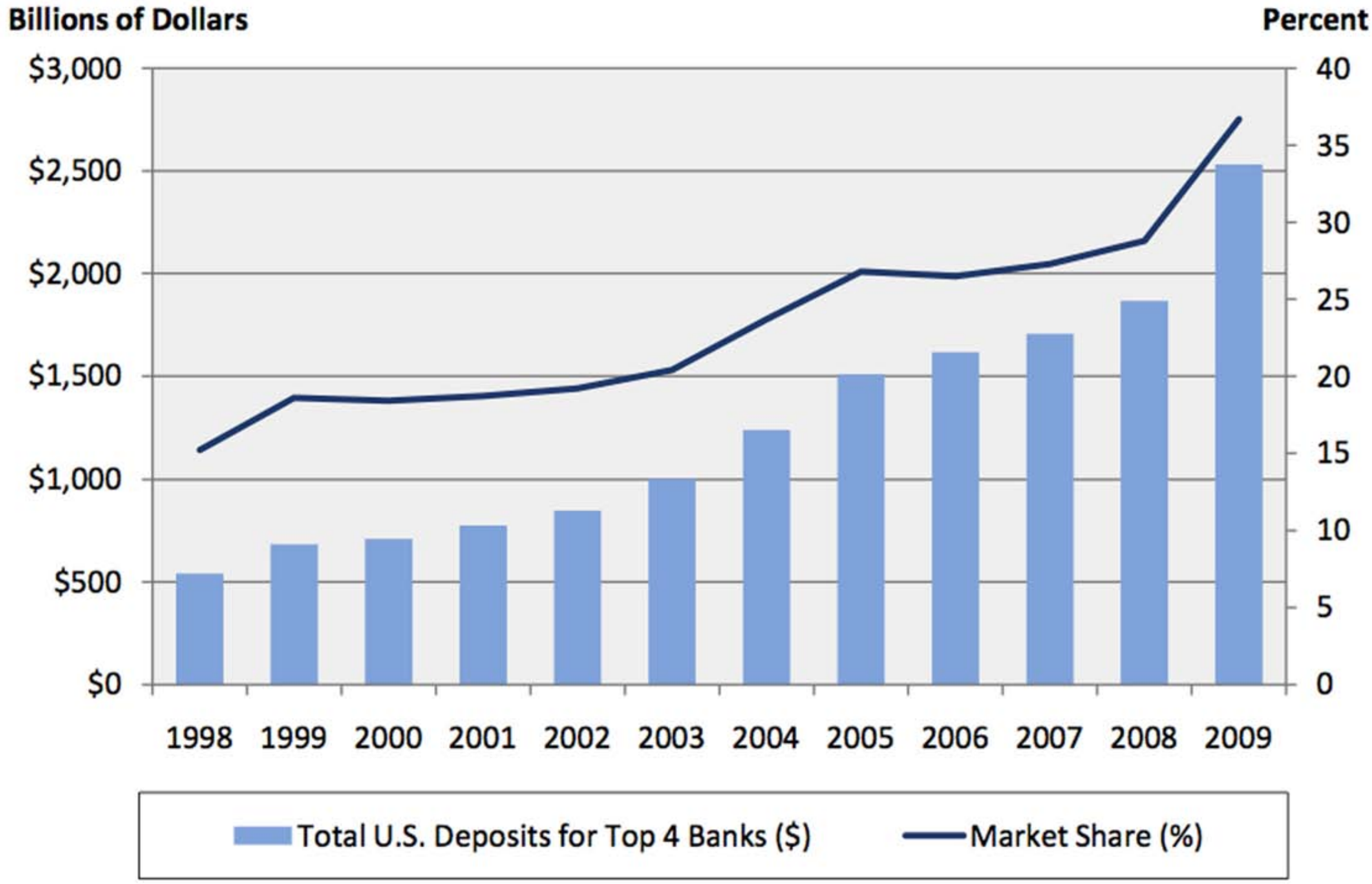
Since the adoption of the credit card on a large scale in the late 1960′s, the role of bankers and debt in our society has grown relentlessly and recklessly. The point of no return occurred in the mid-1980′s when the financial sector passed the manufacturing sector in relative importance for our economy. Today, banker generated profits from peddling debt to the middle class, creating derivatives to defraud widows and pension funds, and running their institutions like leveraged casinos on steroids account for 21.5% of GDP. Manufacturing profits now account for a pitiful 11.2% of GDP, as the CEO titans of industry at General Electric, Hewlett Packard, Intel, and Apple shipped the manufacturing jobs to Asia in a noble effort to boost earnings per share and reward themselves with $30 million pay packages. Source: www.mybudget360.com



Total U.S. debt as a percentage of GDP was remarkably stable at approximately 130% for three decades, while financial profits as a percentage of GDP consistently ranged just below 1%. The ascension of Alan Greenspan to the throne of the Federal Reserve unleashed a dust storm of debt and banking profits over the last 25 years. Total credit and financial industry profits each grew by more than 250%. Real wages of middle class workers are lower today than they were in 1971. Since the higher paying manufacturing jobs were shipped overseas, Wall Street stepped into the breach by providing trillions of debt to the average American so they could buy stuff being produced in China by people who took their jobs. Wall Street and the corporate media convinced middle class Americans that their standard of living was increasing upon the waves of debt. The godfather, Greenspan, watched over and protected the big banks. When they screwed up in their efforts to pillage and plunder on a grand scale, the godfather would reduce interest rates and flood the system with liquidity. Heads they win, tails America loses.

(see chart on next page. Source: Barry Ritholtz)

The powerful Wall Street banks were un-refrained, unregulated and unscrupulous in their unquenchable looting and ransacking of the wealth of the American public. The Federal Reserve provided the fuel and Congress lit the fuse with the repeal of Glass-Steagall, ultimately leading to the biggest financial explosion in world financial history in 2008. The financial crisis was created by the biggest Wall Street banks and the policies of the Federal Reserve. It is a tribute to their monetary power, complete capture of the mainstream media, and total ensnarement of the corrupt politicians in Washington DC, that somehow the Too Big To Fail banks are bigger than they were before the crisis. The working middle class has footed the bill for the trillions that have been shoveled into the coffers of these criminal enterprises. As a reward, the savers receive .25% on their savings. These men have put 8.5 million people out of work in the last three years. Steinbeck understood that bankers who foreclosed on the homes of poor farmers and fed the speculation that led to the Great Crash were nothing more than extensions of an evil monster:



"No, you're wrong there—quite wrong there. The bank is something else than men. It happens that every man in a bank hates what the bank does, and yet the bank does it. The bank is something more than men, I tell you. It's the monster. Men made it, but they can't control it."

The bankers that control our economy today deserve the same scorn and wrath that Steinbeck heaped on bankers and California landowners in the 1930′s. Jesse, from Jesse's Café Americain captures the wrath in this assessment of our current state of affairs:

"The Banks must be restrained, and the financial system reformed, with balance restored to the economy, before there can be any sustained recovery. All else is looting and folly, with apathy and complacent self-interest as their accomplices."

Selfishness & Altruism

> *I ain't never gonna be scared no more. I was, though. For a while it looked as though we was beat. Good and beat. Looked like we didn't have nobody in the whole wide world but enemies. Like nobody was friendly no more. Made me feel kinda bad and scared too, like we was lost and nobody cared…. Rich fellas come up and they die, and their kids ain't no good and they die out, but we keep on coming. We're the people that live. They can't wipe us out, they can't lick us. We'll go on forever, Pa, cos we're the people.* – **Ma Joad** - Grapes of Wrath

The power elite that believe they can control the masses as puppet master commands a puppet should beware. The wrath of the masses can be fierce and sudden. Ask Hosni Mubarak. As Steinbeck realized many decades

ago, selfishness run amok, supported and encouraged by the authorities lead to poverty, despair and sometimes revolution. The false mantra of an economy based on self-interest and free markets is a smokescreen blown by the few with wealth and power to obscure the truth that they have used their wealth and power to rig the game in their favor. The have-nots can dream about becoming a have, but the chances of achieving that dream today are miniscule. Steinbeck pointedly distinguishes between the selfishness of the moneyed class and the altruism of the working poor. In contrast to and in conflict with this policy of selfishness stands the migrants' behavior toward one another. Aware that their livelihood and survival depend upon their devotion to the collective good, the migrants unite—sharing their dreams as well as their burdens—in order to survive.

Those in control need to keep the masses divided. They need Americans to be distracted by phantom terrorist threats, inconsequential political differences, American Idol, Charlie Sheen, Lindsey Lohan and Lady Gaga. They need Americans to be focused on "I". Their greatest fear is that the American people realize that "We" can change the direction of this country and bring the perpetrators of crimes against the people of this country to justice. John Steinbeck saw the potential power of the common man if they became "We":

One man, one family driven from the land; this rusty car creaking along the highway to the west. I lost my land, a single tractor took my land. I am alone and bewildered. And in the night one family camps in a ditch and another family pulls in and the tents come out. The two men squat on their hams and the women and children listen.

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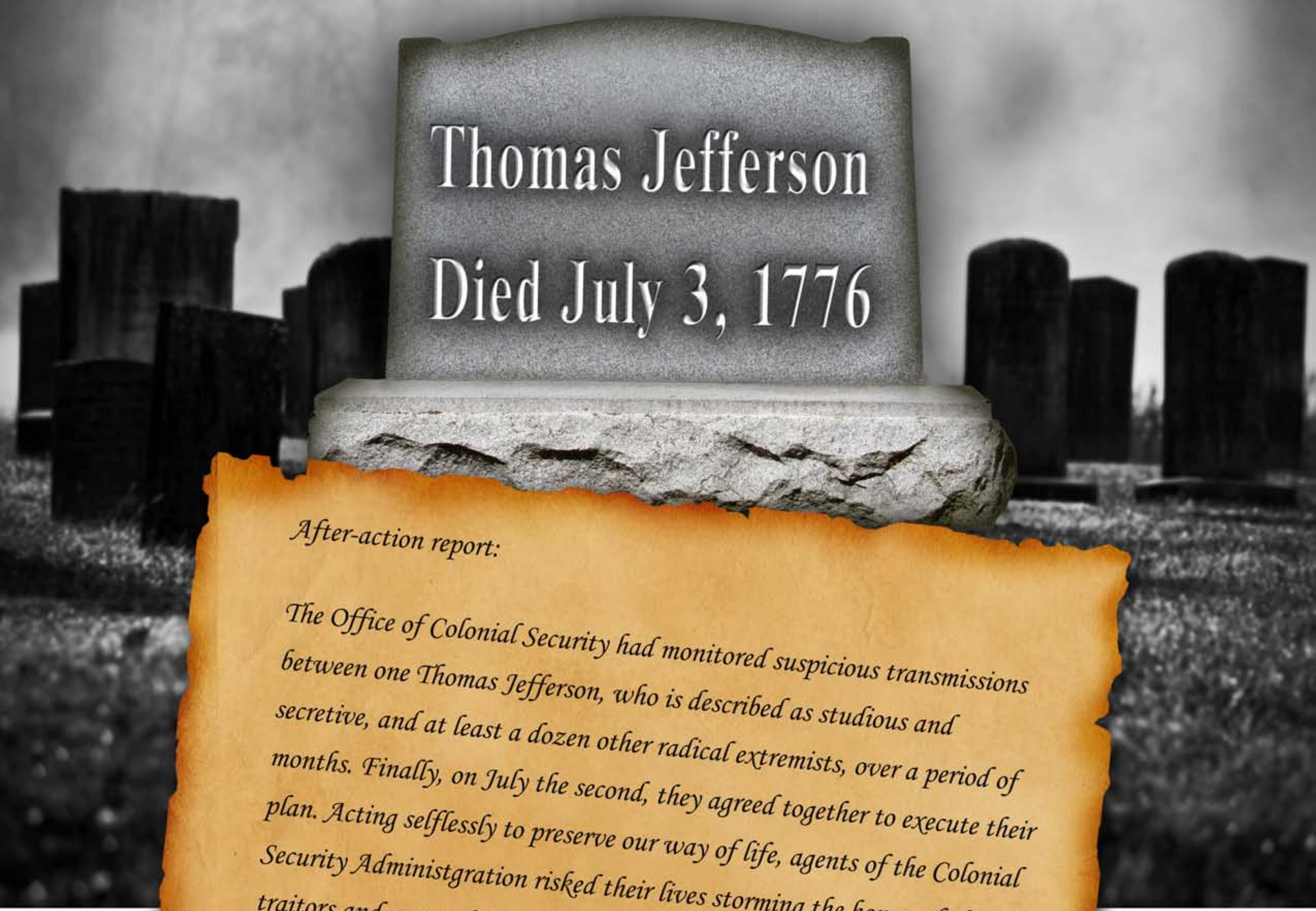
Here is the node, you who hate change and fear revolution. Keep these two squatting men apart; make them hate, fear, suspect each other. Here is the anlarge of the thing you fear. This is the zygote. For here "I lost my land" is changed; a cell is split and from its splitting grows the thing you hate–"We lost our land." The danger is here, for two men are not as lonely and perplexed as one. And from this first "we" there grows a still more dangerous thing: "I have a little food" plus "I have none." If from this problem the sum is "We have a little food," the thing is on its way, the movement has direction. Only a little multiplication now, and this land, this tractor are ours. The two men squatting in a ditch, the little fire, the side-meat stewing in a single pot, the silent, stone-eyed women; behind, the children listening with their souls to words their minds do not understand. The night draws down. The baby has a cold. Here, take this blanket. It's wool. It was my mother's blanket–take it for the baby. This is the thing to bomb. This is the beginning–from "I" to "we." - **John Steinbeck** - Grapes of Wrath

The American people have a choice. They can continue on a course of apathy, selfishness and worship of mammon, or they can rally together with selflessness and concern for the welfare of their fellow man and future unborn generations. The current path, forged by a minority of privileged wealthy elite, will lead to the destruction of this country and misery on an unprecedented scale. It is up to each of us to show the courage of John Steinbeck, who without a thought for himself, stood up against the stones of condemnation, and spoke for those who were given no real voice in the halls of justice, or the halls of government. By doing so he became an enemy of the political status quo. Are you prepared to incur the wrath of the vested interests and meet their lies and propaganda with the fury of your own wrath in search for the truth? These men are sure you don't have the courage, fortitude and wrath to defeat them.

Mine eyes have seen the glory of the coming of the Lord:
*He is trampling out the vintage where the **grapes of wrath** are stored;*
He hath loosed the fateful lightning of His terrible swift sword:
His truth is marching on.
- Battle Hymn of the Republic

This article is from contributed from http://www.theburningplatform.com/?p=10725

If George III Had Internet Surveillance:



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 Administgration 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.

Constitutional Tender

A BILL TO BE ENTITLED ____________________________

AN ACT

To amend ___________________________, relating to banking and finance, so as to provide a short title; to provide legislative findings; to define certain terms; to require any bank or lending institution serving as a depository for the state or any department or agency of the state to offer and to accept gold and silver coin for deposit; to amend _________________________________, relating to state government, so as to provide legislative findings; to define certain terms; to require the exclusive use of gold and silver coin as tender in payment of debts by or to the state; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF _______________________:

SECTION 1.

This Act shall be known and may be cited as the “Constitutional Tender Act.”

SECTION 2.

Section __________________________, relating to banking and finance, is amended by adding a new chapter to read as follows:

“CHAPTER ___

___-1.

The General Assembly finds and declares that sound, constitutionally based money is essential to the livelihood of the people of this state and to the stability and growth of the economy of this state and region and vitally affects the public interest. The General Assembly further finds that Article I, Section 10 of the United States Constitution provides that no state shall make any thing but gold and silver coin a tender in payment of debts.

___-2.

As used in this chapter, the term:

(1) ‘Federal Reserve Accounting Unit Dollar accounts’ means accounts based on legal tender federal reserve notes created by 12 U.S.C. 3, Subchapter XII.

(2) ‘Gold eagle accounts’ means accounts based on legal tender one ounce, one-half ounce, one-quarter ounce, and one-tenth ounce gold coins minted by the United States Mint since 1986 pursuant to 31 U.S.C. § 5112(a)(7) through (a)(10) and 31 U.S.C. § 5112(h).

(3) ‘Pre-1965 silver accounts’ means accounts based on legal tender silver coins minted by the United States Mint prior to the Coinage Act of 1965 (Pub. L. 89, 81, 79 Stat. 254), having a 90 percent silver composition and containing when minted approximately 0.7234 troy ounces of silver per dollar of face value.

(4) ‘Silver eagle accounts’ means accounts based on legal tender one ounce silver coins minted by the United States Mint since 1986 pursuant to 31 U.S.C. § 5112(e) and 31 U.S.C. § 5112(h).

___-3.

Banks and lending institutions chartered by the state pursuant to this title, and any bank or lending institution serving as a depository for the state or any department or agency of the state, shall offer gold and silver coins minted by the United States to, and shall accept them for deposit from, the state and other customers.

___-4.

(a) Banks and lending institutions so designated in Code Section ___-3 shall offer accounts denominated in:

(1) Federal Reserve Accounting Unit Dollar accounts;

(2) Pre-1965 silver accounts;

(3) Silver eagle accounts; and

(4) Gold eagle accounts.

(b) Accounts established as provided in subsection (a) of this Code section shall be segregated from all other types of currency. Withdrawals shall be made in the same currency as deposits; provided, however, that nothing in this Code section shall prevent the conversion from one form of currency to another form of currency.”

SECTION 3.

Section ____________________, relating to state government, is amended by adding a new chapter to read as follows:

“CHAPTER ____

____-1.

The General Assembly finds that, as mandated by Article I, Section 10 of the United States Constitution, the state shall not make anything but gold and silver coins as tender in payment of debts. Federal Reserve Accounting Unit Dollars, having no redeeming value in gold or silver coin, shall not be made a tender in payment of debts by the state.

____-2.

As used in this chapter, the term:

(1) ‘Federal Reserve Accounting Unit Dollar accounts’ means accounts based on legal tender federal reserve notes created by 12 U.S.C. 3, Subchapter XII.

(2) ‘Gold eagle accounts’ means accounts based on legal tender one ounce, one-half ounce, one-quarter ounce, and one-tenth ounce gold coins minted by the United States Mint since 1986 pursuant to 31 U.S.C. §

5112(a)(7) through (a)(10) and 31 U.S.C. § 5112(h).

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(4) 'Silver eagle accounts' means accounts based on legal tender one ounce silver coins minted by the United States Mint since 1986 pursuant to 31 U.S.C. § 5112(e) and 31 U.S.C. § 5112(h).

____-3.

Pre-1965 silver coins, silver eagles, and gold eagles shall be the exclusive medium which the state shall use to make any payments whatsoever to any person or entity, whether private or governmental. Such coins shall be the exclusive medium which the state shall accept from any person or entity as payment of any obligation to the state including, without limitation, the payment of taxes; provided, however, that other forms of currency may be used in all other transactions within the state upon mutual consent of the parties of any such transaction.

____-4.

Upon the date of effectiveness of this Act, all obligations owed by and to the State shall be converted from denomination in Federal Reserve Accounting Unit Dollars to denomination in gold and silver coins pursuant to Section ____-3. On the date of conversion from the use by the State of Federal Reserve Accounting Unit Dollars to its use of gold and silver coins, the conversion value of each coin used as payment of obligations by and to the state shall not be determined by the nominal face value of each coin itself, but shall be determined as follows:

(1) The current market value of the silver or gold content of each coin at that time of conversion shall be equal to the most recent conversion value to the United States dollar set on that current business day by the London Silver Fixing Price and the London Gold Fixing Price as of 1030 Greenwich Mean Time or 1500 Greenwich Mean Time, whichever is most recent.

(2) The conversion value of gold eagles shall be equal to the current market value in Federal Reserve Accounting Unit Dollars of the gold content of each coin plus the standard U.S. Mint Authorized Purchasers premium for gold eagle bullion coins as follows:

(a) Three percent premium for one-ounce coins;

(b) Five percent premium for one-half ounce coins;

(c) Seven percent premium for one-quarter ounce coins; and

(d) Nine percent premium for one-tenth ounce coins.

(3) The conversion value of Pre-1965 silver coins shall be equal to the current market value in Federal Reserve Accounting Unit Dollars of one troy ounce of silver, multiplied times 0.715 of the face value of each coin; and

(4) The conversion value of silver eagles shall be equal to the current market value in Federal Reserve Ac-

counting Unit Dollars of the silver content of each coin plus the standard U.S. Mint Authorized Purchasers premium for silver eagle bullion coins of $1.50 per coin.

____-5.

The coins used pursuant to Section ____-3 shall be accepted for deposit by banks and lending institutions chartered by the state under Section ____ and by any bank or lending institution serving as a depository for the state or any department or agency of the state. Any such bank or lending institution may offer such coins to, and accept them for deposit from, other customers. Nothing in ________________ law shall prohibit banks and lending institutions from offering accounts as described in Code Section ____-4 prior to the effective date of this chapter.

____-6.

Checks or electronic transfers or payments drawn on pre-1965 silver accounts, silver eagle accounts, and gold eagle accounts as such accounts are defined in Section ___-2 and in accordance with Section ___-4 shall be deemed to satisfy the United States Constitution's requirement that payment of obligations by the state be made only in gold or silver coin and shall be deemed to satisfy the requirement of Section ____-3 for payment of obligations owed to the state."

SECTION 4.

This Act shall become effective on ________________________.

SECTION 5.

All laws or parts of laws in conflict with this Act are hereby repealed.

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