# DGC Magazine

***"Paper is poverty....it is only the ghost of money, and not money itself." - Thomas Jefferson 1788***

## PRICE OF GOLD MOVES ABOVE $1000 USD

September 2009

MAGAZINE READERS: PLEASE POST IN A CONSPICUOUS PLACE--MARK HERPEL, EDITOR

# UNDER EXECUTIVE ORDER OF THE PRESIDENT

ISSUED SEPTEMBER 3, 2009

all U.S. persons are required to deliver or liquidate

ON OR BEFORE DECEMBER 1, 2009

all GOLD COIN, GOLD BULLION, ELECTRONIC DIGITAL GOLD, GOLD ETF SHARES AND SECURITIZED GOLD INVESTMENTS

now owned by them to a Federal Reserve Bank, branch or agency, or to any member bank of the Federal Reserve System.

## *EXECUTIVE ORDER*

FORBIDDING THE HOARDING OF GOLD COIN, GOLD BULLION, ELECTRONIC DIGITAL GOLD, ETF SHARES, SECURITIZED GOLD INVESTMENTS, AND GOLD CERTIFICATES.

FORBIDDING THE HOARDING OF GOLD COIN, GOLD BULLION, ELECTRONIC DIGITAL GOLD, ETF SHARE SECURITIZED GOLD INVESTMENTS, GOLD CERTIFICATES, AND GOLD CERTIFICATES.

By virtue of the authority vested in me by Secion 5 (b) of the Act of October 6, 1917, as amended by Secion 1 of the Act of September 3, 2009 entitled “An act to provide relief in the existing national emergency in banking, and for other purposes”, in which amendatory Act Congress declared that a serious emergency exists. I, **Barack Hussein Obama**, President of the United States of America, do declare that said national banking emergency still continues to exist and pursuant to said section do hereby prohibit the hoarding of gold coin, gold bullion, electronic digital gold, ETF share certificates and gold certificates within the continental United States by individuals, partnerships, associations and corporations and hereby prescribe the following regulations for carrying out the purpose of this order.

Section 1. For the purposes of this regulation the term “hoarding” means the withdrawal and withholding of gold coin, gold bullion or gold certificates from the recognized and customary channels of trade. The term “person” means any individual, partnership, association or corporation.

Section 2. All person are hereby required to deliver on or before December 1, 2009, to a Federal reserve bank or branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion, electronic digital gold, ETF share certificates and gold certificates now owned by them or coming into their ownership on or before November 3, 2009, except the following:

(a) Such amount of gold that may be required for legitimate and customary use in industry, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

(b) Gold coin and gold certificate in an amount not exceeding in the aggregate $100.00 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements.

(d) Gold coin and bullion licensed for other proper trans- actions (not involving hoarding) including gold coin and bullion imported for re-export or held pending action on application for export licenses.

Section 4. Upon receipt of gold coin, gold bullion, electronic digital gold, securitized gold investments or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay therefor an equivalent amount of any form of coin or currency coined or issued under the laws of the United States.

Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue licenses there under, through such offices or agencies as he may designate, including licenses permitting the Federal reserve banks and member banks of the Federal Reserve System, in return for an equivalent amount of other coins, currency or credit, to deliver, earmark or hold in trust gold coin and bullion to or for persons showing the need for the same for any of the purposes specified in Paragraphs (a), (c) and (d) of Section 2 of these regulations.

Seciton 9. Whoever willfully violates any provision of this Executive Order or of these regulations or any rule, regulation or license issued there under may be fined not more than $10,000 or if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director or agency of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment or both.

This order and these regulations may be modified or revoked at any time.

**BARACK HUSSEIN OBAMA**

The White House
September 3rd, 2009

GOLD CERTIFICATES may be identified by the words “GOLD CERTIFICATE” appearing thereon. The serial number and the Treasury seal on the face of a GOLD CERTIFICATE are printed in YELLOW. Exchange Traded Gold Commodities or Exchange Traded Funds (ETFs) are included in the Executive Order. All Gold exchange-traded funds, securitized gold investment and all gold bullion regulated financial products owned by U.S. citizens including allocated gold owned through digital gold accounts are required to be surrendered.

Special attention is directed to the exceptions allowed under Section 2 fo the Executive Order

## CRIMINAL PENALTIES FOR VIOLATION OF EXECUTIVE ORDER

$10,000 find or 10 years imprisonment, or both, as provided in Section 9 of the order

THIS PAGE IS A SPOOF, IT IS NOT REAL(COULD THIS HAPPEN AGAIN?)

**ON THE COVER**
400OZ GOLD BULLION BAR
THE PRICE OF GOLD IN U.S. DOLLARS HAS NOW CLIMBED ABOVE THE $1000 LEVEL

**PHOTO COURTESY OF**
**http://www.Bullionvault.com**

BullionVault is the world's No.1 service for private investors to buy and sell gold online. In the UK, it is the market-leader in all physical gold dealing and ownership.

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# Barrick Gold Corporation Technically Defaults on Gold Hedges

by Patrick A. Heller, Market Update
September 15, 2009
http://www.numismaster.com/

Shortly after last week's "on the record" announcement by a Chinese official that China is going to adopt a partial gold standard, the gold market was rocked by the news that Barrick Gold Corporation was booking a $5.6 billion loss on 9.5 million ounces of gold hedges that the company is unable to repay in kind.

It wasn't that long ago Barrick officials were proclaiming they had closed out their entire hedge book. When questioned about an old hedge of nine million ounces that was borrowed to finance the purchase of a South African mine site, company officials downplayed the effect by portraying the hedge as either 1) participating in any rising gold price, or 2) effectively never having to be repaid.

Well, when gold reached $1,000 last week, Barrick Gold gave up its pretense. The company announced that it would be issuing $3.4 billion in new stock to be used almost exclusively as payment to settle three million ounces of fixed-price hedges. Any remaining funds would then be used to cover part of the 6.5 million ounces of non-priced hedges (that, as it turns out, are due to be repaid in a few years).

The issuance of shares was announced when U.S. market trading hours. A number of stock brokers, who seem to be unaware of Barrick's huge loss in gold hedges, have regularly recommended Barrick Gold stock to their customers who wanted to "invest in gold." As a result, the entire issue was sold almost instantly.

When foreign markets opened later, potential buyers complained so loudly about not being able to buy some of these shares that the company expanded the issue to more than $4 billion. The company also disclosed that it was booking a one-time loss of $5.6 billion to reflect its losses on the hedge contracts. Analysts familiar with

Continued on page 35

# GoldMoney moves into platinum

GoldMoney (http://www.goldmoney.com), the leading provider of precious metals storage in gold and silver bullion to retail investors and digital gold currency payments, has expanded its precious metals offering with platinum. Investors looking to diversify their precious metal portfolio can from today buy up quantities of platinum in their digital accounts.

Metal analysts suggest that an economic recovery could lead to a strong platinum rally as the price is 40% lower than 12 months ago. Platinum is the rarest precious metal of all. Annual production amounted to 5.5 million ounces in 2008 - one tenth of the amount of gold produced in a year. Platinum is predominantly used in industry where demand has increased almost threefold over the past 30 years particularly due to the expansion of the car industry which consumes half the annual global platinum output.

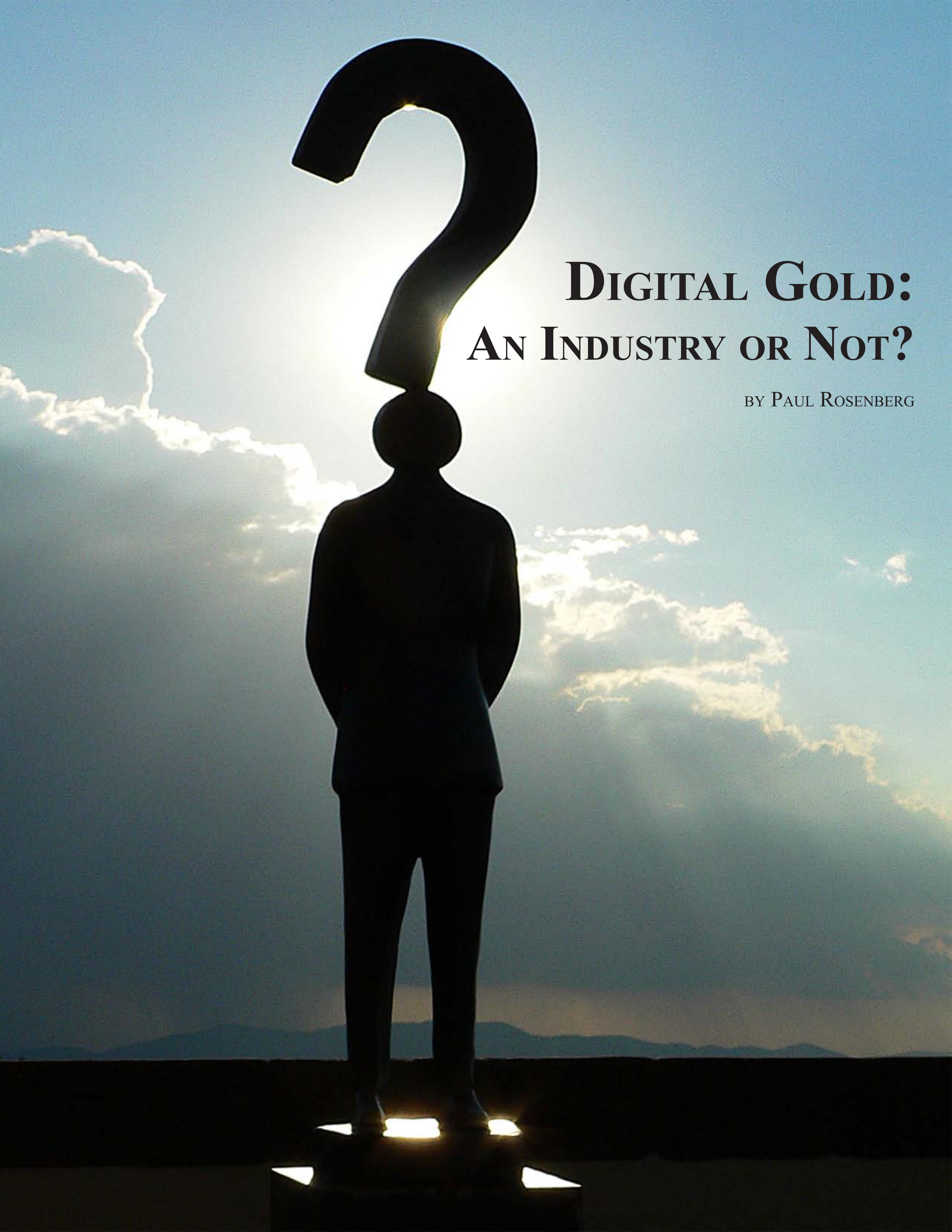
Demand for platinum jewellery has also increased, particularly in China, since prices hit bottom in November 2008. Platinum currently sits at around US$1,200 an ounce but precious metal analysts suggest that an economic recovery will lead to a strong platinum rally. South Africa, the largest producer of platinum, has also had difficulties increasing output of the metal which in turn will contribute to a supply deficit when industrial demand increases.

GoldMoney founder James Turk said: "Platinum offers the opportunity to diversify one's precious metals portfolio, but it is often difficult for retail investors to locate and purchase. GoldMoney has now changed that because platinum can be purchased online with the same ease and convenience that our customers purchase gold and silver."

As with the purchasing of gold and silver, GoldMoney customers can open an account with as little as £10 and transfer funds to specially segregated customer funds accounts prior to placing a specific order for platinum. Orders and payments are made through a secure online system and processed by GoldMoney's servers, which record transactions and store currency and metal balances. All customer metals are insured and held in allocated storage in specialised bullion vaults in Zurich and London, and the metals are audited annually and reported to customers.

# Digital Gold: An Industry or Not?

by Paul Rosenberg



Ask yourself a question: What keeps the average person away from the digital gold business?

The root answer is almost always some version of fear: Fear of being ripped-off, fear of getting in trouble, fear of doing something that hasn't been pre-approved by an authority. You would think that it would be in our best interests to do something about this, but it never happens.

Let's face the fact that the digital gold business is a wreck. We've had criminals using our systems, criminals running systems, murders, and the US government on Witch Hunts. A hell of a beginning for an industry! And to make matters worse, key players in the business have taken to hating each other railing against each other as crooks. Can you blame people for staying away?

This business needs help. We are succeeding brilliantly at driving people away.

## IT'S TIME TO ACT LIKE ADULTS

If we want this business to thrive – and for the sake of the future, it really needs to – then we'll have to act like adults and take responsibility for ourselves. Really, we have to other choice. We are new and different; that makes us a target. Either we tend to our own garden, or it will choke to death from weeds… which is a pretty good description of the current situation.

Those of us who cannot behave reasonably and honestly need to be pushed away. Those who cannot restrain themselves from malice, obsession and attempts to dominate others need to be displaced. Those who can play nice need to start ostracizing those who cannot. In short, we need to be like the kids on the playground who tell Nasty Nick that they don't want him on their team.

Either we can take this upon ourselves, or we will remain vulnerable to all sorts of attacks and abuse – some from criminals, some from the emotionally unstable and some from the state's agent provocateurs.

So, which shall it be? Are we ready to grow up, or not?

The obvious answer to our problems is an industry association that we all support. Such an arrangement involves no coercion and we could set it up in a week or two, if we wanted. You don't need me to tell you what to do.

So, do we want to be an industry or not? Looking at our history, one would have to conclude that we do not.

We began as a group of radical outsiders. This is certainly understandable, since no one else had the guts to do it. But if we want to be more than a minor counter-culture group, we need to grow up. We have some of the most powerful and important technologies on the planet, and we're treating them like disposable toys.

## THE MERCHANTS' GUILDS

At the end of the Dark Ages in Europe, there were men that came to the place in their lives where they were willing to take responsibility upon themselves and create the things they needed. They stopped looking for some authority to do it and they stopped fighting amongst themselves. They were the despised outsiders of their era – traveling merchants.

Long-distance trade had collapsed along with the Roman Empire, and there was precious little of it in the West between the years of 500 and 1000 A.D. Those who did engage in trade knew they had a fantastic technology that everyone could profit from, but for hundreds of years, it barely developed at all… until they decided to take control of their own destiny, act as a group of responsible, capable adults, and get busy building what they needed. In so doing, they created much of the framework for the modern world and made excellent lives for themselves.

Are we capable of doing this? Of course, we are! The digital gold business includes many of the most capable people on the planet!

But, are we willing? No, so far we are not.

Being capable doesn't mean that you'll ever do anything with those abilities. And as long we busy ourselves with petty fights, tearing each other down and wishing to enforce ideological purity, we are doomed. We'll never get close to the next step.

Flickr Image http://www.flickr.com/photos/marcobellucci/3534516458/sizes/o/

And we'll have no one to blame but ourselves.

Who are you, really? What is it that you really want to see from the digital gold business? What are you willing to do to get it? Are you too rigid to cooperate? Too cheap to invest in your industry's future?

There is no golden plan and there will be no rider on a white horse to save you. Either you grow up and take care of your business, or this business will remain a mess… at least until better people arise, and make better use of the technologies you created.

Do you want success? Then grow up and earn it.



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

## Paysgold.com Debit Card Program Now Closed

A surprised announcement from their web site tells of another DGC debit card program is now closed. The Paysgold cards were in operation for a few years and very popular.

Here is the notice from their web site. They are still operating as an exchange agent.

***"Because the bank stopped the service. We do not sell the debit card any more. Our cards will be stopped in few days. The old users please cash out the money as soon as possible."***

# The end of coercion?

A growing call for free currency worldwide. By Sulaiman Wilms

This article originally appeared in GLOBALIA Magazine 19.08.2009
http://www.globaliamagazine.com/

The symptoms of the global predicament are well known. From the struggle to dominate contested regions and their energy routes, to the anarchic privatisation of violence, and the blatant crisis of the current financial order – all these are frequently evoked. But beyond all that, on a quite different plane, alternative models are appearing and gaining wider recognition. And at their heart, however differently formulated, is the desire for monetary freedom.

What do financial executives, Muslim jurists, small retailers and the leading Eurasian politicians all have in common? On the face of it, nothing at all. And yet through this unlikely cross-section there is a growing awareness of the defectiveness of the dominant financial order, coupled with a desire for new reserve currencies, local money-flows, and the freedom to choose a preferred mode of payment. Admittedly this is not a subject which can claim any kind of global consistency; the context and motivations involved are too diverse. A representative of traditional monetary liberalism cannot consider himself in the same boat as a traditional Muslim jurist. Yet the question of money affects everybody on a daily basis.

The key question is one of freedom. No matter which system or culture you find yourself in, the contemporary discourse on freedom nearly always pertains to the political or private realm; only seldom is a connection perceived between freedom and the individual's ability to choose the means of payment he or she uses. While "civil rights and liberties" are supposedly being defended vigorously (or imposed by force) in the Hindu Kush, in the chaotic suburbs of Baghdad and Falluja, in the Horn of Africa and elsewhere, the personal and social right to choose a means of payment is severely limited wherever you are in the world.

Think globally, act locally

Confronted by a financial economy which has made ecological destruction and profit-driven growth its raison d'être, people in North America and Western Europe – and elsewhere – began to experiment with alternative currencies long ago. Their interest has not

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been of an academic nature, rather they have wanted to strengthen local, ecologically sustainable money circulations designed to counteract the capital drainage brought about by globalisation. Even functionaries in local banks consider complementary currencies as one means of tackling the problems faced by local communities and the way their money circulates.

According to the E.F. Schumacher Society, regional currencies existing in the USA include the Humboldt Community Currency in Eureka, Berkshare in the Berkshire Region, Ithaca Hourse in Ithaca, and many others. Canadian local currencies are to be found in Calgary, Salt Spring Island, Tamworth and Madawaska Valley. Across the Atlantic there are similar projects in the United Kingdom, Switzerland, Germany and France. In Germany, the largest regional currency is known as the Chiemgauer, which is used successfully in parts of the country's south. This currency gets its name from the region around Chiemsee lake, and it has played a pioneering role in Germany.

The Chiemgauer is already well developed and has proven itself in practice. Many producers and service providers have joined in the Chiemgauer scheme, and two agricultural economic cycles have emerged. These include a cheese dairy which pays the shepherds who supply it in Chiemgauers, which these shepherds use in turn to pay for the goods they purchase from local retailers; the retailers then pay their suppliers using the Chiemgauer.

Werner Zimmermann and his funding association in the east German town of Ludwigsfelde are also involved in a local currency. This Christian group is looking for a gate through which they can escape the financial collapse which appears imminent. To them the way out of the dilemma is quite clear. "The solution is called Regiogeld, one-to-one with the Euro," explains Zimmermann, "anyone who is a member of a Regionalgeld funding association can make payments to other members with it." All that has to happen is for the principle to be accepted more widely.

Inhabitants of the American town of Berkshire can purchase a Berkshare for 95 cents at any of five participating banks – and in return they receive a five per cent discount over the dollar by spending their Berkshares at any of 400 participating local businesses instead of using dollars. For every transaction they make, they save five per cent. Shop-owners may lose five cents whenever they have to exchange their Berkshares for dollars at the bank (which they may have to do if they want to buy something which is not produced locally), but nevertheless they are normally happy to be able to retain their loyal local customers, whom they might otherwise lose to chains like Wal-Mart, Starbucks and Barnes & Noble.

"Local currencies help educate people on the importance of independent businesses. They bring people away from the Internet and back on to the high street," explains Susan Witt, the founder of Berkshares.

Common to all these currencies is the attempt to provide an answer to the pressure of globalisation – part of which is the domination of retail chains over local traders.

"Regional currencies allow the regions concerned to solve many of their problems themselves," believes regional money expert, Professor Margrit Kennedy. Proponents of Regiogeld do not want to abolish their national currency, but, as economist Professor Scheiper points out, "The Euro is a world currency and does not take account of regional specifics nor of the general wellbeing of the region." Kennedy advises anyone who intends to set up a new complementary currency: "Don't promise too much – explain the pros and cons clearly in advance. It is a good idea to have the whole experiment evaluated by a scientific institution. Regional currencies are after all a new approach, and certain prejudices must first be overcome in people's minds in order to earn the necessary credibility."

SCO wants a new reserve currency

To look at the matter from a completely different perspective, the search for alternatives to the spiralling dollar as a reserve currency is well underway at a Eurasian level. The current shift of power towards Asian power blocs has of course given life to a critique of the existing reserve currency. While typically distancing themselves from the foreign policies of Washington, the big Eurasian powers have now also begun to criticise the existing dollar-dominated financial order. Russia and China especially are interested in an alternative to the existing system. They, after all, have so far never benefited from fluctuations in the value of the dollar and the quantity of dollars in circulation.

On 16 June 2009 the leaders of the countries belonging to the Shanghai Cooperation Organisation put their weight behind a Russian proposal involving the use of national currencies for international settlements, as well as introducing a common currency for the region. This means of payment is to be the equivalent of the ECU (European Currency Unit) which the European Community used before the Euro was introduced. At the summit, Russia's president, Dimitri Medvedev, said, that "The current structure of reserve currencies and the most important reserve currency – the US dollar – have not worked as they were supposed to," and that the Russian rouble "would hopefully become a reserve currency in the foreseeable future."

German journalist, Ralf Streck, believes that China's and Russia's strategy is aimed at a "gradual disempowerment of the dollar." Arkadi Dvorkovitch, financial advisor to the Russian President, has announced that Moscow will be investing a proportion of its reserves in Brazil, China and India, and that Moscow is "expecting its partners to invest in Russian portfolios."

G8 nations remain uninterested

As it happens, Russia and China (and also, at the last minute, France) wanted to put the issue of new reserve currencies onto the agenda of this year's G8 summit which was held from 8 to 10 July in Italy. French Finance Minister Lagarde declared prior to the summit: "We ought to discuss a better coordination of exchange rate policies." Also in this context, at a meeting in Aix-en-Provence, France, the minister said that the membercountries should talk about the roles and weighting of the various currencies, since these have changed as a result of the crisis.

Observers were hardly surprised when the summit organisers risked a spat with Moscow and Peking in the run-up to the event, by not placing the explosive theme on the agenda. Aside from generalised formulations like "global imbalance", the paper presented to Reuters in advance of the event contained no reference to the subject at all.

In a review of the goings-on at the Summit, Gerald Celente, founder and director of the Trend Research Institute, told Russian TV station Russia Today that new reserve currencies represent a threat to the American economy. He explained how the USA would lose with a new reserve currency, since at the present moment most of the world's trade is conducted in dollars. If parts of the world were to stop using the dollar, this would cause the currency to lose value steadily. In de facto terms, he says, US consumers are "borrowing" money from foreign suppliers like China, who in turn would like to free themselves from dependency on the dollar. US journalist Nicole Kardell described the G8 statements on the subject as "very weak." Kardell believes it highly likely that the proposal tabled by the Russian President and supported by the presidents of Brazil, India and China (who together with Russia constitute what is known as the BRIC nations) has genuine prospects of success in the future.

Most observers must by now realise, according to Ralf Streck, that there is no getting around the BRIC countries any more. With around 40 per cent of the world's population, they generate approximately 15 per cent of global output, and own almost half of the world's foreign currency reserves.

For the "privatisation" of money

Many people now recognise that the foundational reality of modern economics is that we transact and pay using easily reproducible paper money. Recent extreme monetary policies – especially in the USA and Western Europe – have taught us that the amount of paper money in circulation basically knows no limits. This leads to the recurrence of dangerous "bubbles". And yet only by increasing the quantity of money can bankrupt banks be kept alive at all.

The question which has to be asked is quite obvious: What can be done about this Bubble Economy? In a society which prides itself on its freedoms, it is inevitable that sooner or later people will begin to question the state's monopoly on money. In a groundbreaking article in the Frankfurter Allgemeine Zeitung on 12 June 2009, authors Thorsten Polleit, Michael von Prollius and the liberal Bundestag member, Frank Schäffler, asked openly and without any ideological blinkering: "What if money were a private commodity which had to assert itself among rivals just like any other kind of goods?"

"The first financial crisis of the 21st century was caused by bad money." However, "today's methods of counterfeiting money are much more sophisticated than those of the 14th century." To make things

more complicated, commercial banks are allowed to "carry on the counterfeiting of money in the form of the creation of money and credit," claim Polleit, Von Prollius and Schäffler, "and indeed are encouraged to continue doing so in order to stimulate the economy and growth as the state demands." The consequences of all of this are quite obvious: "The loss of trust in money as a means of exchange, and the destruction of the global pricing system by bad money, lead to a decline in economic cooperation, a decline in individual transactions, and therefore a reduction in global social prosperity."

The solution, they say, is to privatise money. "The privilege of corrupting the creation of money and credit must be taken away from central and commercial banks." And part of this process, they explain, should be to assess whether gold might be helpful in overcoming the crisis and creating "good money". The German authors espouse a system of "free banking" in which a "free market currency" would offer an alternative to the means of payment proliferated coercively by the state's monopoly on money, and which, they say, are "adrift" and "unsecured". No-one will choose bad money willingly if they can get good money on the market, say the authors.

The first step, as also proposed by the economist, Murray N. Rothbard, would be to bind banks' liabilities to money at a fixed rate of exchange. Simultaneously – and this would affect people directly – the banks' deposits ought to be convertible into a corresponding quantity of gold.

In a second "decisive step", the monetary system could then be privatised, say the authors of the FAZ article. People in the market would then have "a free choice as to their means of payment." But, as well as gold it would be conceivable that other goods such as silver, copper, platinum, wheat and shares in property could acquire the status of money. In such a system, the clear-sighted analysis states commercial banks could still issue credit in relation to their deposits, yet they would no longer be allowed to create money and credit out of nothing.

"Free Banking promises not only better money than the paper money issued by the state and effectively based on coercion, it could also ensure that the economy is less prone to fluctuation, since free-market currency counteracts mis-investment and therefore economic crisis. (...) Good money would in the end come out on top in a free market."

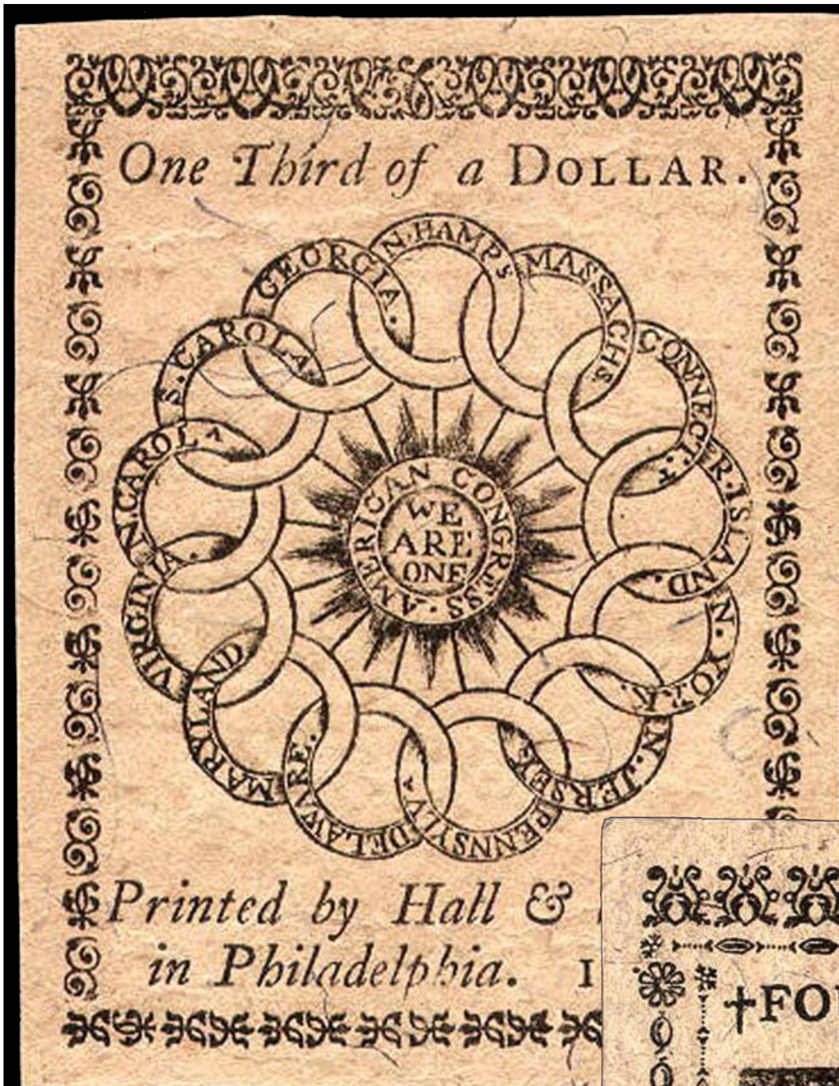
A dialogue of facts

Contrary to the notion of a Clash of Civilisations, it would seem that, even if only subconsciously, an awareness is developing at different levels not only of the importance of monetary issues but also of the necessity for new solutions.

The fact that criticism is coming from so many sides – as with the desire for alternatives – is testimony to the boundary-breaking, connective nature of the question of money. It may sound sloganesque, but it does come down to a question of sustainability and freedom – not the freedom we might have imagined, but a new, exciting kind.

http://www.globaliamagazine.com/?id=792


http://issuu.com/izmedien/docs




### 4 Dollar Continental Note

(below) This note is signed by Nicholas Garrison and Daniel Cunyngham Clymer a Pennsylvania Attorney and Lieutenant Colonel during the Revolutionary War. "A curious fact of American history is that nature prints formed the design basis of Colonial and Continental paper currency from the late 1730's to around 1780. It was the statesman, inventor and accomplished printer Benjamin Franklin (1706-1790) who conceived of incorporating impressions of leaves into printed currency, possibly to exploit their inimitable structures as a way to foil counterfeiting." - Pari Stave, Curator


### 1/3 Dollar Continental Note

(above) Designs we created by Benjamin Franklin and shows the thirteen linked rings representing the colonies and the legends "WE ARE ONE" and "AMERICAN CONGRESS".

Images from Mac's Old Paper Money
http://www.macsoldpapermoney.com

# Not Worth a Continental

By Claire Wolfe

*Once again reporting from the near future and that fabulous, floating, man-made center of hard money, Gold Island ...*

There aren't many Americans on Gold Island -- which feels weird. After all, until recently, Americans and American pop influences were everywhere. In Siberian movie houses, you'd see Leonardo di Caprio shouting in Russian. In what used to be called Darkest Africa, you'd find Hannah Montana tee-shirts. All over the world you'd see (and hear) Americans treating local populations with that curious "they'll understand English if I just shout loud enough" attitude.

Funny thing was that it usually worked. You didn't really even have to shout because billions of "furriners" really did understand English. And still do. By default, it remains the scientific, technical, navigational, diplomatic, and commercial language of the world (though that's as much due to the influence of the old British Empire as the later American one).

The pop-cultural references are still there, too -- and probably will be for a hundred years. But Americans themselves? Most can't afford to travel anymore. They stay at home, attempt to eke out a living, and argue over who's entitled to pick the last rags of their unraveling welfare state. Those you find outside are mostly those who got out while the getting was good, while the U.S. dollar could still buy plane tickets and modest little hillside or seashore villas.

Aside from me and a few other imported serfs, (workers who clean out hotel rooms or wait tables) most Americans on Gold Island are of that sort. They're wealthy global entrepreneurs or humble-but-smart retired people who saw what was coming and departed for foreign shores.

Today I'm here to tell you about the unique works of a different sort of American ex-patriate -- a woman who lost everything in the hyperinflation and who managed to claw her way back up, get here, and thrive.

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Stroll along Gold Island's most fashionable esplande, the wide pedestrian avenue adjacent to Platinum Beach, and you can't miss the cafe called The Black Widow. Yes, it's odd to name an eatery after a deadly spider, but the name works. The Black Widow is wildly popular, both with the daring young set that finds it amusing to defy convention and the older, more distinguished crowd that simply likes good food.

The woman I mentioned owns the place and is generally known only as "The Widow." But it's not of the restaurant that I mean to speak.

Slip into one of the shady alleys off the esplande and into the realm of tiny specialty shops. There, adjoining The Black Widow, you'll find an odd little hole-in-the-wall called A Continental. The meaning of the name is lost on most of the Europeans, Asians, and Mid-Easterners who shop in the district. Passersby probably think it's an attempt at being stylishly European. But one look through the windows at the merchandise and those who know their monetary history understand.

The store's name refers to the old American phrase "as worthless as a Continental." And the store sells something you've really got to be surprised to find on Gold Island -- worthless money.

Selling worthless money? Here, on this floating paean to precious metals and commodity currencies? Yep. A Continental -- which is also owned by that personage known as "The Widow" -- is both a souvenir shop and a sort of ad hoc museum dedicated to historical currencies that have gone blooey -- currencies that have blown up because of the manipulations of monstrous money mavens and corrupt politicians throughout time.

Of course, even a "worthless" Roman denarius or a "worthless" Confederate dollar or a "worthless" Weimar Deutschmark is worth something today for its rarity or curiosity value. And apparently The Widow makes a tidy sum selling such things via her storefront

business and her much larger online auction sales.
Go on in. There's a surprising lot to see in such a compact space. Glass display cases and racks of glassine envelopes contain hyperinflated paper funny-money from 1920s Russia, Austria, Poland, Hungary, and Germany, from WWII-era Poland and Hungary (guess those Hungarians never did learn), and from more modern China, Argentina, Peru, Bolivia, Poland, Ukraine, and Russia. (Yeah, guess those Poles and Russians didn't learn, either.) The Widow's got failed paper currencies from Angola, Belarus, Bosnia-Herzegovina, Brazil, Bulgaria, Israel, Japan, Madagascar, Mozambique, Nicaragua, the Philippines, Taiwan, Turkey, Zaire, Zimbabwe, and the United States -- just to name a few.

(And when I mention the U.S. I'm not talking about just the hyperinflation that eventually followed The Great Crash of Ought-Whatever; the U.S. had two real hyperinflations and at least one near miss before that. Guess those U.S.-ians don't learn from their history, either.)

Bet you didn't know there have been so many hyperinflations just in the last 100 years, eh? Not to mention a lot of earlier ones. Well, some modern inflations were a "mere" 200 percent per month or so at their very worst -- not newsworthy, as hyperinflations go, but plenty painful to the holders of all those rubles, zlotys, pesos, and marks.

But some of 'em were worldwide whoppers and you've got to wonder why we haven't heard more of them. Some of the champs (according to Taylor Watkins of San Jose State University) are: Greece, 1943-44, 8.55 billion percent per month (in the worst month*); Weimar Germany, 3.5 million percent; and Hungary 1944-45, 4.19 quintillion percent. Wikipedia chimes in with some even more stunning figures you might never have heard: China 1949, highest month's inflation 2,178 percent; Zimbabwe 2008, highest month's inflation 79,600,000,000 percent or to put it in more down-to-earth terms, 98 percent per day. Zimbabwean dollars kept overnight were worth half the next day. Okay, you've probably heard about Zimbabwe, but did you know that in 1949, you could buy 23,280,000 Chinese yuan for a single U.S. buck?

Steve H. Hanke, professor of applied economics at Johns Hopkins University and a senior fellow at the Cato Institute reports from another part of the world: "Starting in 1992 and lasting 24 months, what was left of Yugoslavia endured the second-highest and second-longest hyperinflation in world history, peaking in January 1994 when prices increased by 313,000,000% in one month. In all, there were 14 maxi-devaluations during the hyperinflation, with each of the final three exceeding 99.9%, completely wiping out the dinar's value in November '93, December '93 and January '94."

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But back to The Widow's little store, A Continental ... Since most customers, even educated ones, don't know about the phenomenal history of hyperinflation, they wouldn't care to pay good metal money for a plain old real or yuan or dinar or dollar or franc or metical or pengo or cruzeiro. No, what people want to buy is the story. So every defunct modern paper bill or ancient pot-metal coin comes with an account of its sad history. Store displays give precis accounts of the vast catastrophes behind each scrap of scrip, each tin-plated bit of copper (that should, instead, have been silver). Every phony bill comes with a sheet or more of copy that tells its story.

Look at the displays, read the text, and you can picture the human tragedies (and occasional tragic comedies): On a wall display of ancient Roman coins: "Early Romans were amazingly scrupulous about obeying their own laws governing money. They understood that flooding the market with increasingly valueless money made for bad monetary policy and dangerous social conditions. So they issued coins that were struck with high-quality dies (much harder to counterfeit than cast coins). These coins contained a fixed and stable quantity of copper or silver. For nearly 200 years, history shows not the slightest sign of decrease in the value of Roman money. No surprise, those were also years of increasing liberty, population, and economic health.

"Then along came internal corruption at the highest levels. And Hannibal the invader. And a series of coups, increasing militarization, and an obsession with foreign conquest (then, as conquest depleted the physical and moral resources of the empire, an obsession with holding off foreign invaders). Paying soldiers became everything.

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"In a series of debasements the silver denarius, originally minted at 99.0-99.5 fine, was reduced to as low as 2 percent fine.

"Emperor Diocletian then issued vast amounts of debased copper coins. Showing the beginning of a trend that we shall see throughout all history, when this flood of debased coinage inevitably lead to price increases, Diocletian blamed the greed of merchants. In 301 A.D. he issued the Edict of Prices declaring fixed prices on all manner of goods -- with a death penalty for anyone selling at higher prices. Merchants rapidly stopped selling. So Diocletian, rather than admitting he'd made a mistake, simply issued edicts against hoarding, which, he considered, is what the merchants were doing when they refused to sell. Merchants naturally left their trades entirely. So Diocletian, continuing to show himself to be a true politician (e.g. a person who believes you can create social order by issuing orders), countered with laws decreeing that every man had to pursue the same occupation as his father, under penalty of death.

"The government of Rome continued to grow. The former citizens of Rome lost their liberties and ,within fewer than 200 years from their finest and freest hour, descended into serfdom."

On a tray of old English coins: "After battling (and deliberately blinding) his older brother Robert for the throne of England, Henry I (1068-1135) allowed or encouraged the debasement of England's silver coins. The value of England's money then fell dramatically. But of course, as usual it was not the ruler's fault, but the fault of greedy others. So in 1124, Henry ordered the right hands of all mint masters cut off. This did bring about a temporary improvement in the quality of coinage. But it was not to last.

"His descendant Henry II reformed the English coinage in 1158. This restored the prestige of English money for the next remarkable three centuries.

"Then came the War of the Roses (1455-1485). During this interfamilial squabble, English currency was clipped and counterfeited to within an inch of its life. (You'll discover that most hyperinflations begin with a need to finance some war or another.) Citizens became reluctant to use it in trade. Instead, they preferred European or Irish coins, which were also debased, but not as much so as the English. Once again demonstrating a ruler's uncanny ability to place the blame on others and do exactly the wrong thing, Henry VII, victor in the aforesaid king-sized family spat, tried to prohibit the use of foreign coins in 1498. But he and his son, the outsized Henry VIII, and his son, the sickly, short-lived Edward VI, went on debasing English coinage. Edward's sister, Bloody Mary, was too busy with religious obsessions and personal quirks to care one way or another. Food prices and other prices soared.

"Elizabeth I inherited an impoverished and chaotic nations. With the aid of Sir Thomas Gresham (of the famous Gresham's Law) she immediately and boldly set about to reform the currency, establishing the pound sterling -- which really was a pound of high-purity silver. She was able to do this largely via successful raids on Spanish ships that carried enormous quantities of precious metals. But however she accomplished it, she thus launched England on a course of monetary stability that lasted until the modern era of paper money."

On a display of 18th-century French livres and various pre-revolutionary stock shares: "When the fabulous "Sun King, " Louis XIV, died, his extravagances had left France three billion livres in debt. Along came a Scottish 'banker' -- actually a gambler, adventurer, duelist, and playboy -- John Law. He promised fiscal salvation to the new king, Louis XV.

"Before John Maynard Keynes was even a twinkle in his father's eye, Law had, on his own, invented something very like Keynesian economics. 'Domestic trade depends upon money,' he reasoned. 'A greater quantity employs more people than a lesser quantity. An addition to the money adds to the value of the country.'

"So, Law concluded, let us print more paper money and get rid of that pesky limiting factor of gold. It will be such a stimulus! He also proposed to increase credit and reduce the national debt by replacing it with shares in economic ventures. According to admiring Law biographer Antoin E. Murphy, Law's theories 'captured many key conceptual points which are very much a part of modern monetary theorizing.'

"This is not necessarily a good thing. Law's career in France is too complex to summarize easily. He became

many things at once: comptroller of the currency, founder of a central bank, creator of government monopoly power, and marketer of the Louisiana Territory in North America -- whose value he deliberately overestimated and whose shares he vastly oversold. If you want the full story, google 'Mississippi bubble' sometime. But another way to get an eerily similar story would be to look up the more modern machinations of Alan Greenspan, Ben Bernanke, and a whole host of former Goldman-Sachs executives. Or to google 'housing bubble' or 'credit bubble.' Same thing; different era.

"John Law became a global celebrity. He hobnobbed with royals and received envoys from the pope. As Ben Bernanke would be (ca. 2009), he was hailed as a financial miracle worker who saved France from disaster and lifted her toward prosperity.

"Then in January 1720, a couple of royal princes decided to cash in their shares of Law's (and France's) vastly inflated "Compagnie" that was developing Louisiana. They turned in their paper and requested the gold supposedly backing it. Ooops. Multitudes of their friends and fellow investors decided to follow suit. In his capacity of Controlleur des Finances, Law frantically began printing up paper money to try to appease investors and keep both his schemes and the French economy afloat. Then he tried to dam the flood of cash-ins by making it illegal to hold large amounts of gold. He tried many other things, too. But they all failed.

"France was reduced to financial chaos, ripe for the revolution that followed a few decades later. Law was impoverished and exiled. He lamented, 'Last year I was the richest individual who ever lived, today I have nothing, not even enough to keep alive.'" He was hardly alone.

On a tray of slightly mangy U.S. revolutionary "Continentals": "The battles of Lexington, Concord, and Bunker Hill were not long over. At the start of the American revolution the country's somewhat ad hoc Continental Congress faced the problem of raising enough money to continue to fight the British. With actual funds in short supply, and no way to raise enough tax revenues (since many of the most productive citizens, the farmers, were out fighting battles), they could only create funds by borrowing. They ordered the printing of what they claimed would be a maximum of $2 million in bills of credit -- which soon came to be called 'Continentals.'

"Continentals were supposed to be redeemable in real money at a later date -- after peace returned and farmers could bear to pay higher taxes. (The bills were marked, 'redeemable in Spanish milled Dollars, or the value thereof in gold or silver, according to the resolutions of the CONGRESS, held at Philadelphia the 10th of May, A.D. 1775.') But -- no surprise -- by the end of that year, the $2 million had become $5 million and within four years, $242 million. Not only that; the bits of printed pasteboard were easily counterfeited -- which the British did happily and openly.

"In the first year or two, few people noticed any problem. Prices remained stable, and although gold and silver did disappear from circulation (as Gresham predicted), the Continentals seemed to 'work.'

"By late 1776 or early 1777, however ... prices began to rise. Still, nobody blamed the Continental. (Nobody ever blames the fiat currency until every other target of blame has been exhausted.) Defeats in battles, the experts claimed, were causing the value of their money to fall. No, the problem just couldn't be in the money itself.

"But in the end it was undeniable. The tide turned; the U.S. won the war -- and according to the experts, the Continental should have been valuable again. But instead of $100 in Continentals being exchanged for $100 worth of gold or silver, by 1781, it took nearly $17,000 worth of Continentals to buy $100 in precious metal. George Washington himself groused that a cartload of Continentals would scarcely buy a cartload of supplies for his soldiers. After the war, the government never made any attempt to redeem the 'money' -- which would have required crushing taxes.

"According to an 1863 news article, Americans (not knowing their history, even then, it appears) came to consider the Continental, 'the worst example of an irredeemable currency which the world has ever seen,' "History has its defenders of the Continental. It did, after all, help the colonists to beat their powerful British masters. But the people who actually held Continentals got relentlessly screwed. They saying, "not worth a Continental" became a term of contempt that lasted clear into the 20th century.

And finally on a display of recent U.S. paper: “If you’ve looked at any of the other displays here in the store and read their stories, do you really even need the history of the once-almighty U.S. dollar -- the dollar everyone was compelled to accept in trade, the paper that nearly weighed the whole world down to its knees?

“You already know that story, don’t you? Because it’s your story, no matter who you are or where in the world you’re from. It’s also the same sad old historic tale of governments trying to ‘stimulate’ (e.g cheat) their way out of war debts, the expenses of empire-building, and public extravagances -- of governments blaming everyone else for government-created troubles -- everyone from ‘greedy businessmen’ to ‘over-extended households’ to ‘foreign interests’ to ‘unregulated bankers.’ It’s a story of a con that, like a lot of cons, looks profitable for a little while, but always, everywhere, comes to disaster.

“The only moral that story holds is the one Santayana warned us about in vain, ‘Those who cannot learn from history are doomed to repeat it.’

“It’s also my story. And that’s one worth knowing. If you want to hear the details some time, come into the restaurant next door. If it’s a slow time, I’ll be glad to tell you my story and hear yours. -- The Widow”

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* Figures vary on the maximum Greek hyperinflation. This seems to be the most commonly stated, but even the Wikipedia article on hyperinflation differs with itself on the exact figure. That seems to be a common problem with accounting for hyperinflations; things get so bad and events move so rapidly that nobody really knows the exact depth of the catastrophe.

# October is the Cruelest Month

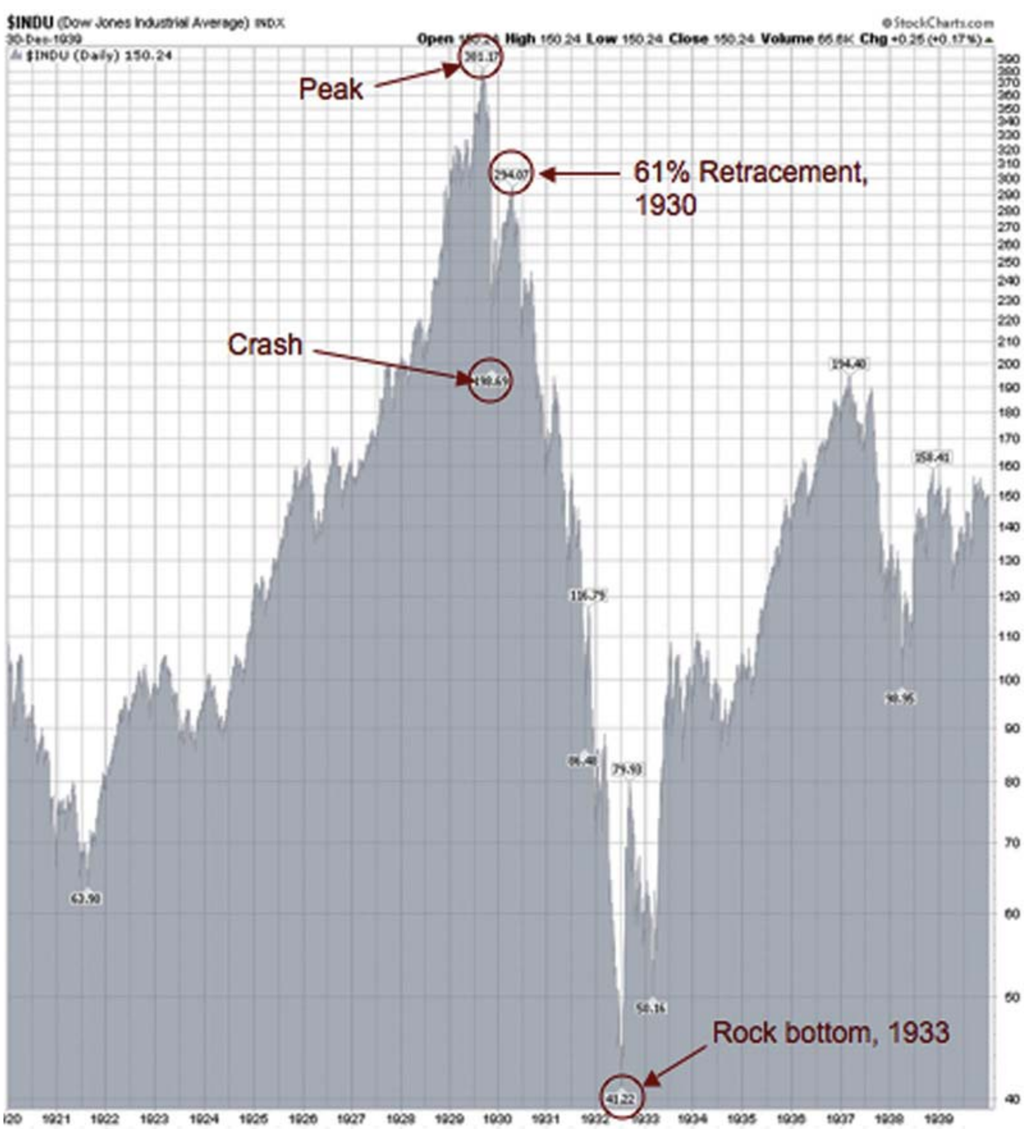
by Tarek Saab

T.S. Eliot famously declared "April is the cruelest month" in his poem, The Wasteland. Apparently, Eliot was no stock investor. For those holding stocks, it is October which has been the cruelest month. October 1929. October 1987. October 2008 . . . Wasteland indeed.

If analysts like Robert Prechter and the Elliott (not the poet) Wave theorists are correct, and the 2009 market recovery is similar to the 61% retracement in 1930 following the '29 crash, then we are on the verge of a frightening collapse. As Prechter notes in a recent interview: "What I have been saying publicly is that the Dow could go below 1,000 which is a radical enough statement."

Could it happen? If history repeats itself . . .
To put the above chart in perspective, consider that the Dow did not fully recover its 1929 peak until 1953! The growth was so moderate, in fact, that the Dow did not eclipse 1,000 until 1972 - and this occurred when the US economy was production-based.
Still, in October 2007 the Dow came within a hair of 14,000, representing 14x growth peak to peak in 35 years from 1972 to 2007; a symptom of credit-induced inflation and a bubble of unimaginable proportions. During this period, our economy transitioned from one of production to service, and through that process became entirely unsustainable. How far can you stretch a rubber band before it breaks?

While the greatness of the United States has faded faster than Harrison Ford's career, Tom Clancy hero Jack Ryan lives on in cinema history, as does our notion of patriotism, though even Ryan never saw clear and present danger like what we are presently facing.




Does the nation sense it? Could a monumental crash be in the offing this fall?
The spectrum of national pessimism varies depending on one's political credo; from the communists, like our President, to the "Hannitized" and the Glenn Beck fans, who still feed into the party line shouting "mega-dittos!" and "You're Great American!" from Juneau to Tallahassee. Hannity implores his base, "let not your heart be troubled!" Easy for him to say. This once-great nation remains distracted with the prospect of national healthcare while the economy languishes in peril.

Those with little capital have no choice but to weather the storm with a combination of precious metals and US dollars. Those with money to invest are seeking offshore safe havens. Outside the far right and the far left moves a segment of investors looking beyond the pale of American politics to growing worldwide sanctuaries.

Many Americans ask, where is it any better than here? Truthfully, not too many places unless you are a socialist, but there are oases where freedom is a way of life and not a marketing slogan. Paraguay and Uruguay are two countries drawing international investors because of tax benefits (Paraguay's income tax is 0%), cheap land and labor, political stability, and a variety of other merits. As free marketers know, economic stability is never built on a mountain of credit. Also, it is difficult for a central bank to control the population when 90% of the people do not own bank accounts.

In the most recent issue of Without Borders, the Casey Research spin-off, authors Simon Black and Fitzroy McLean recommend holding 30% of one's investment portfolio in "foreign productive real estate." They define this real estate as "rental property or agricultural/forestry which can also be used as your escape destination if things get really bad at home."

Escape destination, indeed, not only physically, but fiscally. For what good does it do to flee the country if your money cannot make the trip? The existing threat of foreign exchange controls, as I wrote in my last article, is an ever present danger.

Foreign productive real estate is crash proof and protective for two main reasons: 1. A producing commodity will always generate income despite market fluctuations. 2. The United States government mafia simply cannot repatriate foreign land. (And if the real estate does not produce, it is exempt from US taxation as well).

It is time for another Jack Ryan-sequel to Patriot Games. Clancy could call it Repatriate Games, as in, protection from the government repatriating your assets, which is happening to banking customers in Switzerland. Or he could call it Expatriate Games, as in the six million Americans who presently live outside the United States.

Either way, now might be the time to begin thinking differently. For some, freedom never came so cheaply.

Till next time, that's my Saab Story.
Tarek Saab
http://www.goldandsilvernow.com
**info@goldandsilvernow.com**

# 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

# e-gold Update:

## Owner CIP, CDD, and Agio Fee Schedule Changes

From the e-gold blog for August 2009
http://blog.e-gold.com/2009/08/index.html

Effective immediately, e-gold requires additional information from all e-gold account Users in compliance with US legal requirements and e-gold's "Customer Identification Program" (CIP).

### Owner Information (Owner CIP)

e-gold requires all Users to provide information about the Owner of the e-gold accounts in User's control. ALL USERS ARE REQUIRED TO TAKE ACTION AT THIS TIME.

Completion of User CIP is a prerequisite to completing Owner CIP. It is imperative for any User who has not yet completed User CIP to do so immediately.

### Customer Due Diligence

Collection of information for identification and verification purposes is only one part of e-gold's broader "Customer Due Diligence" (CDD) process. In compliance with US requirements, e-gold requires additional information about e-gold account Owners and the intended usage of their e-gold account(s) to prevent e-gold accounts from being used for money laundering, terrorist financing or other financial crimes. ALL USERS ARE REQUIRED TO TAKE ACTION AT THIS TIME TO PROVIDE REQUIRED INFORMATION.

### Enhanced Due Diligence

As part of its "Enhanced Due Diligence" (EDD) efforts, e-gold may request other information for accounts with Owners or activity meeting certain criteria. For example, money transmitting businesses will be subject to EDD.

PLEASE NOTE THAT IF CIP, CDD OR EDD INFORMATION IS REQUESTED, IT MUST BE PROVIDED BEFORE ANY INITIAL OR FURTHER TRANSACTIONAL ACTIVITY MAY BE PERMITTED. FAILURE TO PROVIDE ANY OF THE CIP, CDD, OR EDD INFORMATION WHEN REQUESTED COULD RESULT IN YOUR ACCOUNT BEING TREATED AS ABANDONED PROPERTY AND ESCHEATED TO GOVERNMENTAL AUTHORITIES OR FORFEITED TO THE US GOVERNMENT.

### Agio Fee Schedule Changes

Effective with the next Agio fee collection:

* The Agio fee rate for those e-gold accounts in compliance with all e-gold CIP, CDD and EDD data collection requirements in effect at the time of Agio fee collection will be reduced from 1% per annum to 0.5% per annum.

* The Agio fee rate for those e-gold accounts *NOT* in compliance with all e-gold CIP, CDD and EDD data collection requirements in effect at the time of Agio fee collection will be increased from 1% per annum to 10% per annum.

* e-gold accounts are deemed to be in compliance (for purposes of determining which Agio fee rate applies) if, as of the time Agio is collected, the User has provided *ALL* required information and documents, including any additional information or documents requested during the review process. For this reason, it is imperative that Users login regularly in the event additional information is required.

Agio fee schedule is available here.
http://blog.e-gold.com/scheduled-agio-collection/

Advance notice of next Agio fee collection date and time is available here.

Further Agio Fee Schedule Changes
http://www.e-gold.com/unsecure/fees.htm

The Agio fee is the equivalent of an account maintenance fee. e-gold Ltd reserves the right to make further changes to the Agio fee schedule based on the costs of maintaining and enhancing the e-gold system. e-gold Ltd continues to review the Agio fee schedule in view of these costs and may announce further changes within the next 6 months.

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EVEN IF YOU BELIEVE THE ACCOUNTS YOU CONTROL TO BE FULLY COMPLIANT WITH ALL OF E-GOLD'S CIP, CDD AND EDD REQUIREMENTS, PLEASE MAKE A POINT TO LOGIN AT LEAST ONCE A WEEK TO SEE IF ANY ADDITIONAL INFORMATION HAS BEEN REQUESTED. FOR EXAMPLE, E-GOLD INTENDS TO REQUIRE ADDITIONAL OWNER CIP INFORMATION FOR ACCOUNTS WHERE THE USER IS NOT THE OWNER (SUCH AS ACCOUNTS OWNED BY COMPANIES) IN THE NEAR FUTURE.

FAILURE TO PROVIDE ANY OF THE CIP, CDD, OR EDD INFORMATION WHEN REQUESTED COULD RESULT IN YOUR ACCOUNT BEING TREATED AS ABANDONED PROPERTY AND ESCHEATED TO GOVERNMENTAL AUTHORITIES OR FORFEITED TO THE US GOVERNMENT.

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

Our best wishes go out to Dr. Jackson for a speedy resolution to e-gold's current regulatory issues.

The folks at DGCmagazine are confident that e-gold's digital gold currency business will continue and that consumers will eventually learn the real advantages of digital gold over conventional banking and credit products.

# A quick look inside today's e-gold from their stats page.

With over 5 million accounts, the stats show just 325,741 which still have any metal in them.

Of the 325k funded accounts, just over 200,000 of them have less then $31 USD of value in the account (1 gram of gold)

Out of the entire 5.13 million accounts still in operation, including funded and unfunded only 484 were accessed in the last day.

There were NO e-gold spends in the past 24 hours.

165 account have between 1kilo and 10 kilos of gold still present.

| Home | Terms of Use | About Us | FAQ | Access Account | Contact

# e-gold Statistics

(as of: 9/2/2009 6:07:01 PM GMT)

These statistics display recent data for the e-gold system.
(mg=milligram=1/1000g, g=gram, kg=kilogram=1000g, Mg=Megagram=1000kg)

Currently there are **5139846** e-gold accounts.

**e-gold System Activity in Past 24 hours**

| New Accounts | Users Accessing Accounts | e-metal spends |
|---|---|---|
| 0 | 484 | 0 |

**Velocity**
(value circulated by spends over a given time)

| | e-metal | Weight | USD Equiv. |
|---|---|---|---|
| 24 hours | e-gold | 0 mg | 0.00 |
| | e-silver | 0 mg | 0.00 |
| | e-platinum | 0 mg | 0.00 |
| | e-palladium | 0 mg | 0.00 |

**Distribution of e-gold Spends over Past 24 Hours**

| | |
|---|---|
| 0 mg - 1 mg | 0 *(Total: 0 mg)* |
| 1 mg - 10 mg | 0 *(Total: 0 mg)* |
| 10 mg - 100 mg | 0 *(Total: 0 mg)* |
| 100 mg - 1 g | 0 *(Total: 0 mg)* |
| 1 g - 10 g | 0 *(Total: 0 mg)* |
| 10 g - 100 g | 0 *(Total: 0 mg)* |
| 100 g - 1 kg | 0 *(Total: 0 mg)* |
| 1 kg - 10 kg | 0 *(Total: 0 mg)* |
| 10 kg - 100 kg | 0 *(Total: 0 mg)* |
| 100 kg - 1 Mg | 0 *(Total: 0 mg)* |
| 1 Mg - 10 Mg | 0 *(Total: 0 mg)* |

**Balance Summary**

| | Number of Funded Accounts | Average Funded Account Balance | e-metal in Circulation |
|---|---|---|---|
| **e-gold** | 325,741 | 6.47 g | 2.11 Mg |
| **e-silver** | 1,554 | 1.71 kg | 2.65 Mg |
| **e-platinum** | 568 | 21.74 g | 12.35 kg |
| **e-palladium** | 458 | 26.77 g | 12.26 kg |

**Balance Distribution of Funded Accounts**

**e-gold**

| | |
|---|---|
| 0 mg - 10 mg | 6654 |
| 10 mg - 100 mg | 46453 |
| 100 mg - 1 g | 147658 |
| 1 g - 10 g | 101725 |
| 10 g - 100 g | 20874 |
| 100 g - 1 kg | 2203 |
| 1 kg - 10 kg | 165 |
| 10 kg - 100 kg | 9 |


# The American Open Currency Standard


http://www.opencurrency.com

# Open Letter to the Builders of the New Economy

http://newcurrencyfrontiers.com

Let's face it – we're socially retarded. Our social institutions, beliefs, culture and politics are not keeping pace with rapidly changing technology, information, environment and the economy. We cling to familiar old patterns and structures until we're blindsided by sudden, necessary changes. Most of us know at some level that the old financial systems are beyond repair, but we are simply not ready to let go of them yet. Unfortunately, that won't prevent their collapse.

We Need to be Building Real Alternatives
Look. The powers behind today's monetary system not only know the collapse is coming, but are actively partaking in it's demise. They will step up to offer a new alternative (that they still control) and exert their influence to be sure it's adopted. The question is whether we will continue to surrender our power to choose what we value and how to measure it back to them again, or whether we will reclaim those capacities for ourselves.

Let me paint a picture… Twenty-five years ago if you had a decent size business and needed to select computer platforms for increasing the productivity of your business, the "safe" choices were obvious. All options were proprietary, and you generally went with a big-named player who was likely to be setting the standards and still be around to support the applications in a few years.

Open sourcing our currencies creates choice ...
The idea of many currencies competing for attention and value may seem to you like chaos at first. Normally we refer to that particular kind of chaos a free market.

Currency Infrastructure Required for an Open Economy

- ***Open Transport***
- ***Open Rules***
- ***Open Data (with Intrinsic Data Integrity)***
- ***Help Us Make This Happen in Time***

This is a definitely a case where timing is everything. The more useful currencies that we can have up and operating BEFORE the complete collapse of the old financial infrastructure, the better off we all are. There will be less chaos, panic and disorientation if we have viable alternatives to turn to which help us feed, house and care for ourselves and our families.

We are working on this as fast as we can, yet we are still having to operate in the old economy, paying our bills, our programmers, buying things the old way. This means that building the infrastructure for the new economy remains a perpetual side-project not moving as quickly as it could if we could devote our full-time energies to it. We need help.

Funders: All financial assets in the old economy are on their way to being worthless as it all unravels. If you have holdings that you'd like to see ensure some tangible future wealth for you, your family or your community, then investing in the capacity to create and manage that wealth directly is the wise decision. Help us build the infrastructure tools of the new economy so we can help you create new kinds of financial assets independent of the collapsing banks and national currencies. We've put about $350,000 of our own time and money into this so far and it will probably take another $500,000 to get these tools launched. Mobilize your dying assets while they're still worth something.

Geeks: We need all kinds of technical help: coding, designing, testing, documentation, UI, hosting, scripting, etc. If you have something to offer in this domain, come to http://projects.metacurrency.org, create an account, tell us how you can best contribute and you'll get the inside track to the work in progress and the tasks at hand.

Community Leaders: Economic theories may be interesting, but we're much more interested in application. If you are part of a community which needs tools to facilitate the movement of resources, building of trust, setting up of incentives or participation metrics and measures, then you should be looking at implementing a currency. We have currency designers who can help you get started, but the real work is in bringing people on board. We need you and you need us.

People Who Understand: If you don't fit in one of those other categories, but you can see the value and importance of building a solid infrastructure for our financial future -- an infrastructure no longer ruled by wealthy oligarchs, but under the care and management of the people who use it. We need you to spread the word. It is hard to shed some of the old sacred cows and assumptions of industrial age economics, but there are many others who are ready to start. Send them this letter. Publish it on your blog. Take back control of your finances and your future.

You can add yourself the list of builders of the new economy at http://newcurrencyfrontiers.com

**Core Team:**
**Greg Berry – Boulder, CO**
**Arthur Brock – Denver, CO**
**Eric Harris-Braun – Canaan, NY**
**Fernanda Ibarra – Mexico City, Mexico**
**Alan Rosenberg – Portland, OR**
**Jean Russell – Chicago, IL**
**Katin Imes - Portland, OR**
**Adam King - New Haven, CT**
**Georg Pleger - Innsbruck, Austria**

http://newcurrencyfrontiers.com/wagn/Open_Letter_to_Builders_of_the_New_Economy the terms of the hedges calculate that Barrick is still on the hook for at least another few hundred millions of dollars beyond what has been acknowledged.

There are two extremely important points to gain from this development.

First, Barrick was supposed to redeem these hedges by delivering physical gold. That is what the parties who originally loaned the gold to Barrick wanted to receive. Settling some of these hedge contracts for cash technically constitutes a default. It appears that Barrick officials realize it is simply impossible to buy the quantity of gold they would need to deliver against the hedges. Barrick only produces about three million ounces of gold annually, so they cannot cover their hedges quickly out of production. Now the creditors will receive cash, but where are they going to find the gold they expected to get?

Second, the fact that Barrick decided to cash out some of its hedges with gold at $1,000 is a sign company officials expect higher prices in the future. If they thought prices would be stable or decline, there would be no reason to close these hedges now. Barrick has been in the thick of partnering with the U.S. government to suppress gold prices. It did so to such an extent that in one suit a few years ago it tried to claim the U.S. government's sovereign immunity extended to transactions the company conducted for the benefit of the U.S. government (this was the Blanchard case that was settled out of court with a confidentiality order on all parties).

Failure to deliver on a contract of this magnitude could indicate that the gold market is in the initial stages of a commercial signal failure. A commercial signal failure occurs when parties with major short positions, like Barrick, start to panic to cover their positions. In such circumstances, prices can rise sharply and quickly.

Other fresh developments:

H.R. 1207, the bill calling for an audit of the Federal Reserve (and likely also the US government's gold holdings) has been scheduled for a committee hearing on Sept. 25. Committee Chairman Barney Frank has already stated that he expects this bill to be passed in October.

The Federal Deposit Insurance Corporation has technically exhausted all of its assets with losses suffered from bank failures (more than 100 in the past 12 months). In response, the FDIC has changed its method of calculating its reserves. Now the FDIC considers its assets to be part of reserves until they have to be physically dispersed rather than what is owed as of the time a bank fails. So, for the time being, FDIC is claiming that it is not out of reserves.

When the COMEX gold market closed above $1,000 last Friday, it was the first time ever that gold had closed above $1,000 at the end of a week. Technical traders give heavier weight to Friday closes than to other days of the week.

Another tidbit for technical traders - the last two times that gold reached a significant peak, the high was at least 25 percent above the 34-week moving average gold price. Right now, gold is only about 7 percent above its 34-week moving average, leaving lots of room to rise.

For the past few weeks, the price of gold has been hammered just before and during U.S. Treasury debt auctions on Tuesday, Wednesday and Thursday. Within minutes of the closing of the final auction, gold prices have started to rise, which is probably one reason that gold closed strong last Friday. This weekly pattern may continue for a while, where gold is clobbered on Monday ahead of the auctions, and isn't allowed to climb until late Thursday afternoon.

Even in the face of huge short-selling by the U.S. governments trading partners, gold still rose to break over $1,000 last week. To give you a feel for how aggressive are the gold price suppression efforts, last week's COMEX commitment of traders report showed that commercial traders, on net, shorted gold by five million ounces in the previous week. That amount of short trading would require one month of global mine production to cover it. This is not a sustainable pace.

Trading in the silver market has been extremely interesting. Silver's price has jumped 20 percent recently. Normally such a quick rise of this magnitude

would lead to a noticeable increase in supply and decline in demand. Instead, the COMEX October contract closed last week at a higher price than the September contract. The condition where future month contracts trade higher than the spot month is called backwardation and is a clear signal of a shortage of the physical commodity.

We could see lots of fireworks in both the gold and silver markets before the end of September.

http://www.numismaster.com/ta/numis/Article.jsp?ad=article&ArticleId=7650



# Skype Now Accepts Webmoney

(WMR)

Wow, Skype is now accepting Webmoney as a method of payment. You must be located in that part of the world for the option to be available to you and they only take WMR purse but wow, way to go Webmoney.

Webmoney Transfer currency has more than 8,500,000 accounts and over a decade of uninterrupted online service to their clients.

WebMoney Territory today cover 8069 cities in 70 countries around the world. Click here to open a new Webmoney account. (I highly recommend it)

Stay tuned for later this year (Oct 5th) when DGCmagazine will be out with a huge mega double issue, "inside Webmoney" live from Moscow.

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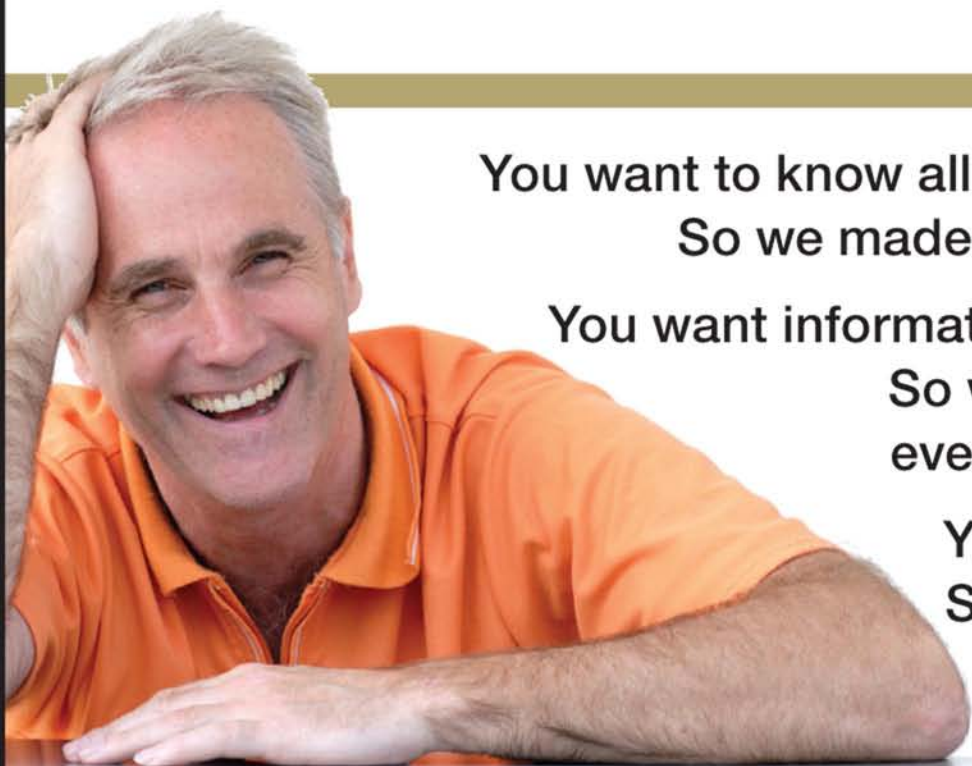

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# Social network Sonico has selected GlobalCollect for its Latin America Biz

Amsterdam, The Netherlands – September 15, 2009 -- The popular Latin American social networking platform www.sonico.com offers its over 40 million registered users a safe and fun environment to connect and stay in touch with real-life friends, colleagues, and family. The partnership with GlobalCollect enables Sonico to process international online credit card payments via Visa, MasterCard, and American Express for its premium subscription services. Future plans entail expanding the range of payment methods to include local and alternative options.

Both companies had already established a fruitful business relationship indirectly in 2006, when GlobalCollect started processing online payments for Clon Communications -

Sonico's sister company - an online retailer of various prepaid cards. Based on Clon's positive history with GlobalCollect – Clon's international online transactions have quadrupled since then - Sonico decided to partner with GlobalCollect as well for its online payment needs.

Gustavo Victorica, CFO of Sonico, said: "We chose GlobalCollect on the basis of its comprehensive portfolio of payment methods. This, plus its single-interface payment platform supporting multi-currency online payment transactions will help us boost conversion rates."

Jan Manten, CEO of GlobalCollect, continued: "We welcome the opportunity to service Sonico.com, a popular and rapidly growing social network in Latin America. We believe that this region holds tremendous growth opportunities for all sorts of e-commerce activities in general, which is why we have decided to open a local office in Buenos Aires in the very near future."

***About Sonico.com Inc.***

Founded in July 2007, Sonico is the social network of Latin America that organizes people's life online. Developed with a strong emphasis in user legitimacy, privacy and personalization, it has been widely adopted across Latin America. This social communication platform has over 40 million registered users and allows individuals, organizations and brands to interact in a useful and entertaining way. Located in Buenos Aires and with a team of over 80 people, Sonico was elected by Business Week as the 5th tech startup with the highest global growth potential. Sonico closed its first round of capitalization of USD 4.3 million in May 2008.

**About GlobalCollect**

GlobalCollect is the world's premier Payment Service Provider of local e-payment solutions for international Customer Not-Present (CNP) channels such as internet, mail and telephone orders, and specialized in a wide range of industries such as travel, ticketing, telecommunications, retail, publishing, portals, online gaming, and digital content. While most providers limit their services to a technical link with payment acquirers, GlobalCollect is a full service partner consulting clients on how to increase transaction volumes, expand distribution channels, and reduce costs by streamlining back office processes. Through a single-interface online payment platform, we offer access to an unrivalled portfolio of local and international payment methods in over 200 countries, including all major credit and debit cards, direct debits, bank transfers, real-time bank transfers, eWallets, cash at outlets, prepaid methods, checks, and invoices. http://www.globalcollect.com

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