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Gold & The Cold War

By Darryl Robert Schoon

There are now two great nations in the world, which starting from different points, seem to be advancing toward the same goal: the Russians and the Anglo-Americans... Each seems called by some secret design of Providence one day to hold in its hands the destinies of half the world. Democracy in America, Alexis de Toqueville, 1835

De Toqueville's amazing prediction in 1835 about the destinies of *Russia and the Anglo-Americans* was every bit the equal to those made by his illustrious French predecessor, Michel de Nostradame.

In the 1830s, Russia was a czarist empire and the US had fought its war of independence from England only 60 years before. The idea of *Russia and the Anglo-Americans..starting from different points advancing toward the same goal.. called by some secret design of Providence..to* [each] *hold .. the destinies of half the world* was an extraordinary prediction, especially in 1835.

Nonetheless, 110 years later, just as de Toqueville predicted, *Russia and the Anglo-Americans* each advancing towards the same goal would become enemies in what would become known as *the Cold War*, an extraordinarily costly decades-long battle for economic hegemony and world dominion in the second half of the 20th century.

In 1835, deToqueville called the two great nations, *Russia and the Anglo-Americans*. DeToqueville knew full well the difference between England and America. Nonetheless, de Toqueville made no mistake when he described the future *Anglo-American* alliance as one nation.

It was a prescient prediction of a coming, close relationship between England and the US, a relationship that would extend British geopolitical influence but would bankrupt America in the process and cost it its once great heritage as a beacon of freedom and liberty in the world.

EMPIRE, EMPIRE AND MORE EMPIRE

When de Toqueville made his prediction in 1835, both Russia and England were already empires. *By the 18th century, the Tsardom of Russia had become the huge Russian Empire, stretching from the Polish-Lithuanian Commonwealth eastward to the Pacific Ocean.*

http://en.wikipedia.org/wiki/History_of_Russia

The British empire, however, would become far larger and ultimately cover almost a quarter of the world's land area. By 1922 it was estimated that England ruled 20% of the world's population and was the largest empire in history.

http://en.wikipedia.org/wiki/British_Empire

The US, unlike Russia and England, had no interest in empire. Indeed, the democratic ideals of America were antithetically opposed to the imposition of power over others, let alone nations.

I have never been able to conceive how any rational being could propose happiness to himself from the exercise of power over others.

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Gerard Depardieu Escapes Envy-driven, Socialist French 75% Tax

By Lew Rockwell

When Socialist President Francois Hollande took office, he swiftly made good on his pledge to raise the top tax rate on Frenchmen who earn a million euros a year – to 75 percent.

The regime would now confiscate three of four dollars that the most successful Frenchmen earned. Paris also imposes a wealth tax on assets worth more than $1.7 million.

This broke it for Gerard Depardieu, the famed actor and bon vivant who has performed in scores of films in such roles as Jean Valjean in Les Miserables and Cyrano de Bergerac.

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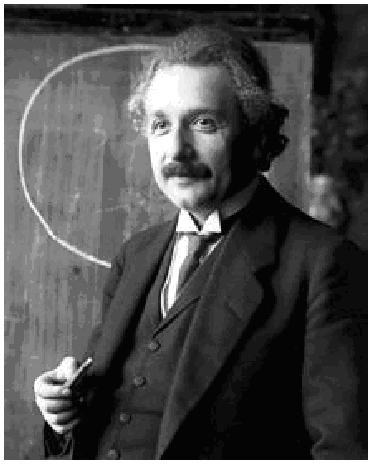
EINSTEIN'S GENERAL THEORY OF INVESTMENT

By Richard Benson



"The most powerful force in the universe is compound interest" -- *Albert Einstein*

"Not any more…" -- *Ben Bernanke*
Einstein was a genius known for his simple elegant expressions of complex natural laws. Indeed, what is simpler than E=MC2? While it may be urban legend that Professor Einstein was reputed to have said that compound interest was the "eighth wonder of the world and the most powerful force in the universe", the point is well taken.

"Compound interest is the eighth wonder of the world. He who understands it, earns it ... He who doesn't ... pays it" -- *Albert Einstein*
Einstein's observations were perfectly accurate back then as he noticed that the universe was expanding. Because growth is a natural phenomenon, the human race, in general, and any man, in particular, can take advantage of natural law by putting off consumption today and investing in the future. This is the force behind compound interest. A seed of corn not eaten but planted will multiply into a thousand seeds at the future harvest; an acorn nurtured and planted can produce a mighty oak; an olive grove cultivated now may take 40 years to mature but it will

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Thomas Jefferson

America's participation in *the Anglo-American* pursuit of empire one century later would have catastrophic results for America. Cut loose from its moral anchor as a beacon of freedom, America would gain wealth and power but would lose its soul in the process; and, in the end, America would also lose much of its wealth and power as well.

Although, in the end, America would deny its democratic past to pursue the fruits of empire, it would not escape the costs, both financial and moral, in so doing:

Every ambitious would-be empire clarions it abroad that she is conquering the world to bring it peace, security and freedom, and is sacrificing her sons only for the most noble and humanitarian purposes.

That is a lie, and it is an ancient lie, yet generations still rise and believe it! If America ever does seek Empire, and most nations do, then planned reforms in our domestic life will be abandoned, States Rights will be abolished in order to impose a centralized government upon us for the purpose of internal repudiation of freedom, and adventures abroad.

*The American Dream will then die—on battlefields all over the world—**and a nation conceived in liberty will destroy liberty for Americans and impose tyranny on subject nations.***

George S. Boutwell, (1818-1905), Secretary of the Treasury under President Ulysses S. Grant, Governor of Massachusetts, Senator and Representative from Massachusetts.

THE ANGLO-AMERICA ALLIANCE

In 1945, at the beginning of what is now known as the Cold War, England and America had become far more alike than America's founding fathers could have foreseen; the central bank being the most egregious example.

Of all the English institutions that Founding Father Thomas Jefferson opposed, it was the central bank. Designed by bankers to transfer the profits of societal productivity, commerce and ingenuity to bankers and financiers via the mechanism of debt, the central bank was at the center of British power and wealth.

England's central bank allowed England to wage war on credit, an advantage not shared by others; and as along as England's armies and navies were victorious, the bankers' debts were repaid, their wealth increased and England's empire expanded.

England's central bank allowed England to literally create money out of thin air. This monetary alchemy was possible as long as England (1) maintained confidence in paper money, (2) maintained the balance between credit and debt, and (3) kept its economy expanding.

In central bank debt-based economies, economic activity needs to expand or debt will overwhelm productive capacity; and when the growth of England's empire began to slow in the late 1800s, England's bankers realized they would soon need another base from which to continue their financial franchise.

America was ideal for England's purposes; and despite Jefferson's numerous warnings about central banks, in 1913 a consortium of private European bankers, US financiers and industrialists established the Federal Reserve Bank in the US, modeled after England's central bank, the very institution that Thomas Jefferson so strongly opposed.

It was the establishment of the Federal Reserve Bank in America that allowed England to regain control of its former colony, the United States. Establishing a central bank was the first and only step necessary; for with a central bank established in America, private bankers would henceforth control America's money supply and, ultimately, its political future.

Give me control of a nation's money and I care not who makes the laws. Mayer Amschel Rothschild (1744-1812)

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Gerard Depardieu Escapes Envy-driven, Socialist French 75% Tax

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Depardieu put his Paris mansion up for sale, crossed the border into the Belgian village of Nechin, gave up his French passport and is renouncing his French citizenship. A tiny community of French already reside in Nechin, a kilometer beyond the reach of Hollande's tax police.

Depardieu says that this past year 85 percent of all he earned went for taxes. Over a 45-year career, he contends, almost $200 million in income has been taxed away by the French government.

"I don't like the rich," Hollande has said.

The sentiment is reciprocated. One French radio station claims that 5,000 French citizens have fled since he took office.

Hollande's regime, writes Edward Cody of The Washington Post, has all but declared Depardieu a traitor. Labor Minister Michel Sapin calls him an example of "personal degradation." Culture Minister Aurelie Filippetti charges him with "deserting the battlefield in a war against the economic crisis."

"When someone loves France, he should serve," says Hollande, calling Depardieu "pathetic" and "unpatriotic."

Which raises a question for Americans. For our revolution was born of a tax rebellion against the Stamp Act, the Townshend duties and the tea tax that led to the Boston Tea Party.

Purpose of these taxes: Have the colonies pay a fair share of the cost of the French and Indian War, in which British soldiers had driven the enemies of the colonies out of the Ohio Valley.

But when farmers in Pennsylvania rebelled against a whiskey tax to defray the cost of our Revolutionary War, President Washington marched out with 13,000 militia to crush that tax rebellion.

While the socialist left has come down hardest on Depardieu, he is well within a tradition of the cultural left.

As The Associated Press' Thomas Addison reports, when the British top tax rate was 95 percent in the 1960s, the Beatles' George Harrison wrote "Taxman" with the lyrics, "There's one for you, 19 for me."

In 2005, Beatles' drummer Ringo Starr moved to Monaco, where the income tax rate is zero.

Sean Connery, the first "James Bond," departed Britain in the 1960s for Spain and the Bahamas, writes Addison, "another spot with zero income tax." In the 1970s, his successor as 007, Roger Moore, also chose tax exile in Monaco. In those years of confiscatory tax rates in England, the Rolling Stones relocated to Southern France.

What does this teach us?

That socialism, the forced redistribution of income and wealth from those who produce it to those who do not, eventually forces a man to choose between himself and his family – and his government.

Socialism creates and exacerbates a conflict in loyalties. A regime that takes three of every four dollars a man earns is an enemy of what that man works to accomplish for himself and his family.

Mitt Romney was castigated for keeping bank accounts in the Caymans, Bermuda and Switzerland. Yet countless U.S. companies leave profits abroad to evade U.S. taxes.

Californians flee to Nevada, Arizona, Idaho and Colorado to escape Golden State taxes. Are they disloyal to their home state, or are they doing what is right by their families, their first responsibility?

With federal income taxes on America's most successful rising today to almost 40 percent, New York City residents will also pay a top rate of 12 percent to the state and city plus a 9 percent sales tax on their purchases, plus payroll taxes for Medicare and Social Security, plus property taxes, auto taxes, gas taxes and

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Miners Going Overseas for All that Glitters

By Zhang Boling

As gold prices go higher, China's largest gold mining companies are digging deeper for global business

(Beijing) – At every juncture, conversations among gold mining executives at the recent China Mining Conference in Tianjin turned toward a single topic: The quest for gold mines overseas.

Owning a mine on foreign soil "primarily can increase (a mining company's) gold reserves and make it more self-sufficient in terms of raw materials, to improve profitability," said Zhang Bingnan, secretary-general of the China Gold Association. "Second, gold prices are expected to go higher."

And executives at the November conference could point to a pair of recent deals as sterling examples of opportunities taken – and success for each company.
In August, Jinyu (H.K.) International Mining Co., a subsidiary of Zijin Mining Group Co. Ltd., purchased a more than 50 percent stake in a valuable Australian mine.

Zijin's deal for Norton Gold Fields Ltd., one of the largest in Australia, was the first-ever buyout of a major overseas gold mine by a Chinese company. Terms were not disclosed.

Moreover, Zijin Vice Chairman Qiu Xiaohua said the company plans to invest up to US$ 5 billion internationally over the next three to five years.

Just a few weeks later, another company closed the second Chinese buyout of an overseas mine: Shandong Gold Group Co. Ltd. announced September 21 that it had purchased a 51 percent stake in Focus Minerals, another major Australian gold producer, for A$ 228 million.

A Shandong Gold source said the company plans to cut expenses at Focus, where extraction operations currently cost about 1,200 yuan per ounce,

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Gerard Depardieu Escapes Envy-driven, Socialist French 75% Tax

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cigarette taxes.

For many successful Americans, over half of all they earn is now taken by government. And reading The New York Times' year-end editorial, these may soon be seen as the good old days.

The Times urges Obama to consider sweeping new taxes to "reduce income inequality." Among the revenue raisers for which it urges consideration:

Almost tripling the capital tax rate to 40 percent, capping deductions for high earners, restoring the estate tax to confiscatory levels, higher tax rates or surcharges on multimillion-dollar incomes and raising the corporate tax rate – already the highest in the world.

"All that would be only a start," says the Times. A carbon tax, a value-added tax, a financial transactions tax should all be looked at.

Can a man love his country and hate its government? Of course. Ask Alexander Solzhenitsyn. Ask the patriots of '76.

This un-American and egalitarian fanaticism rearing its head today may one day force just such a question upon American patriots.

Patrick J. Buchanan [send him mail] is co-founder and editor of The American Conservative.

He is also the author of seven books, including Where the Right Went Wrong, and A Republic Not An Empire. His latest book is Churchill, Hitler, and the Unnecessary War. See his website.

Article by: Lew Rockwell
January 2, 2013
http://www.lewrockwell.com

Paper-Gold Fraud Now Out In The Open

By Jeff Nielson

How do you "stretch" an ounce of gold? Obviously if you want an answer to that question you ask the bankers. Bankers have *earned* their generalized contempt in our societies, going back literally thousands of years. Formerly known as the "money-changers", their Original Sin is well-known to anyone who has studied the history of these professional thieves.

As money-changers, they would graciously offer to "hold" peoples' (heavy, bulky) gold for them; and exchange that for their convenient, light-as-a-feather "gold certificates." Always the banksters would end up issuing *far more certificates* for gold than they actually had the gold to cover - and "fractional-reserve banking" was invented.

Eventually the insatiable greed of the banker would result in him issuing such an enormous surplus of "gold certificates" versus the actual gold he held that this money-dilution would be noticed by the general population. The bankers' gold-scam would then quickly collapse and vast numbers of ordinary people would be wiped out (and so "capital punishment" was invented).

Thus ask a bankster how to stretch an ounce of gold, and (for thousands of years) his answer would be automatic: sell "paper gold." Flash-forward two thousand years or so, and we see the banksters looking to fall back on their oldest crime to attempt to wallpaper over some of their newer ones.

We have a huge gold deficit (and silver deficit, as well) in the world today. New, incremental demand for gold grossly exceeds annual incremental mine-supply. This has become a permanent deficit, which by itself is absolute proof of market-manipulation.

The virtues of (actual) "free markets" are well-known to anyone familiar with basic market dynamics: they self-correct. If supply exceeds demand, the price falls to a sufficient level to discourage more supply and encourage more demand - until those simultaneous dynamics achieve equilibrium: supply and demand matching, with prices stable.

Conversely, where demand exceeds supply; prices must rise sufficiently so that more supply is encouraged and more demand is discouraged, until once again equilibrium is achieved. Thus a permanent supply-deficit is *ipso facto* proof of price-suppression.

The problem with the price-suppression of any kind of physical "good" is always the same, one inevitably runs out of inventory as the repressed supply and excessive demand caused by artificially low prices means that buyers will always outnumber sellers.

In the case of the banksters' perennial gold-suppression scheme; their supply-deficit dilemma has caused them to recently focus on one target: the population of India. As the world's most consistently voracious consumers of gold, permanently under-pricing gold has caused a predictable effect. There is a large "gold deficit" in India, as India must import vast quantities of gold each year to satisfy the excessive demand for gold caused by selling it at give-away prices.

As is generally the case, the Corporate Media has totally perverted its own explanation of this scenario. India's large gold-deficit is being called a "current account deficit" - i.e. a *paper deficit*. This is absurd on multiple levels.

One aspect I already addressed in a recent commentary. Gold *is* money. It is defined and treated as "money" in every meaningful way by the bankers themselves. As a matter of the simplest logic, it is impossible to create a "current account deficit" by swapping one form of money for another.

On another level this media lie is even more perverse. Regular readers understand the basic equation of our 21st century financial system: fiat currency = worthless paper. So we have the Western propaganda machine attempting to convince us (and India's government) that India is currently experiencing a "currency crisis" because large quantities of the bankers' worthless paper is *leaving* the country, and large quantities of valuable gold is*entering* the country.

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Gold & The Cold War

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RUSSIA, THE ANGLO-AMERICANS AND THE COLD WAR

In the 20th century, as England's imperial power weakened, England's grip on the US grew tighter; and by 1945, the US was more than eager to betray its democratic heritage in order to join England in the pursuit of world power.

After WWII, what Alexis de Toqueville had predicted in 1835 came true. Russia and the Anglo-Americans would compete for world dominion in what would become known as the Cold War.

The Cold War lasted from 1945 to 1990 when the USSR collapsed. It would appear the Anglo-Americans won and Russia lost. But, in truth, both sides lost; for the five-decade reign of Anglo-American dominance would cost the England and America their foundation of economic hegemony, i.e. the ability of their debt-based economies to expand *ad infinitum*.

The pursuit of global dominion would also cost America its vast gold reserves, once the largest monetary reserves in history. Maintaining a world-wide military force forced the US to end the gold-convertibility of the US dollar in 1971; and the removal of gold from the world monetary system allowed credit and monetary aggregates to grow at heretofore unprecedented rates.

The unrestrained growth of money and credit after 1971 led to the sequential growth and collapse of the three largest speculative bubbles in history: (1) the Japanese Nikkei in 1990, (2) the US dot.com bubble in 2000, and (3) the 25-year global credit bubble in 2008.

The subsequent inability of the Anglo-Americans to revive the credit and debt machine that had initially allowed it to achieve suzerainty over the East has now leveled the playing field between the East and the West; and, in this new playing field, the East and West are pursuing radically different strategies.

With its economic foundation threatened as never before, the West is doing everything in its considerable power to strengthen its now faltering economic foundation; and, gold, once viewed as necessary to maintain the stability of its paper money, is now viewed by Western bankers as a threat.

As confidence in the West's confidence game of credit and debt wanes, investors are increasingly seeking the safety of gold. They have done so in every monetary and financial crisis in history and it is no less true today.

However, transferring wealth from paper assets, e.g. stocks and bonds, to gold threatens the leveraged asset base so necessary to the credit and debt ponzi-scheme that comprises the foundation of modern economies, i.e. debt-based capitalism.

It is perhaps appropriate that the two former communist antagonists to capitalist expansion, China and Russia, are now playing the exact opposite hand. As the latest iteration of 'great game' is being played out on the geopolitical stage, China and Russia are going for the gold.

THE EAST GOES FOR THE GOLD

Since 2007, Russia has more than doubled its official gold reserves, the largest increase in reserves worldwide; and every month Russia buys about a half a billion dollars more. In 2012, China replaced India as the world's top importer of gold and for the past five years China has led the world in gold mining production.

No gold mined in either China or Russia is sold on the open market. All gold mined in China and Russia stays in that country. Clearly, the East has a different strategy than the West and gold is a critical part of that strategy.

The West, however, is primarily concerned with protecting the economic system, i.e. capitalism, which allowed it to conquer and exploit much of the world for almost three hundred years. Such leverage is rarely come by and the fact that it may be ending has only redoubled Western efforts to save it.

The East has a much more sanguine outlook on the possible demise of capitalism. Capitalism is seen as a Western contrivance. Whatever replaces it will most likely involve gold and they're getting ready.

My current youtube video, *Exchange is Inevitable, Like Death,* is a discussion with fellow author and long-time coin dealer, Ralph T. Foster. Most don't realize the dangers of our times. They will. Unfortunately for most, it will be too late when they do. Buy gold, buy silver, have faith.

Article by: Darryl Robert Schoon
November 14, 2012
www.drschoon.com

Number of Czechs investing in gold on rise

Interest in precious metals and stones in the Czech Republic, is reaching new highs, either for personal use, in the form of jewellery, but in the form of bullion as an investment. Czechs this year alone, for example, spent more than three billion crowns on gold bars, even though the price of the precious metal has almost doubled over the last two years.

You know the saying: not all that glitters is gold, only in this case it is: more than three billion crowns worth. That's how much Czechs spent on gold bars in 2012, even though the price of the precious metal has only risen. At least one reason? Besides personal fascination with the precious metal's shiny and untarnishable appearance, gold remains a solid investment. Forbes magazine has described it as "the only real hedge" in uncertain financial times, and its value has consistently gone up. Libor Křapka, the Business Manager for Safina explains how the year in the Czech Republic went:

"Our firm this year registered a record amount of sales in investment gold. By our estimate before the year is over we will have sold 600 kilograms. That represents a jump between 20 and 30 percent compared to last year."

Gold has seen a renewed and growing interest ever since 2008 coinciding with the start of the global financial crisis. Six years the price of a gram of gold was the equivalent of around 300 crowns; today it is over 1,000 (the equivalent of more than 53 US dollars). The sale of diamonds is also on the rise, and there too the value has gone up. Diamonds specialist for D.I.C. Luboš Říha:

And that is one reason why Prague is becoming an increasingly attractive location for international jewellers: four of five top international firms have already opened branches in the Czech capital. Michael Kowalski of Tiffany and Co. told Czech TV why: "Prague was a very easy decision for us. Obviously it is one of the great cultural and artistic centres in Europe. We also believe that there is a wealth of customers here."

By Jan Valinger
December 28, 2012

Miners Going Overseas for All that Glitters

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by reducing mining depths. And Australia is not the only foreign target on the company's radar.

"We are also looking for gold projects in Brazil and South America," said a source at Shandong Gold in charge of the company's capital management office.

Shandong and Zijin are among the "big four" state-owned gold mining companies eagerly tapping overseas resources. The others are China National Gold Group Corp.(China Gold) and Shandong Zhaojin Group Co. Ltd.

"We attach importance to not only prospecting for gold in existing mines we own," said Song Xin, vice president of China Gold. "But also to participating actively in overseas mergers and acquisitions, and looking for resources in Africa."

Going Deeper

Chinese companies started digging gold overseas in earnest about seven years ago. Zijin, for example, launched foreign investment efforts in 2005 and today controls six mines in Russia, Mongolia, Tajikistan and Australia, said Li Zhilin, the company's president for international affairs.

The Chinese expansion is continuing because company officials think gold prices will continue to rise. They trust, for example, a recent report by the U.S. investment bank Goldman Sachs which predicted rising gold prices until 2015. The report said per-ounce gold prices are likely to climb to US$ 1,811 in 2013, US$ 1,884 the following year and US$ 1,922 in 2015.

Chinese companies want to guarantee adequate reserves of the precious metal. Less than 5 percent of the world's gold reserves have been discovered in China, and domestic mines typically have a relatively short lifespan, according to the World Gold Council.

Thus, for Chinese companies "the main path for increasing resource reserves is through overseas acquisitions," said Zijin's Li. "It can help a company upgrade to reach the status of international mining firm."

Several potential deals are on the near-term agenda. China Gold, for example, is in talks with Canada's Barrick Gold with a proposal to buy its subsidiary African Barrick Gold Plc. (ABG) in Tanzania. Song said the talks were at an early stage.

Meanwhile, Shandong Zhaojin is negotiating for a deal in Australia, a company senior executive said. Details of the potential project have not been announced.

Foreign mining companies are willing to sell because "the global economic downturn in recent years left some international gold companies short of capital," said a mining analyst for an international investment bank. "This has given Chinese companies opportunities."

Focus Minerals and Barrick Gold, for example, have fallen on hard times. Don Taig, chairman of Focus, recently said a lack of funds was limiting his company's ability to operate integrated projects and conduct large-scale mine developments.

Shandong Gold, however, has cash and plans to financially support Focus' extraction business.

Jamie Sokalsky, Barrick's new CEO, who took office in June, said his company is prepared to sell several mines in Africa including ABG. The ABG operation has power supply problems at some mines in Tanzania that hamper the company's ability to meet production targets and control costs.

Li says Chinese mining companies recognize the risks tied to investments in places like Tanzania.
"In less-developed countries, we pay low prices to get mines with rich resources," he said, "but they also have high risks. Although the resources are good in Canada and European countries, purchase prices are much higher."

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Paper-Gold Fraud Now Out In The Open

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Understand that if the United States had encountered a similar "problem" 40 years ago that the world would have **never abandoned the gold standard**.

Back then, the U.S. had a *real* "currency crisis": its national Treasury was being cleaned-out of all its gold.

At the (suppressed) price of that time period, all of the world's nations wanted to dump their U.S. dollars and exchange them for gold.

History is unequivocal. A "currency crisis" is when a nation is **losing its gold**, and getting nothing in return but the bankers' "magic beans."

The actual *crisis* here is for the Western banking cabal, not the nation of India. It is their gold-suppression Ponzi-scheme which is teetering on the verge of collapse.

It is *their* multi-billion dollar, ultra-leveraged short positions which are threatened with being blown out of the water should gold ever be allowed to rise to its fair market value (versus the banksters' debauched fiat-currencies).

And so we see the Western Corporate Media offering us "solutions" for what it continues to hilariously characterize as India's problem.

Only a week ago, some Western "front" group suggested gold-confiscation in India as a banker trial-balloon. However, as I pointed out in that same, previous commentary; proposing to loot the gold from India's religious temples was not a promising avenue for the banker crime syndicate to pursue.

So, today, we see the bankers falling back on their 2,000 year-old solution for dealing with a gold deficit: start issuing "paper gold." The absurdity here is that this is nothing less than an implicit confession of fraud on the part of many/most of the floggers of "paper gold."

When a media article suggests that India's gold-deficit can be fixed by "selling paper gold" (to the Chumps), there is literally only one possible way this could ever happen: by selling *paper* but calling it "gold."

One has to wonder if this article is causing anyone to squirm at HSBC - Britain's largest bank - and the world's largest holder of paper gold (by an enormous margin).

Informed readers know that not only does HSBC act as "custodian" for the world's largest paper-gold fund (the SPDR Gold Trust), but it also **permanently** holds the largest gold short-position in the history of markets.

Fortuitously (for HSBC) it has never been required by our pseudo-regulators to actually demonstrate it has enough gold to cover more than *one* of these two massive gold-obligations. *Et voila!* One ounce of gold becomes two ounces of "paper gold."

Of course as we all know thanks to Jeffrey (100:1) Christian, the banksters' leveraging of their paper gold (overall) exceeds a paltry 2:1 level by many multiples. Indeed, some of the banksters have been known to sell "paper gold" and not back it with *any gold at all* - just ask some of the (former) disgruntled clients of Morgan Stanley.

Yes, no doubt about it! Selling "paper gold" would certainly address the gold-deficit problem in India…for Western bankers.

Unfortunately, it's a scheme which will almost certainly not work out nearly as well for any Indian Chumps who purchase the bankers' paper gold.

Article by: Jeff Nielson
December 18, 2012
www.bullionbullscanada.com

Gold Reaches Two-Week High as Commodities Gain on Budget

By Debarati Roy and Nicholas Larkin

Gold advanced to a two-week high as commodities gained and the dollar weakened after U.S. lawmakers passed legislation to avert the so-called fiscal cliff of automatic spending cuts and tax increases. Silver also jumped.

The greenback fell as much as 0.6 percent against a basket of currencies, and the Standard & Poor's GSCI Spot Index of 24 raw materials jumped 1.5 percent after the House of Representatives approved a bill that prevents income taxes from rising for most U.S. workers.

"Markets reacted positively to news that a deal of sorts has been reached," Steve Scacalossi, a New York-based vice president at TD Securities Inc., said in an e-mail. "The drop in the dollar is also providing a boost to the commodity complex."

Gold futures for February delivery rose 0.7 percent to $1,688.10 an ounce at 9:41 a.m. on the Comex in New York. Earlier, it reached $1,692.60, the highest for a most-active contract since Dec. 18, after advancing 7 percent last year. Floor trading was closed yesterday for the New Year's holiday.

Bullion gained for a 12th consecutive year in London, the longest winning streak in at least nine decades, as central banks from the U.S. to China pledge more steps to spur economic growth.

President Barack Obama said he will sign the bill passed by Congress that makes the George W. Bush-era income tax cuts permanent for most workers while letting them expire for top earners. The bipartisan vote in the U.S. House broke a yearlong impasse over how to head off $600 billion in tax increases and spending reductions that had been set to begin taking effect at the start of this year.

Silver futures for March delivery surged 3.9 percent to $31.40 an ounce in New York, the biggest jump since September. The precious metal gained 8.3 percent last year.

Article by: Debarati Roy and Nicholas Larkin
January 2, 2013

Miners Going Overseas for All that Glitters

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Gold companies can also turn a profit by purchasing and refining gold sold by suppliers. But these earnings pale in comparison to the potential for income when a company controls the entire supply chain, from mining to refining.

Shandong Gold, for example, between 2009 and last March reported a gross profit rate of up to 60 percent for sales of their own mined and refined gold. But the company source said the profit margin on purchased gold was less than 1 percent.

"In recent years, we have been buying more crude gold from outside," said a senior executive source at China Gold. "We also expanded our refining capacity. It reduced the average gross profit rates for our gold products."

But buying gold "can increase our output and keep our market position," said the Shandong Gold source. The company's self-mined gold never exceeded 22 percent of refined output between 2009 and 2011.

"If we have gold resources, then our raw material self-sufficiency will be up," the source said. "We can use our extracted gold ore to make proof gold. It can also increase the company's overall gross profit rate."

Article by: Zhang Boling
December 27, 2012

The Outstanding Public Debt

National Debt:
16,443,185,678,943.28
The estimated population of the United States is **314,170,073**
US citizen's share of this debt is
$52,338.49
The National Debt has continued to increase an average of
$3.87 billion per day
Business, Government, Financial and Unfunded Liabilities Debt exceeds
$100 Trillion

EINSTEIN'S GENERAL THEORY OF INVESTMENT

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take care of future generations. Thus, the moral of the story is always the same: Save today, invest for the future, and reap fabulous rewards. If you can invest at 7.2% for ten years, your wealth will double! The mathematics of finance should be incredibly simple and elegant to watch in motion but they're not, thanks to the efforts of the Federal Reserve.

Einstein came to America during a time of great turmoil in Germany and Europe. Germany was turning into a National Socialist Party with a dictator and command economy. In a command economy, interest can be fixed by the government at zero or even negative, and savings accounts can be stolen and used to fund the wishes of the state. The river of investment that runs forward creating capital can be forced by state-created inflation to run in reverse, destroying capital. In other words, seed corn rots if it's not eaten, and investment dries up because saving is for suckers.

Ah, welcome to 2012 America. The Fed has decreed interest rates at zero for four years, and promised to keep them there for at least another two. The Fed is still printing money out of thin air as well as buying long term treasuries. By locking the yield of the 10-year Treasury at 1.6%, it's well below the rate at which staples like food, energy, utilities, transportation, education, and health care, are rising in cost.

Today, and as far as the eye can see, real inflation is well above interest rates. Instead of savers being rewarded they are being taxed, mugged, and systematically destroyed by continued low interest rates with no return on capital as the Fed tries to get people to spend and not save to stimulate the economy. Where capitalism in our country as Einstein knew it used to flourish, we're now a land dedicated to eating its seed corn, and encouraging people not to waste their time planting acorns for the future.

Is it any surprise that pension funds that assume they will earn an 8% return are all headed to insolvency? It is now a simple mathematical fact that with spending encouraged and savings taxed and given a negative return, only the superrich can set aside sufficient resources to take care of themselves as they age. The average American is destined to be a ward of the state.

Einstein understood physics and natural law. He knew that if interest rates are set at zero and well below the rate of inflation, capitalism would die. Trying to run an economy without real interest rates is like trying to run the universe without gravity. It doesn't work.

Whenever I fly or take public transportation and hear the government announcement "if you see something, say something", it reminds me of Einstein because he came to America to honor and support our capitalistic system, and would have stood up to Ben Bernanke today by insisting he stop printing, before the train of capitalism crashes.

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