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Freethinking Investment Strategies

Issue 41: 28th April 2011
[Don't Be Fooled Again](#)
[I'm Tired Of Lies](#)

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Don't Be Fooled Again

Dear Guest

“AS I PASS through my incarnations in every age and race,

*I make my proper prostrations to the Gods of the Market Place.
Peering through reverent fingers I watch them flourish and fall,
And the Gods of the Copybook Headings, I notice, outlast them all.*

*We were living in trees when they met us. They showed us each in turn
That Water would certainly wet us, as Fire would certainly burn:
But we found them lacking in Uplift, Vision and Breadth of Mind,
So we left them to teach the Gorillas while we followed the March of Mankind.*

*We moved as the Spirit listed. They never altered their pace,
Being neither cloud nor wind-borne like the Gods of the Market Place,
But they always caught up with our progress, and presently word would come
That a tribe had been wiped off its ice field, or the lights had gone out in Rome.*

*With the Hopes that our World is built on they were utterly out of touch,
They denied that the Moon was Stilton; they denied she was even Dutch;
They denied that Wishes were Horses; they denied that a Pig had Wings;
So we worshipped the Gods of the Market who promised these beautiful things.*

*When the Cambrian measures were forming, they promised perpetual peace.
They swore, if we gave them our weapons, that the wars of the tribes would cease.
But when we disarmed they sold us and delivered us bound to our foe,
And the Gods of the Copybook Headings said: "Stick to the Devil you know."*

*On the first Feminian Sandstones we were promised the Fuller Life
(Which started by loving our neighbour and ended by loving his wife)
Till our women had no more children and the men lost reason and faith,
And the Gods of the Copybook Headings said: "The Wages of Sin is Death."*

*In the Carboniferous Epoch we were promised abundance for all,
By robbing selected Peter to pay for collective Paul;
But, though we had plenty of money, there was nothing our money could buy,
And the Gods of the Copybook Headings said: "If you don't work you die."*

*Then the Gods of the Market tumbled, and their smooth-tongued wizards withdrew
And the hearts of the meanest were humbled and began to believe it was true
That all is not Gold that Glitters, and Two and Two make Four
And the Gods of the Copybook Headings limped up to explain it once more.*

*As it will be in the future, it was at the birth of Man
There are only four things certain since Social Progress began.
That the Dog returns to his Vomit and the Sow returns to her Mire,
And the burnt Fool's bandaged finger goes wabbling back to the Fire;*

*And that after this is accomplished, and the brave new world begins
When all men are paid for existing and no man must pay for his sins,
As surely as Water will wet us, as surely as Fire will burn,
The Gods of the Copybook Headings with terror and slaughter return!"*

*- Rudyard Kipling
(1865 – 1936)*

*English poet, short-story writer and novelist; received Nobel Prize for Literature in 1907; perhaps best known for writing *The Jungle Book*; the above is the poem *The Gods of the Copybook Headings*; it's about what always happens to any society that gets complacent and self-indulging.*

(With thanks to Bill Murphy, Patron of www.LeMetropoleCafe.com, for bringing it to my attention)



US President (1969 to 1974) Richard Nixon, also known as Tricky Dick

We are now led to believe that the IMF, the World Bank, the G20, and many other establishment organisations are thinking about returning to a gold standard. Well, the only possible truth in that story is the word 'a'! They may well have 'a' gold standard in mind, but it's going to be another imposter... See and hear the greatest con ever and WAKE UP! Witness for yourself Tricky Dick's greatest trick of all, right [here](#). We were all taken for fools, yours truly included (but not anymore).

The date of Nixon's surprise announcement was 15 August 1971. That's almost 40 years ago. To see and hear him again say what he says to the American people, to justify his decision "to *suspend temporarily the convertibility of the dollar into gold or other reserve assets...*" and claim it to be in the best interest of Americans, is, well... simply sickening! Yet, it worked!! Instead of seeing it at the time for what it was, a serious default by the US and the death of the Bretton Woods monetary system, the world was fooled. Don't be fooled again!

Monetary reform may be coming, but all I've seen or read about so far coming from the mainstream and about the establishment's intentions is mostly going in a wrong direction; that is, either replacing the dollar as the global reserve currency with yet another fiat fabrication (even if based on a basket, e.g. SDRs) or planning to govern global monetary policy from a global institution (e.g. IMF) or aiming to have gold under the control of monetary authorities, instead of the people.

Don't fall for any of it. Protect your wealth now while you still can. Be your own central bank, as [Marc Faber](#) suggests and gradually accumulate gold and silver reserves, as money, while you still can.

Listen instead to Ray Dalio, founder & CIO of Bridgewater Associates, who runs arguably the world's largest hedge fund with US\$89 billion under management, and returned more for the fund's investors last year than Google, Amazon, Yahoo and eBay combined! This was the first TV interview he ever granted, apparently. You can find it [here](#).

I don't agree with everything he says, but he does say a lot of interesting things, especially when he talks about monetary policy, the US dollar and gold. For example, he explains rather interestingly how he sees the Fed and 'policy makers' trying to orchestrate an "orderly transition" for the US dollar from having been the global reserve currency to no longer being so in a year or two. He expects 2012 to be a "difficult year, partially because of the need to revalue currencies".

Listen also to the likes of billionaire real estate magnate Sam Zell, who warned Americans recently they should brace for a "disastrous" 25 percent decline in their standard of living if the US dollar's reign as the global reserve currency ever ends. He says that there are signs in the market that it could eventually happen.

"Frankly, I think we're at a tipping point. What's my biggest single financial concern is the loss of the dollar as the reserve currency," he told CNBC in an interview. "I can't imagine anything being more disastrous to our country than if the dollar lost its reserve-currency status."

Zell also says that the bond market seems remarkably complacent about the risk. But that could turn on a dime, he warns.

“The worry in the bond market is never there until it’s there. The dollar has gone down 20 percent in the last three or four years,” Zell says. “I don’t know who is buying 30-year fixed-rate debt. I don’t understand TIPs (Treasury inflation-protected bonds) that are projecting 30 years of benign inflation.”

[PIGS to the Rescue](#)

Clearly, all is not fine with the US. But, here we go again with a massive diversion of public attention to Europe, where we are told the real sovereign debt problems are...



Photo: CORBIS

It has to be one of the greatest musical chairs game ever. One month it's Ireland, another Portugal and occasionally we are made all too aware of Spain's difficulties. This time, it's back to Greece, where it all started at the beginning of last year. Now, apparently, a delegation of leading monetary officials are planning a crisis summit in Athens in May amid growing fears that Greece may default on its sovereign debt (click [here](#) for article).

Well... what to make of this? The problem is certainly not new. But now, all of a sudden, European officials are determined to avoid the need for Greece to change the terms of its debt repayments. On Saturday, Jurgen Stark, an executive board member of the European Central Bank, warned that a restructuring of debt in any of the troubled eurozone countries could trigger a banking crisis even worse than that of 2008.

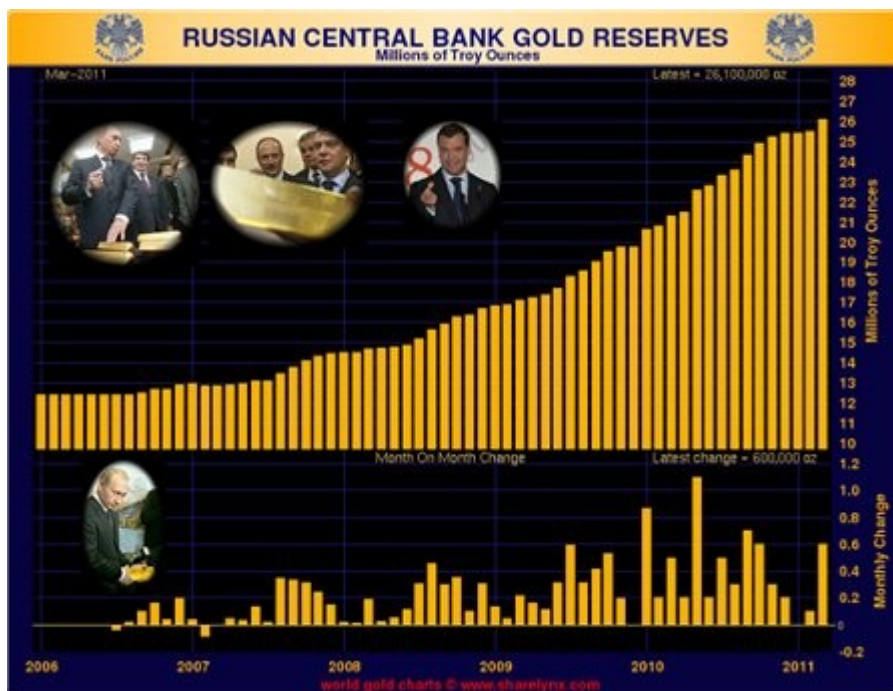
“A restructuring would be short-sighted and bring considerable drawbacks,” he told ZDF, the German broadcaster. “In the worst case, the restructuring of a member state could overshadow the effects of the Lehman bankruptcy.”

Yes, Greece's debt load is around one-and-a-half times its GDP and knowledgeable observers have questioned whether it is mathematically possible for Greece to pay its debts without some sort of restructuring. Such restructuring of sovereign debt used to be a routine matter in the world of high finance. Institutions, mostly, took a hit and people got on with it. Not anymore. Why? I think that The Daily Bell's view on this is interesting:

“Are they (and the powers-that-be generally) planning on some sort of controlled worldwide chaos to usher in a global currency and global governance? Is the Sovereign Debt Crisis itself something of a charade? These are risky games indeed. Tug on any one thread now (as Eurocrats themselves maintain!) and the larger design may begin to unravel. OK, then... Is Greece that thread?”

[Another BRIC in the Wall](#)

Russia continues to pile on more and more bars of the yellow metal...



Meanwhile, China announces that its huge stockpile of foreign exchange (paper) reserves, the world's largest, have now become excessive. China's foreign exchange reserves swelled by nearly US\$200 billion just in the first quarter of this year, to US\$3 trillion, indicating hefty capital inflows, and the government has so far focused on investing mainly in US dollar assets, including US Treasuries.

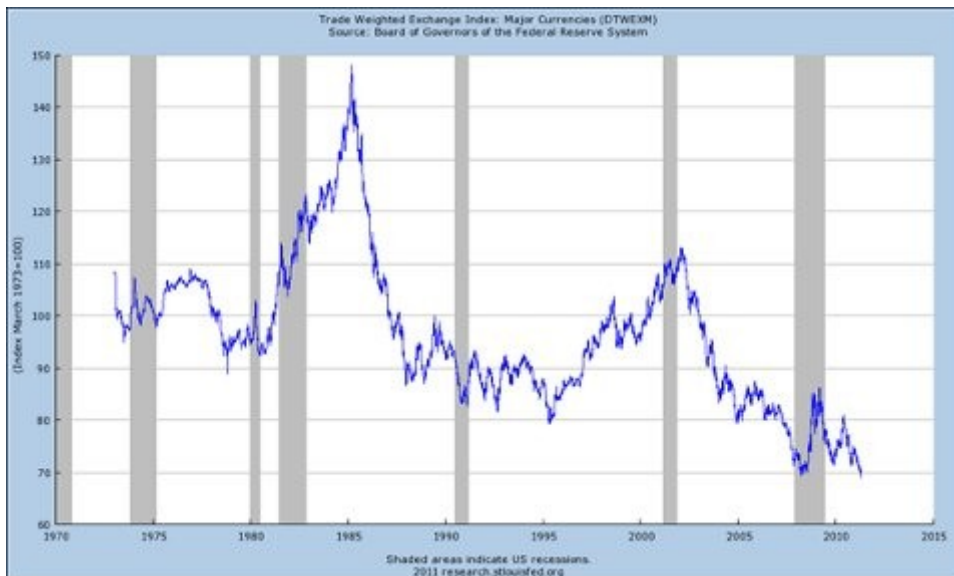
Zhou Xiaochuan, governor of the People's Bank of China, said in comments published last week:

“Foreign exchange reserves have exceeded our country's rational demand, and too much accumulation has caused excessive liquidity in our markets, adding to the pressure of the central bank's sterilization,” Zhou was quoted by the official Shanghai Securities News as saying. “The State Council has required a cut in excessive accumulation and good management of the funds accumulated, including diversification of investments,” Zhou was quoted as telling a forum at Tsinghua University in Beijing.

That's not all. There's worse... for the US dollar. China has decided to serve the world another surprise. A few days after last week's announcement by Zhou Xiaochuan, we got a sense of just how big the upcoming Chinese defection from buying US debt will be. Not too surprisingly, China appears to be getting ready to cut its US dollar reserves by roughly one-third (which happens to be the same amount of dollars as was recently printed by the Fed, or US\$2 trillion or so).

Xia Bin, a member of the monetary policy committee of the Chinese central bank, said that 1 trillion US dollars would be sufficient. He added that China should invest its foreign exchange reserves more strategically, using them to acquire resources and technology needed for the real economy. His sentiments were echoed by Tang Shuangning, chairman of China Everbright Group. Both public and private sectors agree! (See [here](#))

So, on those bright notes, let's see where the US dollar now stands relative to other major currencies, according to a measure calculated by the Federal Reserve Bank of St Louis:



Source: <http://research.stlouisfed.org/fred2/series/DTWEXM>

Hummm... Not too great, I see. In fact, it's back to its 2008 lows and worse ever value since inception of the measure at the beginning of 1973 (shortly after Nixon made the dollar irredeemable in gold). Will it bounce back up like it did in late 2008? Has Ben Bernanke at the Fed got another trick up his sleeve to make that happen again? I guess time will tell. Should we have faith or hope he does? For me, that does not matter anymore. What does matter now is how many ounces of gold one owns.

“To me the gold price takes the form of a very uncomplicated formula, and all you have to do is divide one by ‘n’. And ‘n’, I’m glad you ask, ‘n’ is the world’s trust in the institution of paper money and in the capacity of people like Ben Bernanke to manage it. So the smaller ‘n’, the bigger the price. One divided by a receding number is the definition of a bull market.”

- James Grant

Founder of [Grant's Interest Rate Observer](#), a twice-monthly journal of the financial markets; above taken from an interview with Eric King on 16 April 2011

Please note that all past issues of *Prosper!* are available [Here](#) for your convenience.

I'm Tired Of Lies

“You’ll notice that this had nothing to do with security analysis. This is conceptualizing, brainstorming, nothing to do with price/earnings ratios, other valuation methods like cash flows. It is a proposition or a hypothesis on what is driving the gold market. So the gold market is necessarily a speculative piece of business. It’s not to be confused with the kind of investment that Ben Graham wrote about. Anyway, I happen to be bullish on it, but not for reasons that I can readily defend before a member of the fraternity of chartered financial analysts.”

- James Grant

Continuation of the same interview on King World News; I highly recommend [listening](#) to it in full

Well, I can certainly relate to that. That is, that I too am bullish on gold, "but not for reasons that I can readily defend before a member of the fraternity of chartered financial analysts"... Boy oh boy, he sure hit the nail on the head there! I **AM** a 'chartered financial analyst' and I **do** find my position with respect to gold, now held for five years, hard to *explain* to fellow chartered financial analysts (better known as CFAs) *in ways they will understand*.

I have no problem defending my reason for being bullish on gold. But I can't readily do so, with what I learned to become a CFA charter holder. That's a sad statement to make, but true. You see, what the true nature of money is, is simply not taught anymore and has not been taught for a very long time indeed, even in our higher academic learning establishments called universities. It was certainly not taught a few years after that historic day in 1971, when Nixon unilaterally killed the global monetary system.

How do I know? Well, two years later, in 1973, I was beginning my university studies to become an actuary and that included a number of courses in economics. You would think that at the time the collapse of the global monetary system would be a subject of debate or at least conversation. Nope. Not a poop. The talk was all about INFLATION and how it was getting out of control. Well, duh... what is inflation if not first a monetary phenomenon?!

Nixon had set the world of money on fire and it's as if the establishment and academia then made sure that this new monetary experiment was going to take its full course. Well, we are now at the tail end of the experiment and it's getting close to judgement time. The purveyors of lies and deceit during all this time will have much to answer for, especially economists of the Keynesian persuasion, when the savings of ordinary people everywhere are wiped out.

How could that happen, you ask? Simple: with authorities maintaining the ongoing fiscal and monetary insanity until its inevitable denouement and people everywhere, either willingly or unwittingly, continuing to finance the madness until it's too late. There is no such thing as a risk free investment or a debt ceiling. I wrote about those two widely held false beliefs for the Journal of the Gold Standard Institute and you can find those articles [here](#) (issues 3 &4).

[There Are Reasons to Be Worried](#)



So said the International Monetary Fund (IMF)'s chief economist, in an interview published in Le Monde last week (20 April):

"There are reasons to be worried. The United States lacks a credible plan, for the medium term, to reduce its budget deficit," Blanchard was quoted as saying, after rating agency Standard & Poor's signalled earlier that week that the United States'

AAA credit rating was under threat.

He added that, although the speech by US President Obama, made on 13 April, went in the right direction, "concrete decisions had yet to be taken". He argued that the debate between the two parties (Republicans and Democrats) which ended on 8 April with a plan to save US\$39 billion was not enough and said: "The ideological gulf between Democrats and Republicans on how to deal with the problem is enormous". Oh, really... You think?

Let's see: the politicians end up, after much towing and froing, with a plan to save US\$0.039 trillion and the budget deficit is at least US\$1.5 trillion, if not US\$2 trillion. That's no more than a mere 2% saving. So, it's not only "not enough", it is pathetic! The "ideological gulf" is not between the two parties, but between reality and the politicians! And all this talk is only about the annual deficit. The DEBT itself actually continues to increase as long as there is ANY deficit.

Look... it's too late now for tinkering at the edges. The cat is out of the bag with respect to all the unprosecuted fraudulent activities that went on and continue on Wall Street, to a point where one might think it's funny if it wasn't so tragic! For me, the best example of the tragedy currently in play is RT TV's Max Keiser Report. If you are not familiar with this program, PLEASE do yourself a favour and at least watch the latest episode ([#141](#)).

In this episode, Max talks to Matt Taibbi of *Rolling Stone* magazine. Taibbi has been writing exceptional articles on all the fraud going on. In February, he wrote the article [Why Isn't Wall Street in Jail?](#), about the fact that, despite virtually every major bank and financial company on Wall Street being embroiled in obscene criminal scandals, nobody went to jail. Nobody, that is, except Bernie Madoff.

More recently, he exposed ... in a story entitled [The Real Housewives of Wall Street](#), which you can find [here](#). You can also listen to Taibbi explain to Max Keiser exactly what he uncovered by peering into the list of some 21,000 transactions that exposes who got bailout money from the Fed during the height of the crisis in 2008-2009. If you live in the US and that does not get you angry, you have no pulse!

And Now Begins Phase Two of Gold's Comeback

Earlier this month, University of Texas made headlines after disclosing that its Endowment Fund had taken delivery (stored in a bank warehouse in New York) of **6,643 gold bars**, worth US\$991.7 million or close to US\$1 billion. On why gold, CEO of the management company (University of Texas Investment Management Co (UTIMCO)) Bruce Zimmerman said on a recent CNBC program:

"The role gold plays in our portfolio, is as a hedge against currencies. The concern is that we have excess monetary and fiscal stimulus. I noted a couple of days ago, I think there was a story out about Bernanke mentioning that while they may not increase quantitative easing, they may not necessarily reduce their exposure either. So I think that may be a signal that will continue to have a good deal of monetary stimulus. We read every day what's going on in DC and across the states. We'll see what fiscal policies look like. It remains a concern for us."

You can see Zimmerman on the CNBC program [here](#) (if you scroll down the page a bit until you see the video clip). **This is exactly what I've been recommending all my clients to do these past three years now:** to allocate part of their investment fund's assets to the purchase of gold (and silver) bullion bars. UTIMCO also seems to have done so for the exact same reason I give clients (but they expressed it more politely or in more politically correct language): as a hedge against fiat currency abuse!

This action is particularly significant because UTIMCO is the US's second largest university endowment fund behind Harvard's. So how long before many other public fund managers decide the same logic should apply to them as well? The inclination to take physical delivery should gain popularity over the coming months and years among all types of institutional investors, with significant consequences to the price of gold. UTIMCO just set a precedent; the question now is "Who'll be next?"

Many may be asking: will the US government call in the gold, as President Roosevelt did in 1933 (and then made it illegal for Americans to own gold until the law was changed... in 1975)? I know this worries a lot of people. So, that's why I bring it up now (given that many more are now seriously considering the ownership of gold bullion). In fact, I've read many different points of

view on that question. But Richard Russell's answer is pretty original.

In his latest [Dow Theory Letter](#), he argues instead that somewhere in the future the US government may come out and actually encourage Americans to buy and own gold. What? What's his rationale for that? Well, China, India and most of Asia not only allow its people to hold gold, but actually encourage them to buy and accumulate gold. The US authorities must be keenly aware of this. In other words, these other nations allow their people to protect themselves against currency devaluation and inflation with gold.

You see, Russell (and many others, including myself) believes that Bernanke intends to devalue the US dollar so that the US government can better address its outrageous mountain of debt. If so, and the US continues on its current policy of dollar devaluation, the Fed and the US government will receive far fewer objections if its people can hold gold or silver.

This may sound far-fetched, but if it happens, he argues that could be the start of a panic in the US to buy gold ("Hey, if the government says it's OK to buy gold, then brother, I'm buying!"). His prediction:

"Sooner or later (probably sooner) gold will re-enter the world monetary system. The current monetary system based on competing fiat currencies is like a drunken sailor who is unsteady on his feet while trying to adjust the ship's broken compass."

The Only True Standard of Value

It's not just the US dollar, but all so-called 'floating' fiat currencies, that are sinking fast. The general public doesn't understand what's happening. But they do notice the result of their currency's painful loss of purchasing power every time they visit the supermarket or the gas station.

Since WWII, many nations' governments have been spending more than they take in, a habit that is not sustainable. The result: the demise of their fiat currency. In order for any highly indebted nation to continue living large, it must borrow. The US dollar or the Euro or the Yen or any other currency has no fixed value – it must be measured relative to other currencies.

Gold is the only true standard of value; the value of everything else should be measured in terms of units of weight in gold. I've been writing about this for some time now, but I still don't see people doing it. For example, when you look at the price of a car or a house, do you convert that price from what it is shown in dollars (or whatever your currency is) to how many ounces of gold it would take for you to buy it? No. But start doing it and you'll see what I mean!

For example, it costs a lot more (in dollars. etc) to buy a new car today than it did 80 years ago. But it takes about the same number of ounces of gold to buy that car today as it did back then. Gold hasn't changed; what has is the purchasing power of the dollar and other currencies. The same measurement applies to real estate, the sharemarket, in fact everything we purchase with paper currency.

Here's a great example: the price of a house in ounces of gold. That's right. Assessing the price of a house, not in dollars or whatever your country's fiat currency is, but in terms of how many ounces of gold you need to make the purchase. Here's a chart that presents the median single-family home price in the US divided by the price of one ounce of gold in US dollars.



Source: <http://www.chartoftheday.com/20110311.htm?A>

The chart shows how the home/gold ratio (or the cost of the median single-family home in ounces of gold) varied from 1970 to recently. For example, it took only 120 ounces of gold to buy the median single-family home in March 2011. This is dramatically less than the 600 or so ounces it took back in 2001. You see, when priced in gold, the median single-family home in the US is down 80% from its 2001 peak (to a level last seen in 1980) and remains well within the confines of its six-year accelerated downtrend and not far off its 1980 trough.

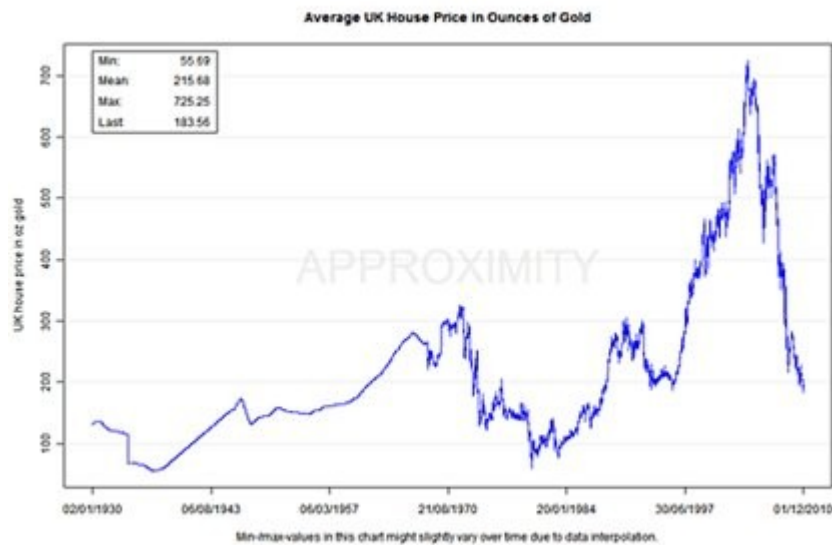
OK, let's get off the US's back for a minute and let's take a look at the UK residential market. Late last year, Dominic Frisby, UK's MoneyWeek commentator on commodities, wrote a fascinating [article](#) on how the average UK house price fluctuated, when measured in ounces of gold (he also did silver), from 1930 to 2010 (80 years). What did he find? Well...

First, to put things into perspective, he presents a chart of UK house prices over the same 80 year period in pounds sterling. It is an apparently-never-ending upward slope. That's why, he argues (and I agree), the attitude that 'you can't go wrong with bricks and mortar' is embedded in our psyche. But, of course, he points out that it is just a manifestation of the never-ending decline in the purchasing power of sterling...



Then he presents a chart of UK house prices measured in gold ounces over the same period. It's

a rather different picture:



You can see that, until the late 1990s, UK house prices traded in a range between 50 ounces for the average UK house (1930s and 1980) and 300 ounces (early 1970s, late 1980s). But by the time 2004 arrived, with gold at around US\$400 an ounce and the average UK house price just above £150,000, the house/gold ratio hit an unprecedented high: it took more than 700 ounces of gold (at its price in pounds sterling) to buy the average UK house!

With gold around US\$1,400 (about £900 per ounce) at the time he wrote the article and UK house prices in the £165,000 zone, the ratio had broken through the 200 ounces barrier and sat at 183. Indeed, measured in gold, UK housing had already fallen below the lows of the early to mid-1990s. Yet for all the falls since 2004, he observed that they were still above the long-term average which is around 150 ounces. He concluded his article, suspecting the house/gold ratio may now even go well below that...

I sold my house here in Auckland back in 2005 and I've been renting ever since. Many people thought I was crazy then when I said I'd probably be able to buy the same house back in 5-10 years at half the price I sold it for. Well, in gold ounces, it's already there, and beyond. But, it's still not just 100 ounces of gold. That's when I'll buy again. My wife, Louise, knows this and fully understands the logic (aren't I lucky?!). It should not take too much longer...

And now, for something completely different:

What Is Really Going On in Libya?

The true context of the Libyan conflict is very different from that presented by the French, British and American leadership and media. First of all, let's take the time to dwell on the context and the participants in this conflict. The context is that of grassroots Arab revolutions that began with Tunisia at the end of 2010 and which have gradually extended to almost all Arab countries with varying results.

According to [LEAP/E2020](#), as part of their "fall of the petro-dollar wall" analysis, Libya is a country where the regime could hold in check, including by violence, the attempts at change at least until the end of 2012. In this category, they consider Libya stands alongside Algeria, Syria and Saudi Arabia: three countries that are also seeing grassroots protest movements. But they consider it unlikely any military action to "defend the civilian population" or "accelerate the change of regime towards democracy", would take place in those three countries.

Military operations in Libya, they argue, were undertaken because it appeared politically, technically and militarily possible with the least risk, which would not be so in the case of intervention in any of the other three countries mentioned. In fact, the Libyan dictator is a veteran of UN sanctions. He is a character already demonized in the Western media. He is unpredictable and arrogant and not liked by any major world power.

Libya is large but sparsely populated. It offers an ideal topography to conduct air strikes. It has a lot of oil, in a region traditionally hostile to the country's central power. In short, it is the ideal target for military action "at little cost" with the benefit of international legitimacy. The only downside is that, despite such a pedigree, Colonel Muammar Gaddafi had become a 'friend' of the West in recent years. Ahhh... the obligations of oil!

So when major universal principles are suddenly waved to legitimize military action, lucidity (an essential quality for any political anticipation work) requires a questioning of the new official line from Washington, London and Paris that LEAP/E2020 deciphers as follows:

"The Libyan people (whom Washington, London and Paris completely spurned a few weeks earlier) are brutally attacked by a despicable dictator (that Paris, for example, welcomed with full honours barely two years ago); the democracies (on this occasion a kind of mini-NATO) must urgently protect the Libyan people in revolt (of whom nobody ever sees pictures - even in cities like Benghazi of which Gaddafi has lost control - unlike the crowds seen in Tunisia, Egypt, Yemen, Bahrain, Jordan, ...) from mass killings perpetrated by the Libyan dictator (here again, no pictures, no evidence); the revolutionaries have, moreover, formed an alternative government to Benghazi to which legitimacy must urgently be given (without really knowing who makes it up apart from Qaddafi's former interior minister, Abdel Fattah Younis - certainly a great democrat - and a few migrants in London and the United States who spent decades in exile). All those who are against such intervention are either: irresponsible pacifists, accomplices, traitors of Western solidarity or gravediggers of democracy".

In other words, according LEAP/E2020, the point of view presented by the French, British and American leadership and media, is a type of speech straight out of the propaganda textbooks of "Gulf Wars 1 and 2", supported by a media tsunami (especially in France, apparently) without any attempt at objectivity: "the citizens are ordered to approve, not to think." Well, what do you make of it all?

If you too are tired of lies, then search for the truth at least where there is a chance you might find it. I would like to suggest to you the very many great articles on the subject that you can find at the Centre for Research on Globalisation, on the internet, [here](#).

Oh, by the way...

[What's the Latest with the Fukushima Nuclear Reactors?](#)

Don't you find it strange how we don't seem to hear or see much on the news anymore about the terrible nuclear disaster that happened in Japan shortly after they got hit by a massive earthquake and then a totally destructive tsunami? Is it all 'under control now, then? No sirree!

Fukushima is another event that occurred recently about which we've been lied to endlessly since 11 March. The poor Japanese people that actually live there are the worst affected by the lies. But, in this case, we all are. You see, the Fukushima event is even much worse than Chernobyl was. You don't believe me? That's fine, don't. But don't say you have not been told where to look to find the truth about where things are at with that nuclear tragedy.

If you do only one thing to inform yourself about the truth with respect to the level of nuclear fallout in our world, then watch this [video](#). It is a short (less than 10 minutes) press conference that Helen Caldicott gave in Montréal, Canada, last month. Dr Caldicott is an Australian physician, author, and anti-nuclear advocate who has founded several associations dedicated to opposing the use of depleted uranium munitions, nuclear weapons, nuclear weapons proliferation, war and military action in general.

Here is also an excellent source for truthful updates on [Fukushima](#). There, you will find short video updates from Arnold Gundersen, chief nuclear engineer at Fairewinds Associates Inc. I have simply not found anything better. Of course, there is always [Global Research TV](#), which is a great place to visit from time to time on the internet.

And finally... to finish on a lighter note, this is just too funny not to mention:

Here's a parable about the perils of paper money: Central bankers aren't the only

ones who can destroy its value. From India, we learn of the danger posed by... termites. Police in Barabanki, India, say a phalanx of termites invaded a steel box full of currency at a bank. Before anyone noticed, the insects had feasted on 10 million rupees in notes — about \$222,000.



(Source of story: Agora Financial's 5 Min. Forecast, 25 April 2011)

So, if you're going to leave anything in a bank vault or safe deposit box, make sure it's metal!!!

“Courage is being scared to death - but saddling up anyway.”

- John Wayne
(1907 – 1979)
American film actor, director and producer

Your freethinking investment strategist, all saddled up and ready for the rest of this tumultuous year!

Louis Boulanger, CFA
Louis Boulanger Now Ltd.

Disclosure and Disclaimer Statement:

I am not a disinterested party. I personally own gold and silver bullion. My company, LB Now Ltd, also became in late February 2009 an authorised bullion dealer for BMG BullionBars™. One of my objectives in writing articles such as this is to interest investors in the subject of sound money and the need for profound monetary reform, to the point where you may be encouraged to conduct your own further diligent research on these important matters. Neither the information nor the opinions expressed herein should be construed as a solicitation to buy or sell any security, currency or commodity. Investors are recommended to obtain the advice of a qualified investment advisor before entering into any transactions. I have neither been paid nor received any other inducement to write this article.

If you wish to purchase bullion, please read this and, for more information, please fill out the form below.

Investment-grade bullion bars of gold, silver and platinum

For investors seeking real wealth protection during these turbulent times, Bullion Custodial Services Inc (BCS), a BMG Company, now provides a secure and reliable means of purchasing investment-grade precious metals bullion bars, and optionally provides allocated and insured storage. Louis Boulanger Now Limited is an authorized dealer for [BMG BullionBars™](#).

Individual BMG BullionBars™ can be purchased in five different products: Gold in one kilogram bars, 100-ounce bars and 400-ounce bars, Silver in 1,000-ounce bars, and Platinum in 50-ounce bars.

With each bullion bar purchased, the BCS registry maintains all the details of the BMG BullionBars™ and owners. None of the client details are at all connected to the internet, providing the highest security and confidentiality for BMG BullionBars™ owners. This registry also allows owners to easily sell their bullion.

A physical bullion deed, identifying smelter, serial number, fineness and exact weight of bars, is also issued for your recordkeeping. By entering into a storage holding agreement, the bullion will be stored at The Bank of Nova Scotia in Toronto, Canada. The Bank of Nova Scotia provides investors a secure, fully allocated and insured storage facility. On a delivery request, the purchaser is required to pay shipping, insurance and handling fee.

Process: Investors must first fill out the BCS Application Form and agree to submit to World Check verification. Once BCS approves an application, clients are required to open and fund their purchase account by wire transfer. An order for BMG BullionBars can then easily and conveniently be placed.

Fees: On purchase, clients must pay a purchase charge on top of the prevailing market (spot) price; the purchase charge varies depending on the size of the order. Ongoing storage, including insurance, (if this option is selected) costs depend on the size of the order. Selling bullion in storage incurs a sales charge.

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