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Competitive Advantage Versus Competitive Devaluation

Jeff Nielson

In recent weeks, readers have listened to one talking-head after another proclaiming that we are "trapped" in the monetary game of "competitive devaluation". It's all drivel. For decades, the United States had the world's strongest economy - by a wide margin. And during those same decades, the U.S. had a strong dollar.

Was the U.S. some sort of economic miracle-worker, able to thrive in spite of a strong dollar? Absolutely not. It's economic strength was a *direct consequence* of a strong dollar. This would be obvious to anyone with a basic understanding of trade and economic fundamentals. And it will be obvious to anyone/everyone without such a background as soon as I explain these concepts - and the difference between them.

First of all, there is never any long-term "economic advantage" in having a weak currency. This is yet more banker-mythology. Allowing one's currency to depreciate (or having it forced upon you) is a form of indirect subsidization, whereby the entire population has an involuntary reduction in their standard of living transformed into a (socialist) "subsidy" for uncompetitive businesses.

When a currency decreases in value, this is obviously the same thing as saying prices go up, which is the same thing as saying that one's standard of living is going down. Is there any reader out there who receives an automatic boost to their wages every time the currency loses value? Is there anyone who believes that reducing everyone's standard of living *and* propping-up uncompetitive businesses is the path to economic prosperity?

Thus, we establish the first proposition: devaluing one's currency (even if no one else is doing it) is nothing but a form of short-term subsidization of (inefficient) businesses and long-term economic suicide.

It's funny how despite living in a society full of "capitalist" ideologues who love to "talk to the talk" that so few of them want to "walk the walk". We *want* uncompetitive businesses to fail. This is healthy. It drives capital out of inefficient applications and into more efficient applications.

Yes, this creates hardship. Yes, this requires change and innovation. Yes, this will be scary and unpleasant (for that portion of the workforce). However, it is unequivocal fact that such positive economic evolution is mandatory for a healthy economy. Is it better that *everyone permanently accepts a lower standard of living* just so a relatively small portion of society can evade the need to adapt?

Currency devaluation is nothing more than a tactic by a cowardly, intellectually bankrupt government

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You Can't Keep Promises By Printing More Dollars

Peter Souleles B. Com. LLB.

Forget what you hear and read in the press about a gold bubble. I can virtually guarantee that there will never be a bubble in gold for seven simple reasons:

Buyers of gold rarely borrow to buy gold and hence cannot create the same fallout that over-indebted real estate is suffering from. Buyers of gold are gradually realising that gold is an inter-generational wealth asset that defies the quirks of politics, economics and human stupidity.

The number of gold investors and

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which is afraid of change, because it lacks the competence to adapt to such change. It is an explicit admission of a failure of leadership.

As for all the pundits who claim that competitive devaluation is a "trap", they are equally guilty of being intellectually bankrupt (or simply uneducated). Let's return to the example of the U.S., with the "strong-dollar" and ultra-strong economy. First of all, a strong currency means that you (and you alone) get to buy everything cheaper. Call me "old-fashioned", but I welcome a little "deflation" - where for once in my life my dollar buys *more* rather than less. (But then again, I'm not a banker.)

When I talk about buying everything cheaper, I'm not just talking about raw materials. I'm talking about finished products and even other corporations. Western business leaders love to pound their chests and champion "free market capitalism". Then these cowardly hypocrites choose the *socialist* path of using the subsidy of a lower standard of living (via currency devaluation) to have society prop-up their "capitalist enterprises". A *real capitalist* would want a strong currency, so as to gobble-up foreign competition (and innovation) at a discount (just as U.S. corporations had been doing for decades).

However, the benefits of a strong currency don't stop there. For decades, I laughed as I listened to U.S. talking-heads claiming that gifted people from all over the world were

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their average investment is miniscule compared to the number of real estate and share market investors and the investments that they make. Moreover, gold is valued by everyone.

The galloping deficits, the accumulated debt of the government and its unfunded liabilities cannot be reined in due to the fact that the compounding interest and demographic decline will outrun any meager improvements in economic conditions. The bottom line is that the government will not be able to keep its promises no matter how many dollars it prints.

The only collateral the government is left with is the printing press, as it is highly unlikely to either slash its spending or markedly increase taxes. The intrinsic value of dollars as a store of value (either as dollars or Treasuries) is therefore NIL NIL NIL in the longer term.

Interest rates will remain at depressed levels to avoid a housing implosion. If a rate rise triggers an implosion, gold will still hold its relative worth, maneuverability and international appeal better than most assets.

Then there is always the possibility that manipulation of the gold market either through one of the exchanges or the various ETF's might be proven and uncovered beyond dispute.

Finally, if gold is in a bubble why do the Russians (publicly) and the Chinese (furtively) keep accumulating it?

The above arguments more or less hold true for silver investors as well.

On the other side of the gold owners are the "living dead". I hear you asking, "WHO, are they?"

They are the people who expect that the pensions and social security promised to them in dollars at some point in the future will be adequate to ensure a civilized existence. It is now becoming increasingly apparent that reality will fall far short of expectations.

The living dead also include people who invest their dollars in some kind of savings, checking, money-market or certificate of deposit account. Bloomberg reported last month that the average rate of interest paid on these accounts fell to the lowest point in ten years in July. Do you want to know the rate? A paltry 0.99%.

If you invested your money in the US stock market (another species of the living dead), you would have made around 1%-2% for the year to date, providing your heart could take the wild roller coaster ride.

Do you want to try housing, an office building or a shopping mall? I guess we don't need to comment here.

The ultra-low rates of interest on deposits to prop up real estate, is a Federal Reserve contrivance that is tantamount to a violation of basic property rights, just like free trade without limitation is a contrivance to demolish wages in the name of consumer satisfaction.

To provide a practical picture of what is happening, consider the following:

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FED MANDATES INFLATION

By Peter D Schiff

Much of the content of the latest Fed statement, released on September 21, echoes the central bank's previous post-credit crunch pronouncements: there is still too much slack in the economy, interest rates are still going to be near-zero for an "extended period," and the Fed will continue to use payments from its Treasury purchases to buy yet more Treasuries.

But this recent statement uses a new turn of phrase that should have Americans very upset. The Fed says that "measures of underlying inflation are currently at levels somewhat below those the Committee judges most consistent, over the longer run, with its mandate." Though the wording treads lightly, it should not be taken lightly. It may signal the final push toward dollar collapse.

The Fed's dual mandate, since an amendment in 1977, has been to promote "price stability" and "maximum employment." While often discussed as if both goals are complementary facets of one mandate, they tend to have been at odds during every recession since the Great Depression.

The problem is that central banks tend to keep interest rates too low for too long (usually to create a feeling of prosperity credited to the government), which then causes major asset bubbles. When the bubbles pop, there is a period of high unemployment during which prices are supposed to fall. Then, the central bank must choose between boosting short-term employment through inflation or defending price stability by allowing assets to return to a reasonable market_value. Aside from the early 1980s chairmanship of Paul Volcker, the Fed has always chosen more inflation.

But they've never admitted it.

The Fed statement said, "inflation is likely to remain subdued for some time before rising to levels the Committee considers consistent with its mandate." Notice that there is no mention of a deflation threat here -- as quantitative easing has effectively quashed that possibility -- but rather "subdued inflation for some time."

The Fed defines inflation differently than I do, as an increase in consumer prices rather than the amount of dollars in circulation. By my definition, massive inflation has already been created, which is reflected in the fact that prices for houses, consumer goods, stocks, and bonds haven't fallen steeply and stayed down since the dot-com and mortgage bubbles popped.

But even by the Fed governors' definition, they acknowledged that we are experiencing inflation -- just not enough for their taste.

Apparently, according to the renegade policy of the Fed, we're not paying enough for food, energy, clothing, healthcare, or education. No matter that nearly 20% of the population is unemployed or underemployed, that each US taxpayer's share of the federal debt is now some $121,000, or that average tuition at a private university is set to rise 4.5% this year to $27,325. Apparently, these factors do not affect "price stability."

Some might say that a certain amount of inflation must be permitted when unemployment is so high -- that the dual mandate involves trade-offs. If that were the case, then when we were in a boom period like the '90s or mid-2000s, the money supply should have been shrunk. Also, there is ample evidence that falling prices during the Great Depression actually provided life-saving relief to the unemployed.

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A Spooked Economy In October

By Ron Paul

Last week we received worse than expected unemployment numbers, challenging recent claims that the recession has come and gone. Also, as the economy continues to suffer the after effects of the Federal Reserve-created bubbles of the last decade, there is renewed interest in gold. Fears that the Federal Reserve will pump even more money into the system had caused the price of gold to reach new highs. Also contributing to enthusiasm for gold is continued instability in the banking industry, symbolized this week by fraud allegations that have caused many banks to halt foreclosure proceedings, thus further destabilizing the housing market. Yes, October has a reputation for being a scary month economically and this month is shaping up to be frightening, as well.

The Fed has been wreaking havoc and devaluing our monetary unit steadily since 1913, and greatly accelerating it since the collapse of the Bretton Woods agreement in the 1970s. This severing of the dollar’s last tenuous link with gold allowed the Fed to create as much new money as it pleased, and it has taken full advantage of this opportunity.

In 1971, Gross Domestic Product (GDP) was $1.29 trillion. Today it is $14.6 trillion, nominally. But adjusted for all the inflating the Fed has been doing, it is only $2.73 trillion, which constitutes only a 1% real increase per year! So with all this extra money going around, we may appear nominally wealthier, but the reality is, we have barely moved at all. This is unfortunate especially for the prudent, conscientious savers, whose nest eggs are constantly being devalued.

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A Spooked Economy In October

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Unless of course, they have saved in something out of the Fed's reach, like gold. While the economy has basically been in a holding pattern against the leeching of wealth by the Fed for 39 years, gold has seen an inflation adjusted increase in value of over 5% per year, if measured in 1971 dollars. This is due to the Fed's ability to make dollars plentiful. And yet, this is the only tactic the Fed can come up with to rescue an economy already devastated by "quantitative easing", as they call it.

The turmoil in the housing market demonstrates how disastrous it is to flood the economy with fiat money. Latest events with foreclosures are good examples of mistakes made in the market, in this case, by the banks, in the rush to soak up manipulated currency. This is why the truly free market depends on sound, honest money, free from false signals of artificially low interest rates.

The government finds ways to spend money even faster than the Fed can create it, bringing our national debt well past the point of the taxpayers ever being able to pay it off. Other nations who, in the past, have eagerly bought up any amount of debt we produced are now starting to resist. We are reaching a crucial point at which the dollar will no longer function, and in the absence of a functioning dollar, restoring sound money will be the only alternative.

The truly scary notion is that those in power might allow our system to collapse so chaotically to the detriment of so many people rather than simply obey the Constitution.

Article by:
Ron Paul
October 11, 2010

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flocking to the United States - simply out of admiration of their "freedom", or "democracy", or some other supposed virtue.

They came to the U.S. because they wanted to be paid in U.S. dollars. While many can argue (successfully) that the U.S. is much less "free" and "democratic" today, I will strenuously argue that the reason that the "flocking" to the U.S. has slowed dramatically is because getting paid in Bernanke-bills is no longer an inducement to come to the country.

A currency, which is declining against its rivals, is the most-obvious indicator that a government is not fit to govern. "Change" and "adaptation" are the specialties of our species. It's what leads to a principle, which has obviously been totally forgotten by all the currency-devaluation zealots: "competitive advantage". There is only one path to prospering through trade: you sell the goods and services, which you excel at producing, and purchase goods and services, which you cannot produce as efficiently. By propping-up uncompetitive businesses, we sabotage the essence of trade: we end up selling goods/services which we are *not* producing efficiently, and buying goods/services which we *could* (and should) produce ourselves - by diverting all the economic capital which is currently being wasted.

It is only in an environment where governments and economies freely adapt and remain competitive that "free trade" can produce any economic net benefit. Without the efficient allocation of capital, we end up with what we have today: brain-dead government and business leaders advocating policies which are literally the exact opposite of what is needed to restore economic health and prosperity.

This is the consequence of living in a world full of ideological simpletons. They have an extremely rudimentary understanding of the capitalist principles, which promote economic health - with the result being that almost everything they attempt is nothing but a 'half-assed' imitation of the principle they seek to emulate. Since the gaps in understanding are so large, and the resultant policy is so severely flawed, this is why we so frequently see government action make a bad situation worse, and increasingly see the same incompetence with business - with the result that these ardent "capitalists" whine and plead for (socialist) subsidies and "bail-outs".

What makes this reality both intolerable and inexcusable is that I have done nothing more than explain what any student quickly learns (supposedly) in any first-year economics curriculum. Presuming that our "business leaders" and "government leaders" are comprised of individuals who boast of academic credentials far superior to that of a 1st-year economics student, we can only assume that there is some "force" lobbying/brainwashing these individuals - to prevent them from pursuing positive change.

Obviously, the spotlight immediately focuses upon the bankers. These economic parasites are literally the only members of society who derive long-term benefit from currency-destruction. In fact, as we have seen with the Ponzi-schemes, and the market-rigging, and the "record profits", and the "record bonuses", these parasites thrive in an environment of currency destruction. How?

Two ways. First of all, the best way to debauch a currency is to print money. And since the bankers were successful in assassinating the gold standard, every new dollar is created with debt. Does anyone want to guess who collects the *interest* on all this new debt?

The second (and more evil) way in which currency-destruction benefits these parasites is that it *forces* all members of society to attempt to "invest" their money, to try to mitigate the rapid erosion of their wealth. Does anyone want to guess who rakes-in the vast majority of *profits* from "investing"

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A Ford Escape Limited FWD costs around $21,000 to buy but this in reality is not its true price. You see a car needs gasoline to run on, otherwise it serves no purpose. This car does 21 MPG in city driving and takes 16.5 gallons. In other words it does around 347 miles on a tank, which costs $44.55 at a gasoline price of $2.70 per gallon. That translates to $2316 per year for a tank of fuel per week.

If you have your money invested at a rate of 0.99% you will need to invest an amount of $257,334 in order to earn $2316 with which to meet your yearly fuel bill. Now I am not sure what insurance and other costs a car owner incurs in the USA, but it looks like the poor old saver needs close to half a million dollars (maybe a lot more) invested with a bank just to keep his car on the road.

This is what Mr Bernanke and his predecessors as well as successive governments have done to your dollar and to your savings. In the meantime, the snakes dressed as commentators, try to take your eye off the game by loudly proclaiming a "gold bubble". There is no gold bubble...only dollar trouble and heaven help anyone who has a stock of these in a bank.

Just think about this, they borrow your money at 0.99% and on lend it for housing at 4.5% and for much more to business and credit card borrowers, yet they are still being put to sleep by Sheila Bair on a weekly basis. That is one hell of a sick banking system if they can't keep their head above water despite such great margins.

Anyone who requires say around $50,000 per annum, to keep his household going, needs to invest over $5.5 million in a bank to achieve this income without even considering income taxes. And then the snakes dressed as commentators have the gall to say that gold is in a bubble or that it pays no interest.

May I remind the Nadlers, Roubini's and Soros' of this world that gold opened at $1,092.10 on January 1, 2010 and closed at $1,274.70 on September 17, 2010. That is a return of 16.72% year to date or 375% over 10 years. Even the strongest performing currencies of Australia and Switzerland during that period still saw gold prices increasing by 170%. Did someone say currencies are a store of value?

They can hammer gold as much as they like. These are the people who swing between berating gold for not having kept pace with inflation since 1980 on the one hand and then calling out "gold bubble" on the other.

The truth is that the new all time nominal high in gold is only in US dollars only. In Euro terms and Australian dollars for example, it is about 10% off their previous highs.

What these Einstein's should be saying is that the U.S. dollar has fallen quite markedly against other currencies. In fact what we are seeing is an acrimonious race between currencies to the bottom. At the bottom they will all have achieved parity to one another because they will all be worthless.

Any fool that believes that you can increase intrinsic value, keep promises and mend the economy by creating more dollars in the form of debt on the national ledger, or by a helicopter drop, is a traitor to his nation, a disgrace to his profession and a destroyer of his children's and grandchildren's future.

The persistent onslaught by commentators against gold should always be seen for what it really is....a siren's call that has been repeated again and again for over 10 years by the same people with the same outcome.....gold wins and they lose. They have no shame in repeating their clueless mantra and you should be ashamed to respond to it.

Gold and silver are not a cure all for the ills besetting society. They are simply the first step in restoring fairness and sustainability in transactions between individuals, corporations and nations and the best means of curbing expenditures and activities that are destined to destroy lives and resources without enduring benefits for man and civilization.

Until next time.....

Article by:
Peter Souleles
September 18, 2010
Sydney Australia

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(where for almost every winner, there is a corresponding loser)?

What we have here is literally straight out of "The Lord of the Rings". "Grima Wormtongue" whispers into the ear of "King Theoden", getting the king to do the exact opposite of what he should be doing, for the sole benefit of "Wormtongue" and his (real) master.

In our society, "Wormtongue" goes by either the generic name of "lobbyist", or the more specific name of "Goldman Sachs alumnus".

There is nothing equivocal about this, whatsoever. All of our governments should be pursuing policies of currency appreciation, since that is what leads to "competitive advantage", and profitable trade.

Instead, we see all our governments (being guided by bankers) pursuing currency depreciation, which inevitably leads to competitive *disadvantage* - and sabotages all of the benefits of trade.

We can either structure our economies to benefit the 0.0001% who are "bankers", or we can structure our economies to benefit *the rest of society*. Hopefully with these "clues", government, business, and media pundits can figure out which way is the right way to go…

[Disclosure: I hold no position in Goldman Sachs]

Article by:
Jeff Nielson
October 10, 2010
www.bullionbullscanada.com

Goldman Sachs: Gold Going to $1,650

By Liam Pleven

Gold at $1,400 per troy ounce? Not such a bold prediction these days, with gold hovering around $1,350.

Well, how about $1,500? That's starting to sound a little bullish.

Could it even reach $1,600 next year?

If that seems like the kind of figure a feverish goldbug might throw around, consider this: Goldman Sachs just raised its 12-month forecast to $1,650.

In raising its sights for gold, the Wall Street giant cited the recent rally and persistently low interest rates in the U.S., as well as the potential impact if the Federal Reserve intervenes further to prop up the economy.

More so-called quantitative easing would be a "strong catalyst to drive gold prices higher,□ concluded the analyst, David Greely.

No one knows for sure what the Fed will do, or when, but hopes have been rising since the Fed expressed concern in September that inflation was actually too low. Gold, of course, if often seen as a hedge against inflation running out of control, which suggests the rally may be driven by a general lack of faith the Fed will be able to calibrate any intervention with precision.

Goldman Sachs' prior 12-month forecast for the gold price was $1,365 - only about $12 higher than gold's settlement price on Monday, the day the bank issued the report. But the higher prediction came with a caveat, that gold prices could get pushed down when the U.S. economy strengthens and the Fed starts tightening monetary policy.

And what are the chances of that happening soon?

"As discussed by our U.S. economists, models suggest that it might in fact take until 2015 or longer before a rate hike became appropriate," Mr. Greely wrote, though he added that the bank's economists "emphasize that this is a scenario, not a formal forecast."

Article by:
Liam Pleven
October 12, 2010
The Wall Street Journal

World Bank Calls For Co-Operation To Halt Full-Scale Currency War

By Larry Elliott

- **Dollar sinks on fears of escalating US-China dispute**
- **World Bank's Robert Zoellick warns of protectionism risk**
- **IMF head Dominique Strauss-Kahn: 'no domestic solution to global crisis'**

The World Bank warned today that a full-scale currency war risked a return to the protectionism of the 1930s amid fears that growing tension between Washington and Beijing will hinder the global economy's recovery from its deepest post-war slump.

Concerns that this weekend's annual meetings of the Bank and the International Monetary Fund will see an escalation of the war of words between the US and China over the level of the yuan sent the dollar to an eight-month low against the euro today.

In Washington, the heads of both the Bank and the IMF used press conferences to call for international co-operation to resolve the row.

"If one lets this slide into conflict or forms of protectionism, we run the risk of repeating mistakes of the 1930s," said Robert Zoellick, the Bank's president.

Zoellick added that the recovery was proving too weak to reduce joblessness: "Whenever you have high unemployment, you have risks of other tensions. We see this now in debates on currencies."

The US says China has been deliberately intervening to keep its currency low, thereby boosting its exports. Tim Geithner, the US treasury secretary, said this week that China's actions set off "a dangerous dynamic" and urged the international community to put pressure on Beijing to allow the yuan to appreciate.

China's premier, Wen Jiabao, said margins on Chinese exports were thin and that forcing the yuan higher would lead to social unrest.

Zoellick said: "History shows there is no future in 'beggar thy neighbour' policies, and in an increasingly inter-connected world, we need not just to be conscious of the negative effects policies can have on others, but we need to act accordingly."

He added: "Tensions can lead to trouble if not properly managed. The recent crisis is still affecting jobs and livelihoods across the world. If ever there were a time that we should not turn our backs on international co-operation, it is now."

Dominique Strauss-Kahn, the managing director of the IMF, said the international co-operation seen during the worst of the financial and economic turbulence was not vanishing, but was decreasing. "That is a real threat, because everybody has to keep in mind this mantra that there is no domestic solution to a global crisis.

"Many are talking about currency war," he added. "It is true to say that many do consider their currency as a weapon, and that is certainly not for the good of the global economy, of course."

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GOLD JUMPS, DOLLAR FALLS After Unexpected Sharp Rise In US Joblessness

By Julia Kallowe

The dollar fell and gold hit a fresh high after key US data showed the world's largest economy lost 95,000 jobs last month, far more than expected.

This will boost expectations on Wall Street that the Federal Reserve stands ready to announce more economic stimulus at its 3 November meeting.

Wall Street analysts had expected no change in job numbers or a small loss of 5,000.

The drop in non-farm payrolls came after job losses of 57,000 in August, revised from 54,000, and 66,000 in July, revised from 54,000.

Spot gold jumped to a session high of $1,343.90 an ounce after the data while the dollar dropped against the yen and the pound, falling below 82 yen and to $1.5911.

Gilt futures rallied more than 10 basis points.

Rob Carnell at ING said: "With data like this, it will take a substantial pick up in inflation before the 3 November Fed meeting to prevent an announcement of more quantitative easing.

We do not expect this to happen. As a result, our favoured outcome is a smaller, more incremental version of the previous quantitative easing policy, with an initial amount of perhaps $200-250bn, but promises of more if needed."

Article by:
Julia Kallowe
October 8, 2010
The Guardian UK

World Bank Calls For Co-Operation To Halt Full-Scale Currency War

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Responding to Geithner's demand that the IMF take a tougher line with Beijing, Strauss-Kahn said the IMF had been the only institution to call repeatedly for a revaluation of the Chinese yuan.

Strauss-Kahn expressed sympathy with Geithner's call for reform of the IMF's governance to be linked to action on currencies.

China and other emerging countries want their increasing importance in the global economy to be reflected at the IMF and reforms are currently being discussed.

He said that if the bigger developing nations wanted to be at the centre of the IMF "it goes with having more responsibility for what you do and the consequences of what you do for the global economy".

Article by:
Larry Elliott
October 7, 2010
Economics Editor
The Guardian UK

The Outstanding Public Debt
National Debt:
13,579,779,987,709.25
The estimated population of the United States is **310,465,474**
US citizen's share of this debt is
$43,740.79
The National Debt has continued to increase an average of
$4.17 billion per day
Business, Government and Financial Debt exceeds
$75 Trillion

FED MANDATES INFLATION

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The truth has always been that whatever the question you ask the Fed, the answer is inflation. With prices drifting steadily upward since its establishment in 1913, I dare to ask: has the Fed ever achieved its dual mandate?

The market has certainly lost any hope of price stability in dollar terms. Since the Fed statement was released, gold prices have hit new all-time nominal highs, silver is the highest since the Hunt brothers tried to corner the market in 1980, and the Aussie dollar (a commodity currency) is nearing its own record highs. Even housing is headed back up.

Meanwhile, the dollar index has hit a new 7-month low. In short, holders of US dollars are trading for any real assets they can acquire.

A confounding factor is the strong performance of US dollar-denominated bonds. When the Fed creates inflation, that erodes the value of fixed-asset investments like bonds, which can't adjust their returns to the new price level. So many commentators are pointing to the record low bond yields as evidence that inflation is not a threat. But this is a misreading of the situation.

What is overlooked is that when the Fed prints more dollars, it typically uses them to buy bonds. Traders know this, so they are stocking up on bonds at ridiculous prices just to flip them to the Fed.

They don't care that, in the long run, the Fed's policies will destroy the bonds' value because in the short run, the weak dollar policy serves as a tremendous subsidy to bond sellers.

All the salient indicators tell me that the global dollar crisis has entered a new phase. The Fed is getting more aggressive about money printing because it really doesn't have any other politically viable options. I've always said the Fed uses inflation to give appearance of prosperity, but I never expected them to come out and say it! You don't give warning when you're about to rob somebody, because then the victim might take precautions -- in this case, buying gold and foreign equities.

We should be angry at what the Fed has pledged to do to us, and frankly I'm surprised there hasn't been more of an uproar. But more important is to figure out how you are going to protect yourself.

Article by:
Peter D Schiff
October 11, 2010
Euro Pacific Capital

ORE-VISION
Views and Analysis on the economy and Precious Metals
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PRECIOUS METALS ASSET MANAGEMENT
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