

# DGC



## GOLD IS WINNING THE CURRENCY WAR



The cool GoldMoney iPhone app

November 2010



www.dgcmagazine.com  
editor@dgcmagazine.com  
Skype "digitalcurrency"  
Twitter @dgcmagazine

PUBLISHER  
Mark Herpel

EDITOR  
Mark Herpel

CONTRIBUTORS  
-Paul Rosenberg-  
-David Knox Barker-  
-Alasdair Macleod-  
-Phil Maymin-  
-Jon Matonis-

ADVERTISING  
editor@dgcmagazine.com

DGCMagazine is published monthly

© 2008-2010 DGC Magazine  
All Rights Reserved

# Contents



Get Ready to Adapt by Paul Rosenberg 4

The GoldMoney Standard, Enhanced Security with  
Ultrasound Testing 8

The GoldMoney iPhone app. 12

A Rally in Bitcoin by John Matonis 14

\$£€¥ and The Oozlum Bird 15  
by Alasdair Macleod

Runet's Payment Systems Market Shows Growth 18

Is It Time For Digital-Only Dollars? 20  
by Phil Maymin

eCache Philosophy 22

JPMorgan Chase and HSBC Lawsuits - Manipulation of  
Silver Markets 24

Currency Wars, Gresham's Law and Digital Gold 32  
Currency (DGC) by David Knox Barker





**WebMoney**

[www.metdeal.com](http://www.metdeal.com), [financial@metdeal.com](mailto:financial@metdeal.com)



# GET READY TO ADAPT

BY PAUL ROSENBERG

All of us in the DGC business are the same, in that we take the Internet for granted. We all presume that our customers can connect with us quickly and easily, and that we can operate our businesses from almost any Internet connection in the world, with no lag time.

Start getting ready now, because that is threatening to change.

## THE NEW THREATS

Yes, adaptation will be possible, but it may also be forced upon us sooner than we'd like. Things have been moving very quickly and very badly of late. In just two days last week, I collected these stories:

- **Pentagon seeks tight ties with cyber contractors**
- **Every email and website to be stored**
- **Official Details DOD Cybersecurity Environment**
- **U.S. Says Military Can Respond to Domestic Cyberthreats**
- **Defense cyber chief downplays need to resolve lines of authority**
- **New Web Site (publicity) for US Cyber Command**

In addition, Obama has a new plan! Barack, along with the White House "Internet Czar," the FBI and others has just announced a plan to wiretap the Internet. It is slated to go to the US Congress next year.

The plan would force every product and service provider to redesign their products to give governments a back-door, so they can listen in whenever they want. In other words, Blackberry, iPhone, Facebook, Skype and all the rest will have to redesign their products.

Once a law like that exists, no service can be even nominally safe. (In actual practice, most are likely to close altogether, leaving just the big, politically-connected companies.)

And, of course, once this capability is in place for the US, everyone else will jump aboard.

This type of arrangement will also create a tremendous opportunity for criminals. They are very good at stealing things, and they will work however long and hard it takes to find the back-door into all those Blackberries and iPhones.



So, will this become law? We'll find out next year, but if history is a guide, just one good fear-eruption will be enough for it to sail right through.

Next, there is the Internet Kill Switch idea. Of course it has a noble-sounding title: *The Protecting Cyberspace as a National Asset Act*.

I'll pass over most of the details here and get to the two main issues:

1. The technical method of implementation is not in the bill, so it can be whatever "experts" decide

2. "Critical infrastructure" will end up being the primary backbones of the Internet.

The bill was unanimously approved in a Senate committee in June. The likely future is for Congress to wait until something "cyber" goes wrong, then to pass it while the fear

## Recommended Exchanger



# SwapGold

fast • secure • global

- » official exchanger of all major e-currencies
- » trusted by thousands since 2006
- » best rate to buy/sell/convert e-currencies
- » very fast processing

<https://www.SwapGold.com>

Are you afraid that your hard-earned money will get...



- ✓ cheated by exchangers who are scammers?
- ✓ mishandled by small & inexperienced exchangers who cannot handle large amounts?
- ✓ delayed by exchangers with lousy service & support that takes days to reply you?

Here are 3 top reasons why thousands of customers trust us since January 2006:

### 1 We are legal & reputable

- We are a legally registered company in Singapore.
- We have been extensively verified by reputable authorities.

### 2 We are experienced & efficient

- You are served by an experienced team operating daily & serving thousands of customers since January 2006.
- Our team earned 100% praises & zero complaints on public forums & blogs since January 2006.

### 3 We value your privacy & security

- Your orders are insured with a US\$1 million warranty by Comodo.
- We use SSL-encryption on our entire site to protect your privacy & security.

Therefore, you can have an absolute peace of mind when you use our services.  
<http://www.swapgold.com>

<https://www.swapgold.com>

and pressure are high.

The real problem with this is that the kill switch will work!

### **THEN WHAT?**

So, if these bills, or ones like them, become law, what comes next?

Well, first comes a period of turmoil as non-compliant services are shut down and all the various implementations are put into place. As the scene forms, a lot of small companies will fold-up or move away from the US.

Then, the wave will begin spreading from the US and over the rest of the world. Before too long, the Internet as we have known it – an unrestricted medium for information – will be dead. Services and individuals will be shut-down whenever they offend a bureaucrat and only the largest companies will have protection. (Being the only ones who have the money and will to buy politicians.)

People will, of course, begin to find ways around this fascism, but it may not be enough.

How many people do you know who use encryption now? I'll bet it isn't very many.

More people will begin caring about it as things get worse... but maybe not as many as we would like. Plenty of people don't want to see the possibility that something is wrong in the world – it requires too much of them. The very idea makes them choose between being a hero or a coward, so, they'll avoid the thought as long as they

can, and that may just be too late.

### **AND WHAT OF THE DGC BUSINESS?**

Well, knowing how beloved we are by governments, I think we should all start getting serious about encryption and secure Internet technologies now. Once those laws are in place, it is only a matter of time before they start shutting down digital gold sites.

If the past few years have taught us anything, it is that we should never expect a fair shake from the powers that be. Indeed, we should expect to be early targets.

My advice is to start learning about Internet security and anonymity. Start getting your customers informed. After all, that may be the only way they can reach you. (They should have been doing it long before now anyway.)

This is threatening to get serious.

It's time for you to get serious too.

One piece of advice from someone in the Internet security business: It's going to take a continual effort on your part to educate your people and get them secure. And, they'll have to pay for anonymity services. You always get what you pay for, and the fetish of "free stuff on the Internet" was never a good thing; now it has become downright dangerous. Pay for professional services or don't bother playing.

Taking the medium for granted is ending. That is a horrible, criminal thing, but we had better begin adapting nonetheless.

© Copyright 2010

by Paul Rosenberg

Paul is the author of A Lodging of Wayfaring Men, Production Versus Plunder and other books.

You can find them at

<http://www.veraverba.com>

<http://www.bullionbullscanada.com>







# CENTREGOLD

## Buy WebMoney with credit card

Some of the advantages of having gold "in digital form" are the ability of paying with it, the ability of seeing the balance at any time, while also seeing what that balance is currently equivalent to in terms of fiat currency value.

As well as being able to sell it quickly while being located anywhere on Earth, and having no need to physically carry it with yourself.

Get your real gold in digital form, as well as other types of Digital Value Units (or Digital Currency) via <http://centregold.ca>, where speed and quality merge together.

Update: and now, buy WebMoney with credit cards and bank wires!

<http://cg2wm.com>.

Update: new and very demanded payment methods are coming.

**Go and see it yourself.**



# GOLD RELOADED

<http://centregold.ca>

Sell your digital currency units to us and get paid  
straight to your *universal* Centregold™ MasterCard®.



# **GOLD**MONEY ENHANCES SECURITY WITH ULTRASOUND TESTING OF GOLD BULLION BARS

**G**oldMoney, one of the world's largest providers of physical bullion for retail and institutional investors, is now using ultrasound technology to test for foreign material and defects within the gold bars that it stores for its customers. GoldMoney has teamed up with GE Inspection Technologies to examine all the gold bars stored in its vaults in London, Zurich and Hong Kong to ensure that each bar meets

the new 'GoldMoney Standard'.

This latest security procedure is a response to customer concerns regarding the integrity of their gold. GoldMoney already guarantees through regular inventory audits and a transparent chain of integrity that only the highest quality gold bars are purchased and stored on behalf of its customers.

Geoff Turk, CEO of GoldMoney said: "Ul-



# GoldMoney

The best way to buy gold & silver

## YOUR GOLD HOLDING

Secure • Convenient • Trustworthy



**goldmoney.com**  
<http://www.goldmoney.com>

Tel: +44-1534-511-977 • Fax: +44-1534-511-988

Copyright © 2001-2010 Net Transactions Limited (Jersey, British Channel Islands) GoldMoney is the Registered Business Name of Net Transactions Limited which is regulated by the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998.

<http://www.goldmoney.com>

ultrasound testing now ensures the integrity of every gold bar held in our vaults. Any bar that does not produce a completely clear scan, including those bars with potentially inconclusive scans caused by surface scratches and other marks, is melted down, assayed and then recast into a new bar before being accepted within GoldMoney. The same technology used to assure personal safety in the medical and aviation industries is now being applied to verify the integrity of our customers' gold bullion. GE Inspection Technologies' ultrasound testing equipment enables us to confirm the quality of all bars stored in high security vaults in London, Zurich and Hong Kong."

Alan Hunscomb, Technical Support Manager of GE's Inspection Technologies product line, comments: "The phased array probe used in our Phasor XS does the work of many conventional probes so that scanning is faster and more comprehensive. Furthermore, phased array produces simple images which are readily understood even by laymen with the minimum of training."

One-third of the 1,300 gold bars in storage have been tested so far. Six bars with inconclusive scans were identified but assays of these bars confirmed they contained the gold content stamped on the bar. The gold bar testing will be completed in the first quarter 2011.

By working with first-class partners and using the latest technology to verify the integrity of the bullion it safeguards, GoldMoney is one of the most innovative companies and a leader in the precious metal industry. The introduction of the GoldMoney Standard again demonstrates

GoldMoney's commitment to provide its customers with assurances of integrity that their gold is safe.

More information can be found on <http://www.goldmoney.com/gold-testing> including a video on ultrasound testing of the gold bars.

## **ABOUT GOLDMONEY**

GoldMoney is a fast growing company founded by James and Geoff Turk that is now safeguarding over \$1.2 billion of customer assets. As one of the world's largest providers of physical bullion for retail and institutional investors worldwide, GoldMoney is combining 21st century technology with the world's oldest money: Gold.

The company efficiently uses the Internet to make the online purchase and storage of physical bullion secure, convenient and economical.

Residents of 87 countries can establish a GoldMoney Holding to build savings and secure their wealth by owning pure gold, silver and platinum with GoldMoney.com.

All precious metals are insured and stored safely and conveniently in specialized bullion vaults in London, Zurich and Hong Kong. By arranging regular audits by independent third-parties, GoldMoney reliably ensures and verifies the contents of the bullion vaults, thereby setting the highest industry standard – the "GoldMoney Standard" – for safety of its customers' assets.

GoldMoney services can be accessed at <http://www.GoldMoney.com>



*Since 2006*

*COUNT ON THE FASTEST EXCHANGER WITH GOOD RATES AND THE BEST CUSTOMER SUPPORT.*



**Ibadan Head Office**  
Suite 34, Damin Plaza, Chemist Bus-Stop,  
Ring Road, Ibadan, Oyo State, Nigeria

**Lagos Main Office**  
Ground Floor, Gbemisola House, (Block 2),  
Plot 24B, Isheri Road, Omole,  
Ikeja, Lagos, Nigeria

*International Callers:*  
**+234-803-348-1702 , +234-802-286-3054**

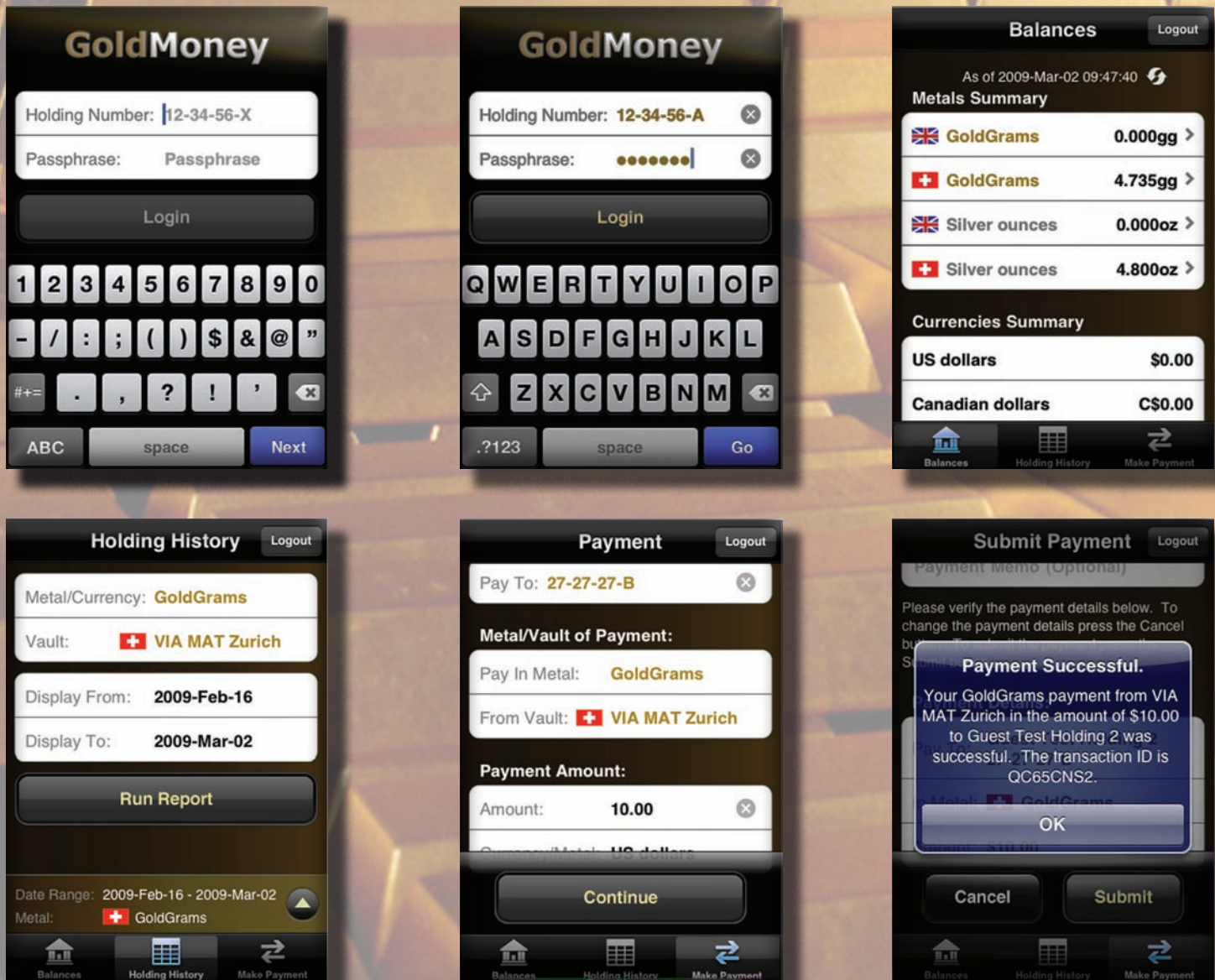
**<http://www.rawgoldnigeria.com>**



# GoldMoney

iPhone application

<http://www.concentricsky.com/products/iphone/goldmoney/>



## GoldMoney iPhone app

By Concentric Sky

GoldMoney for the iPhone enables you to exchange units of digital gold and silver. It's quick and secure, allowing you to make transactions with ease. Check your balance, make payments and review your transaction history all from one easy to use interface.

<http://itunes.apple.com/app/goldmoney/id306294641?>

Check  
Balances

Make  
Payments

View  
Transaction  
History

Send  
&  
Receive

**Balances** **Balance Value** Logout

**Balance:**

**GoldGrams** 4.735gg

As of 2009-Mar-02 09:47:01

**Current Equivalent Values:**

US dollars	\$143.59
Canadian dollars	C\$184.67
British pounds	£102.44
euros	114.17 €
Swiss francs	SFr168.76

Balances Holding History Make Payment

**Holding History** Logout

Metal/Currency: **GoldGrams**

Vault: **VIA MAT Zurich**

Display From: **2009-Feb-16**

Display To: **2009-Mar-02**

**Run Report**

Date Range: -

Currency: -

Balances Holding History Make Payment

**Holding History** Logout

Date Range: 2009-Feb-16 - 2009-Mar-02

Metal: **GoldGrams**

2009-Mar-02	Guest Test Holding 2	Paid: 0.165gg	Balance: 4.735gg
2009-Feb-28	GoldMoney Storage Fee	Paid: 0.100gg	Balance: 4.900gg
2009-Feb-25	Net Transactions Limited	Received: 5.000gg	Balance: 5.000gg

Balances Holding History Make Payment

**Submit Payment** Logout

Payment Memo (Optional)

Please verify the payment details below. To change the payment details press the Cancel button. To submit the payment press the Submit button.

**Payment Details:**

Pay To: **Guest Test Holding 2**  
**27-27-27-B**

In Metal: **GoldGrams**

Amount: **\$10.00**

**Cancel** **Submit**

Balances Holding History Make Payment

**Holding History** **Details** Logout

Date: 2009-Mar-02 Time: 09:38:59

Transaction ID: 22652N4V

Holding Name: Guest Test Holding 2

Holding Number: 27-27-27-B

Amount Paid: 0.165gg

Holding Balance: 4.735gg

Memo:

[forex: USD 5.00, 30.3030 USD/gg, 2009-Mar-02 17:38:59] iPhone test payment

Balances Holding History Make Payment



- \$9.99
- Category: Finance
- Current Version: 1.0.1
- 0.6 MB
- Language: English
- Seller: Concentric Sky
- Rated 4+
- Compatible with iPhone, iPod touch, and iPad. Requires iOS 2.2.1 or later

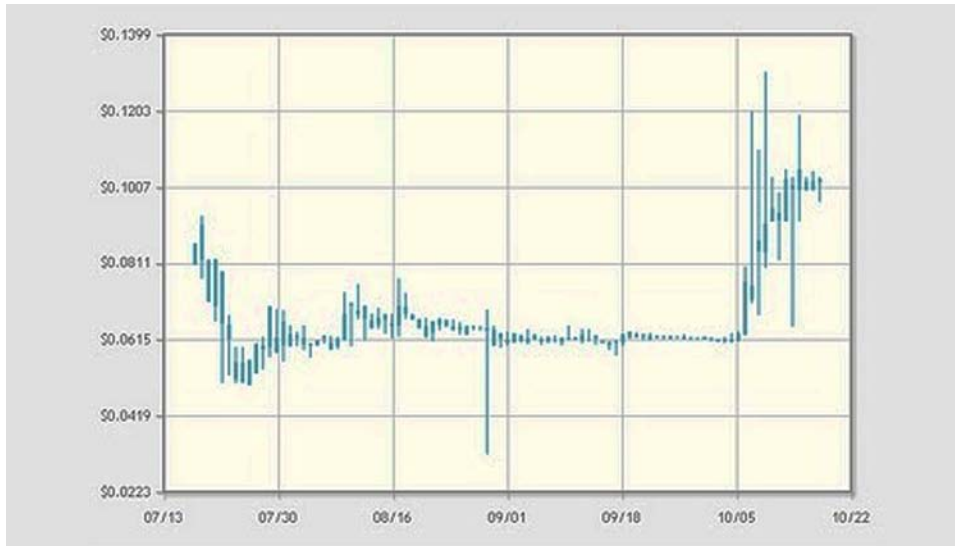


# A RALLY IN BITCOIN

by John Matonis



Bitcoin has had about a 64% rally recently which is not surprising given that more and more people are learning about its existence and circulation as a new P2P anonymous digital currency. The massive viral effect of a P2P digital currency have now kicked in and it seems as though a new merchant or a new exchanger emerges daily. As of October 19th, 2010, total Bitcoin in existence equalled 4,315,250 with 86,305 Bitcoin blocks generated (source: Bitcoin Exchange).



One such exchanger, Mt. Gox, does an excellent job of tracking and charting the USD:BTC exchange rate on a daily basis:

Trading volume at Mt. Gox set new records during early October 2010 and you can still follow some of the action and comments [here](#).

Bitcoin is an unbacked currency in a traditional commodity-reserve sense but limited in its issuance by CPU cycles and electricity. As their web site states, only 21 million coins will be brought into

circulation, but I suspect that may need to be adjusted when unsustainable deflation appears.

Issuing statistics and some of the leading exchangers can be followed at Bitcoin Watch. A relatively new exchanger on the Bitcoin scene is Canadian Nanaimo Gold with a nice user interface. The exchanger Bitcoin 4 Cash bills itself as “the premier Bitcoin dealer that respects anonymity” and the BitCoin/MetalCoin Exchange will trade Bitcoin for gold and silver coins. BitcoinFX provides two-way exchange for Bitcoin into Liberty Reserve. In Alabama, Bitcoin2cash will provide Bitcoin for cash sent in the regular mail and vice versa, which is financial privacy in its rawest form (the bid/ask spread is wide at 25/200, but I respect these guys!). And finally, another interesting exchanger to follow is the Finland-based Bitcoin Exchange, which has an excellent statistics section. Needless to say, Bitcoin deserves serious consideration as we move into The Monetary Future.

If you enjoyed this article, please donate Bitcoin to: **1M9fzriM7DgxDfGEhKqD2takTkXziqPkYF**

For further reading:

“A Short Introduction to Bitcoin - A Peer to Peer Cryptocurrency”, Bluish Coder, October 10, 2010

<http://www.bluishcoder.co.nz/2010/10/10/a-short-introduction-to-bitcoin.html>

“Bitcoin Electronic Currency: The Future of Money”, Elliott A. Prechter, Elliott Wave International, September 2010 <http://www.bitcoinblogger.com/2010/09/bitcoin-electronic-currency-future-of.html>

“What are Bitcoins?”, Quezi, July 22, 2010 <http://quezi.com/13527>

“Is It Time For Digital-Only Dollars?”, Phil Maymin, Hartford Advocate, July 8, 2010

<http://www.hartfordadvocate.com/commentary/is-it-time-for-digital-only-dollars-2>

“BitCoin and the ‘Wild West’”, Niklas Blanchard, Modeled Behavior, June 30, 2010

<http://modeledbehavior.com/2010/06/30/bitcoin-and-the-wild-west/>

Source: <http://themonetaryfuture.blogspot.com/2010/10/rally-in-bitcoin.html>



# \$£€¥ AND THE OOZLUM BIRD

*by Alasdair Macleod*

**T**hose who have been exposed to popular Australian and British mythology may know about the fabled oozlum bird, which flies round in ever decreasing circles until it disappears up its own fundament. Under the guidance of our political masters, paper currencies are on course to disappear in the same unusual manner. I have written recently about the increasing possibility of a hyperinflationary slump: economic activity slumps, then prices start rising at an accelerating rate until paper currencies become valueless. To most, such an outcome is unimaginable, except for those who lived through Allende's Chile or Mugabe's Zimbabwe; and the idea that this might happen to the dollar, euro, pound and yen all at the same time is unthinkable.

This eventuality is becoming impossible to avoid. For those of us not misled by contemporary economics it has been clear for years that we are set on this course, and since the credit crunch, the outcome has become more likely as events progressed. To get off this tramline into financial oblivion requires a return to sound money. Sound money and "\$£€¥" are as cosy together as church and blasphemy. In all human history sound money has only been gold and silver, and yet again humanity will have to relearn this lesson the hard way.

A planned return to sound money is obviously inconceivable. It is clear that economic recovery is fading and the slump, which is a precondition to hyper-inflation, is on its way: a precondition not only because it is the noun in the description, but because the \$£€¥ governments tax revenues will collapse. Furthermore welfare costs will increase due to rising unemployment, and with revenues collapsing budget deficits will escalate rapidly. This means that the \$£€¥ governments simultaneously need to raise much more money than currently expected. If governments were to attempt \$£€¥ funding without quantitative easing, borrowing costs would go through the roof and bond prices would collapse, alerting everyone to the public sector's insolvency.

This is why QE is seen as vital, as vital as heroin is to a hopeless addiction.

It has now become apparent that reflation through deficit spending is creating more problems than it solves, and governments will have to retrench to protect their core welfare commitments. David Cameron realises this, and Europe is selectively waking up to it. Ben Bernanke now realizes this, hence his warning last week in his speech on Rhode Island, that the course of public spending would either be curbed by "a careful and deliberate process" or by a "rapid and painful response to a looming or actual fiscal crisis". This is very plain speaking, even to the point of shouting, by the normally boring, soporific Helicopter Ben. The voters in next month's US elections, who are increasingly sickened by government profligacy also realise it, a message not lost on America's politicians. So Plan B is shaping up: we are seeing the Keynesians canned, because they have run out of road. It is time to hand over to the central banks, which is Bernanke's real message.

So it is over to the monetarists, and their analysis is broadly as follows. To have a chance of succeeding, the primary objective of QE2 is to keep borrowing costs for governments as low as possible. It is therefore vital to keep government bonds in a perpetual bubble for as long as it takes. If this is achieved, then economic stability might be preserved, and the chances of a second banking crisis reduced. However, if the monetarists fail, a debt-deflation hell will be unleashed. This must be prevented at all costs or it will amount to no less than the failure of monetarism. The monetarists will not want to find themselves in the same position as the Keynesians are today. This is why Bernanke famously concluded that as a last resort, money will be distributed by helicopter into the economy. Deflation will not be permitted, even momentarily.

In this analysis the monetarists are confusing asset deflation with price inflation. They frequently invoke the

ghost of Irving Fisher, who identified the risk of falling asset prices triggering collateral liquidation, turning into a self-feeding financial implosion. This is asset deflation, and printing money at best delays it. However, printing money is the precondition for price inflation, which in dollar terms is already running at over 30% at the input level. So bizarrely the monetarists in the central banks are making the simplest of errors, or perhaps they are turning a blind eye. This is why with regard to inflation, the oozlum is already well on its way to an inner darkness.

So hyperinflation, as a result of current and prospective monetary policies has now become a racing certainty. Investors sooner or later will wake up to this reality, seeking protection, and their first move will be to withdraw funds from over-priced government bond markets. Initially this is bound to accelerate QE further as central banks attempt to support bond prices. Perhaps at this point, the printing of money will be linked in the public's mind with the inexplicable rise in consumer prices, despite a slump in demand.

The investment alternatives to cash and government bonds are limited, which is confirmed by the experiences from past hyperinflations. Despite attempts to support bond markets, you cannot have zero interest rates and accelerating price inflation. Stocks and shares will suffer: initially they are hit by rising bond yields, and then as inflation gathers pace, balance sheets are undermined by escalating replacement costs. Property is also a bad investment due to the effect of rising bond yields on financially geared assets, and because rentals always lag inflation, if you can find a creditworthy tenant. That leaves commodities, so by a process of elimination the money coming out of government bonds will be headed that way, and the purchasing power of \$£€ will collapse even further.

All this is confirmed from previous hyperinflation episodes. Precedent tells us it is too late to escape: the debt trap is sprung. For those that have not properly considered these matters, a global hyperinflationary slump is dismissed as highly unlikely. It is the ignorance of the economic and political establishment to these dangers that is extraordinary aspect of all this to those very few of us who have.

<http://www.FinanceAndEconomics.org> is the website of Alasdair Macleod, who has a background as a stockbroker, banker and economist. Alasdair is available for seminars, speeches and interviews. Further details can be found in Services. The Library has articles by third parties and links to other websites worth visiting. Finally, Alasdair's blog <http://alasdairmacleod.blogspot.com/> gives less formal occasional commentary and offers the opportunity for the visitor to express an opinion.





# Sector 123

✓ Seamlessly Encrypted Offshore Internet Connection

✓ Keep your data yours

✓ Bottom low 7-day trial VPN prices.



Consider protecting your private and business sensitive information from being intercepted by not-always-so-benevolent people. If you travel frequently, or maybe not so frequently, you are probably a Wi-Fi user.

Did you know that most Wi-Fi hot spots are non-encrypted Wi-Fi networks, which can be infiltrated by outside persons from a distance? Visit our website and learn about the ultimate solution you want to have.

<http://www.sector123.com>





## **RUNET'S PAYMENT SYSTEMS MARKET SHOWS GROWTH**

According to CNews Analytics, Russia is now one of the top three countries with the most dynamically developing e-money markets.

By various estimations, the market of Russian electronic payment systems reached 1.3 billion in 2009, showing a 50% growth. This year's results are expected to be similar. Russia is currently holding the third place in the world rating of dynamically developing domestic cashless payments, with only India and China showing better dynamics. The number of active users of electronic payment systems in 2009 totaled 20 million, which was by 12% over that in 2008.

5.9 billion transactions were made through terminals in Russia in 2009, which is by 9% more than in 2008.

According to Yandex.Money, the number of users of this service has now grown by 63% and reached 4.4 million. On the average, 5,600 new e-wallets were created in this payment system each business day of September 2009.

The WebMoney Transfer payment system has 12 million registered accounts, with 4.5 million of these belonging to active users. The system's total turnover in 2009 was \$7.52B, with the average transaction values being about \$100 for US dollar transactions. Over 25 million operations are executed in this system daily.

<http://www.techrockets.com/2010/10/runets-payment-systems-market-shows-growth/>





# gold-pay

per aurum nos reperio libertas



- ◎ Buy and Sell Gold Online
- ◎ Maximum Privacy and Security
- ◎ Simple and Private as Cash
- ◎ Low Fees
- ◎ Secure, user-friendly account access

# www.gold-pay.com

# IS IT TIME FOR DIGITAL-ONLY DOLLARS

*Written by Phil Maymin  
July 2010*

**T**he nice thing about gold as a currency is that no government can easily and capriciously tax it. Paper money is easy: just print more and spend it however you want. But Gold is relatively stable, and it doesn't go bad and can be stored easily.

But you can't fit it in your wallet. You can't easily break it into smaller pieces or combine pieces to make larger ones. Gold is not the ultimate currency.

Currency backed by gold is more mobile, but you have to trust someone to exchange your paper or digital claim for actual gold. And if that someone happens to be a government, that trust is guaranteed to be betrayed.

We are living now in an information-driven world. Perhaps currency can be encoded as bits. Even a decade ago, this would have sounded impossible. But because of the widespread dissemination of powerful computing and interconnected networking, some new approaches have recently been developed.

One example is called BitCoin, a free, open-source, peer-to-peer, anonymous, network-based currency. Its creator Satoshi Nakamoto calls it a "cryptocurrency" because there is no way for a middleman to intercept, prevent or tax any exchange of money. Even the users themselves don't necessarily know the real-world identities of who they are dealing with. And there cannot be any inflation or currency manipulation.



There is no central database for the police to raid and no way for your bitcoins to be stolen. It's amazing Nakamoto's algorithm is able to guarantee all these benefits.

Imagine it on your iPhone. You walk around and pay for whatever you want without any worries. Even if your phone is stolen, there is no way to access your money without you. It is stable, private, untaxable and uninflatable. Pretty good. It will be great once you can buy groceries with it.

Transactions will always require the BitCoin network. You may think we will always have a network. There's no way the government could interfere with the entire internet, is there? Even China could probably be thwarted by an electronic currency network.

Never underestimate the hunger of a politician. They will always think of a way to use brute force to get your stuff. Our senator Joe Lieberman has proposed a plan that would allow the president to shut down the entire internet for "national security reasons." What could drive a politician to insecurity more than the uneasy feeling that there are some economic transactions happening without his hand in the pie?

The "internet kill switch" has a 120-day limit, after which Congress would rubber-stamp a longer web death. They are all in it together, and

when they can't get their coins, you won't get your bits.

They will argue — as they did with the Patriot Act, the invasion of Iraq, the health care bill and all the bailouts — that they are doing this for our own good, to protect us from systemic failure. Wouldn't it be terrible if terrorists could shut down our entire internet? The only way to protect ourselves is to shut it down before they can. Let's shackle ourselves before they do.

The internet itself is virtually unkillable, based on the brilliant way the internet protocol and the transfer control protocol has worked for decades. It automatically reroutes and recovers. It could strike fear into the leeches that polite society calls our elected officials, by circumventing their monopolistic currency in favor of one that actually works.

How about a political kill switch that shuts down Congress for 120 days, unless extended by an anonymous internet poll?

*Dr. Phil Maymin is Assistant Professor of Finance and Risk Engineering at NYU-Polytechnic Institute. The views represented are his own. This article was originally published in the Fairfield County Weekly at <http://fairfieldweekly.com>. Phil's email address is [phil@maymin.com](mailto:phil@maymin.com) and his homepage with links to other work is at <http://philmaymin.com>*

# eCache philosophy

We are freedom people. We look and work for more freedom for us and others. That is the foundational reason why we write code and operate eCache. Sure, we also want to make profit with it, but that is only our second motivation.

There are a few basic philosophical concepts that influence our work on eCache and this short text presents them to whomever is interested.

## **FREEDOM IS THE OPTION OF CHOICE**

When you are free to choose you are free to live. The reduction of choice or the forceful “leading into” choice is not freedom but slavery. Total slavery is if you cannot choose for yourself anymore. Some people prefer slavery, we do not try to force them into freedom, that would be slavery also. Freedom includes the ability to let yourself be bound by chains. If you prefer slavery over freedom, our wish is that your chains rest lightly upon you.

## **THERE CANNOT BE ANY FREEDOM WITHOUT PRIVACY**

Privacy is what keeps others from being able to apply force to you and your choices. When no one knows who you are or what you do, then also no one can apply force through means of repression, blackmailing, social pressure or violence.

## **FINANCIAL PRIVACY IS MANDATORY FOR FREEDOM**

Together with private communication and private travel, financial privacy protects your freedom. Only with financial privacy you are able to choose where to spend money, how to earn it or whom to gift it to, without the possibility of penalty. Together with communication it is economic transfer that constitutes the interaction between people. Protect both and you are a long way toward freedom. Loose any of the two and you are already a slave.

## **COMMUNICATION AND MONEY ARE ONE**

In cyberspace both communication and money are directly entangled. Both have to be present for either to work. Without private communication there is no digital money that can be transferred in security and safety. And without digital money, private communication is limited to cross-funding infrastructures.

## **MONEY IS GOOD, HUMANS ARE BETTER**

Making money and spending money is a good thing. As long as you have people who you can buy from and sell to. If you are evil, sooner or later no one will accept your money or pay you any. In the end, humans are better peers than coins. Money is a means of communication, and should not become a means of force. This, however, is only realistic when financial privacy is in place.

## **CODE IS LAW, LAW IS CODE**

In cyberspace code makes the law, and law is made by code. Code sets the rules and defines how things are done. However, this not only allows us to do things, it also limits them. For maximum freedom we need to keep code as simple and small as possible. We should limit it to exactly implement what shall be done. For maximum empowerment and minimum restriction, KISS.

# PROTECT AGAINST INFLATION USE GOLD & SILVER



***buy physical Gold & Silver online***

***make instant online payments with Gold & Silver***

***hold Gold Dinar and Silver Dirhams in your hands***





*Tuesday, Oct 26, Bart Chilton, a CFTC commissioner stated there had been repeated attempts to influence prices in silver markets. At a hearing in Washington on Oct. 27, CFTC Commissioner Bart Chilton also said there have been "fraudulent efforts to persuade and deviously control" silver prices and that violators should be prosecuted. The CFTC manipulation probe into the silver market originally began September 2008.*

# Class Action Lawsuits Charge JPMorgan Chase and HSBC with Manipulation of Silver Futures Markets

**GATA's Hard Work is Now Evidenced in a RICO Lawsuit Against Big Bank Scum**



# The Worlds Local Exchanger



**Gold  
Now**

[www.GoldNow.St](http://www.GoldNow.St)

<http://www.goldnow.st>

US: +1 (213) 341-1583

CA: +1 (418) 210-3942

MX: +52 (0) 55 535-11-443

UK: +44 (0) 208 150-6659

FR: +33 (0) 4 886-70-302

IE: +353 (0) 766-153-669

AU: +61 (0) 3 9017-1975

NZ: +64 (0) 9 974-2009

US Fax: +1 (213) 559-8555

Skype: goldnow

Email: [kelly\\_clan@fastmail.fm](mailto:kelly_clan@fastmail.fm)



# Anybody Seen Our Gold?



The gold reserves of the United States have not been fully and independently audited for half a century. Now there is proof that those gold reserves and those of other Western nations are being used for the surreptitious manipulation of the international currency, commodity, equity, and bond markets. The objective of this manipulation is to conceal the mismanagement of the U.S. dollar so that it might retain its function as the world's reserve currency. But to suppress the price of gold is to disable the barometer of the international financial system so that all markets may be more easily manipulated. This manipulation has been a primary cause of the catastrophic excesses in the markets that now threaten the whole world. Surreptitious market manipulation by government is leading the world to disaster. We want to expose it and stop it.

## Who are we?

We're the Gold Anti-Trust Action Committee Inc., a non-profit, federally tax-exempt civil rights and educational organization formed by people who recognize the necessity of free markets in the monetary metals. For information about GATA, visit <http://www.GATA.org>

## **GOLD ANTI-TRUST ACTION COMMITTEE INC.**

**7 Villa Louisa Road, Manchester, Connecticut 06043-7541 USA**

**CPowell@GATA.org**

GATA welcomes financial contributions, which are federally tax-exempt under Section 501-c-3 of the U.S. Internal Revenue Code. GATA is not a registered investment adviser and this should not be considered investment advice or an offer to buy or sell securities.

# GATA



JUDGE PATTERSON

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

10 CV 3146

BRIAN J. BEATTY, on behalf of himself and all  
others similarly situated,

Plaintiff,

vs.

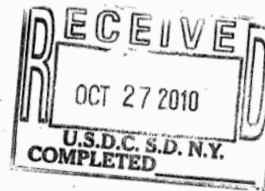
JPMORGAN CHASE & CO., J.P. MORGAN  
CLEARING CORP., J.P. MORGAN  
SECURITIES INC., J.P. MORGAN FUTURES  
INC., HSBC HOLDINGS PLC, HSBC  
SECURITIES (USA) INC., and HSBC BANK  
USA, NATIONAL ASSOCIATION,

Defendants.

Case No. \_\_\_\_\_

**CLASS ACTION COMPLAINT**

**JURY TRIAL DEMANDED**



Plaintiff Brian J. Beatty, on behalf of himself and all others similarly situated, brings this action against JPMorgan Chase & Co., J.P. Morgan Clearing Corp.; J.P. Morgan Securities Inc.; J.P. Morgan Futures Inc. (collectively, "JPMorgan"); HSBC Holdings PLC; HSBC Securities (USA) Inc., and HSBC Bank USA, National Association (collectively, "HSBC") (together with JPMorgan, "Defendants") and alleges as follows:

**NATURE OF CLAIM**

1. This action arises from Defendants' conspiracy to intentionally and unlawfully suppress and manipulate the price of Commodity Exchange, Inc. ("COMEX") silver futures and options contracts between June 1, 2008 and the present, in violation of Section 22(a)(1) of the Commodity Exchange Act ("CEA"), 7 U.S.C. § 25(a)(1) and Section 1 of the Sherman Act, 15 U.S.C. § 1.
2. As alleged herein, during the Class Period (defined below) Defendants conspired to and did suppress and manipulate the prices of COMEX silver futures and options contracts by

JP Morgan Chase & Co. and HSBC Securities Inc. face accusations of manipulating the market for silver futures and options in violation of federal commodities and racketeering laws. (RICO)

After a decade of GATA's hard work, there may be some light at the end of the tunnel.

Direct ownership of gold, silver, precious metals, fine wine and diamonds  
Continuous live exchange market

Low storage fees with LBMA member & professional storers  
Super tight bid/offer spreads

<http://www.mycommodity.com>

No dealing fee on gold until 2011.  
For more information visit

[www.mycommodity.com](http://www.mycommodity.com)

## BEFORE IT'S NEWS®

PEOPLE POWERED NEWS

60

**Nd**

Neodymium  
144.242

79

**Au**

Gold  
196.966569

46

**Pd**

Palladium  
106.42

77

**Ag**

Silver  
107.8682

78

**Pt**

Platinum  
195.084

62

**Sm**

Samarium  
150.36

Before It's News is a leading source of up to the minute news, analysis, commentary and opinion provided by experts in their fields.

The brightest minds in precious metals contribute at Before It's News:

Adrian Ash  
Adam Brochert  
Merv Burak  
Adrian Douglas  
Bill Downey  
Prof. Antal Fekete  
Egon von Greyerz  
Chris Laird  
David Levenstein

Clive Maund  
P Radomski  
Ned Schmidt  
Darryl Schoon  
Peter Souleles  
Streetwise Reports  
The Gold Report  
Zeal, LLC  
...among others

Stop by today for the latest breaking news or to contribute your own stories.

<http://www.beforeitsnews.com>

[www.beforeitsnews.com](http://www.beforeitsnews.com)



Three civil cases have been filed in court alleging manipulation of the silver market. The plaintiffs' suits allege violations of the Commodity Exchange Act and the Racketeering Influenced and Corrupt Organizations (RICO) Act. Details of the allegations attempt to show that the two banks colluded to manipulate the silver futures market as far back as the first half of 2008. The suits show the two banks used their massive liquid cash positions to amass huge short positions in silver futures with no intent of filling. According to Bloomberg, both JP Morgan and HSBC Holdings have been accused of placing "spoof" trading orders to manipulate silver futures & options prices and using their positions to force silver prices down in violation of U.S. antitrust law.

In direct violation of the law, these companies allegedly benefited from the price movement raking in hundreds of millions in profits.

At least some of the information and testimony in these cases comes from GATA's work and the recent whistle blower revelations from Mr. Andrew Maguire.

Two cases are Beatty v. JPMorgan Chase & Co et al, US District Court for the Southern District of New York, #10-08146, and Laskaris v. JPMorgan Chase & Co et al, US District Court for the Southern District of New York, #10-08157.

Neither of these two lawsuits are frivolous and the legal eagles heading to court on behalf of the plaintiffs are experienced professionals.

<http://www.labaton.com/>

The firm of Labaton Sucharow LLP was the co-lead counsel in the case In re Natural Gas Commodity Litigation which involved manipulation of natural gas futures on the New York Mercantile Exchange by dozens of large energy companies. The settlements reached in 2006 and 2007 totaled almost \$101 million, which is the second largest class action recovery in the 85 year history of the Commodity Exchange Act. Five months ago, the law firm settled a lawsuit against Countrywide Financial Corporation and the accounting firm KPMG for a total award for their clients of \$624 million.

<http://www.lshllp.com/>

The other law firm, Lovell Stewart Halebian Jacobsen, recovered \$76.5 million in 1997 from Merrill Lynch Fenner & Smith, Incorporated et al, which was the largest settlement of a class action claim under the Investment Company Act. In 1998, the firm recovered at \$1.027 billion cash settlement against the NASDAQ over price-fixing charges under the Sherman Antitrust Act. This was the largest recovery in more than 100 years of state and federal antitrust laws. Then, in 1999, the firm won the largest recovery in the history of the Commodity Exchange Act when it settled claims for manipulation in copper futures for \$145.35 million.

"What the mainstream media did not report is that Labaton law firm has been in regular consultation with Adrian Douglas and Andrew Maguire since May, digesting evidence gathered over the past 11 years by the Gold Anti-Trust Action Committee (GATA) (<http://www.gata.org>) about the manipulation of the gold and silver markets by the US government and its trading partners and allies. Douglas is an analyst of the gold, silver, petroleum, and copper markets using his Market Force Analysis methodology (<http://www.marketforceanalysis.com>). He also is a member of the board of directors of GATA."

Former Goldman Sachs metals trader, Mr. Andrew Maguire first went to GATA earlier this year and walked through his evidence of market manipulation and the details of his contacts with the CFTC. Maguire who contacted the CFTC in November 2009 but was totally give the cold shoulder by official at the CFTC who kept the communications private. All of the information was then made public in March 2010 by GATA and whistleblower Maguire. After Maguire went public through GATA the net short position of silver futures held by commercial banks dropped by 30 percent from the March 2010 levels. The GATA website has substantial source documentation available and also links to the CFTC website where you can view the March 25 testimonies. DGCmagazine also did a special GATA issue which is available here: <http://www.dgcmagazine.com/index.php/past-issues/digital-gold-currency-magazine-special-gata-2010-issue>

There was a third lawsuit filed Tuesday, November 2nd in the U.S. District Court for the Southern

District of New York by Seattle-based Hagens Ber-  
man Sobol Shapiro LLP, a class-action and complex  
litigation firm. The suit was filed on behalf of Carl  
Loeb, an independent investor in silver futures and  
options.

This suit alleges that by August 2008, JP Morgan and  
London-based HSBC controlled more than 85% of  
the commercial net short position in silver futures  
contracts and they owned 96 percent - \$7.9 billion  
worth - of all precious metal derivatives held by U.S.  
banks, excluding gold, in the first quarter of 2009.

“We believe that JP Morgan and HSBC’s scheme was  
carefully conceived and coordinated to maximize  
their profits at the expense of innocent investors who  
believed that they were trading in a market free from  
manipulation,” lawyer for the plaintiff, said.

Plaintiffs’ attorneys have asked the court to certify  
the case as a class action and enjoin JP Morgan and  
HSBC from continuing their alleged conspiracy  
and manipulation of the silver futures and options  
contracts market.

<http://www.hbsslaw.com> Seattle-based Hagens Ber-  
man Sobol Shapiro LLP represents whistleblow-  
ers, investors and consumers in complex litigation.  
The firm has offices in Boston, Chicago, Colorado  
Springs, Los Angeles, Phoenix, San Francisco and  
Washington, D.C. Founded in 1993, HBSS contin-  
ues to successfully fight for investor rights in large,  
complex litigation.

**Do you want to join the class-action lawsuit  
on silver price manipulation?**

This note from Mr. Chris Powell, Secretary/Treasurer,  
Gold Anti-Trust Action Committee Inc.

*Dear Friend of GATA and Gold (and Silver):*

*People who lost money trading silver futures  
or options on the New York Commodity  
Exchange since 2008 are eligible to join  
the class-action price-manipulation lawsuit  
brought this week against J.P. Morgan Chase  
& Co. and HSBC Bank in U.S. District Court  
for the Southern District of New York. To  
express interest in becoming a member of the  
class of plaintiffs, contact:*

*Kellie Lerner  
Labaton Sucharow LLP  
140 Broadway  
New York, NY 10005  
Telephone: 212-907-0700  
Fax: 212-818-0477  
KLerner@labaton.com*

Some information for this article came from Patrick  
A. Heller <http://news.coinupdate.com/> on October  
31st, 2010

**Digital silver products are available from  
GoldMoney and Anglo Far-East Bullion**

#### Notice

Legal Notice/Disclaimer: Articles and advertisements in this magazine are not and should not be construed as an offer to sell or the solicitation of an offer to sell any investment. All material in this issue is based on information obtained from sources believed to be reliable but which have not been independently verified; DGCmagazine, the editor and contributors make no guarantee, representation or warranty and accept no responsibility or liability as to its accuracy or completeness. Expressions of opinion are those of contributors only & individual views are subject to change without notice. DGCmagazine and contributors assume no warranty, liability or guarantee for the current relevance, correctness or completeness of any information provided within this publication and will not be held liable for the consequence of reliance upon any opinion or statement contained herein. Furthermore, DGCmagazine assumes no liability for any direct or indirect loss or damage or, in particular, for lost profit, which you may incur as a result of the use and existence of the information, provided within this publication. As for any product or service advertised, promoted or which appears in this publication, readers are advised to “Use At Your Own Risk”.





established 1991

**Anglo Far-East.  
"The Original"  
Gold and Silver bullion custodian.**

**[www.anglofareast.com](http://www.anglofareast.com)**

Contact:

+1 206 905 9961 USA  
+ 507 264 0164 Panama  
+ 64 9337 0715 New Zealand  
+ 61 8 8334 6855 Australia  
+ 41 43 500 4218 Switzerland  
+ 44 208 819 3911 UK  
+ 852 8124 1265 Hong Kong

Email: [astanczyk@anglofareast.com](mailto:astanczyk@anglofareast.com)



# CURRENCY WARS, GRESHAM'S LAW AND DIGITAL GOLD CURRENCY (DGC)

*By David Knox Barker*

***Instead of typical article format, I've created a fictional character and will chronicle his interaction with the President of the United States during these trying times of global crisis. Atticus McShrugg, a staff member in the National Security Council (NSC), is making his debut in order to speak into the fast-paced developments in the international political economy and global financial markets.***



*Introducing the Chronicles of Atticus McShrugg:*

Now dear reader, let's fast forward to a beautiful fall morning in 2010. The regular 9:00 am NSC briefing of the president on global market stability has just ended, with a global currency war sweeping the globe. The President has recognized that McShrugg has a knack for explaining to him matters of international finance, where others fall short, and occasionally asks him to stay for a few minutes of additional discussion.

## **THE PRESIDENT:**

McShrugg, could you stick around for a minute. I'd like some clarification on a few points from your footnotes in today's global market stability report.

## **MCSHRUGG:**

Certainly Mr. President.

## **THE PRESIDENT'S ASSISTANT:**

You have the Chinese Finance Minister Xie and the Treasury Secretary in five minutes Mr. President.

## **THE PRESIDENT:**

You lost me on one item McShrugg. On the subject of the global currency war, in today's report you referred to Gresham's Law working in reverse. You concluded that it may help explain how the escalating currency war is driving the rally in gold, and that it may produce a paradigm shift in global currency markets. McShrugg, I need you to help me get my mind around Gresham's law working in reverse in this particular case.





**MCSHRUGG:**

My pleasure Mr. President. The basics of Gresham's Law are that when you have two forms of commodity money, the bad one will chase the good one out of circulation, since anyone making a purchase will keep the good money in their pocket and spend the bad money. Of course, we don't have commodity money today, and Gresham's law only works if both forms of money are legal tender, so keep that in mind.

**THE PRESIDENT:**

McShrugg, I understand Gresham's law. I was more interested in your observation regarding Gresham's Law working in reverse, and it being triggered by the dawning age of digital gold currency. You also mentioned other forms of electronic gold, such as ETFs. You noted that a new emerging DGC paradigm might be responsible for triggering the rising price of gold and falling dollar. No one else has brought this up to me.

**MCSHRUGG:**

OK, I will dispense with the Gresham's Law background and go straight to the new DGC forces in play. The rise of digital gold currency (DGC), gold held in storage for the owner but with digital access, appears to be creating a new paradigm that central banks, the IMF, supranational corporations and global investors have not fully recognized.

**THE PRESIDENT:**

Chairman Bernanke says he cannot explain the price action of gold.

**MCSHRUGG:**

In fairness to Bernanke, he is being asked to deliver prosperity and jobs through monetary policy when fiscal policy is an absolute train wreck. You have to expect him to obfuscate a bit Mr. President. Bernanke clearly understands more than he is letting on regarding the price of gold. How can he deliver \$1.7 trillion in QE1 and lead the market to believe there are trillions more where that came from for QE2, and not expect to have an impact on the price of gold.

**THE PRESIDENT:**

You are getting off topic McShrugg, and the ambassador is waiting, let's drop Bernanke's inability to understand the price of gold for now.

**MCSHRUGG:**

Gresham's Law addressed two forms of money in a single national economy. DGC has a unique place in the history of "good" money because it has created an environment with the ability to immediately convert any currency from anywhere in the world into physical gold in an account in vaults in London, Zurich, Hong Kong or elsewhere over the Internet. Third parties audit the accounts, and Lloyds of London or another reputable insurance company may insure the accounts.

**THE PRESIDENT:**

So a merchant anywhere in the world can take in a given currency today and have it stored in the form of gold in a vault in Zurich this evening, or at least within a few days.

**MCSHRUGG:**

Precisely Mr. President and the implications are far reaching, creating a new global digital gold currency paradigm that is not yet recognized.

**THE PRESIDENT:**

OK, so how does this trigger Gresham's Law working in reverse, through what you called an emerging two-tier currency system?

**MCSHRUGG:**

The analogy is not perfect Mr. President, but obviously, if Gresham's Law is working in reverse then "good" money is driving out the "bad" money. During the Weimar hyperinflation in Germany, farmers and others refused to accept the legal tender and began to hoard food. There was sufficient fear that the legal tender money would become worthless and that it was no longer accepted. Money that was backed by something, especially gold, was accepted. However, this was before the Internet and DGC accounts. This is just one of the reasons why Germany is choosing austerity instead of Keynesianism now.

**THE PRESIDENT:**

McShrugg, I don't have time for a German history lesson. You are getting off topic.

**MCSHRUGG:**

Today there is a growing number of merchants and investors that accept and operate with the legal tender currencies in their particular country, only because it can immediately be converted to global DGC, before it falls further in value.

**THE PRESIDENT:**

You are saying that we are seeing the beginning of a trend where consumers, investors and merchants around the world are willing to use the "bad" money, but only because they can immediately convert the "bad"





WebMoney Keeper Mobile - Stay Paid. Be Mobile.

<http://www.wmtransfer.com>

<http://www.webmoney.ru>

telepat

[www.telepat.com](http://www.telepat.com)



money to the “good” money, i.e., electronic gold or DGC, thus effectively creating a two-tier global currency system?

**MCSHRUGG:**

Exactly. It is early in the trend. However, the advent of the global Internet and DGC has accelerated the trigger point at which Gresham’s Law begins working in reverse in a high technology two-tier currency system. Technology is compressing time lines in the currency wars, or maybe you could call it a currency revolution with DGC.

**THE PRESIDENT:**

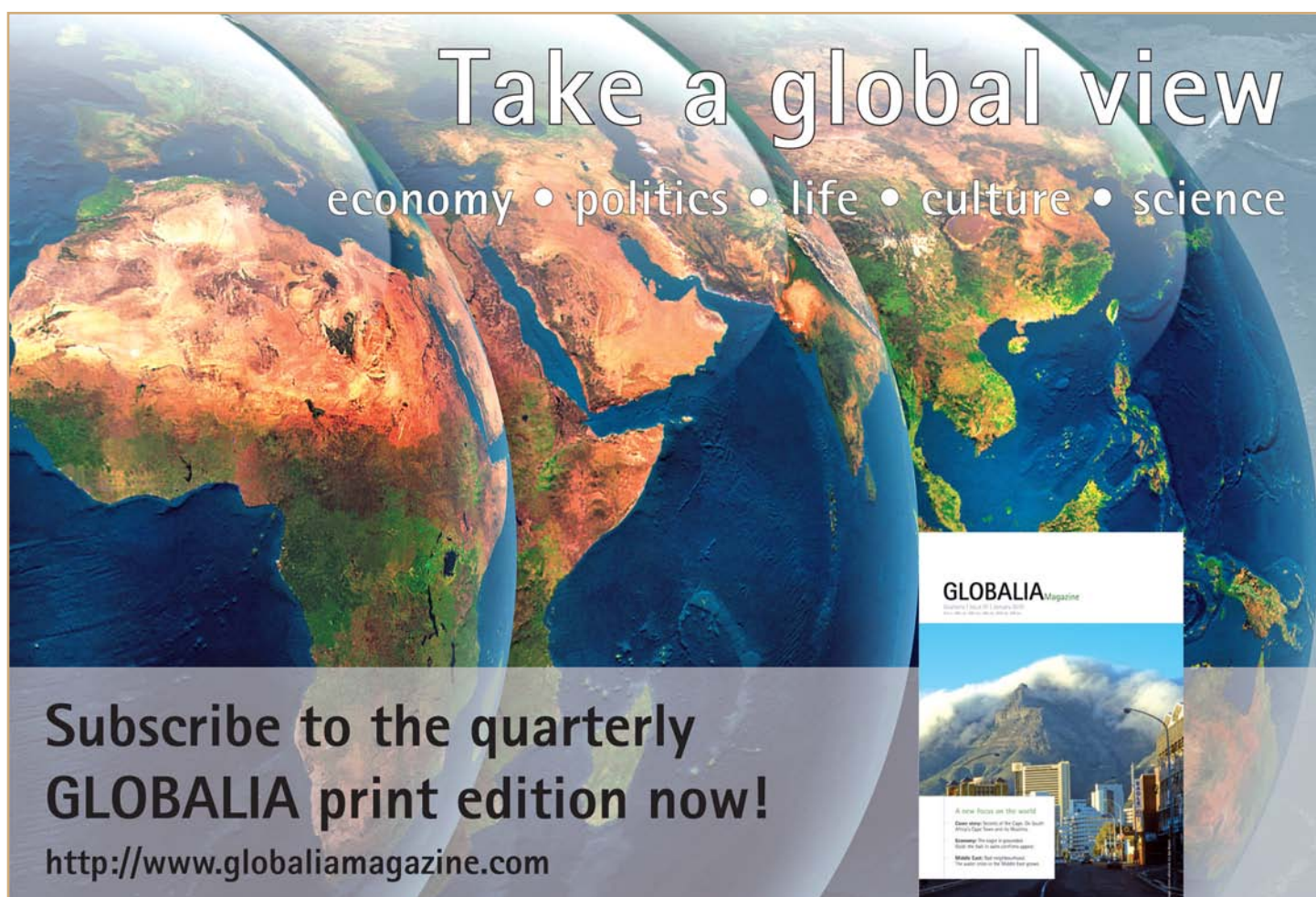
It works both ways I presume. A consumer, merchant or investor could also use this two-tier system by making purchases using a credit card in a “bad” money or currency, and then at the end of the month just convert enough “good” money or DGC required to pay off the “bad” money. OK McShrugg, I can now see how your two-tier currency concept could be driving Gresham’s Law in reverse.

**MCSHRUGG:**

The global currency war, with countries trashing their currencies to increase exports, is just the new name for a trade war, and it is accelerating the shift to global DGC.

**THE PRESIDENT:**

Now I understand your argument McShrugg.



Take a global view

economy • politics • life • culture • science

**Subscribe to the quarterly  
GLOBALIA print edition now!**

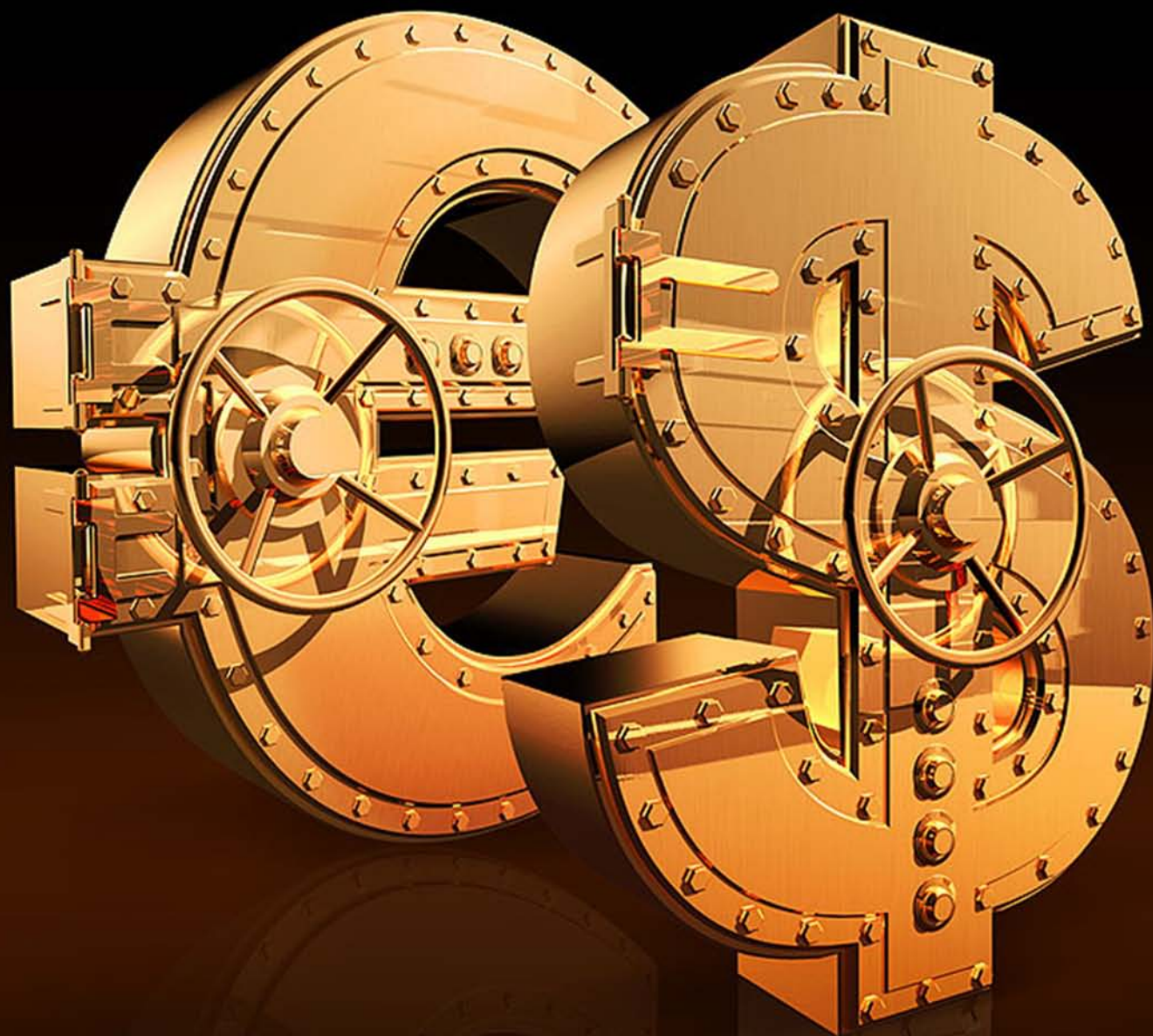
<http://www.globaliamagazine.com>

**GLOBALIA** Magazine  
Quarterly Edition • November 2010

*A new focus on the world*  
Cover story: Success at the Cape. The South African City of Cape Town is the leading business hub in Africa and the Middle East.  
Economy: The impact of government stimulus on the global economy.  
Middle East: The implications of the Arab Spring.  
The world's most innovative cities.



<http://www.gbullion.com>



**GBULLIONCOM**

**MCSHRUGG:**

Granted, it is just a theory for now Mr. President, but the next few months should validate the rising force of DGC and its role as the favored global reserve currency.

**THE PRESIDENT:**

To summarize, it is your view that the escalating currency war is really just a beggar-thy-neighbor trade war, and is accelerating the rise of the new DGC paradigm, the advent of a high-tech international gold currency.

**MCSHRUGG:**

Precisely. You have a solid grasp of the issues Mr. President.

**THE PRESIDENT:**

The Fed is fighting deflation with QE2, trying to generate some inflation. It would seem to me Gresham's Law working in reverse actually helps with that objective.

**MCSHRUGG:**

Yes Mr. President, it would be accurate that accelerating the move to DGC could trigger inflation. However, deflation remains a threat due to debt levels and overcapacity. I'm not sure the Fed can print fast enough. A bout of deflation could initially hit gold.

**THE PRESIDENT:**

Bernanke assures me he can print fast enough to stop deflation. And since QE2 makes the dollar the "bad" money, and DGC the "good" money, it should help stop deflation.

**ONE OF THE MOST AMAZING INTEGRATION BETWEEN THE CANADIAN BANKING SYSTEM AND POPULAR GOLD CURRENCIES.**



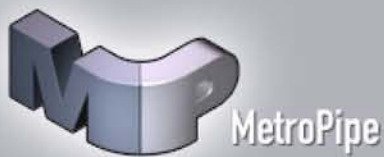
**Purchase as low as 10\$ of gold for only 0.35\$ fee. No expensive wire transfer fees or the need to get a money order!**

**No surprise!  
You know when your gold or dollars will be deposited in your account.**

<http://www.xgold.ca>







<http://www.metropipe.net>

PRIVACY is your RIGHT...  
only if you **DEFEND IT.**

Anonymous Offshore Private Internet Access Since 2002



Engineered for your Privacy. Nextgen anonymous surfing.

## Tunneler Gold

Encrypted Proxy Service  
SSH + HTTP or Socks  
\$49.95/yr

## Tunneler Pro

Encrypted Full Network VPN  
High Speed Internet Access  
\$99.95/yr

Windows - OSX - Linux

Easy Installer

No Logging

Skype Tech Support

<http://www.metropipe.net/>  
[support@metropipe.net](mailto:support@metropipe.net)  
Skype: MetroPipe

**MCSHRUGG:**

QE2 will definitely accelerate the rush into gold and DGC around the world, but whether he can stop deflation remains to be seen. It might not be as easy as Bernanke thinks.

**THE PRESIDENT:**

So how wide spread is the use of this new global digital gold currency or DGC?

**MCSHRUGG:**

A few private banks with gold vaults in Switzerland are out in front at the moment. The gold ETFs are a hybrid form of DGC. However, the Treasury departments in India, China, and Russia are evaluating the DGC option, as well they should. They don't trust the IMF. They see it as a tool for western domination. They all have large gold holdings. Also the United Arab Emirates are mulling a DGC, or digital golden dinar for the Arab world based in Dubai.

**THE PRESIDENT:**

The UAE is considering a DGC system?

**MCSHRUGG:**

If my information is correct. The Saudi's are also behind it. And of course the ECB has quit selling gold, and the German Treasury has one of the world's largest stock piles of gold in the world. They could turn that into an advanced DGC system in a heartbeat. It dovetails with their push for austerity. It could give them a major global advantage.

**THE PRESIDENT:**

Let's not discuss German austerity now, I realize you are a fan McShrugg. Back to DGC. You're saying we will see sovereign players in the rise of DGC, a global digital gold currency system?

**MCSHRUGG:**

It appears that is the case.

**THE PRESIDENT:**

How about in the United States? The gold in Ft. Knox?

**MCSHRUGG:**

It could actually make sense. The United States has the greatest gold stockpiles in the world, sitting in Ft. Knox and at the New York Fed. Why not consider putting it to work in a sovereign U.S. DGC system, run by the U.S. Treasury. No fractional gold nonsense, it should be a pure DGC system, ounce for ounce, bar for bar, ton for ton. No paper required, just digital gold. Many smaller countries would want to pay for gold vault storage at Ft. Knox. It is arguably the safest place in the world for gold deposits.

**THE PRESIDENT:**

Should private DGC in the United States be allowed?

**MCSHRUGG:**

No law prevents it currently. However, a Constitutional amendment that grants the right to create private DGC banks and grants a U.S. citizen the right to a DGC account would help it to flourish and create jobs. DGC could be authorized as a legal tender, along with the dollar, but it doesn't have to be. DGC account holders can just convert from DGC into and out of dollars or other legal tender currencies as required.





- VPN anonymous surfing
- Anonymous email
- CryptoRouters
- Closed-Group Networks
- Encrypted and distributed data storage
- Multi-hop routing
- Multi-jurisdictional structure
- New products in development

<http://www.cryptohippie.com>

Peace of Mind – Second to Nothing

**THE PRESIDENT:**

And the Bank of International Settlements in Basel Switzerland will clear this digital gold currency, just like any other currency?

**MCSHRUGG:**

XAU is the currency symbol for gold in ounces. They are doing it now.

**THE PRESIDENT:**

Where did you get the information of DGC in play for sovereign states? Especially the UAE?

**MCSHRUGG:**

Do you really want to go there Mr. President?

**THE PRESIDENT:**

No need for that McShrugg. You are doing an excellent job. Keep the information coming. And I'd like to say thank you for your sacrifice, for what you are doing for your country. I'm aware you could be making a lot more money elsewhere, and I realize you don't agree with many of my policies.

**MCSHRUGG:**

Actually, most of your policies Mr. President, but may I speak bluntly.

**THE PRESIDENT:**

Please McShrugg, always.

**MCSHRUGG:**

There was only one man fit to be a sacrifice. I'm not that man. Based on your own words, you know of whom I speak Mr. President. He said, "It is finished." He was speaking of sacrifice. After that point in history, no additional sacrifice can be required. That is what explains true individual liberty and freedom, the heart and soul of freewill. It is now time to get to work, to find our purpose, our destiny. We delude ourselves into thinking we are making sacrifices, or that anyone has the right to demand a sacrifice.

**THE PRESIDENT:**

(a thoughtful pause) I'm with you McShrugg. I'm with you.

**MCSHRUGG:**

There may be some hard work, though times, pain and suffering. There may even be a few martyrs required along the way. However, the great things placed in our hearts and minds that we must achieve, and the effort and time they demand, they are not sacrifices. They are purpose Mr. President. Destiny beckons purpose, not sacrifice.

**THE PRESIDENT:**

Yes, I see your point McShrugg.

**MCSHRUGG:**

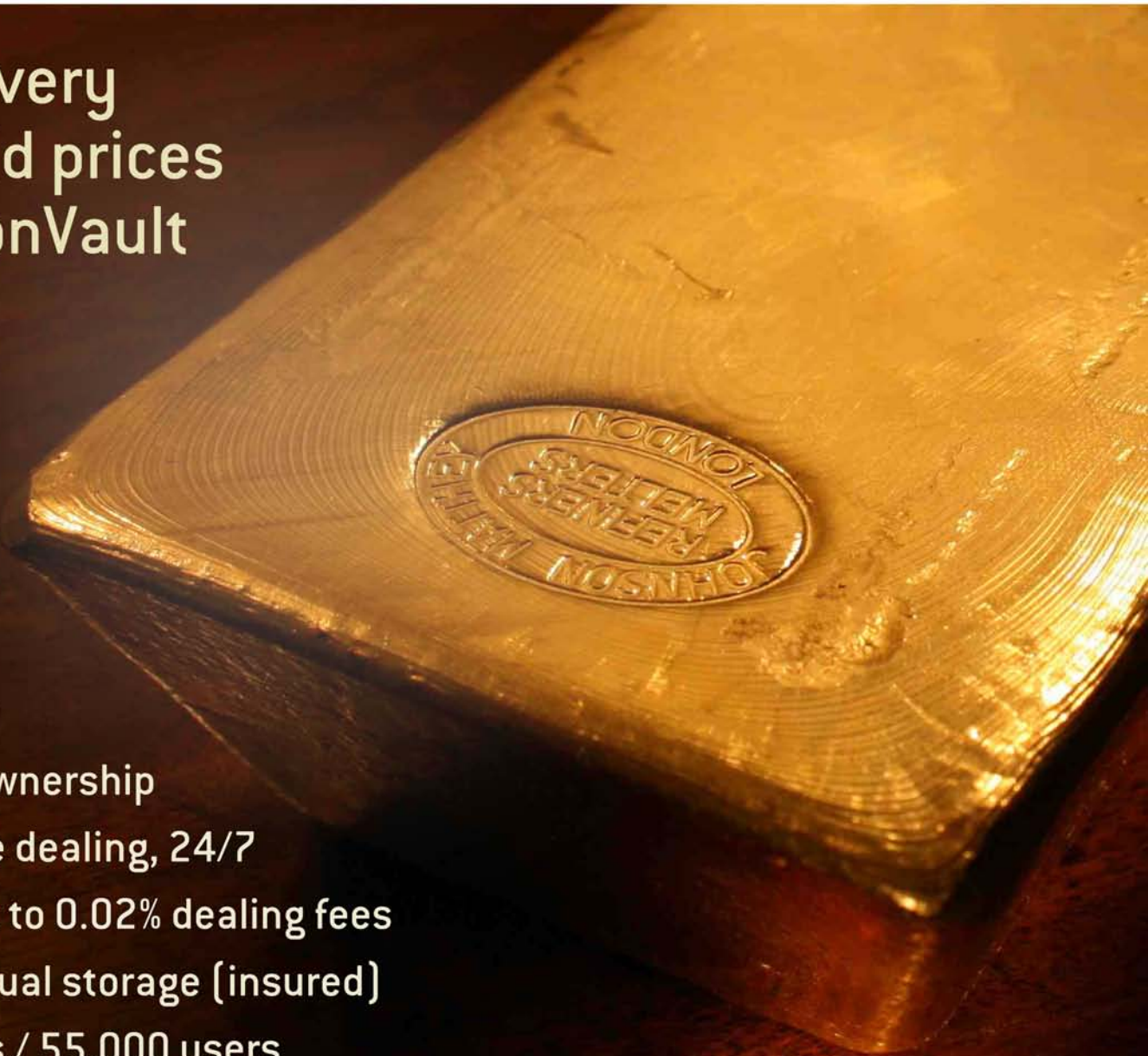
It is an insult to my Army Ranger and Delta Force friends that died in Iraq and Afghanistan by suggesting their lives were sacrifices, they were not. They fulfilled their destiny and they died for purpose. Moreover, they would all do it again, if only they had the chance.

**THE PRESIDENT:**



# Ready to Buy Gold?

Get the very  
best gold prices  
at BullionVault



- Outright ownership
- Live online dealing, 24/7
- 0.8% down to 0.02% dealing fees
- 0.12% annual storage (insured)
- 8.5 tonnes / 55,000 users
- Choose London, New York or Zurich

+44(0)208 6000 130



## BullionVault.com

Professional Gold for Private Investors

<http://www.bullionvault.com>



**LBMA**  
MEMBER

[www.lbma.org.uk](http://www.lbma.org.uk)

That is a refreshing perspective McShrugg.

**MCSHRUGG:**

Working for you is what I choose to do Mr. President. It is my purpose for this time. Those rats abandoning you and jumping overboard, they were confused. They mistakenly thought they were making a sacrifice working for you and their country. God's speed to them, but they were dragging you down Mr. President.

**THE PRESIDENT:**

Yes, I'm beginning to realize who I can count on these days. There have been a few disappointments, but also a few pleasant surprises.

**MCSHRUGG:**

You would not be in your position if you were not here for a great purpose Mr. President. However, be aware that life loves to throw us curves. Your purpose will likely prove to be far different from what you originally imagined in the role you have been entrusted. I intend to assist you in fulfilling your true purpose to the best of my ability, but if I ever take a bullet for you Mr. President, remember that it was not a sacrifice, it was my destiny.

**THE PRESIDENT:**

Thanks McShrugg, I appreciate that coming from you, but tell me, why are you really working for me?

**MCSHRUGG:**

As you know Mr. President, I have a respectable record as a global financial analyst. The global financial disaster that most think is now over was just a warm up. The next leg down is only just beginning. Have you read Dante's Inferno?

**THE PRESIDENT:**

Are we getting off topic again McShrugg?

**MCSHRUGG:**

Dante's imagery is apropos. Odds are good that the crisis will be so severe it will threaten the national security of the United States. Civilization itself is coming under siege. Bluntly speaking Mr. President, the world is facing systemic shock. I thought you might benefit from the unique perspective I can bring to the table at this important time in history. In addition, it is an honor to have your back Mr. President.

**THE PRESIDENT:**

The honor is all mine McShrugg.

The President's Assistant: Your appointment with the Chinese Finance Minister Xie and the Treasury Secretary Mr. President.

David Knox Barker is author of Jubilee on Wall Street; An Optimistic Look at the Global Financial Crash, Updated and Expanded Edition (2009). He is the founder of LongWaveDynamics.com, and the publisher and editor of The Long Wave Dynamics Letter. Atticus McShrugg is a fictional character created by David Knox Barker, you can follow his adventures at The Chronicles of Atticus McShrugg.

[https://longwavedynamics.com/?page\\_id=5533](https://longwavedynamics.com/?page_id=5533)



**GOLD BULLION**  
INTERNATIONAL

Why **Trust** another Financial Trust?  
When you can...


**OWN WHAT'S REAL.**

PHYSICAL PRECIOUS METALS INVESTING

- ▶ Gold
- ▶ Silver
- ▶ Platinum
- ▶ Palladium



CONTACT US:

 877 GBI 9507

[www.bullioninternational.com](http://www.bullioninternational.com)

<http://www.bullioninternational.com>

LONDON

NEW YORK CITY

SALT LAKE CITY

ZURICH