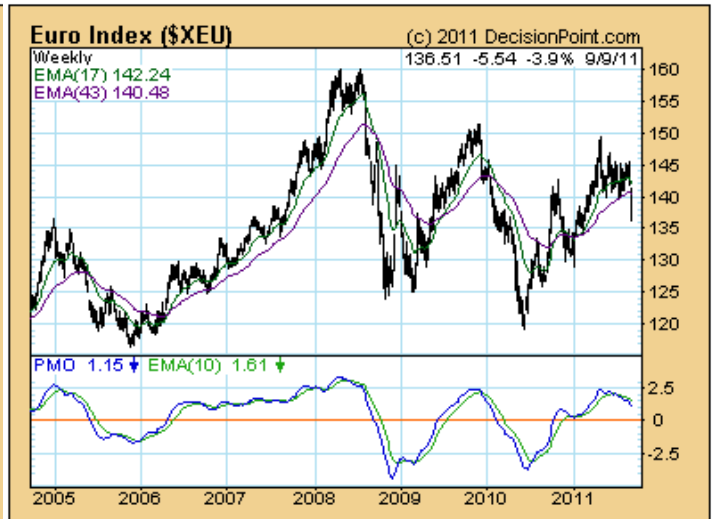
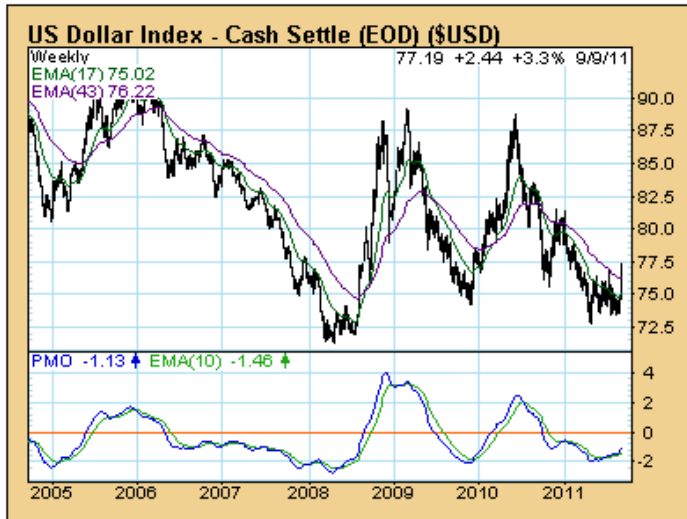
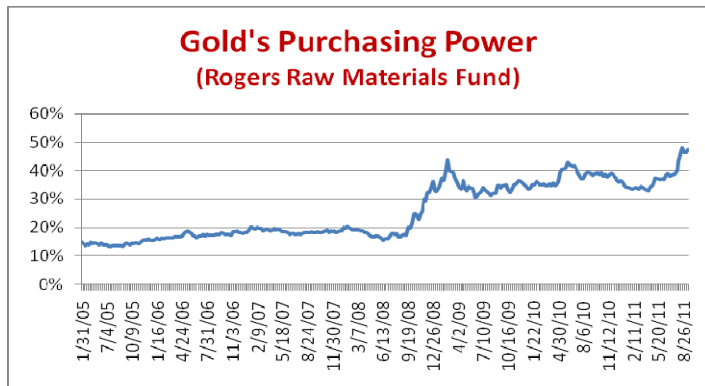


More Signs the Global Fiat Monetary System Is Coming Unglued



Rising resistance by the Germans to the continued bailouts of the weaker European economies, combined with the Swiss central bank intervention to weaken its currency, sent shockwaves through the international currency markets last week. The sharp move higher in the dollar last week to 77.19 on the index and the sharp decline in the euro/dollar to 136.51 was not unrelated to rising fears in the markets that sent stocks and commodities lower. Meanwhile, Mother Nature’s natural asset-based money—gold and silver—continue not only to hold steady but also demonstrate a systemic rise in purchasing power against all manner of worldly goods contained



in the Rogers Raw Materials Index.

On July 3, 2008, which was a high point for silver during the risk expansion prior to Lehman Brothers, an ounce of silver would have purchased 1.44% of the Rogers Raw Materials Fund. An ounce of gold will currently buy 3.59% of that diverse fund of materials required to keep one alive. In other words, silver’s purchase power increased by 149.3% as the international fiat credit system began to deflate.

If we measure from those same dates, gold has done even better. On July 3, 2008, an ounce of gold would have purchased 16% of the Rogers Raw Materials Fund. As of today, an ounce of

gold will purchase 47.6% of the Rogers Fund. That's a 197.5% gain in the value of an ounce of gold, relative to the Rogers Fund.

When Jimmy Rogers put his fund together, he quite correctly saw a major debasement of paper money in the future. What he did was calculate a fund that would measure, as he put it, "the cost of staying alive." We keep talking about the Rogers Raw Materials Fund, so it may be helpful to take a closer look once again at what the items within the Rogers Fund are, so we know how much more of the various items our ounces of gold will buy now, compared to the beginning of this great deflation of the fiat money credit system.

Energy and food are of course the most obvious items on this list when it comes to staying alive, so we would expect the two major categories to be very important.

Energy

Crude Oil	21.0%
Brent	14.0%
Natural Gas	3.0%
RBOB Gasoline	3.0%
Heating Oil	1.8%
Gas Oil	<u>1.2%</u>
Total Energy	44.0%

Food

Wheat	5.75%
Corn	4.75%
Soybeans	3.35%
Soybean Oil	2.00%
Coffee	2.00%
Live Cattle	2.00%
Sugar	2.00%
Cocoa	1.00%
Lean Hogs	1.00%
Milling Wheat	1.00%
Rice	0.75%
Canola	0.75%
Soybean Meal	0.75%
Orange Juice	0.60%
Oats	0.50%
Rapeseed	0.25%
Azuki Beans	0.15%
Rapeseed	<u>0.15%</u>
Total Food	29.75%

Shelter & Clothing

Cotton	4.20%
Greasy Wool	0.10%
Lumber	<u>1.00%</u>
Total Shelter & Clothing	5.30%

Materials

Aluminum	4.00%
Copper	4.00%
Gold	3.00%

Lead	2.00%
Silver	2.00%
Zinc	2.00%
Platinum	1.80%
Nickel	1.00%
Rubber	1.00%
Tin	1.00%
Palladium	<u>0.30%</u>
<i>Total Materials</i>	<i>22.1%</i>

The total for items directly related to keeping us alive, such as energy, food, clothing, and shelter, comprise a total of 77.9% of the Rogers Raw Materials Fund. Of course, base metals are also necessary to keep us alive, although perhaps less directly so in many instances.

In any event, this serves to show you how much an ounce of gold will purchase now in terms of essential life-sustaining commodities compared to what it would have purchased during “the good times” when the western world was throwing a huge party the Keynesians thought would never end. Their hubris is now coming home to roost. The Austrian economists understood it all along, which is why the only Austrian-thinking member of Congress in Washington, Ron Paul, was predicting decades ago that this day would come.