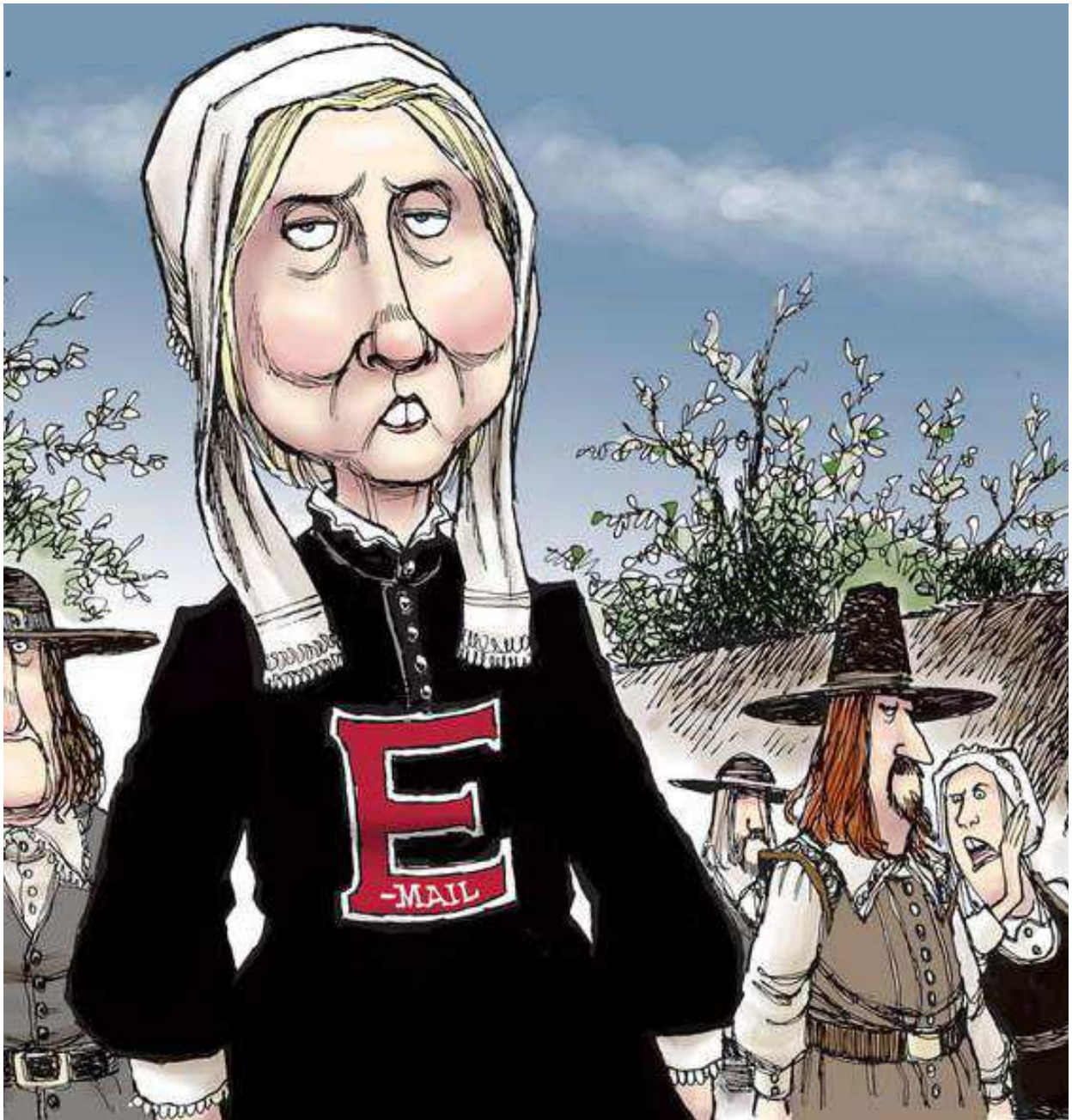




The
**DOLLAR
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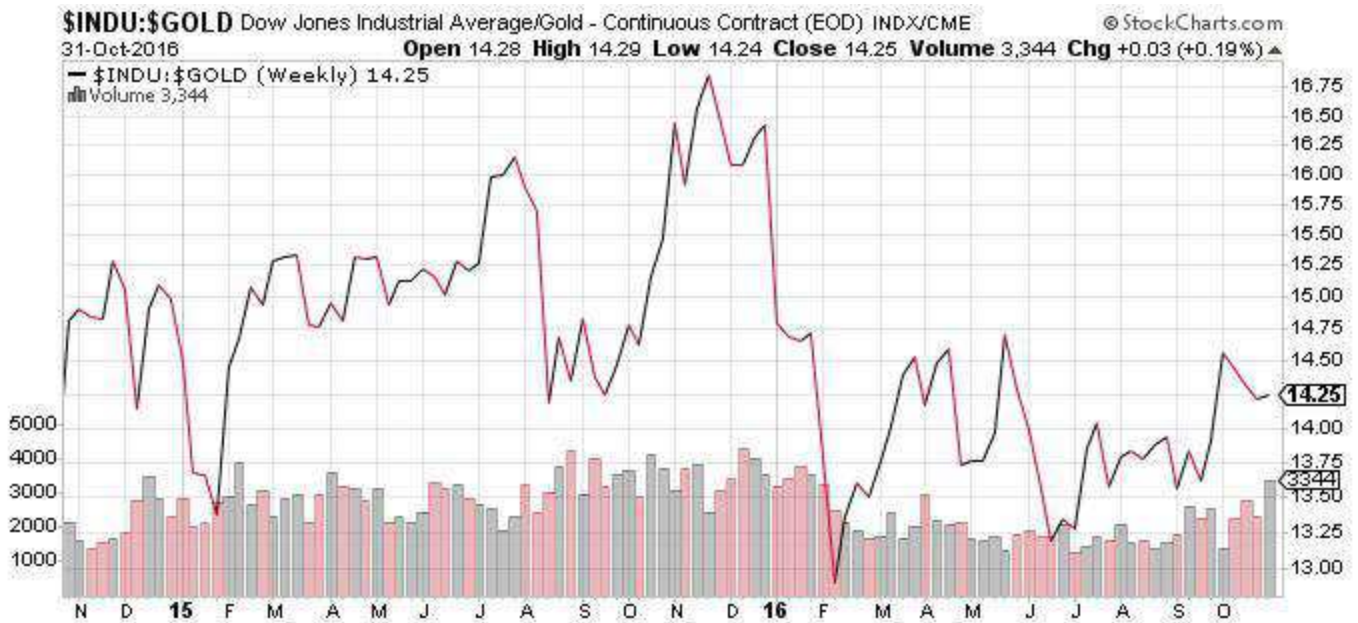
October 2016
Issue



DOW/GOLD Ratio – 10-Year Chart



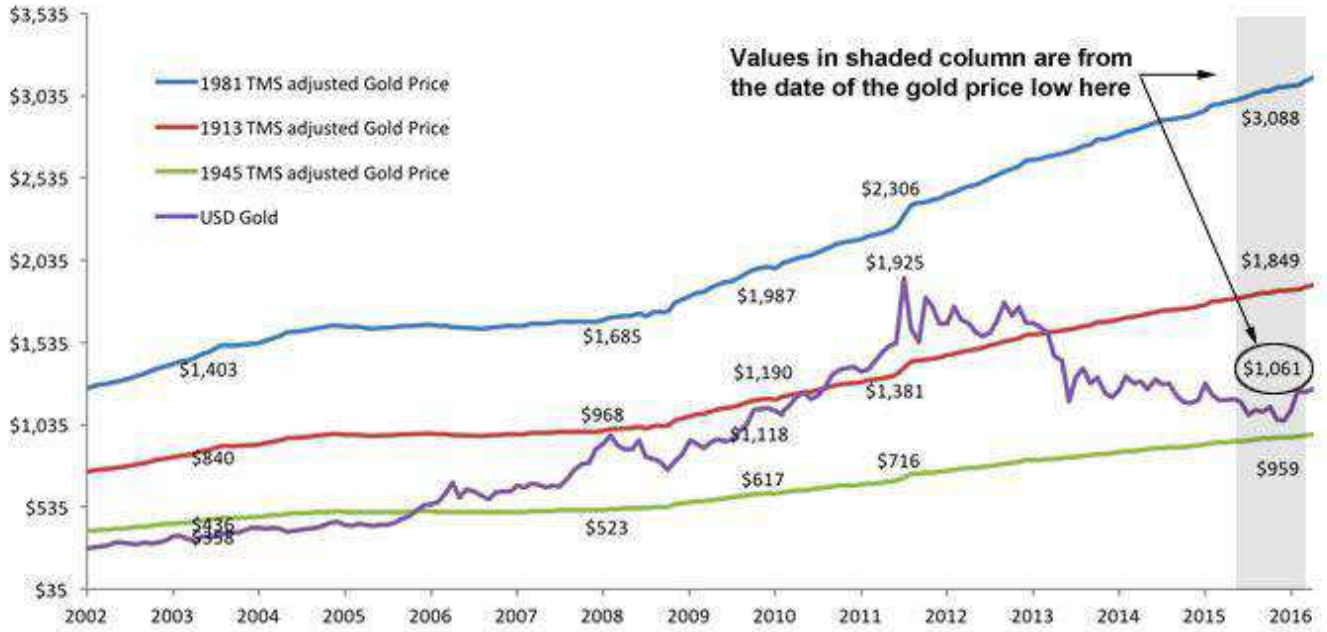
DOW/GOLD RATIO – 2-YEAR CHART



GOLD — 1-YEAR CHART



THE SHADOW (US) GOLD PRICE INDICATOR
2002-2015 (arithmetic scale)



1959-2016 (log scale)



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A Letter from the Editors

This issue, as always, covers a variety of significant events and current news from our own idiosyncratic perspective. The most important item currently has to do with the political situation in the United States. As Jeff points out, “By the next issue this entire farcical US election should be behind us... and a lot could change soon after that.”

The larger issue that Jeff has alluded to in his writings generally, and in this issue, has to do with the farcical nature of politics as practiced in the Western world and specifically in the US. In America, where voting is shortly to begin, the choice is between a person who seems to be a career criminal and a man who presents more questions than answers when it comes to candidacy, his wealth and his motivations.

Jeff assures subscribers that if anything “dramatic” happens, “we’ll alert you ... In the meantime I am comfortable with our current positions in things like gold, silver, mining stocks and bitcoin.” This is a key part of the approach at TDV, which seeks to be proactive when it comes to investments around the world.

What is true from a larger perspective is that politics at any level yields fairly little in terms of significant long-term results. The banking class that runs the West has a single globalist focus and no mere political official will interfere with it.

In Russia, China, Europe, the US - even in Africa and South America - the same agendas can be observed and the same solutions are adopted. It’s no coincidence that the BRICs, a group of powerful nations opposing Western hegemony, have ended up with their own version of Western institutions, including their own hybrid World Bank/International Monetary Fund.

It is this larger internationalism that Ed Bugos attention to as part of his efforts to position assets worldwide. It’s also one reason why he does so well for the TDV portfolio and for subscribers. You’ll want to read his analysis, below, which provides a great, condensed snapshot of markets worldwide on the cusp of this upcoming election.

For further insights and opportunities abroad, please read Jeff’s article on the blockchain explosion and its potential promise from an investment and entrepreneurial perspective. You’ll also want to review Jeff’s insights on starting a sustaining a business abroad.

In the latter article, Jeff mentions various resources that aspiring international entrepreneurs can take advantage of, including TDV Groups around the world. He also mentions our upcoming Prior Taxpayer (PT) expatriation book that will summarize writings and interviews published by TDV on the international scene and individual countries. Stay tuned!

To your liberty!



The Memory Hole

Redmond Weissenberger



Who had “Anthony Weiner’s dick pics” in 2016 Presidential Campaign Issue Bingo? If so, you may already be a winner.

Of course, none of us enduring the USSA are winners in this election cycle. And it should be no surprise that a total degenerate like Weiner was allowed to get so close to the Democrats’ inner circle given Hillary’s affection for condoning and enabling Bill Clinton’s behavior for their entire marriage. This is just the proverbial chickens coming home to ~~sex~~ roost. Somehow, the Clinton Clan didn’t see it coming.

They should’ve:

In the days of the Roman Republic, the imperator of a particularly successful or important military campaign was occasionally awarded a triumph. This festive ceremony featured a parade of captured bounty and

prisoners, interspersed with Roman soldiers signing bawdy songs about their commander, who would wave to the cheering crowds from the back of a chariot. And behind the chariot would walk a slave, whose sole job was to whisper in the ear of the conquering hero "Remember that thou art mortal."

The imperial hubris of the Clintons knows no bounds. In fact, the they think they are untouchable and so make **glaring errors**. But they are really just a pair of sleazy grifters from Arkansas who have wormed their way to the top of the American Empire. In some alternate universe they’re chasing ambulances in Little Rock and bilking seniors out of their pensions with Ponzi schemes.

The FBI originally completely dropped the ball in not charging her. FBI Director James **Comey** in his speech in July pretty much said "she broke the law but there was no criminal intent". Other people tried to use this defense and **it didn't work**. But the Clintons get different laws. Fact is, Hillary has broken more laws than we can imagine in covering all this up, and it’s about to blow up in her face and get Donald Trump into office.

The Clintons forgot what the Romans knew. They forgot that they were mortal.

Redmond Weissenberger



The Big Picture

Jeff Berwick

In the last issue I felt that the markets were just going to stay at a standstill up until November 8th. Nothing has happened to change that feeling... in fact, it now just seems obvious.

The only major market I know of that has moved dramatically since our last issue is bitcoin.

BITCOIN PRICE INDEX CHART

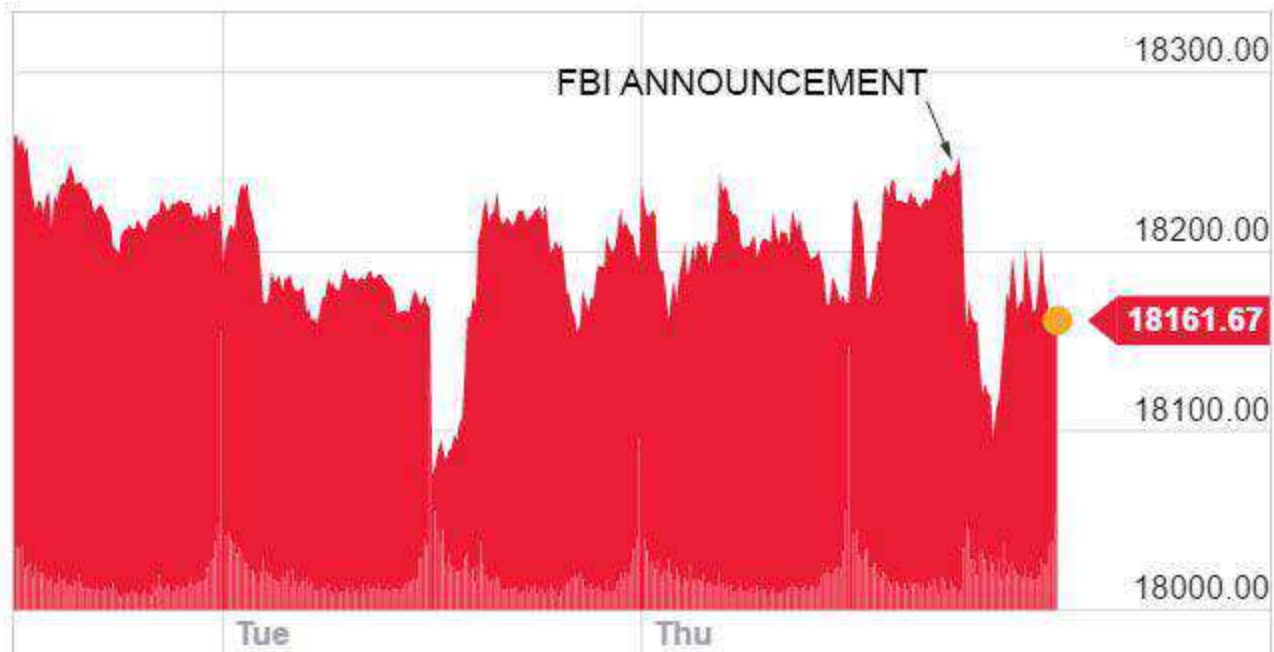


It soared from near \$650, hitting a high of \$715 and has settled near \$700.

Aside from that, we did get a bit of a preview of what might happen after November 8th, when on Friday, just after noon Eastern time, reports came out that the FBI was reopening its investigation of Hillary.

Within a few hours the Dow fell 150 points on the news.

Dow Jones Industrial Average (^DJI)



This may be the most significant event yet in regard to the upcoming selection.

To have the FBI re-open the case, purportedly because of dick pics they found on Weiner's cell phone (yes, I just said that) with barely more than a week before the election is interesting to say the least.

Last week in the blog I stated that Trump could be a "false flag". It is possible, like with Brexit, that the elites realize they are losing control due to the internet. And, as such, they may have realized that they can't keep simply using the mainstream media (which no one watches anymore) and their usual tactics anymore.

As such, it is possible, they have decided to allow Trump to win (as anything otherwise could result in a total revolution). But, as we also pointed out last week, Trump may also be an inside job.

That is, perhaps, why he says so many things against the establishment... to look non-establishment and to make people think, like with Brexit, that they have won... while nothing of real import changes.

In any case, if they are going to allow Trump to win the election, we got a quick glimpse of what could happen.

Within hours of the latest Hillary scandal, the markets sold off while gold and bitcoin rose.

Online betting on the winner of the election also moved from Trump being 6:1 to 4:1.

If the elites are going to use the same playbook as they did with Brexit, they may allow a Trump win followed by a brutal selloff in the markets... one that could shake it to its very foundation.

This would serve a few purposes. For one, it would show, like with Brexit, that if you want even a hope of freedom it is going to come at a great cost. But, more importantly, this may be how the banksters begin the collapse.

What better than to say that Trump's "free market" ideology caused the greatest financial collapse in modern history?

Trump has even hinted that would be the case. And, Trump, could almost be an unwitting accomplice in it all. He may not even be aware they are using him to this end... although surely he knows who is controlling the shots... and for that reason he has never talked about breaking ties with Israel, ending the Fed or the Drug War or even any of the wars in the Middle East... or any of the other important things that would need to be done IF there was going to be any honest attempt at fixing the problems in the US.

In the end, the US national debt all but ensures that the US cannot be "fixed". It, at the very least, would have to be allowed to collapse and then rebuilt. But, even that is still a stretch as the elites are still well in power and will not go down easily.

HERE COMES THE SDR

We are now in the period after the end of the Jubilee year (in early October) but still before the end of the Catholic Extraordinary Jubilee of Mercy year which ends on November 20th.



Whether it's war, the election, the markets or the economy, everything seems to be hanging by a thread.

And, as I wrote earlier, everyone seems to be waiting until November 8th before any significant fireworks begin.

But, all the pieces of globalism are now in place... and the next step, if you are paying attention to the elites, after the collapse, will be to bring in a new global currency.

The Rothschild owned Economist hinted at 2018 being the year all the way back in 1988.

And, yes, their plans are often decades in advance as we saw with the launch of the euro which was also planned decades beforehand.

We are beginning to see more and more activity regarding the Special Drawing Rights (SDR) currency. For the first time in decades, **China issued an SDR denominated bond in August**. And, yes, you

read that right, it was the first time in decades... the IMF first introduced the SDR concept all the way back in 1969, which is an interesting year, as it was only 2 years later that the US dollar went completely off the gold standard.

TDV has many friends, all over the world, some of them in places you may not expect. And one of them who is connected to the IMF sent us this email recently:

From: SurveyAdmin@imf.org
To: theresamprice@hotmail.com
Date: Wed, 26 Oct 2016 09:24:46 -0400
Subject: Survey on the use of Special Drawing Rights (SDR) as a unit of account Invitation

Dear IMF Data User,

The International Monetary Fund (IMF) is conducting a short survey to determine the usefulness of Special Drawing Right (SDR¹) as a unit of account in data consumption. Expected time to respond to this survey is less than one minute.

The SDR is an international reserve asset, created by the IMF to supplement its member countries' official reserves. SDRs can be exchanged for freely usable currencies. As of October 1, 2016 the value of the SDR is based on a basket of five major currencies—the U.S. dollar, euro, the Chinese renminbi (RMB), the Japanese yen, and pound sterling.

Please complete the survey by **October 31, 2016**.

START SURVEY

Thank you in advance for your time and feedback.

¹ For more information on the SDR, please refer to the IMF website at <http://www.imf.org/external/np/exr/facts/sdr.htm>

Having trouble with the button? Copy and paste the entire address listed below.
<http://www.cvent.com/d/zIfXh2A8kUG3CDKrxRLaVA/r7lw/P2?>

It appears the IMF is again testing the appetite for SDRs via this poll.

Will they ever be successful in bringing out the SDR as a currency that is widely used? Or will it form some sort of central bank reserve currency as other fiat currencies all begin to collapse?

That is anyone's guess... but it is something we are keeping an eye on.

CONCLUSION

By the next issue this entire farcical US election should be behind us... and a lot could change soon after that.

Of course, we'll alert you if anything dramatic happens. In the meantime I am comfortable with our current positions in things like gold, silver, mining stocks and bitcoin.

Just a reminder that our **TDV Internationalization & Investment Summit** is coming up on February 24th in Acapulco, Mexico. And, right after is the 4-day **Anarchapulco** conference. We've just made one entire day of Anarchapulco a cryptocurrency/blockchain event and have such amazing people as Roger Ver, Trace Mayer, Dan Larimer (Steemit) and many others. The entire week should be a must attend for those who want to be in the know and in the middle of the action.

Or, at the very least, a nice vacation on the beach in Mexico. I think by the end of this year we'll all need one!

In the next issue I'll feature an organic farmland opportunity in Colombia that I just returned from. And, by the time of next issue, I may be in Panama visiting Simply Naturals farm... so I may have a number of farmland opportunities updates by next issue. I'll also be at **Steemfest** in Amsterdam from Nov 11-13 and will likely be meeting up with the local TDV Group there.

Until next time, thank you for subscribing!



Vigilante's View — Acapulco, México



Starting A Business Abroad

Jeff Berwick

I see a lot of people who want to get out of Canada, the US, Europe and other fasco-communist overregulated, overtaxed areas but they don't know where to go, nor what to do.

This is why we started **TDV Groups**. It is a worldwide network of TDV subscribers, many of whom who have done exactly that.

In the next few weeks we'll be coming out with our Prior Taxpayer (PT) expatriation book which will summarize the last 6 years of writings and interviews to give you a better overview of what lies out there so you can better make your decision. And, once you do zero in on one place, you can go to the group and ask the people on the ground there for any information you need before you even leave your home.

But, once you get somewhere, what do you do?

I've said countless times over the years that if you can find any way to work or make money over the internet, that is the way to go. This is what I've done virtually (no pun intended) my entire life.

Part of the PT theory is to try to live in a place where your dollar or bitcoin goes the farthest while making your money in other places where you can earn much more.

A perfect example of this is where I spend most of my time, as a tourist (for PT reasons), right now... in Acapulco, Mexico.

With the Mexican peso having been demolished over the last few years it is practically free to live in Mexico. I currently rent a house that could almost be in a rap video, with about 6 rooms, infinity pool and in one of the most exclusive and nicest areas in Acapulco, with view of the entire ocean from a mountainside for about \$1,600 USD/month. On top of that, we have a maid, driver and cook who we pay about \$10-12/day.

So, for about \$2,500/month I live like a king. I wake up to a cleaned house and office, ask the cook for breakfast and my kids are already at their Montessori school (which costs \$300/month) having been driven by my driver.

You can actually live the same lifestyle but even cheaper in many places, including Cambodia, where for about \$1,500/month you'd have the same lifestyle (that's up from about \$750/month five years ago as it is now booming).

But, the point of this article isn't about how much you can save by living in other places... it is about how to make money in those places.

PERMITS

One of the questions I am most often asked about “working” in another country is, “Do I need a work permit?”

First of all, Americans need to recognize that the rest of the world isn't like the US. Most places don't have a giant government that watches over everything that everyone does. So, while yes, some countries may want you to have a work permit to actually work in the country, for the most part, they don't really enforce it.

However, if you want to work for a fairly large company in most countries, they'll want you to have a work permit before they hire you. In most cases it isn't too difficult.

But, if you just want to work for a fairly small business (a small hotel, bar or restaurant) they likely won't care. However, you should know, in most countries, including Mexico, pay for fairly normal work is quite low. As example, if you were to work as a waiter in a bar in Mexico, unless it was very luxurious, you can expect to make \$10-20/day... plus they likely won't hire you unless you have some special skill that regular locals don't have.

The real way to make money abroad is to start your own business.

As one example, as we speak, a Canadian guy is installing microwave internet in my house up on the mountain. The local internet companies haven't installed fiber this high up on the mountain so he began beaming up internet not only to here but practically anywhere with the view of the bay in Acapulco and just began offering internet service.

He already has quite a few clients and charges about \$80/month for 100mb internet.

Does he have a work permit? No.

Partly just because Mexico doesn't really enforce such things and partly because, technically, he isn't “working”.

He owns a company (which is actually all virtual and not even a Mexican company... he basically accepts Paypal and bitcoin) in Mexico. Most places in the world you can own companies/businesses but aren't technically “working”.

As with most things you need to go and live in a place before you see business opportunities. But in my travel to around 100 countries, I see opportunities, everywhere, every day.

Just like any business though, it's never easy. It'll have ups and downs just like anywhere. But the opportunities are everywhere.

EASE OF DOING BUSINESS

One of the beautiful things about doing business outside of the Western world is how easy it is to do.

Here is a case in point.

My wife is an entrepreneur but has mostly spent the last few years helping me and looking after the kids/house.

But a few months ago she expressed her need to do her own thing.

Quite quickly she found a bar that wasn't doing very well and proposed a deal with the owner.

She said she would invest \$5,000 into the business, with most of the expenses going towards upgrading the establishment and instituting a new style/format.

The owner was quite happy as his bar was languishing. He offered her 40% ownership of the bar for \$5,000.

They then went to work on updating the bar and putting in new lighting, sound and design.

Of course, in Mexico, like most places, there are no permits involved so within a few days it was all set-up.

Then came the marketing aspect.

I am not a big believer in spending a lot of money on advertising. However, with a bar/restaurant, it can make sense to spend some money on it.

But, here's the thing. There is such little competition in places like Mexico that it is very, very cheap.

I was shocked!

She had a Facebook page for the bar (below) and I decided to spend \$200 USD to market it to the local market to see what would happen.

As you can see below, the total spent was about \$107 and it had a total reach of nearly 85,000 people in the local area!

I don't know what the costs would be to reach the same amount of people in the US, but I am going to guess it would be well into the thousands of dollars, if not tens of thousands, because the market is so saturated.

As you can see, it got over 800 likes and tons of interaction, for about \$100.

The bar was new and unheard of, but after about \$100 in advertising on Facebook it was quite full just a few weeks after opening.

So, for a \$5,000 investment, plus \$100 in advertising, my wife is now a 40% minority owner in a fairly successful and popular bar in Acapulco.

You simply can't do anything like that in places like the US.

Now, of course, there are all kinds of downsides and risks. If you are new to the area, partnering with someone is going to be difficult and you likely will get ripped off. That's where things like TDV Groups comes in... you can meet fellow TDV'ers in the area and get to know who you can trust or not quite quickly.

There are also other things to keep in mind. For example, while the bar will never pay government taxes (it is a cash business and will never make a profit on paper), if it becomes wildly successful, to the point where thousands of people go there every week, it will likely attract the attention of the cartels who will want a cut.

Again, this is where it is good to know people. My wife is very connected in Acapulco and, therefore, rarely has any problems like this... in fact, many are friends.

However, if the cartel were to come around for their piece I wouldn't consider it a reason "not to do business" in Mexico. Often they want 10-20%, which is far less than the US government wants for corporate tax, so I wouldn't like it but would still consider it better than doing business in the US.

CONCLUSION

I gave a speech a few years ago where I discussed how to do business abroad. In it I also talked about how I ended up owning a hotel in Acapulco with \$0 invested of my own money... [you can see it here](#).

There is a world of opportunities out there and TDV Groups can be a big help. If you have interest in a particular area get on the local TDV Group and ask questions. Most of the groups are run by libertarian expats who have left their country of birth and started a business elsewhere.

When I travel I try to make a point of meeting up with the local group... and you should too! They are often amazing people doing interesting things.

And, even if you leave your country and go somewhere and fail you will have experience worth more than any university degree plus some really good cocktail party stories.





Bitland Profile: Blockchains Emerge as a Significant Worldwide Technology

Jeff Berwick

Blockchains are taking over, and Bitland is one of the companies that seems to be at the leading edge of current blockchain utilization.

Headquartered currently in the US and Africa, the company focuses on utilizing blockchain technology to register land titles and record new plots of unregistered land.

Here, from Bitland's website:

Bitland is an experimental platform using decentralized, trustless models such as Bitcoin's blockchain to bridge the gap between the government and the undocumented areas.

Its key principle is that all participation is voluntary. Meaning that there's a personal and/or community consent, and approval, time-stamped, and government approved.

Bitland Global's president, Chris Bates, is a telecommunications and cyber-security specialist with a B.S. in Psychology from Indiana University in 2007 an M.S. in Telecommunications in 2009 and most recently M.S. in IT with a focus on cyber-security for enterprise scale organizations from Colorado Technical University in 2016..

"Our goal is settling land disputes and unlocking land capital in developing countries," he says. "A lot of land can't be bought or sold because records are disputed or non-existent, but blockchain technology can change that. We're currently in six African countries and moving into South America as well."

Bates explains blockchains are probably the biggest under-reported technology in the world today, a potential trillion-dollar market, when all facets of the technology are considered.

The main facets of the blockchain advantage are twofold. First, it makes transactional processes far more secure and authoritative. Second, it streamlines transactions significantly, reducing or eliminating middle men, which also reduces costs and complexity.

With the aim of helping bring transparency to governments and development to disenfranchised areas around the world, Bates has in mind using Bitland to "bridge the gap between technology and the people, in order to realize the economy of the future."

Bitland is currently selling “coins” that will provide an investment interest in the company and has successfully marketed such coins, Bates says.

Bates says Bitland is in talks with the Mauritian government to set up a pan-African Blockchain training center. The Centre of Excellence in Mauritius will help establish an official blockchain certification/degree program that will offer a standardized curriculum in concert with the nation’s university system.

Blockchains are best known as the supporting technology that makes Bitcoin’s decentralized digital currency feasible. Bitcoin uses blockchain technology to verify and track transactions digitally.

But blockchain technology is inevitably beginning to penetrate other area of industry and finance.

Bates’ website explains:

“There are plenty of business use cases for transactions that are verified and organized by a decentralized platform that requires no central supervision, even as it remains resistant to fraud.”

Swiss bank UBS and the UK-based Barclays are exploring ways to use blockchains to support back-office functions and settlement. And other industries are beginning to look at blockchain technology as well. The US Federal Reserve is investigating blockchain technology as well, along with other central banks.

Anything that can be bought or sold can be placed on a blockchain, and sooner or later almost all such transactions may migrate in this direction.

The downside to blockchain technology is the loss of privacy. As transactions are made, they become a form of public record and provide authorities with a historical record.

Perhaps better security and encryption can ameliorate some forms of snooping and make it harder for records to be accessed. But one way or another blockchains will likely penetrate most transactional areas sooner or later.

CONCLUSION

In summary, blockchains are seen by many in industry as taking over from old-fashioned forms of mediation. One reason that so many transactional environments are employee-intensive is because of the inherent lack of security of paper records. Such records are fairly easily mislaid destroyed, tampered with or otherwise compromised.

Blockchains are seen as a more secure and tamper-proof form of record-keeping. Thus any industry or profession that relies on various forms of book-keeping is considered a possible target for blockchain implementation.

Investment possibilities, entrepreneurial opportunities and a vast amount of potential employment in various areas are seen as feasible as blockchain technology matures.

The development of blockchain applications may be seen, in retrospect as one of the more important outgrowths of the Internet itself. The technology is far more than a bitcoin add-on. In fact, it may prove even more significant than the currency itself.

Some Industries Where Blockchain Would Fit

Below are areas (and there are many more) where blockchains could enhance security and streamline transactions by reducing or eliminating middle men.

Banking: Private blockchain-style technology and cryptography to allow banks to deliver secure services from beginning to end.,

Cybersecurity: Blockchain communications are provided via cryptography. Thus the origination of the data remains anonymous. This sort of cryptography is increasingly robust, deterring hacking.

Academic records and academia: Universities are beginning to use blockchain technology to ensure the validity of academic certificates. Accreditation will improve and paper documents will decrease.

Voting: Blockchain technology can considerably enhance the validity, credibility and participation-history of voters.

Car leasing and sales: Lease arrangements, car selection and the buyers ID and payment details can all be registered anonymously on a blockchain, making the process simply, effective and accurate.

Online music: Direct payments and smart contracts plus music streaming will allow payments to go directly to artists without an intermediary.

Stock trading: Buying and selling securities, especially equity, can be enhanced by blockchain technology. Security is enhanced and payments can be delivered with less intermediary participation. The SEC seems favorably inclined to support this emergent technology.





TDV Portfolio: Review & Outlook

Ed Bugos, TDV Senior Analyst

Just a brief update today with a busy week ahead.



October has been a relatively strong month for government bond yields around the world -with US yields also rising, but lagging the move up. There was a little ebb in the flow at the time of writing on Halloween night, but basically we have seen a 25 to 50 basis point rise in most bond yields (except Japan this round) on the 10 year bonds on both sides of the Atlantic in October with the biggest jump happening in the UK.



The US government's bond yields never dropped as much as those on other nation's debt in the period after 2011, the height of the EU crisis, when Greek debt was fetching nearly 100% at one end. A few years ago, however, European yields started to fall below US yields. This happened because the IMF got Greece over a short term hump, the ECB was buying sovereigns through a back door, and because institutional desks all over the world were ringing off the hooks to buy EU debt in search of yield on the front run of the century. Look who's buying those bonds now! As EU yields dropped substantially below US yields, the flow started to benefit the US dollar and US financial markets at least until the Fed ended its QE3 policy.

The Fed's attempt to start up a tightening campaign in late 2015 was abandoned after one rate hike due to unwelcome financial market volatility that was blamed first on Greece then on China then on the Italian banks, DB, and this or that weak emerging market currency asset. Next it will be blamed on the election.

Regardless of how weak US bond yields have been in the face of rising stock prices and valuations, they are still higher than most of the developed world outside of Australia and Poland where the 10 year bond yields reach towering heights of 2.34% and 3.15% respectively - compared to 1.84% for US treasuries - i.e., about 50 and 130 basis points higher. The 10 year government bond yield on Euro bonds, particularly in Switzerland, are still negative 38 basis points (-0.38%), but the others have all come back from the negative, including Germany and increasingly Japan. This is occurring as the fear that drove short term yields in the US (right hand chart below) down in September briefly has evaporated for the moment.



Short-term (3-month treasury) yields have not shown much confidence in the Fed rate hike hypothesis so far, weakening with every stock market sell off instead of imputing the move, as they did with the first one ahead of December 2015. On the other hand, the relative weakness in US yields combined with USD strength may be tipping us off to an influx of capital into US markets again. The yield curve in the US has steepened over the course of the move, which as you can see in the charts above started in July, roughly in line with improving economic confidence overseas and better than expected jobs data in June/July.

However, the employment data has softened again in line with the larger weaker 1-2 year trend, and in line with profit and investment trends. So I would still argue that the Fed is getting a no confidence vote on the rate hike resumption hypothesis. I would argue, moreover, that the situation overseas is changing.

Is There Any Light At the End of the Tunnel for Europe?

Forget the politics for a moment.

The monetary and economic situation overseas is a bit different than the situation in North America because the central banks in the Americas (NAFTA countries) had their pedal fully to the metal right through the end of 2014 while the central banks overseas only started to ramp up their printing presses again after the oil boom collapsed - on the heels of the Fed's tapering of QE3 - and especially after the US stock market started sputtering in late 2015 on the fear of a Fed rate hike campaign and end of ZIRP.

The media screwed that narrative up as its focus on balance sheet and central bank rhetoric kept it in the dark about the relatively tighter monetary conditions that existed in Europe and China between 2010 and 2014, as well as other countries. I kept waving my arms about how the tighter money overseas was behind the post 2011 commodity collapse but no one seemed to grasp it, perhaps because bond yields kept falling everywhere and many central bankers were talking up the growth of their likely sterilized asset purchases.

I don't want to bore you too much here but the moral of the story here is that in the five year period between 2010 and 2014 while everyone thought they inflated they actually disinflated somewhat. But now they are inflating again. So what if the US boom collapses but a wider global commodity boom replaces it.

Personally I think it is part of the design, the central banks are working together to make the transition from a US led boom to a global boom as smooth as possible but they are struggling with the fact that their monetary and fiscal ammunition is tired and stretched. Some of it is no doubt political as I'm sure the world's governments are as polarized as the US population when it comes to who they are hoping wins on November 8th. Politically and socially, the EU is a mess. But the ECB has begun inflating again.

Given these facts, some of the economies overseas may be ripe for a new boom to the extent that the lack of monetary stimulus between 2010 and 2014 contributed to the liquidation of malinvestments, but there has been no such opportunity for US markets to free up scarce resources to their highest end use.

Remember, when we talk of booms we are merely speaking of the effects of the monetary policy on assets and the business cycle. I don't know what to make of Europe's problems to be sure. I don't know where it is going. It seems like there is much conflict in its future and they don't have the intellectual infrastructure to deal with it; on the other hand their governments are too weak financially to do anything too stupid?

It is important to point out that whatever happens in Europe and its economy it does not necessarily follow that an EU disintegration has to also produce a collapse in the Euro. The people of Europe have a lot invested in the Euro and many of the fringe governments if they decided to leave may be forced to keep the euro. Even better, they might be cut off from the ECB altogether while still relying on the Euro.

Don't get confused by the incorrect statements that fiat currencies represent debt. They don't. They are part of the system that supports the creation and reliance on debt but the dollar and euro are not debt.

They are **just** money (substitutes). There is a lot of confusion in the markets about this, and perhaps for good reason as the outlook is still pretty murky even from my vantage point as an experienced analyst.

I just want to point out that booms can occur in deteriorating circumstances. Or more correctly, that is the very definition of a "boom." It is not the same thing as economic growth and should not be confused with that anymore than expanding GDP should be thought of as evidence of economic growth, necessarily.

It may or may not represent growth.

Remember the example of Zimbabwe and how it had the best performing stock market when its currency collapsed. The same has happened in Argentina and other countries more recently (Turkey for example has inflated its currency like mad and has fooled some folks about its economy in doing so).

Second point, boom-bust aside, a collapse in the EU does not necessarily equate to a collapse in the Euro.

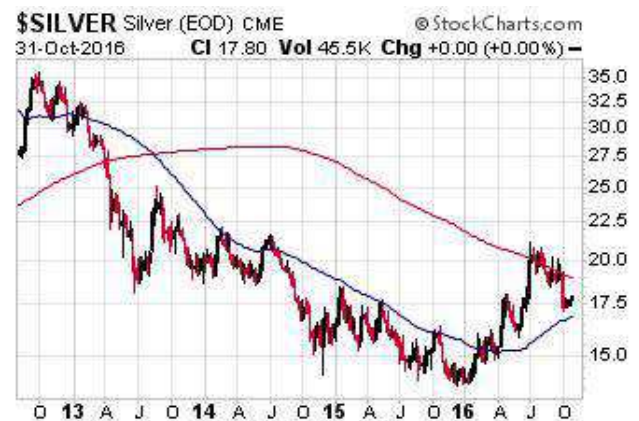
The relevance of these two points is that the market has imputed a big fat zero to any kind of upside in European asset values, and basically already expects the worse when it comes to the euro.

Meanwhile, no one suspects a collapse may start in the US, where asset valuations are most out of whack; and certainly no one suspects European assets to come out of the current situation as global leaders.

However, in my outlook that could happen, at least it could look like it is happening.

A bear market in the US dollar at this point would break the dollar reserve heavy governments that run an export oriented economic policy by putting upward pressure on their currencies. I am looking for a replay of the 2001-08 bear market in US financial assets and the US dollar. Unfortunately, I have been on the wrong side of that trade since June or July. But I suspect it will all look different after the election is over.

Gold/Silver Action



The bullish trend reversals that occurred in gold and silver prices this year are at risk as long as the outlook for the US dollar and stock values remains bullish. I need bearish confirmation from one of those - i.e., either the currency or stock market. However, the budding bull market legs are still in good shape.

You can see the sequence of higher lows without me inserting straight lines in the charts. The volatility has returned to a more normal two way flow after the premature one sided extremities of early summer.

The 50 week (blue) moving average defines the primary trend well enough. But so far it could all still be a countertrend in a new secular bear market. I doubt it, all the way through my bones, but can't rule it out 100%. In my outlook, a downturn in the stock market (revealing the recovery myth) will pressure the Fed to admit it has abandoned its tightening campaign, causing it to reflate just when the dollar is weak and price inflation is returning. I see yields rising as a result, with risks of a downturn affecting government revenues and then the budget deficit explodes (along with the debt) from already insane levels, and with unemployment rising with price inflation now - totally confounding the keynesians at the Fed, again.

But so far the USD is on the upswing, even though Wall Street's stock advance has stopped dead in its tracks on disappointing Q3 earnings for US companies and even the slightest hint of a coming rate hike.

I wonder at this point if the rate hikes will have any effect at first -is the fear too high?

Maybe it is, and that could advance the case for further gains in both dollar and stocks, even if only in the short term and based on the status quo day to day management of monetary policy and expectations.

Gold and silver prices have been perky again this past few days as the US dollar rally has wavered again but is it just another resting place before further declines as the dollar firms up and starts rallying again?

I don't know - not until I either get my confirmation or some form of clear rejection. The new highs in the stock market are hardly solid, and the dollar has not broken to new highs yet. Both are still in limbo, along with investments. So I wouldn't look to the trends for an insight into the future until after the election.

Stay tuned for our portfolio and trade updates this week.

ANNOUNCEMENT

Congratulations and welcome to Mr. Kashyap Sriram who has joined our team as a junior mining and investment analyst. I am excited to have him aboard. Kashyap will help me fill your inboxes with news and updates on our existing holdings, and to develop our trading service as a stand alone product.

He is already a frequent contributing member of the [Dollar Vigilante's Facebook page](#), and will continue to provide his own thoughts independently there. Feel free to lean on him there as a resource.



TDV Groups: From Greece to London

Luis Fernando Mises



Luis: Hello, friends from the Dollar Vigilante. I am very excited today to have my friend George Grigoropoulos. I have been friends with him for a while. He has an interesting lifestyle. He is also a freedom lover, freedom fighter, and he is living in London, of all places. A lot of times we focus on really remote, exotic places, and people trying to get out of the city. But me, as the city lover, I think that London would be kind of a cool place to be, and George has a very unique story. I asked him to help us out and let us see through his eyes about why

London. So George, thank you so much for this opportunity today.

George: Thank you very much. The opportunity is mine actually. Thank you.

Luis: George, you are originally from Greece. Such a beautiful spot. Why would you leave the Garden of Eden to go to such a busy city like London?

George: Well, I mean, I grew up in Athens, and Athens is a pretty busy place also. I grew up at the beach, and it was quite nice. I remember my childhood years; I would skip school and go to the beach. It didn't help my learning very much, but it did make a lot of pleasant memories. But why would I leave that place? I think I left Greece at the time when everyone was very happy to stay there. It was a really curious case, my case, with my friends and my family.

Why? Why did I choose to leave? It was because 2005--around then--right after Greece had won the European championship at football, they had just organized the Olympic Games, everything was groovy. Everyone was happy. The government was borrowing like crazy and spending like crazy, and there were very little problems of unemployment or anything else. It was just great times in Athens.

When I announced to my friends and my relatives, "Hey, I am moving to the UK," they were like, "Are you crazy? You're going to have to work two jobs. You're not going to have the same sort of weather and climate. It is difficult. Why don't you just stay here?" But I guess back then I hadn't formed my thoughts completely on freedom. I didn't really understand Austrian economics. I had no clue about Austrian economics. I didn't understand freedom very well. But what I understood is that this whole prosperity seemed fake to me,

Everyone was perplexed about what were the reasons that I was choosing to leave, and for me, there was no question. The main reason why I chose to leave was that I could tell that this prosperity was made up. It didn't add up at all in terms of how it was there. I didn't know much about Austrian economics. I had just graduated with a degree in economics, but it was all Keynesian stuff, so I was a total Keynesian. You have to be a Keynesian in order to get good marks when you study economics.

I didn't really comprehend the issue, but what I could tell was that this was not sustainable, because I couldn't see the prosperity being matched by productivity, if you know what I mean. And that was just an observation. It wasn't that it was statistically backed. It was just me looking around and thinking, this doesn't seem right. So that was one thing that warned me about Greece.

The other thing was that the Greek culture has certain elements, which I couldn't feel comfortable with. Even though I was born in Greece, I was raised up in a way by a family that had probably a little different values than the average Greek person. So for example, the fact that you have to ask for favors in order to get a job, rather than the normal job application. Or you have to engage in sort of under-the-table transactions in every single situation where you ever interact with the government or anything else. That kind of felt very strange to me, and I didn't want to be part of it.

When I had my first job in Greece, my dad had to ask someone to hire me as a favor, and then we had to return the favor in other ways. I kind of felt very uncomfortable about the whole thing. I thought, you know what? I may not be very experienced, but I have some good training. I can do things for myself, and I don't need you. So these are the things that drove me away, where I also served in the military, and that was a negative experience. And many, many, many other examples I can think of.

Now, it turns out that in the end, it was unsustainable, and what I had observed as a young student or graduate at the time did in fact prove right when no one else thought this way. But you know, now I guess there are a lot more Greek people leaving Greece, but it is because the conditions that made that prosperity possible have somehow disappeared or have become a lot smaller, and what I usually say is that the Greeks that are leaving Greece now are probably leaving because of the absence of the reasons that made me leave. So it is completely different, the reason I left to the reason that they are leaving now. I'm not saying all of them. I'm saying that there is an increase in immigration, but they have different reasons than I did.

Now why did I choose the UK? That is a whole different story. I came for my first time to London when I was 8 years old. It was with my mother, and it was for one of the repeat visits to the UK after she had had a pretty serious surgical operation to remove a melanoma. So when I was 5 years old, my mom was



diagnosed with melanoma. She went to the Greek hospital, the state hospital, and the doctors that saw her there said to her, “You have 3 months to live. That’s it.”

So my parents decided to look this up, and my mother found the best doctor that specialized in melanoma in the UK. They paid a fortune to get treated privately, and she is still alive. And other times, I as a young boy was thinking, how is it possible that my mother was just expecting to die from one day to the next, and now the English doctors managed to fix the situation for her? So I guess I always kind of had a soft spot for the UK exactly for this reason.

It is a funny story, though, because at the time when my mom had to come to the UK, there were capital controls, just like there are capital controls in Greece now. But now, it’s just Greece. Back then, it was the norm. The whole world had them. You couldn’t just take a lot of—a huge amount of money from one country and transfer it to the next without going through checks with government officials justifying the reason, and obviously at the time, it was a matter of urgency.

All I remember my parents did—because they did need to be able to transfer a huge amount of money for the budget for the UK— they happened to know and have a connection to someone who was the chauffeur of the guy who owned the shipping company that had offices in the UK and in Greece. So my family gave basically that large amount of money to the chauffeur. The chauffeur gave it to the guy who had the shipping company, and then when my father landed in the UK, they managed to pick up the funds from the UK offices of the shipping company. Probably illegal. Probably very, very wrong for the authorities what my parents did, but it worked. It brought my mother the treatment that she needed. If we were waiting for the bureaucrats to do the checks, probably she would not be alive.

Luis: I think this is a fantastic story, because so many times here, the free market—and even the black market—saved the day again. Because of those things, your mom is still with us. And because of those things, a lot of people are able to continue their treatments or continue whatever they need to be able to remain alive. So thank you for sharing this wonderful story. I mean, who cares if it is illegal?

George: Thankfully nowadays, we don’t have capital controls in most of the world, but the back then it was a real situation, where was a big, big problem taking money from one country to another.



Luis: Yeah. You know, even the States, if I leave with \$10,001 in my pocket, they’re going to take that money from me. So there are still a lot of capital controls. So it is very interesting.

George: That was at the time. So when I was at Uni, I went to Uni in Greece, but to an American university in Greece. There was a satellite campus of the University from California called La Verne University, from La Verne, California. That campus happened to exist in Greece for a very strange reason. At that time—at the time I was growing up and earlier—it used to be a military

base in Greece, an American or NATO or US military base. And the officers out there would bring their families along, and they would need to be educated somehow, so the University of La Verne, California had a deal with some bases to basically open campuses in the different locations.

But when that NATO bases closed in Athens, their administration and University faculty decided that they wanted to stay on and carry on, so they started accepting local students. And my parents sent me to that University and paid my tuition fees to go to La Verne University, and I am very grateful for that. So, one of my professors at the time--economics professor--we were very close, because I was one of his favorite students, so after I graduated, I went to see him, and I knew that he had some sort of connections.

You remember I said to you that everything in Greece was in connections. He had some connections in the state-owned airline, Olympic Airways--the state-owned Greek airline. So I went to see him, and I said, "You know, I am looking for a job. Do you know if they have any vacancies in this company?" He said to me--I still remember his words--he said to me, "Don't. The best thing that Olympic Airways can do for you is get you a one-way ticket to America or England, because that is where you belong." And yeah.

Those 2 things influenced my decision making into coming into the UK. I mean, there are a lot of reasons, like I came here to do a postgraduate degree. I got to know the culture. I got to love the culture, so when I decided to stay permanently, it was an easy decision. And also the language, because I happened to speak English quite well, as opposed to German, French, or any other European language, which would have been difficult for me to start and learn.

Luis: Wow. That is very interesting. I am grateful for this professor of yours that helped you out of that mess that was building in Athens. So now that you are in London, let's talk a little bit about the cost of living and amenities. And you know, you have a really great education, so it is a little bit easier for you to probably afford nicer things, but what would it cost, for instance, living in an apartment or a house? And where exactly in London are you at?

George: Okay. So, first of all, when I first moved to the UK, I didn't move to London. I moved to rural UK, and surprisingly, even in the rural UK, there is quite a lot of industry and businesses, and sometimes if somebody doesn't have the funds to move to London straightaway, they can move to a smaller town where it is cheaper, get some work experience there, and then moved to London, like I did.

Now I live in Stratford, which is in East London. It is right next to the Olympic Stadium. I don't know if you watch the 2012 Olympics, but my flat is basically a 5-minute walk from the Stadium. I would say that most young professionals in London rent a room in a flat in a house. Owning or even renting a place for your self is very, very expensive in London. You would need quite a few years of experience in order to be able to afford a place of your own.

Thankfully, what I did is I worked outside of London. I've managed to build up some cash and also to build up some experience, which I could then sell more expensively in London and be able to afford a place of my own eventually and then be able to buy as well. Now the starting salary for someone who is just a graduate ranges between, I would say--I will speak in pounds because that is what I am used to. So, it ranges between 18,000 and 35,000 pounds. Do you have a calculator?

Luis: I am working on that right now. Yes. So is that like annual salary?



George: Yes. Annual salary. So that is a typical one. There is quite a wide range, obviously, depending on your profession or who you work for. But it can start from 18,000 to go up to 35,000. And then with experience, it starts moving upwards.

Luis: So, 35,000 pounds is about \$43,000.

George: Yeah. But then the rent is very, very expensive, so it depends how close to the city you want to live. Most young professionals live between a half an hour and 45 minutes out of the center because the center is very, very expensive. So where I live, I am about 20 minutes away from the center of town, and rent around here for a one-bedroom flat would be around 1,500 pounds a month.

Luis: That is about, I guess, \$1,800, \$1,900. Yeah?

George: Yes. So you see, it is quite a lot, considering we have a tax rate of about 40%, and then you are paying almost half--if you want to live by yourself and not share, you pay almost half--if not more--of your take-home salary to rent.

Luis: Housing.

George: Now if you want to house share or flat share, which is what most young people do, then it becomes a bit cheaper. You can find something decent for between 800 pounds to 1,000 pounds a month.

Luis: That is pretty inexpensive.

George: It is fun. It is fun. I mean, I flat shared for quite a significant amount of time in my life, and I do not regret it actually. I had great fun. I made friends. I wasn't lonely. Wherever I was, there was somebody to talk to. There is a social aspect to it, and it works. And it is cheaper as well.

Luis: Yeah. Absolutely. That is fantastic. So the city life in London, do you like it? Is it pretty safe?

George: Okay. Safe—not sure. It is okay. You know, we have our issues. London has issues. I think mostly if you know where you are going and what you are doing, you are pretty safe. If you don't get involved in trouble, you don't get in trouble. I've certainly never felt threatened in terms of safety, but, you know, still there are issues here.

Now, the life in London is amazing, in terms of entertainment and culture. You can never, ever get bored. As bad as our weather is, as bad as the climate is—it rains all the time—but we never get bored because there is something going on always. There is a great clubbing scene. There is a great art scene. There is the West End, that has fantastic shows—theatrical shows. Really, if you're looking for activities, you are spoiled for sure. It is amazing. But obviously, all of these things come with a cost.



Luis: Yeah. Obviously, everything is going to cost you, but I really like the idea of downtown living, city living, because like you said, there is always so much—not to mention, London has been the center of the world for so long, along with New York City, so...

George: The other thing that makes London particularly interesting—because unlike New York—I mean, I think New York is very multicultural as well, but at the end of the day, New York has to comply with the immigration laws of the US, so it is not as easy for someone, for example, like me to just step off of a plane, go there with no experience like I was when I came to the UK, and just say, “Okay. I’m settling here. This is my new home.”

It is a bit different in the UK. Because the UK was—still is, but not for a long time—part of the EU, it meant that anyone could just get on a plane, land in the UK, call it their home—from wherever in the European Union—and that was it. There was no immigration control for European nationals. So this means that from such a culturally diverse continent as Europe, you had all these people ending up in London and trying to make it there without any restrictions. It wasn't just the experienced people. It wasn't just the rich people who got to do it. It is literally everyone.

I don't think I could've moved to the UK if there were immigration controls. I actually had a look to see what the requirements are for one European national to move to the UK, and they are pretty tough. I mean, now I would comply with them, but I now have over 10 years of work experience in a particular profession, so I would qualify easily. But when I came to the UK, that wouldn't have been possible.

Luis: So how difficult is it now, for instance? I mean, it's not that I'm going to do it, but if I were from Texas or the United States to say, “Well, let's go to London and make it home.”



George: Not very easy. So, there are visa requirements, and those visa requirements stipulate a lot of different things, like you have to, for example, show an employment record, what your salary was. I think the best way to do it is if you marry an English lady. I think that is probably the most efficient way than trying to comply with the bureaucratic standards. You would have to look it up, because I cannot tell you the exact thing, but the requirements are very, very tough.

Luis: Yeah. So visiting, I would imagine that is a fantastic place to visit.

George: Yes. It is beautiful. We still have queens and kings, and all of that stuff, which adds a little bit of magic—although it costs a little bit to the taxpayer, but the Brits absolutely love it. To be fair, it is not the biggest of my worries. Yes, it is pretty wrong to have this setup, but there is so much worse going on elsewhere, that the queen is the least of my worries.

Luis: Yeah. I would have to agree with that. Well, George, anything else that you think we have missed that you would like to talk about before we close?

George: Yes. So talking about freedom in the UK, the culture here. If you ever have a chance to talk with a British person about Britain, don't ever blame anything on 3 things: The Queen—you cannot ever say anything negative about the Queen, the National Health Service, and the BBC. These are the 3 holy cows of British culture. All 3 of them are very wasteful. All 3 of them are completely ineffective and damaging, but oh my God, you cannot say anything negative about them because they are institutions that have become such a big part of the culture.

Luis: Well that is very interesting. That is a great tip for anybody who is planning on visiting.

George: If you're going to say anything to criticize those institutions, you have to do it gradually and with hints rather than directly. That is what I have learned in my interactions with British people.

Luis: And with some humor, perhaps, so people can swallow it when they laugh.

George: The other thing I wanted to say—if anyone of your listeners or readers is thinking of coming to the UK, we have some great freedom promoting activities going on here. First of all, I would advertise my own Meetup group, which is an Ayn Rand London Meetup group, where there are a bunch of us. We try to meet weekly. I don't know if it is working. We might have to bring it back to biweekly. We have our Meetups, and

we discussed about her texts, and we go to lectures at the Ayn Rand Institute, where people come and speak to us. It is a great little group, and we're having fun.

The other 2 think tanks--like proper think tanks--that I would ask people to look up are the Adam Smith Institute and the Institute of Economic Affairs. The Institute of Economic Affairs was set up, among other people, by Friedrich Hayek. So is a great think tank. It is a think tank that Margaret Thatcher used to frequent back in the day. They are still going. They are still producing a lot of research. They're still doing a lot of events and lectures, and I was let any one of your friends, anyone who is in London, look up those 2 things, check out what events they have, and come say hi. And of course at our Meetup. You are always welcome to come to the Ayn Rand Meetup to tell us how objectivism is not true anarcho-capitalism.

Luis: That is fabulous, my friend. Thank you so much, George, for sharing your story with us.

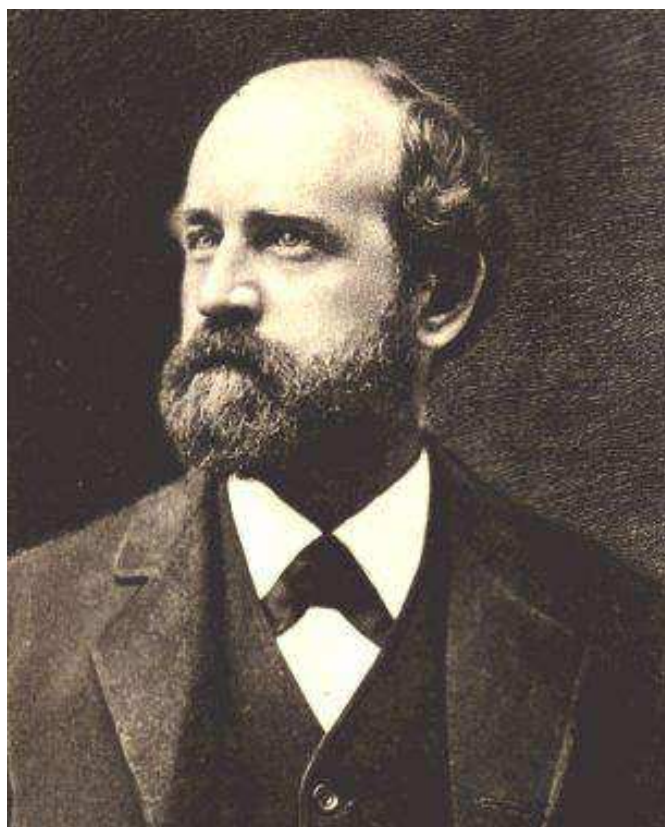
George: Thank you. Thank you. Have a good day.

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If you have any questions about the groups or if you'd like to start one in your area contact Luis Fernando Mises at lfernando@dollarvigilante.com.*

In Closing... Henry George

It is true that wealth has been greatly increased, and that the average of comfort, leisure, and refinement has been raised; but these gains are not general. In them the lowest class do not share. I do not mean that the condition of the lowest class has nowhere nor in anything been improved; but that there is nowhere any improvement which can be credited to increased productive power. I mean that the tendency of what we call material progress is in nowise to improve the condition of the lowest class in the essentials of healthy, happy human life. Nay, more, that it is still further to depress the condition of the lowest class. The new forces, elevating in their nature though they be, do not act upon the social fabric from underneath, as was for a long time hoped and believed, but strike it at a point intermediate between top and bottom. It is as though an immense wedge were being forced, not underneath society, but through society. Those who are above the point of separation are elevated, but those who are below are crushed down.



Henry George was an American political economist, journalist, and philosopher.

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