

## GOLD - SOME QUESTIONS ANSWERED BY GODFREY BLOOM

I have been recommending gold as a method of wealth preservation since Gordon Brown unloaded the British people's holdings in exchange for Euros in the late 1990s at £250 per ounce or thereabouts.

The golden rule I learned in the City where I started my career in 1967 was that the Treasury, the Economist editorials & politicians are ALWAYS wrong. Their consistency is awe inspiring. I ran very successful investment strategies by simply taking a directly counter view.

When I claim gold as a wealth preserver let me remind everyone that when Great Britain returned to the gold standard in 1816/17 Post Napoleonic wars, near the birth of the sovereign coin, a loaf of bread cost the same in 1913 as 1816. Politicians & dodgy bankers cannot print gold. So gold coins aren't degraded like paper money. Bread was the staple diet for the working man for that time period.

From the Great War until today energy prices are the staple diet of industry, hence employment for the working man.

A barrel of oil today is broadly the same price in gold as it was in 1923.

My subscribers & in a previous time clients, wanted wealth preservation not speculative investment. My modest wealth was accumulated by equity investment (1980s & 90s). As I grew older I just wanted to keep what I could after government theft had taken its toll.

The biggest single country economy in the world today is the USA. The Yankee dollar is the world's reserve currency. But it is just paper, or more accurately electronic currency by mouse click.

Politicians run the Fed so to buy votes at election time it prints money, to feed the US military industrial complex it borrows from the gullible & then cancels the IOU.

So when I joined a City broking House in 1967 the US national debt was \$ 1.6 Trillion. It is today \$ 95 Trillion - largely a result of abandoning the gold standard to fight the war in Vietnam. Of course we all know the US today resembles the militaristic society of Prussia in the 1890s. Britain is as bad with a pro rata decline in sterling's purchasing power.

Our national addiction is not war but welfare. But the outcome is the same. Remember a 1971 dollar today is worth only 6 cents.

I shall develop this theme in coming weeks. In the meantime ponder, your government, the bureaucrats, your bankers, the green lobby HATE YOUR GUTS.

Next BRICS & Shadow Banking, what does it all mean?