# Randol Gold Model La Perspectiva Macro Economica 2012

Argentina Mining Conference, Salta 2012

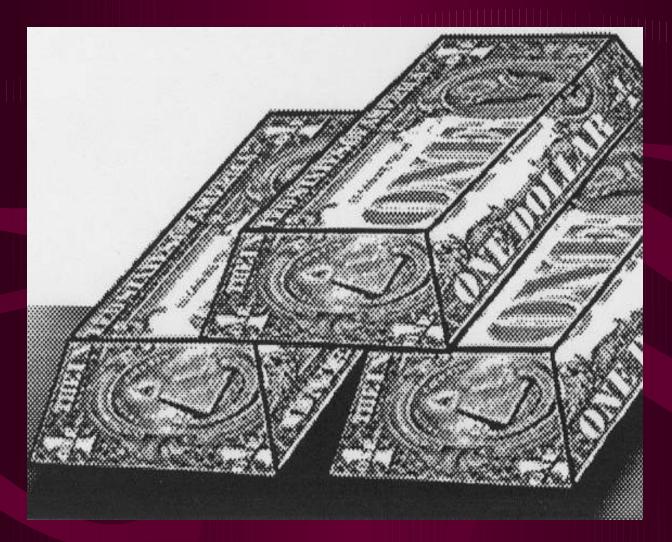
Hans von Michaelis
Randol International Ltd
Golden, Colorado
(303) 549-4480

#### Randol Gold Model

- 1) Memorabilia
  - How well are our gold predictions doing?
  - 2) Investing in Gold and/or Gold Shares?

- 3) The Randol Gold Model
- 4) Getting out of this Mess.

#### Gold is the Ultimate Safe Haven?



**During times like these - Economic & Financial crisis** 

### 2001 Gold Price Projection

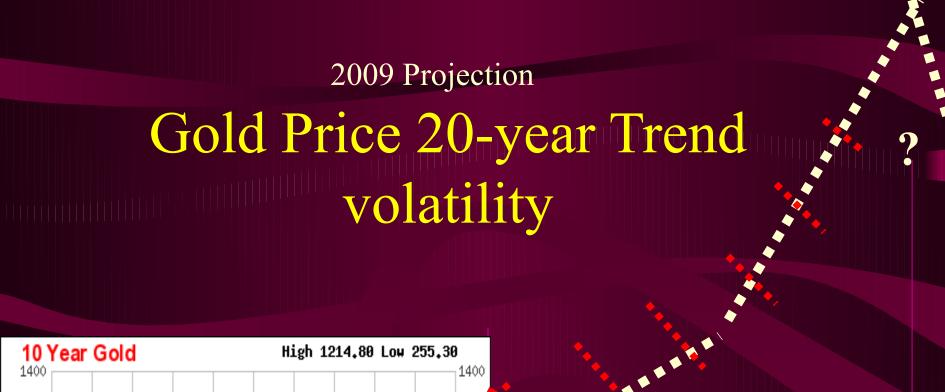
- 2001 Gold price: \$257 / oz
- 2001 Price of 1000 oz Au  $\sim$  \$250,000
- 2001 Price of middle class house ~\$250,000
- 2001 Price of 1000 oz Au = 1 house

- 2010 Price of gold (projected) \$1,000/oz
- 2010 Price of 1000 oz Au (proj) \$1,000,000
- 2010 Price of middle class house ~\$200,000
- 2010 Price of 1000 oz Au (proj) = 5 houses

Actual = 7 houses

## Gold 10-yr Price Prediction 2001









## Gold Price – The Top

• DJIA/Gold Price 1.0 - 2.0

• When?

2015-2021

• Guess How Much \$2,500 - 5,000

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4) Getting out of this Mess.

#### Gold Exploration & Mining Shares

• Gold has a 100%-200% gain potential.

Biggest risk is confiscation

• Major Gold Mining Companies-self funding Potential gain of ~200%-1,000%; risk- small

 Junior resource developers & Exploration Co Potential gain ~1,000 %— 10,000%; risk big Serious Financing Risk during liquidity crisis

#### Randol Gold Model

- 1) Memorabilia
- How well are our gold predictions doing?
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# Randol Gold Model *Macro-Economic Implications*

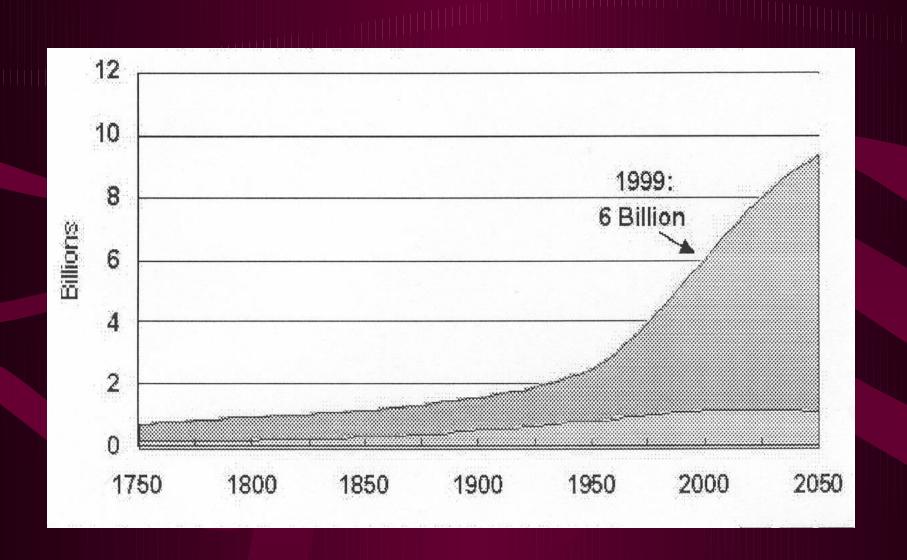
Global Consumer Growth

# Randol Gold Model *Macro-Economic Implications*

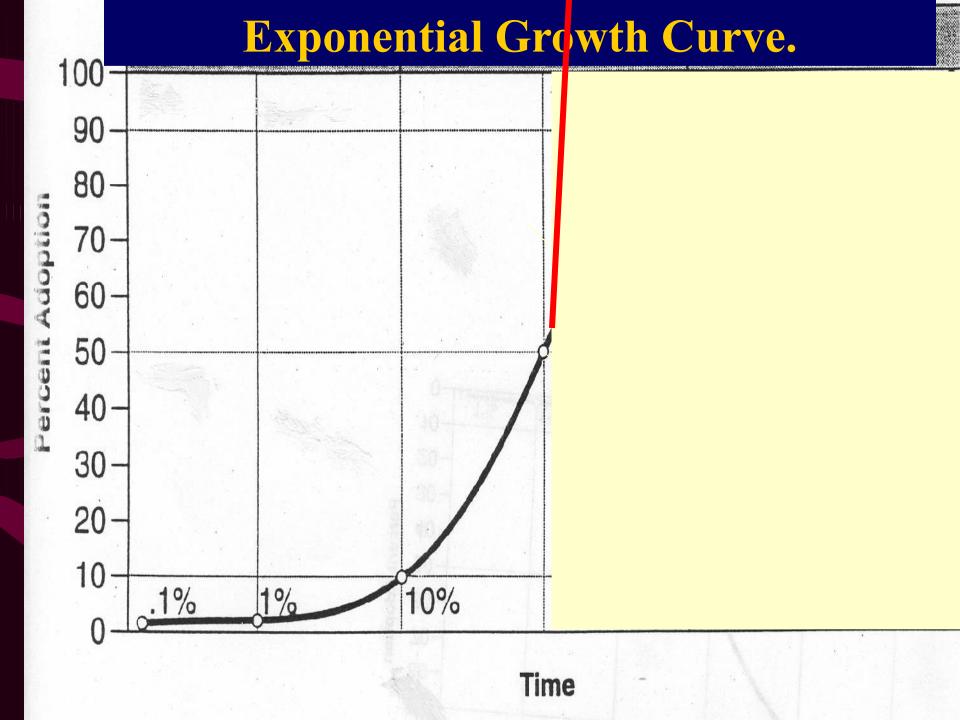
#### Global Consumer Growth

Good News and Bad News

#### **Billions of New Consumers**







# Exponential Growth Curve Examples

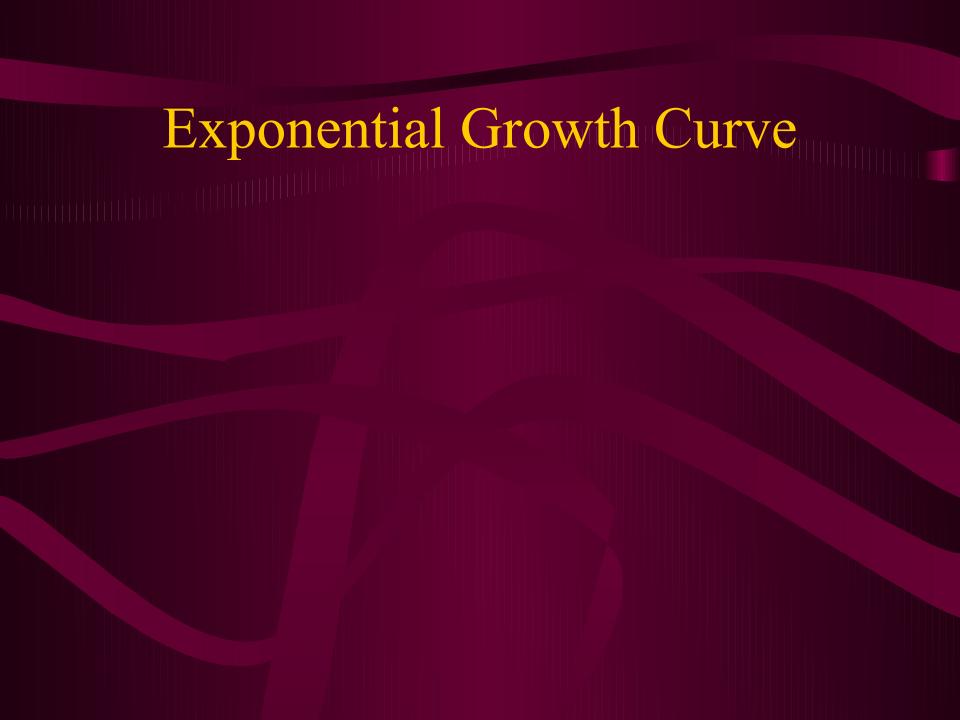
Ponzi Schemes & Convection storms\

US Indebtedness & Money Printing

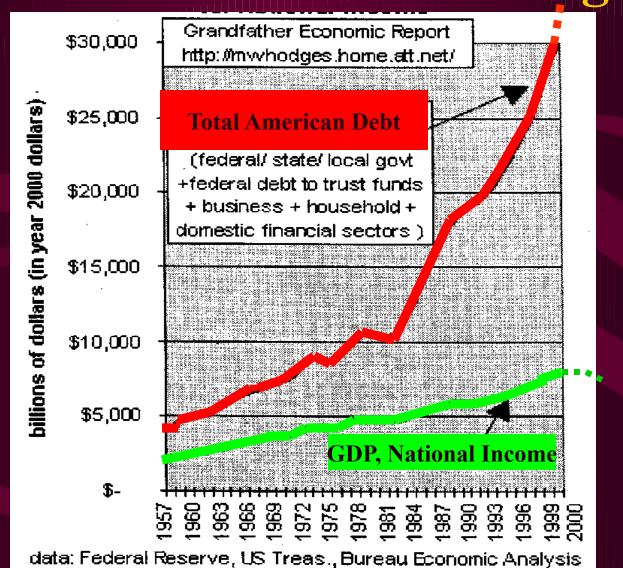
**US** Government

China's infrastructure & Demand for Energy, Water, Food & Metals

Global Derivative exposure



# Exponential Growth Excessive US Debt Leverage



## Exponential Growth Curves

Ponzi Schemes
Convection storms
US Indebtedness
US Government
Derivative exposure

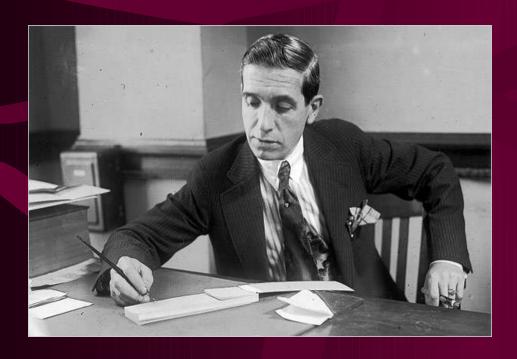
Rapid initial growth
Not sustainable
Eventually collapse
Wreak havoc

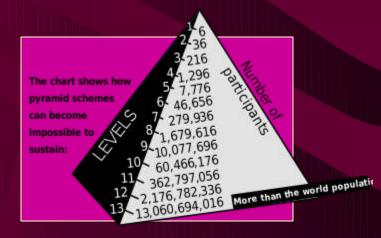
#### The Bad News

nential Growth Models insustainable; doomed to ipse like all Ponzi schemes

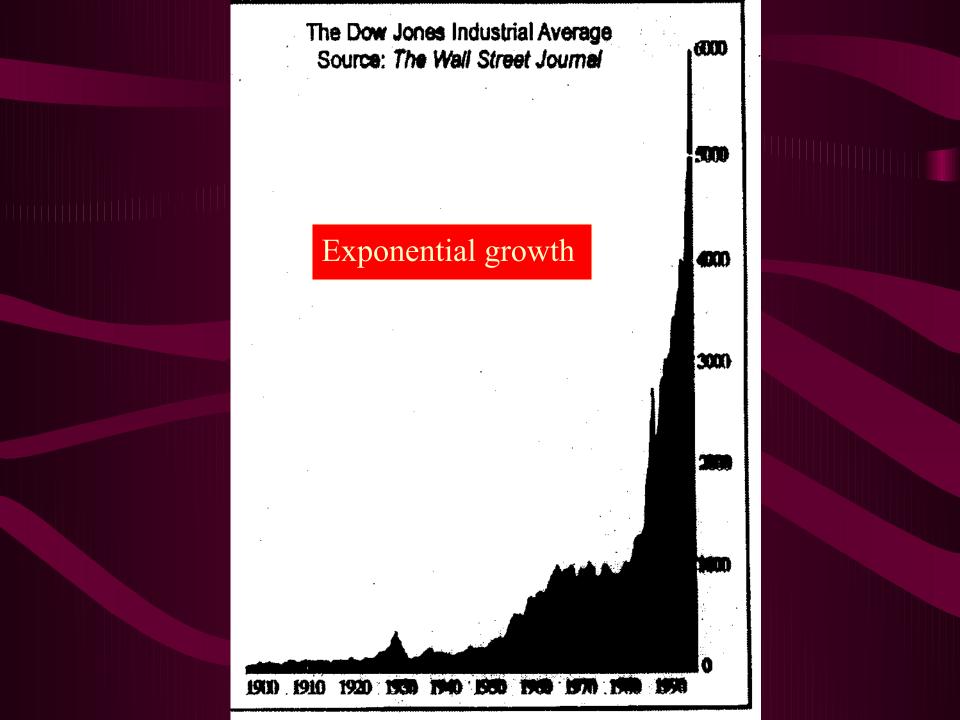
en.wikipedia.org/wiki/Pyramid scheme

# The Bad News onential Growth Models insustainable; doomed to apse like all Ponzi schemes





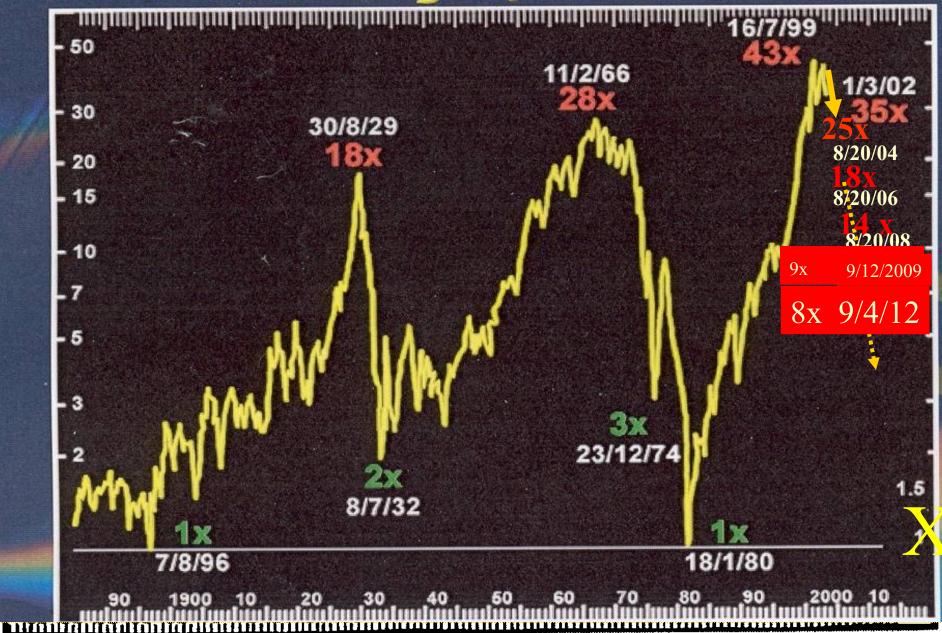




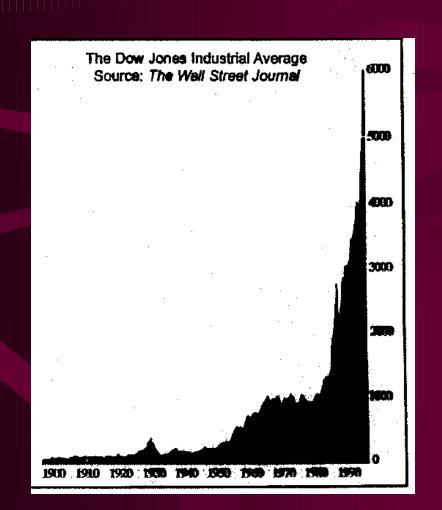
# Exponential Growth?



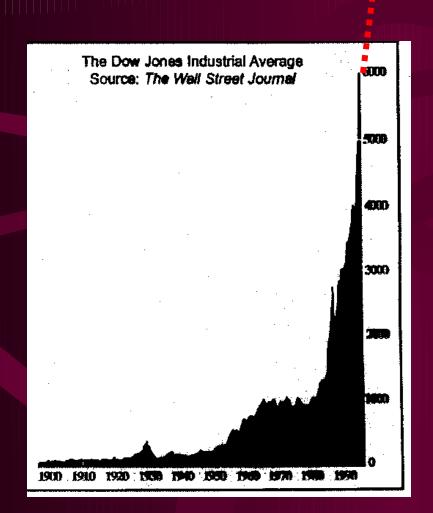
## 115 Years DJIA/Gold



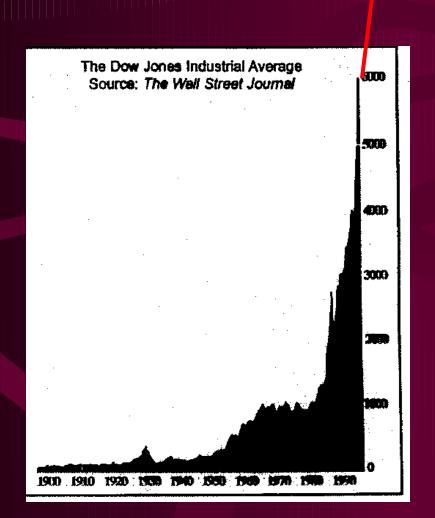
#### Exponential growth



#### Exponential growth



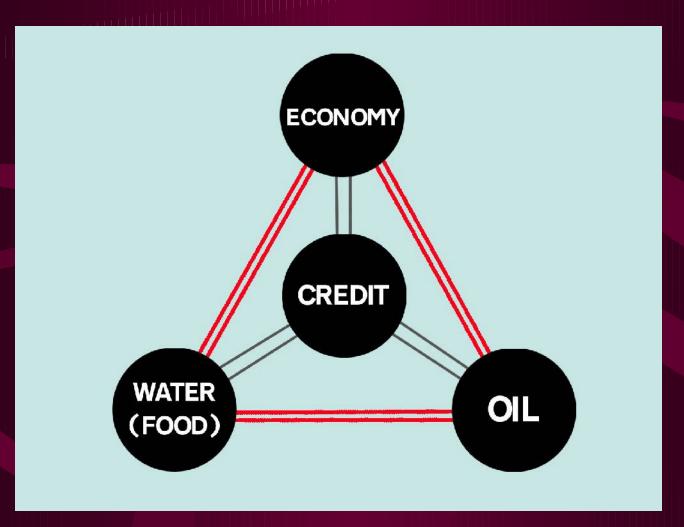
#### Exponential growth

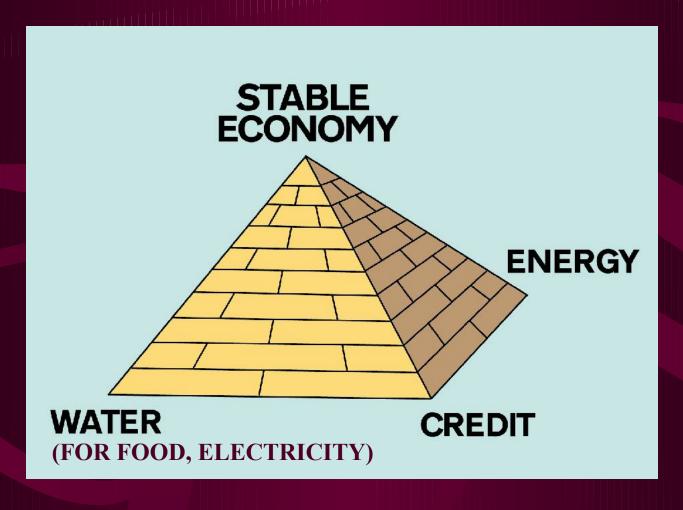


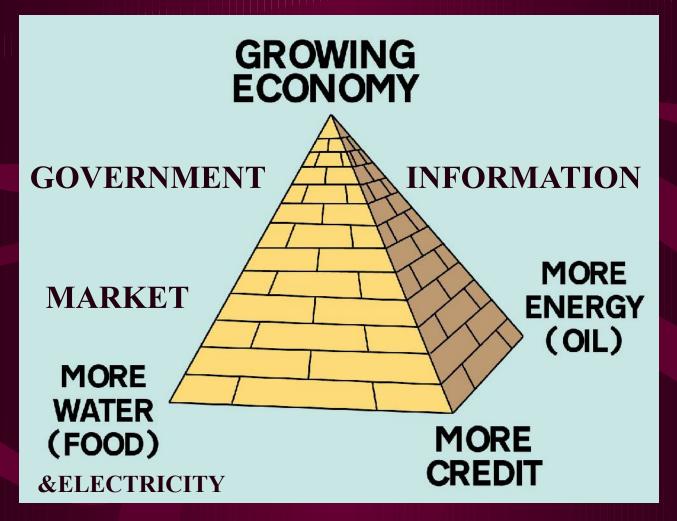
Bernanke's \$10 Trillion Stimulation

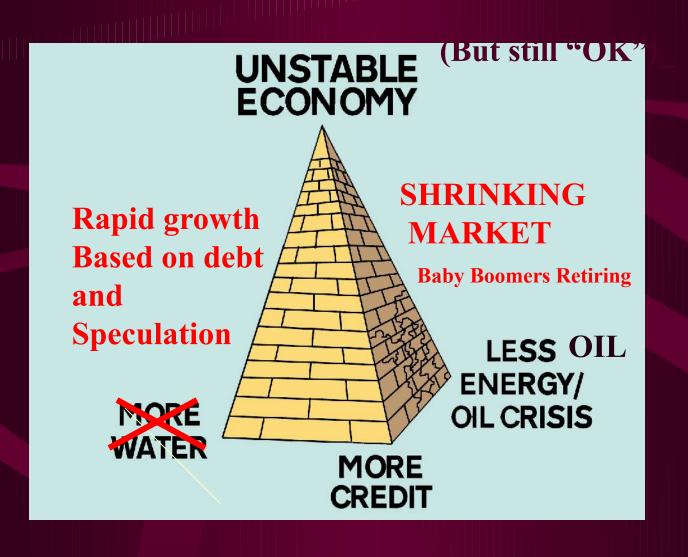
3000















### Exponential Growth Model



#### Exponential Growth Model



#### Exponential Growth Model



#### Debt & Derivative Risk



\$600-\$1,000

DERIVATIVE EXPOSURE

#### Derivative Meltdown?

So huge (\$600-1,000 Trillion) and so opaque.

Beyond the control of anyone or any Bank or any Country

In the event of a melt-down the Nursery Rhyme will apply;

"All the Kings Men and all the King's Horses couldn't put Humpety Dumpety together again."

#### THE CLIFF OF FEAR

- 1) DERIVATIVE MELTDOWN (\$600 \$1,000 TRILLION)
- 2) DEBT GROWTH BEYOND SUSTAINABLE DEBT SERVICE (NOW \$20-\$200 TRILLION)
- 3) END OF ECONOMIC STIMULUS (\$5-TRILLION 2009-12)
  1) (\$5-TRILLION 2004-09)
- 4) MASSIVE JUMP IN JOBLESSNESS (22.9% UNOFFICIAL)
- 5) BALANCE OF TRADE DEFICIT
- 6) OVERBUILT REAL ESTATE FORECOSURE OVERHANG
- 7) COST OF ANOTHER BIGGER WAR
- 2) COCIALISM AS MODE DECOME COUT DEDENDENT

#### CLIFF OF FEAR -continued

- 9) MONEY PRINTING CONTINUES Inflation Hyperinflation
- 10) US DOLLAR CEASES TO BE THE GLOBAL RESERVE CURRENCY
- 11) INTEREST RATES RISE COMENSURATE WITH LENDER RISK
- 12) CONSUMER SPENDING DROP CORP. EARNINGS SHRINK (Since 2008 Consumer debt has dropped by \$1.3 Trillion)
- 13) US STOCK MARKET COLLAPSE
- 14) US BOND MARKET COLLAPSE

**Potential for Civil Unrest and Food Riots** 

The USA impacts the entire world and Economic or Financial Collapse in the USA would severely impact the entire World.

The Western World is in the Greatest Depression

THE WORST HAS YET TO COME ~HALFWAY MARK 2001 - 2022 STILL NOT IN THE PAIN STAGE

The Western World is in the "Greatest Depression"

THE WORST HAS YET TO COME ~HALFWAY MARK 2001 - 2022 STILL NOT IN THE PAIN STAGE

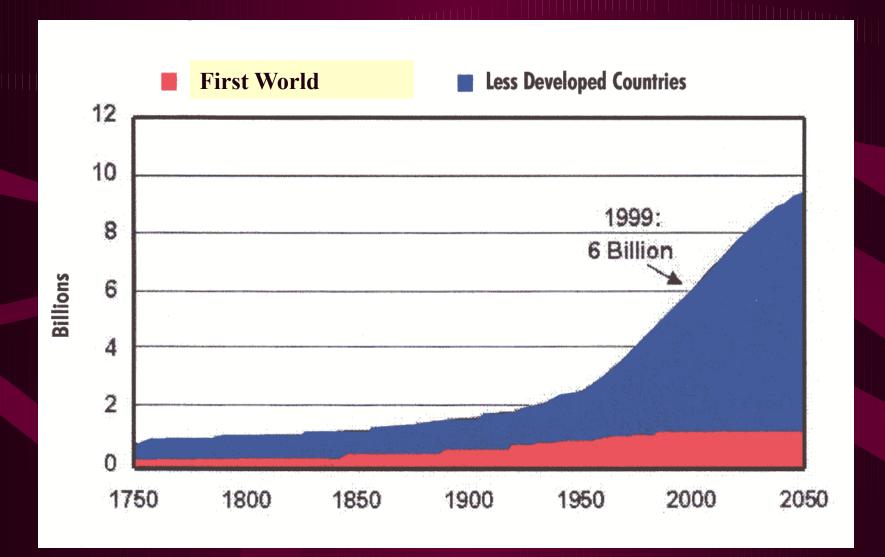
In 1946 the USA was the greatest creditor Nation ever...

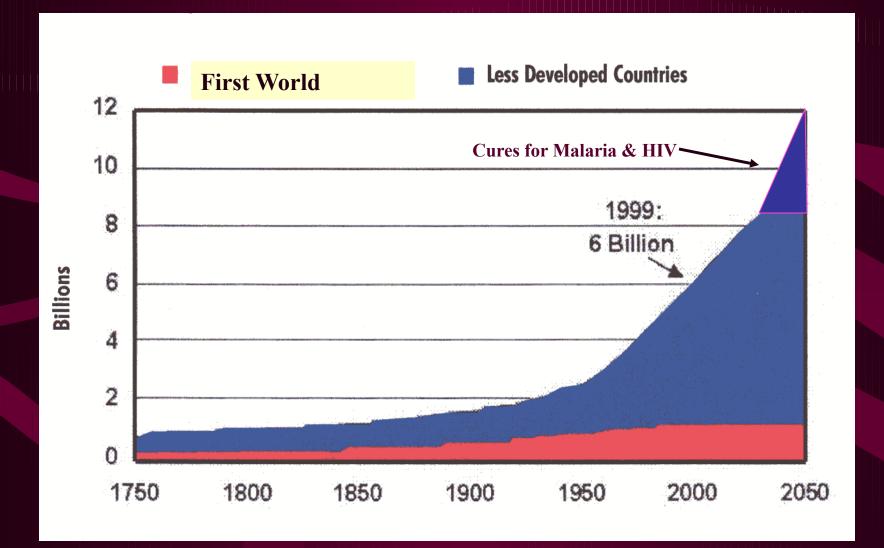
Since then the US economy has been Hijacked and plundered for political expediency.

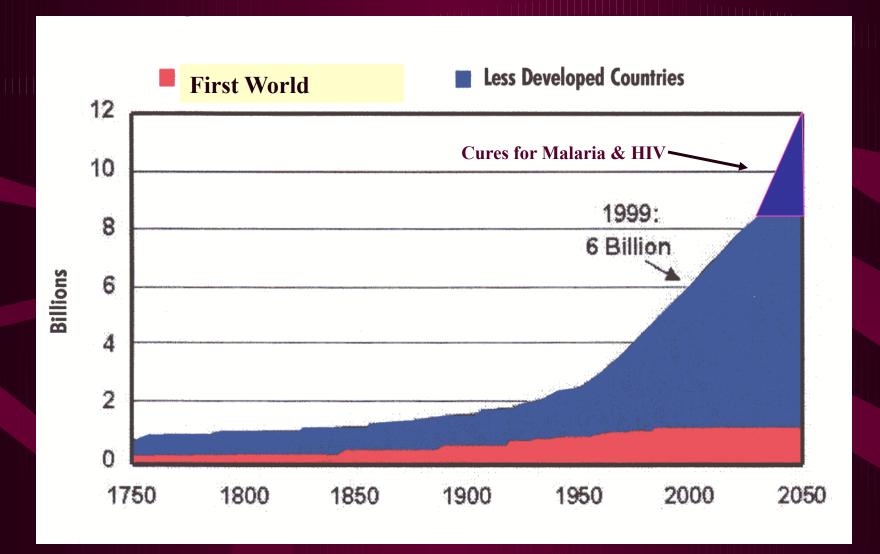
Today the US is by far the largest debtor Nation the world has ever seen.

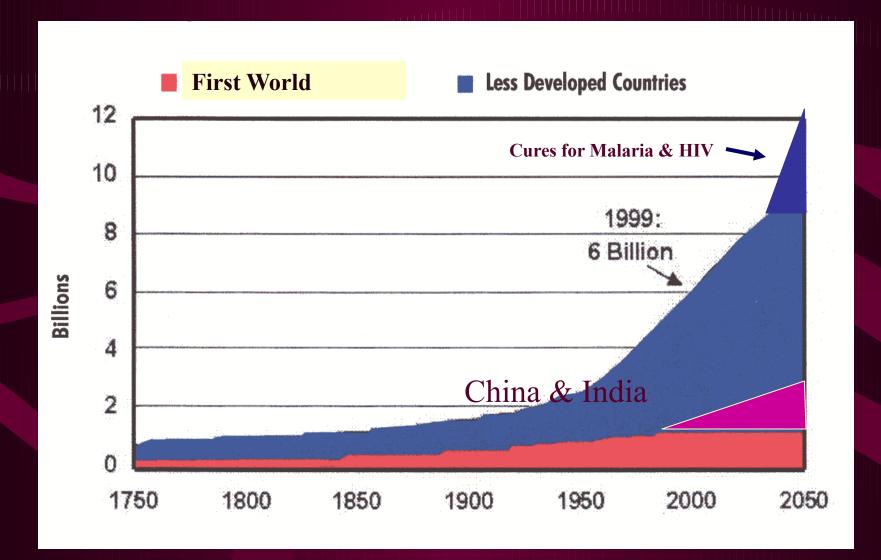
There's no way to repair a mess like this. Except to crash and burn and then rebuild.

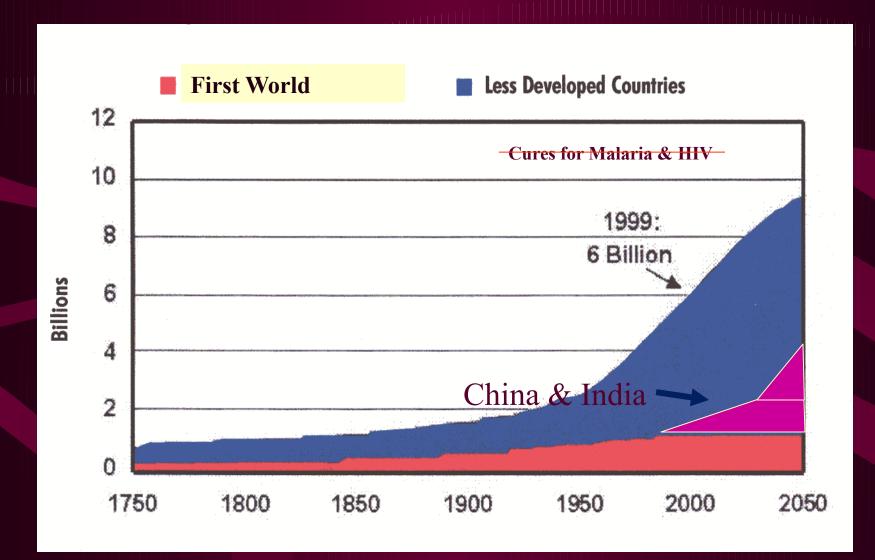




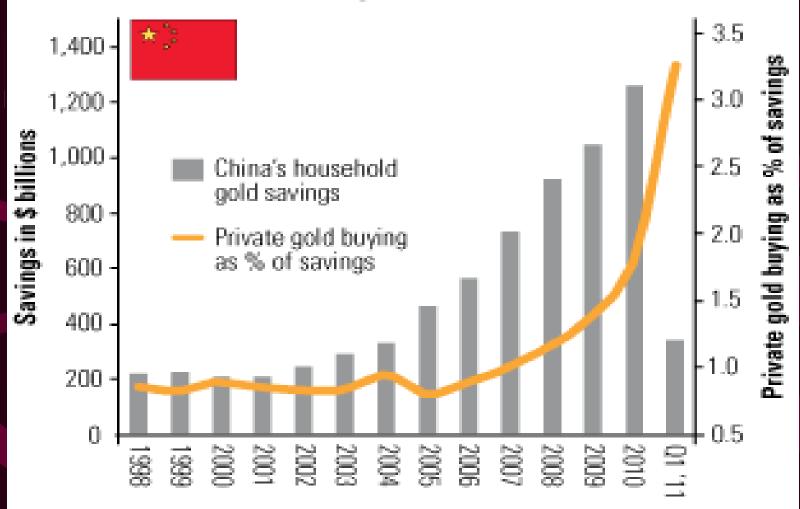






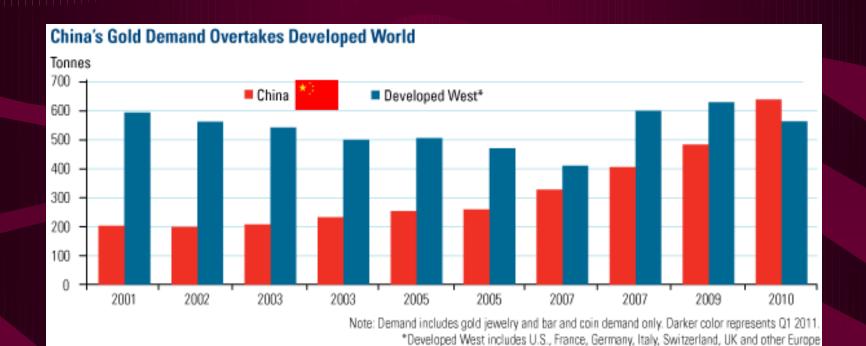


#### Chinese Citizens Putting Their Wealth Into Gold



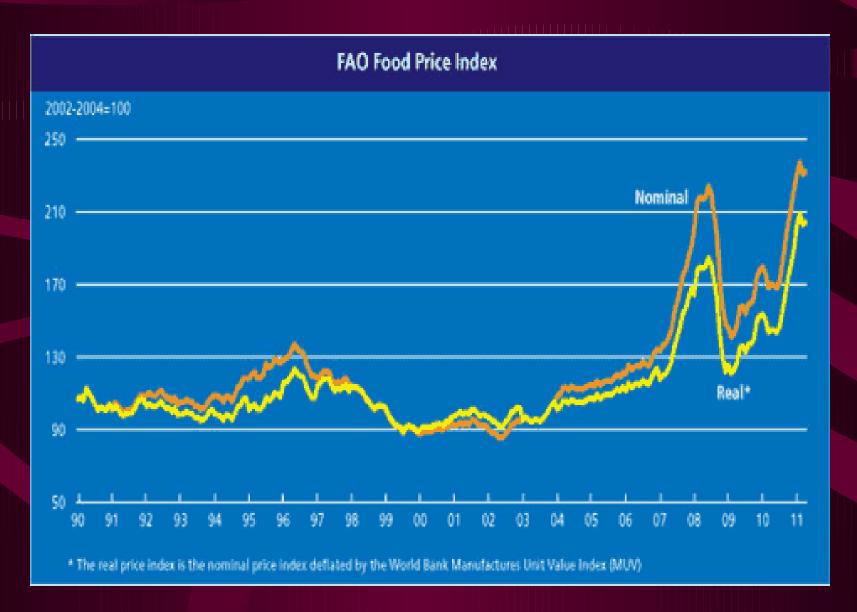
Source: BullionVault, BIS, IMF, GFMS

#### China's Gold Demand



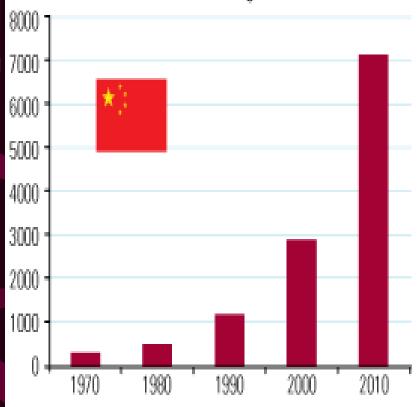
Source: GFMX. World Gold Council

#### COST OF FOOD



#### China's Per Capita Income

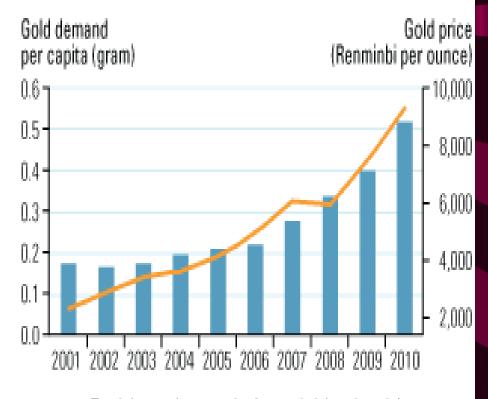
In 2008 U.S. dollars and PPP exchange rates



Purchasing Power Partity is a theory of long-term equilibrium exchange rates based on relative price levels among countries

Source: PIRA

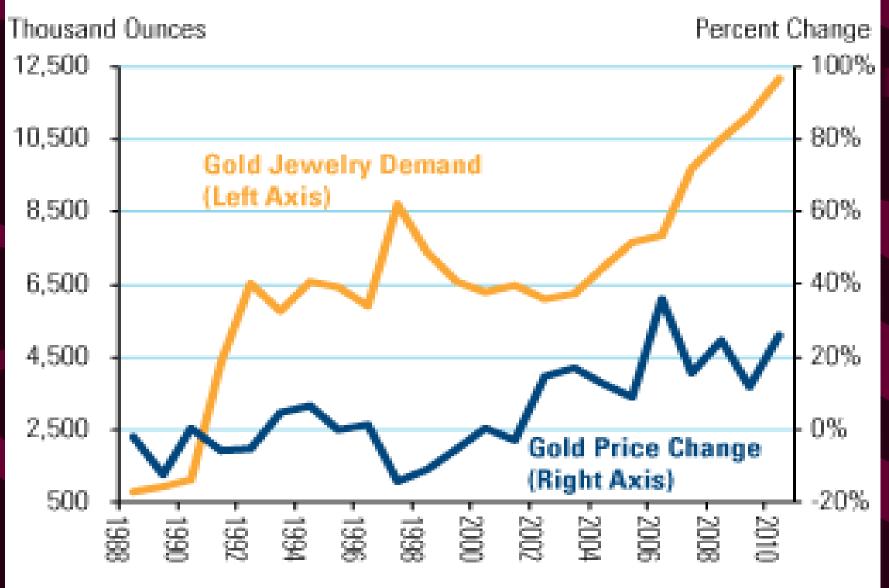
#### China's Gold Demand Per Capita More than Doubles in Five Years



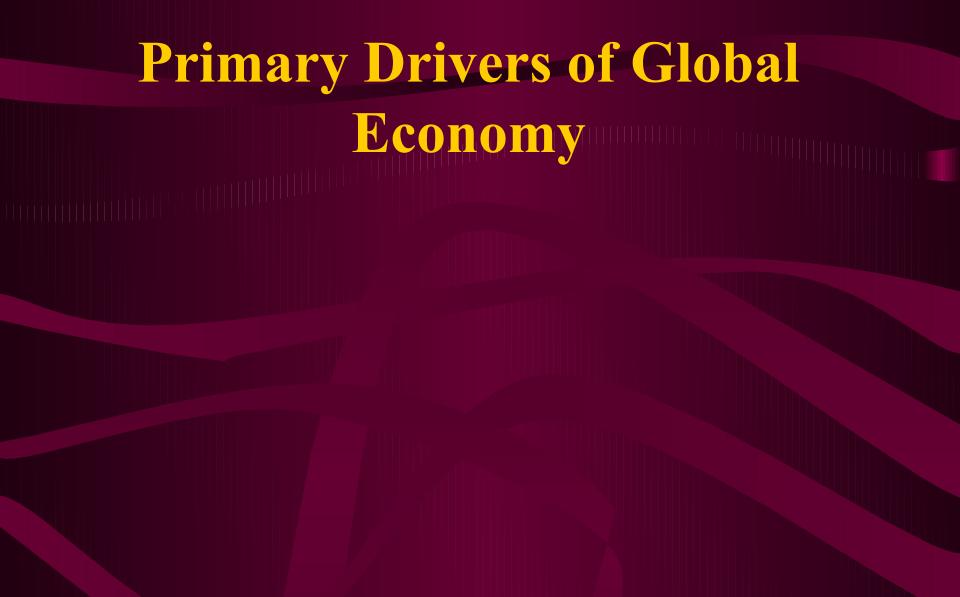
- Total demand per capita (gram, left hand scale)
- Gold (Renminbi per ounce, right hand scale)

Source: World Gold Council. GFMX. Bloomberg

#### China Gold Jewelry Demand Shakes Off Higher Prices



Source: CPM Gold Yearbook 2011



• The US Economy

- The US Economy
  - Baby Boom Spending Wave

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  - The Long-Wave Debt Cycle

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Asian Growth: China & India

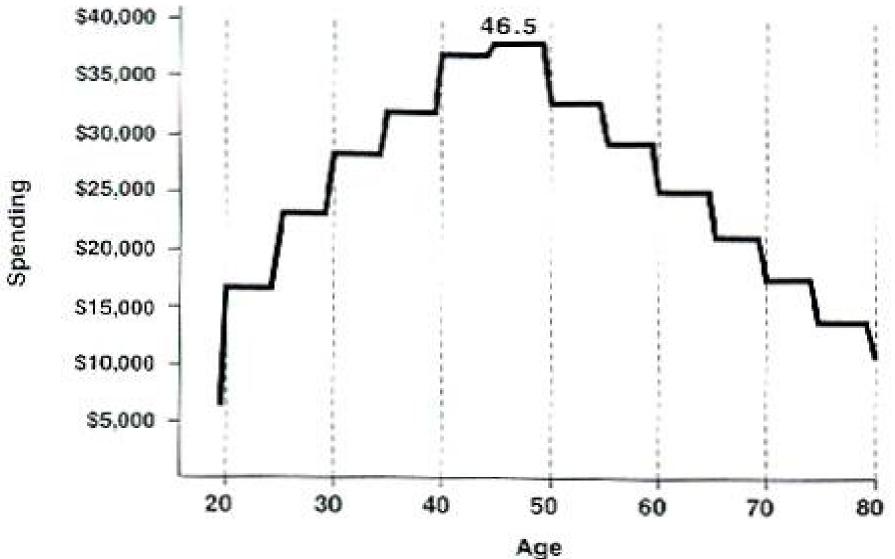
- The US Economy
  - Baby Boom Spending Wave
  - The Long-Wave Debt Cycle

- Asian Growth: China & India
- Escalation to a "Shooting War"
- Palestinian Squabble Going Global
- IRAN-ISRAEL ESCALATION

## U.S. Baby Boom Spending Wave

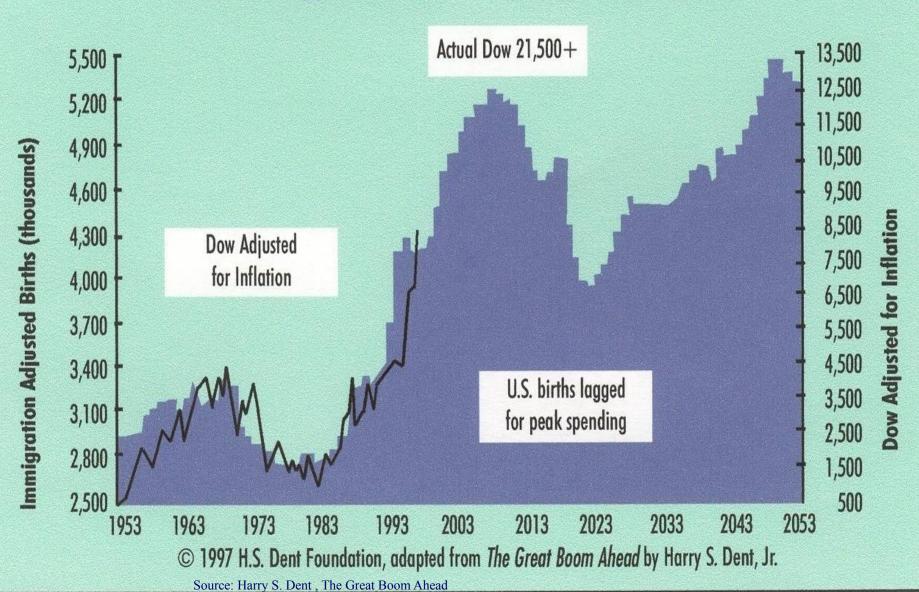
Harry Dent Projected Baby Boom Spending and the Information Age Would Keep the US Economy Expanding and in Prosperity Through 2007

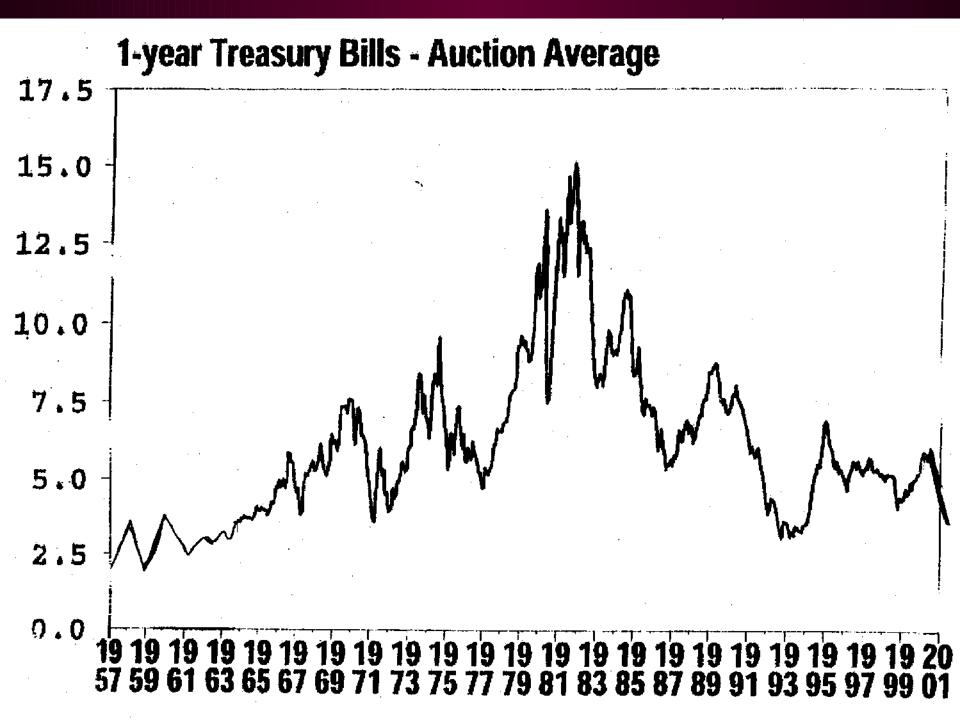
## Average Annual Family Spending by Age (5-year age groups)



Source: Harry S. Dent Jr. The Great Boom Ahead

## THE SPENDING WAVE Births Lagged for Peak in Family Spending





### US Flight to cash?



### US Velocity of Money

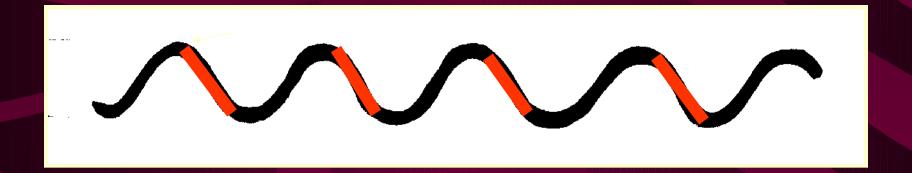


#### The Long Debt Leverage Cycle

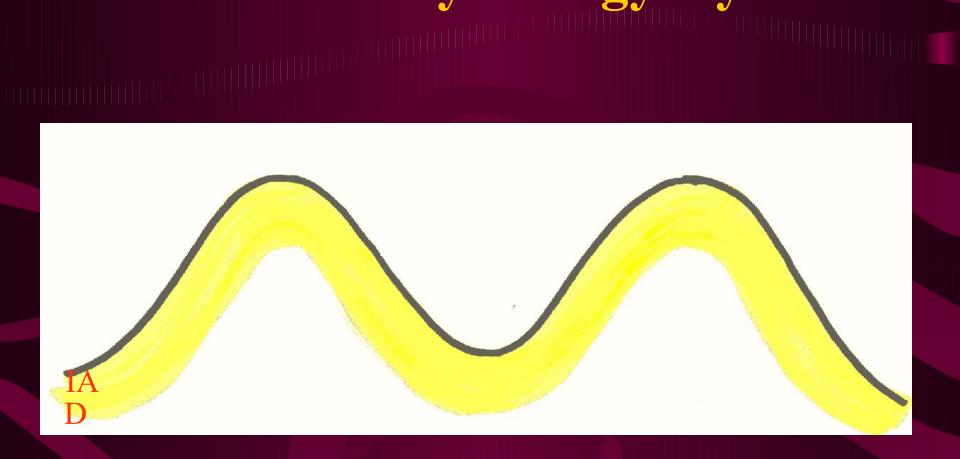
The Psychology of Borrowing

### The Business Cycle

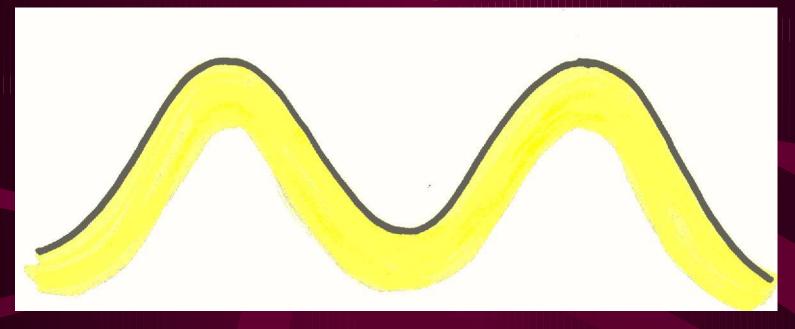
Blame the President for recessions

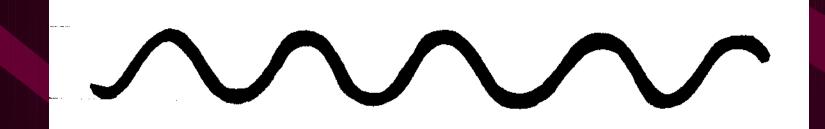


# The Debt Psychology Cycle

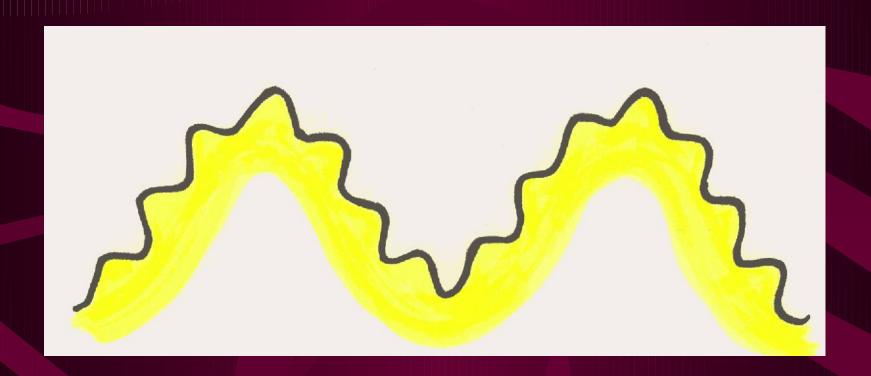


# **Combining Cycles**



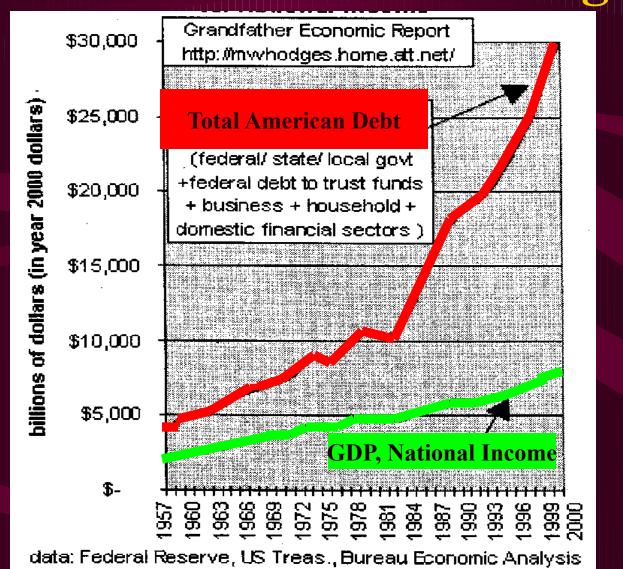


## Short Cycle on the Long Cycle



Source: Randol International Ltd © 2002

# The Big Problem Excessive US Debt Leverage

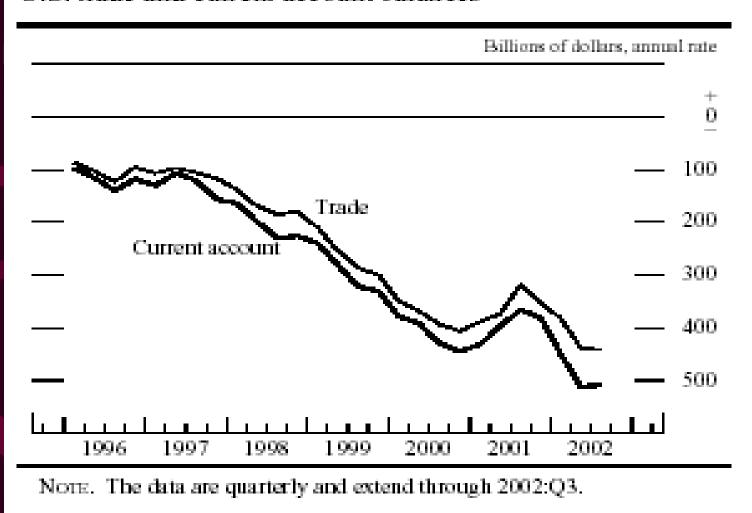


## Why Total US Debt Will Grow

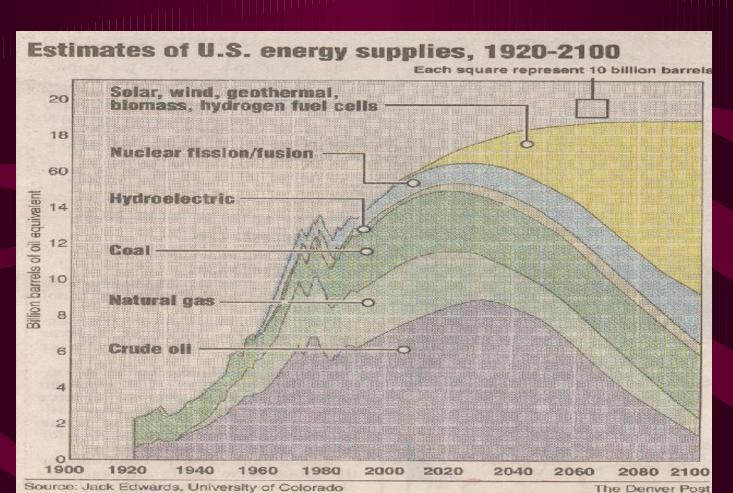
- Trade deficit ~\$0.5 trillion per year
  - Primary industries dead in USA
  - Secondary industries (manufacturing) not competitive.
     China, India, Mexico
  - Service industry job losses due to internet
  - Looming energy crisis expensive imported energy
- Military spending escalation
- Homeland security cost escalation
- Government employment escalation
- International Aid to gain UN votes for War
- Iraq ~\$87 billion; two-years ~\$170 billion
- Massive spending to stimulate US economy

## U.S. Consumer Spending

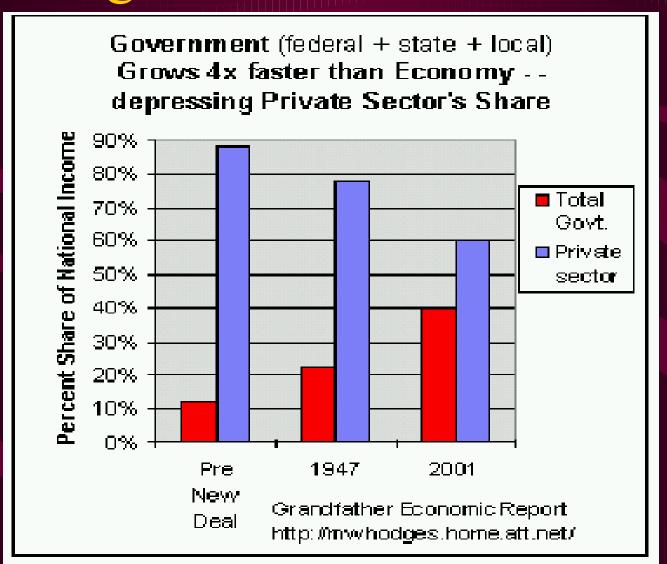
U.S. trade and current account balances



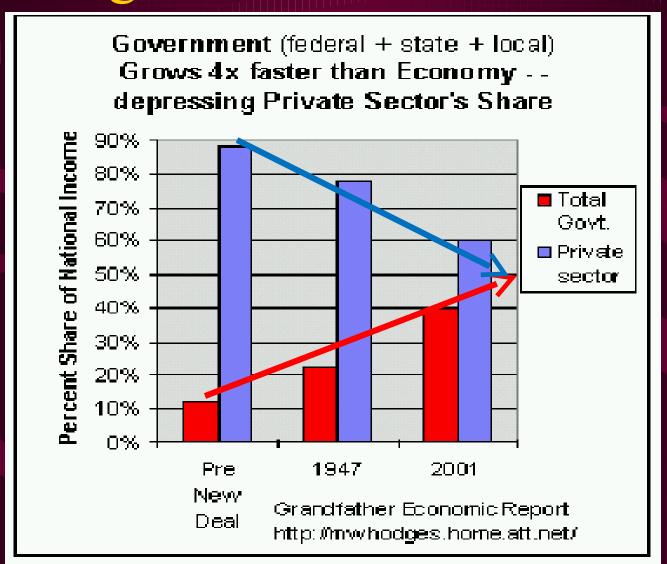
## The Energy Crunch



## Adding to the US National Debt



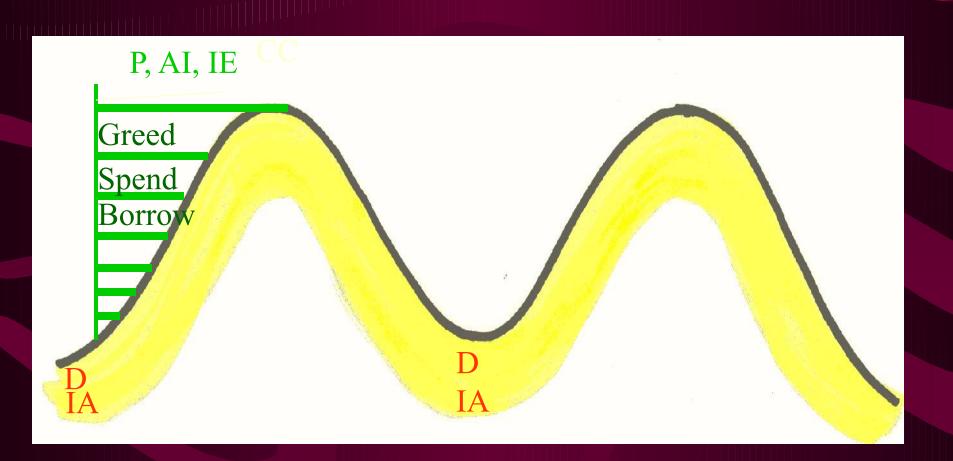
## Adding to the US National Debt



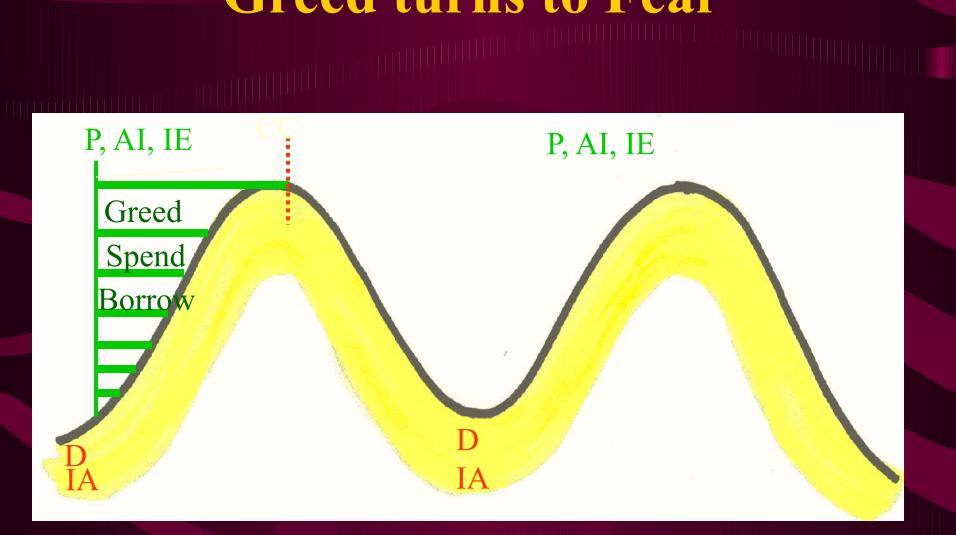
## Equity in Home Ownership



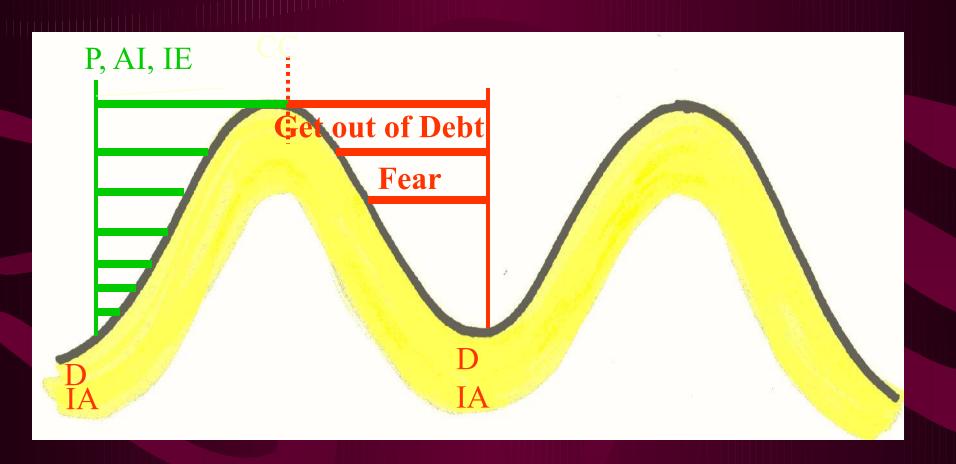
# The Debt Psychology Cycle



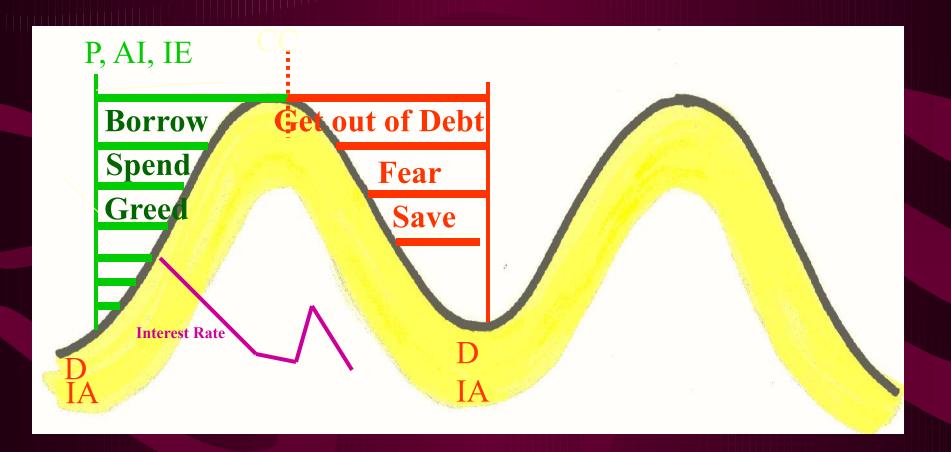
#### Greed turns to Fear



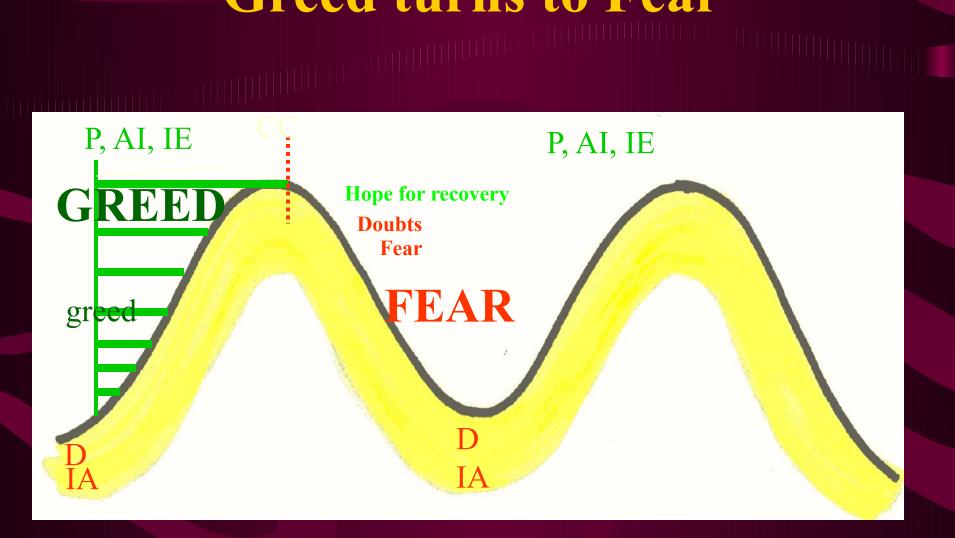
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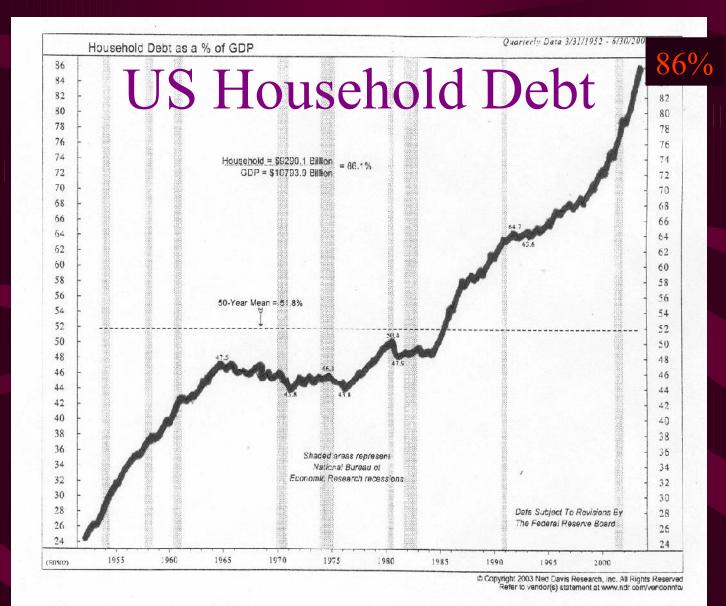


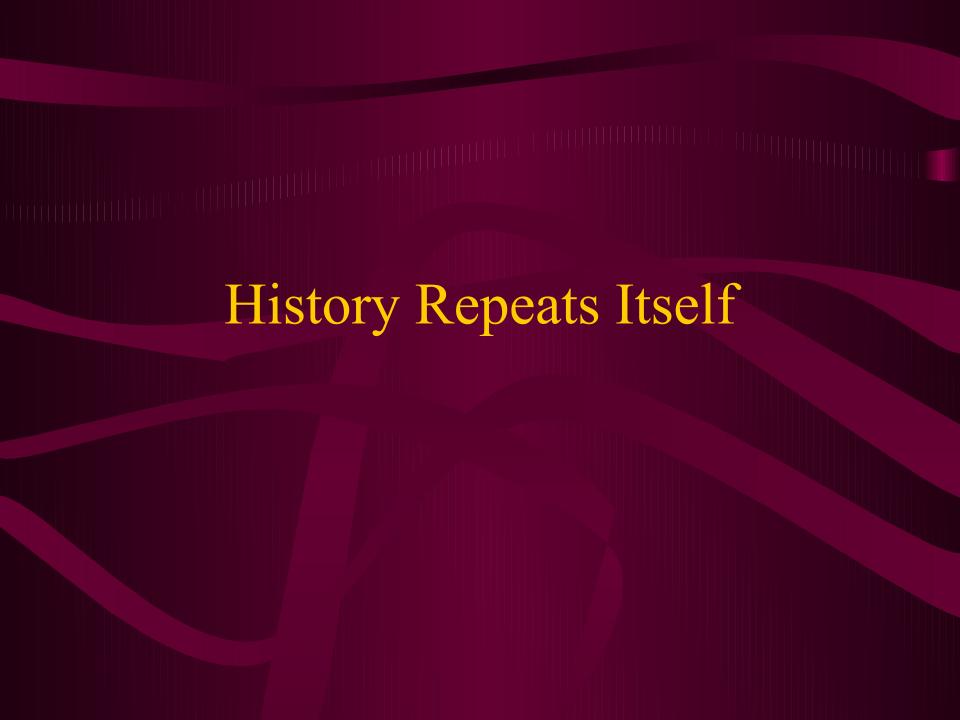
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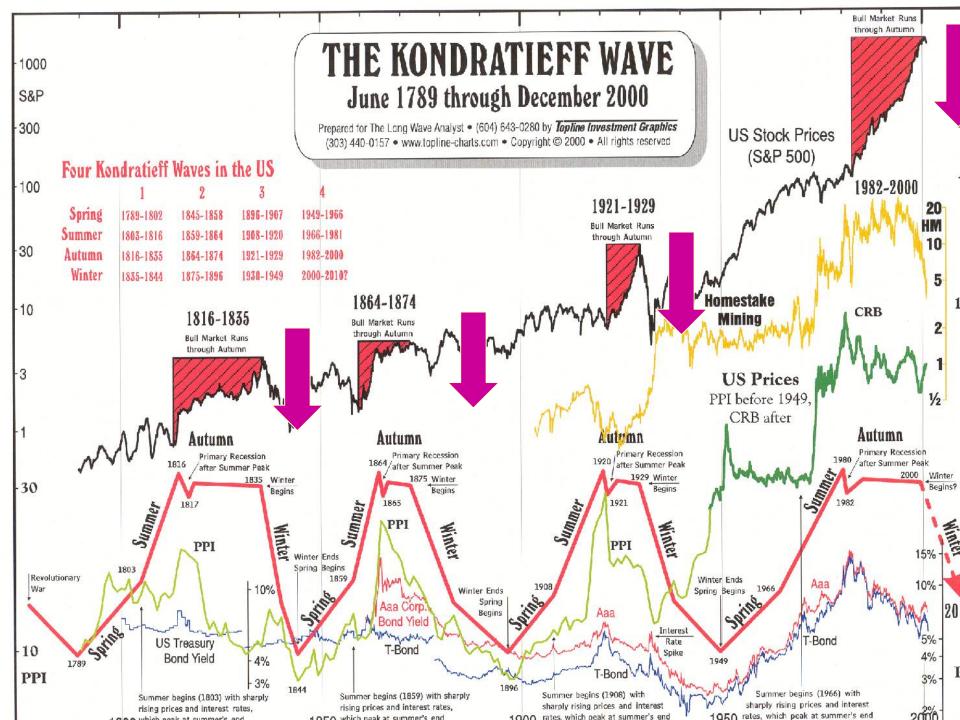


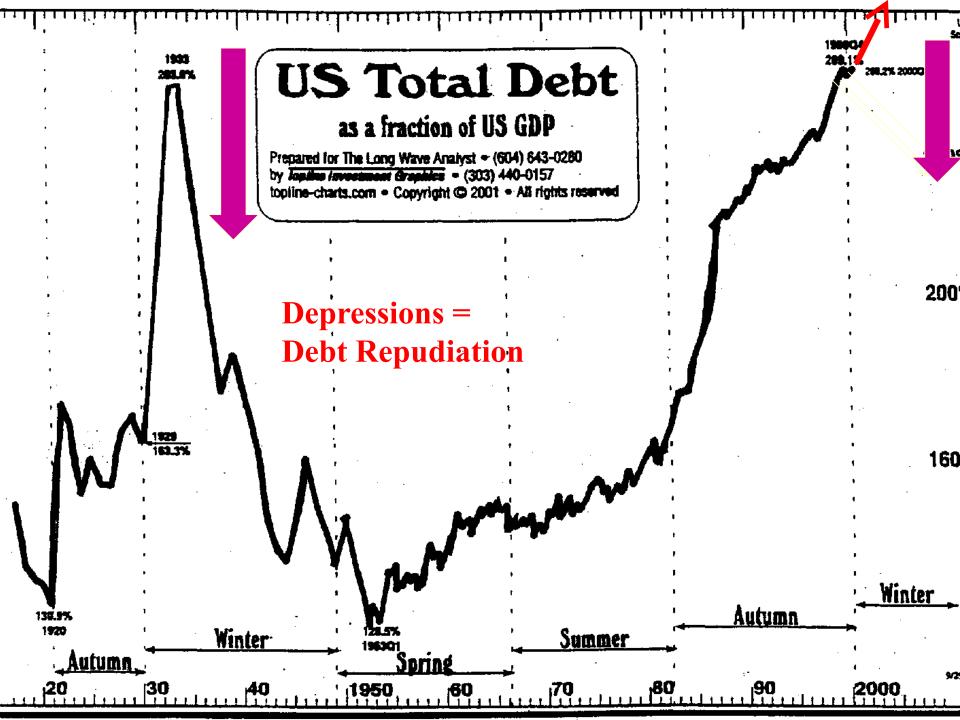
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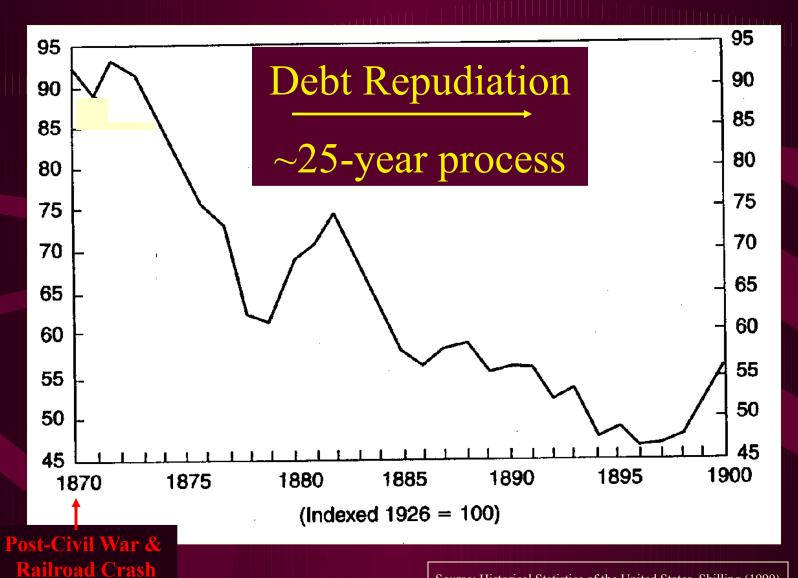








#### The 1870 Post Civil-War CPI



#### The Dow Theory

Robert Rhea, May 21, 1932

A primary bear market is the long downward movement interrupted by important rallies. It is caused by various economic ills and does not terminate until stock prices have thoroughly discounted the worst that is apt to occur.....

#### The Dow Theory

Robert Rhea, May 21, 1932

A primary bear market....continued

There are three principal phases of a bear market:
the first represents the abandonment of the hopes
upon which stocks were purchased at inflated
prices; the second reflects selling due to decreased
business and earnings, and the third is caused by
distress selling of sound securities, regardless of
their value, by those who must find a cash market
for at least a portion of their assets.

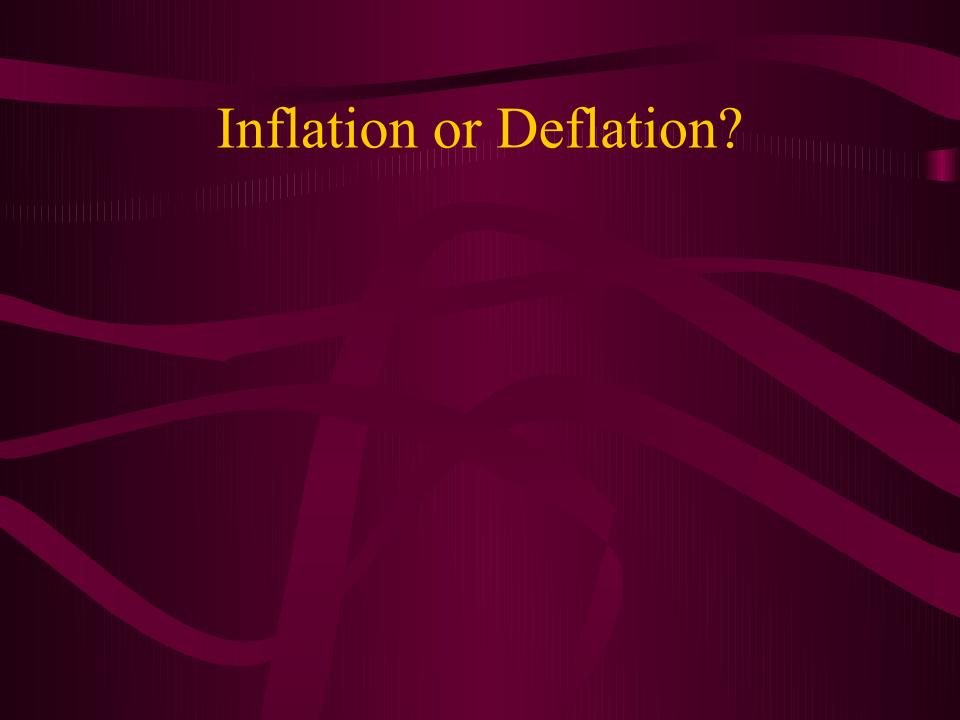


## Depression Cocktail Dejavu

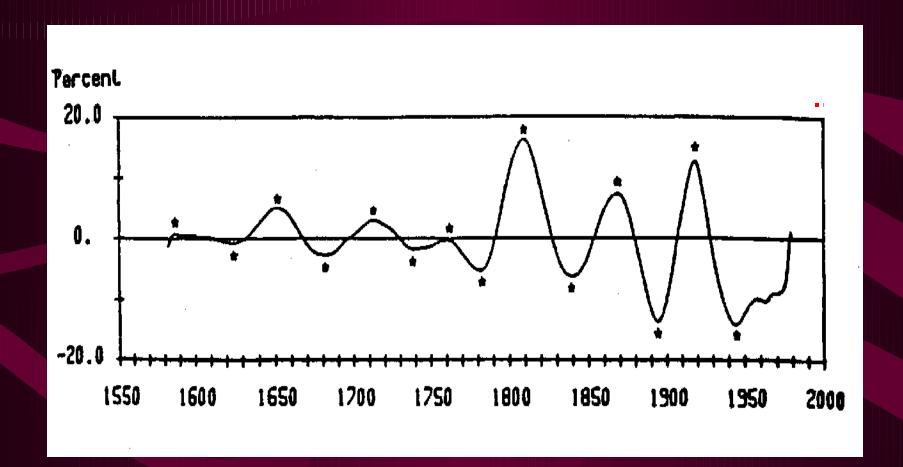
- Excess credit and indebtedness
- Low interest rates entice borrowing
- Escalating debt to GDP ratio
- Liquidity Crisis Frantic attempts to maintain liquidity
- Excessive wealth disparity
- Loss of productive jobs
- Eroding buying power of the population
- Protective tariffs: S.1586 proposes 27.5% duty on Chinese imports
- New technology and improved productivity
- Massive sunset industry redundancy

## Wealth Disparity

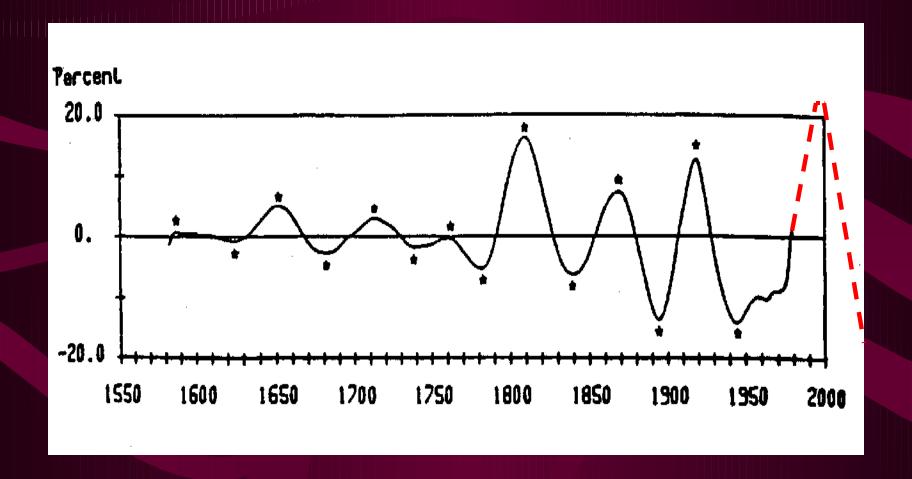
- Greater wealth disparity than ever
- More people are super-rich
- More poor people than ever –
   One in six Americans on food stamps
- The US middle class getting wiped out.
- People with money become paranoid about their wealth in times like this.
- Gold is the preferred safe haven for wealth.



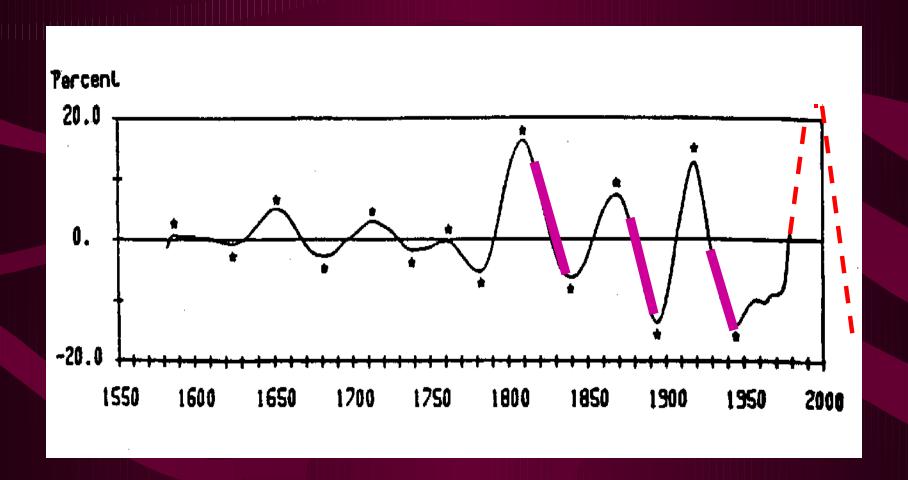
#### Wholesale Prices in U.K.

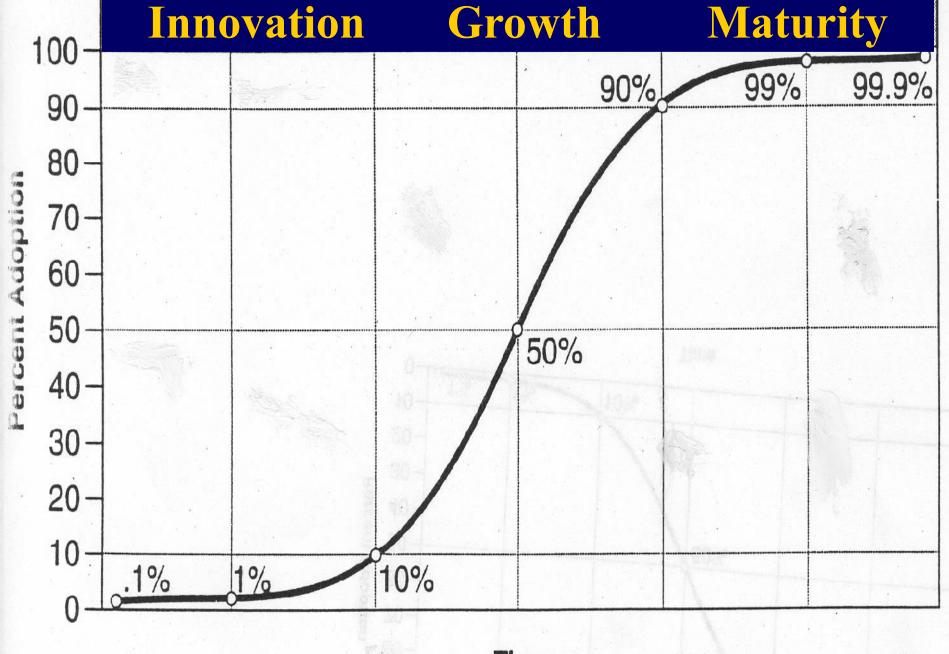


#### Wholesale Prices in U.K.

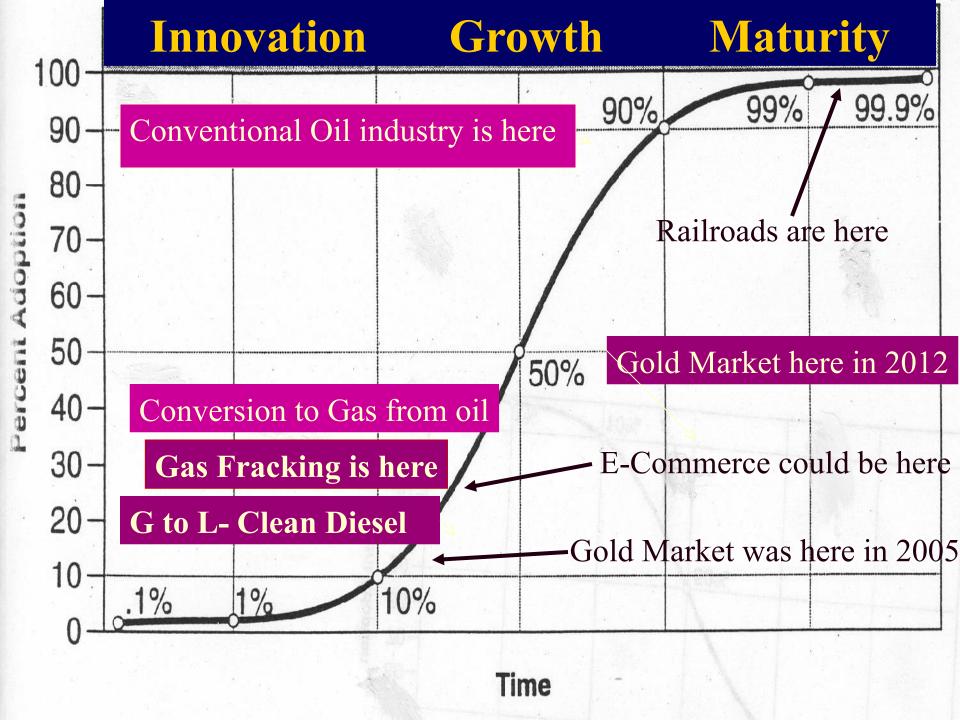


#### Wholesale Prices in U.K.

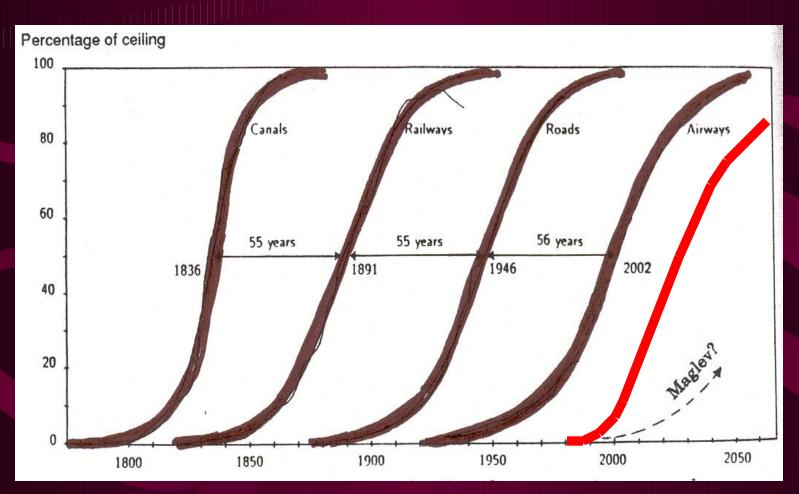




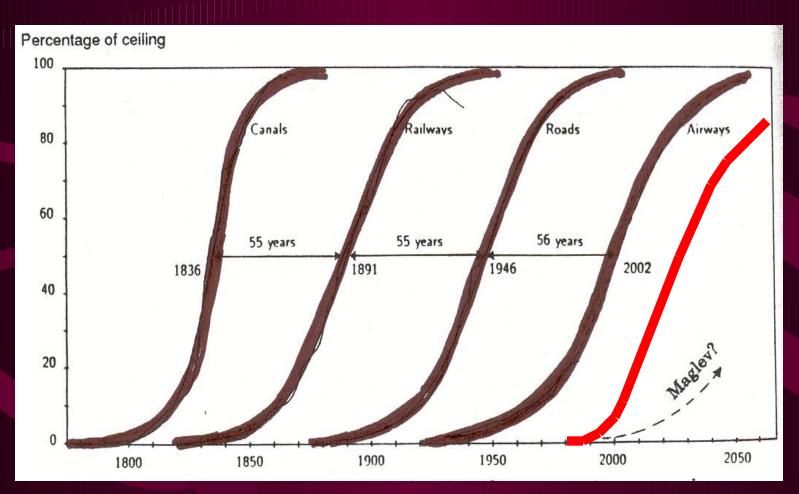
Time



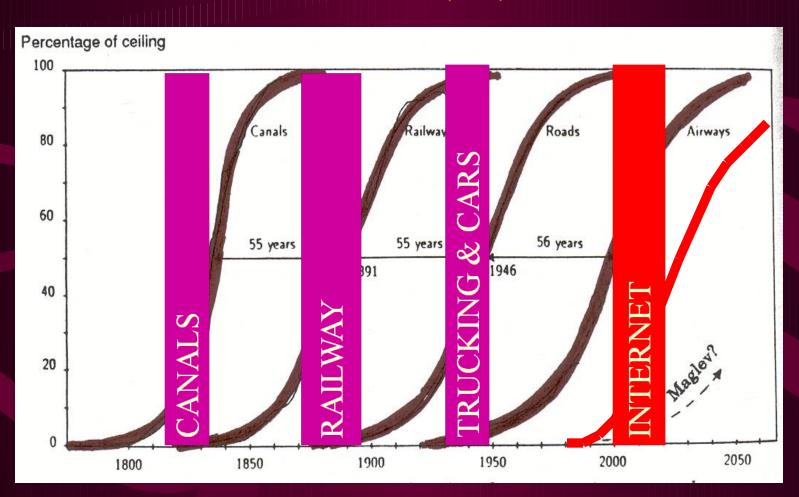
## Transportation Growth Curves



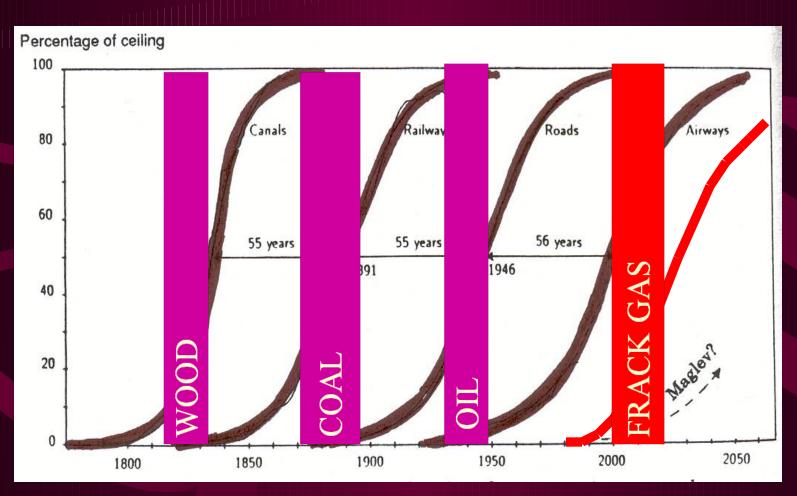
## Transportation Growth Curves



## Transportation Growth Curves



#### NEW ENERGYGrowth Curves



## Exponential Growth Model





#### ROUTES TO RECOVERY

LESS GOVERNMENT

LESS GOVMT DEPENDENCE

MORE INCENTIVES & REAL LEADERSHIP

- STABLE CONOM'
- 4) EXPORT LNG
  CLEAN DIESEL
  & ALT ENERGY PLANTS
- 5) EXPORT FOOD
- 6) EXPORT AIRLINERS WATER
- 7) EXPORT IT PRODUCTS

- 1) MASSIVE NATIONAL INITIATVE TO A FRACK GAS ECONOMY
- 2) NATIONAL INITIATIVE CLEAN NUCLEAR POWER & OTHER ALTERNATIVE ENERGIES
- 3) RESTORE CREDIT
  SYSTEM
  NEW US & EU CURRENCIES
  BACKED BY GOLD

**ENERGY** 

RICIT Y)

8) DEVELOP REO TECHNOLOGY

#### ROUTES TO RECOVERY ENERGY

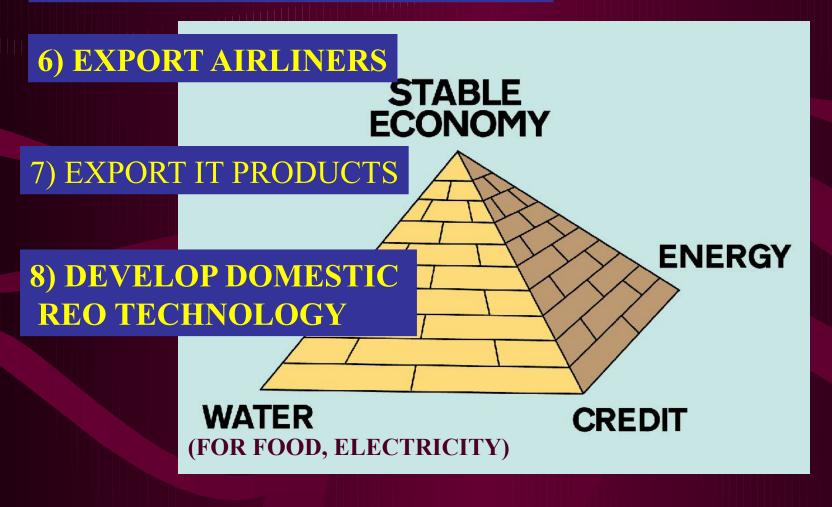
4) MASSIVE NTIONAL INITIATIVE TO MRE ENERGY EFFICIENT VEHICES-

1) MASSIVE NATIONAL INITIATVE CONVERTING FROM IMPORTED OIL TO DOMESTIC FRACK GAS ECONOMY

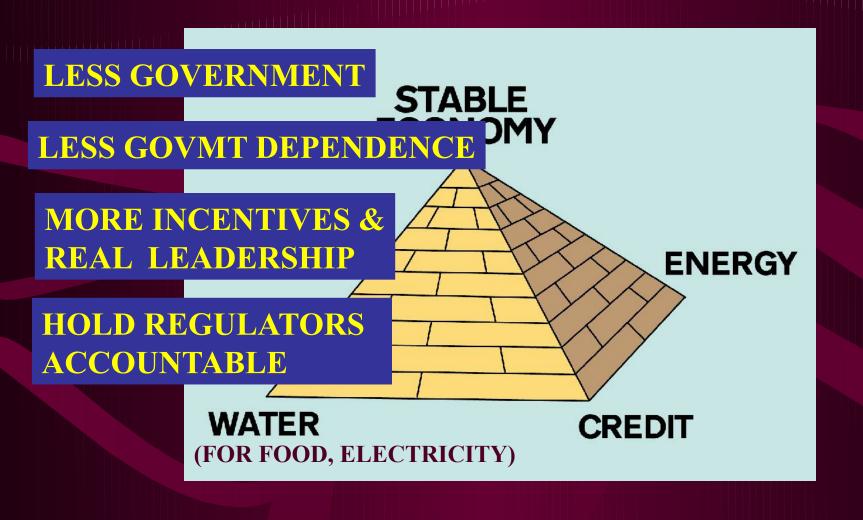


#### ROUTES TO RECOVERY

5) EXPORTUS PRODUCED FOOD



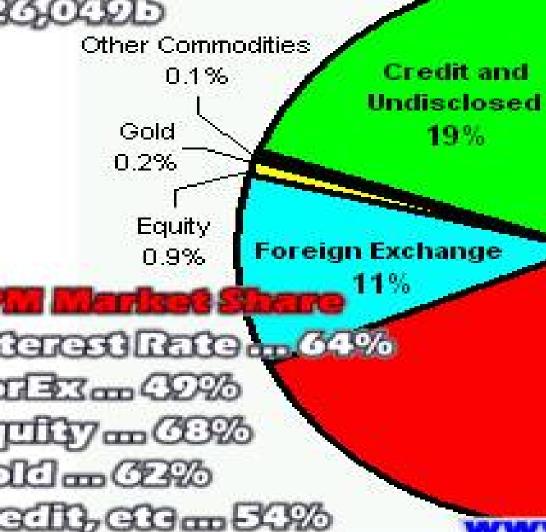
## ROUTES TO RECOVERY Government



FIRST AMERICA MUST CRASH & BURN THE HUGE DEBT MUST BE REPUDIATED BEFORE THE US CAN REBUILD.

## Possible Crisis in Confidence Triggers

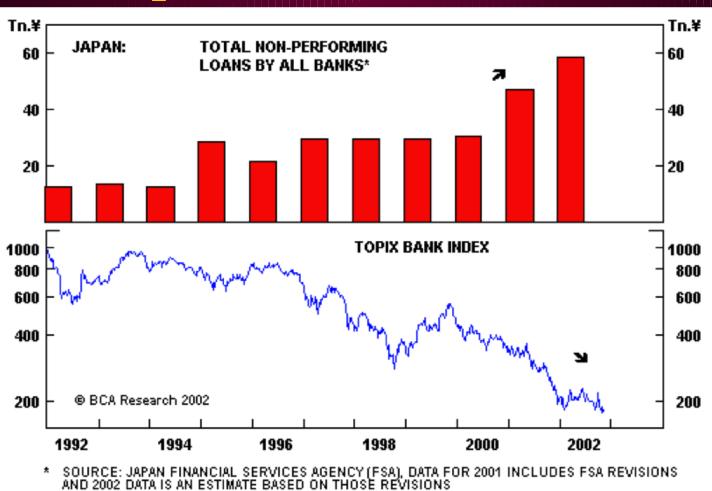
# OCCUPATIVE STORES DESCRIPTION OCCUPATIVE STORES OCCUPATIVE STORES



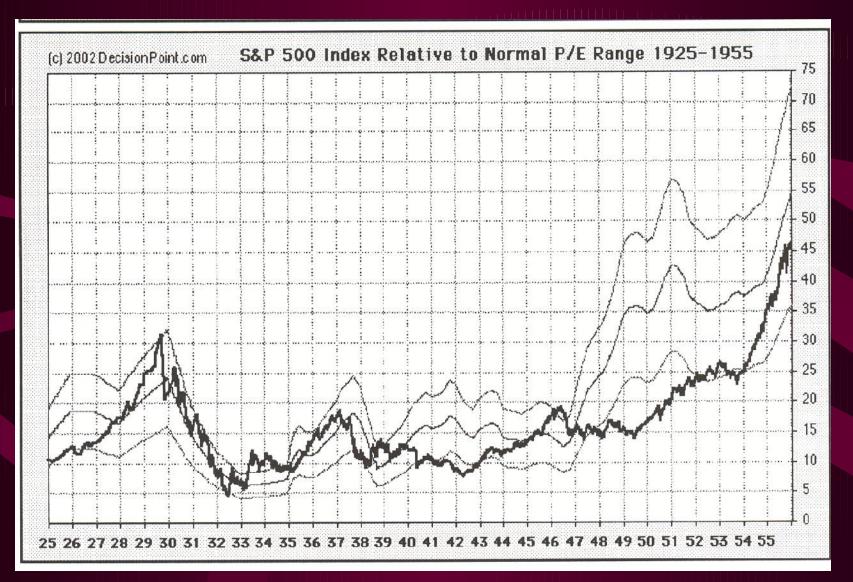
Interest Rate



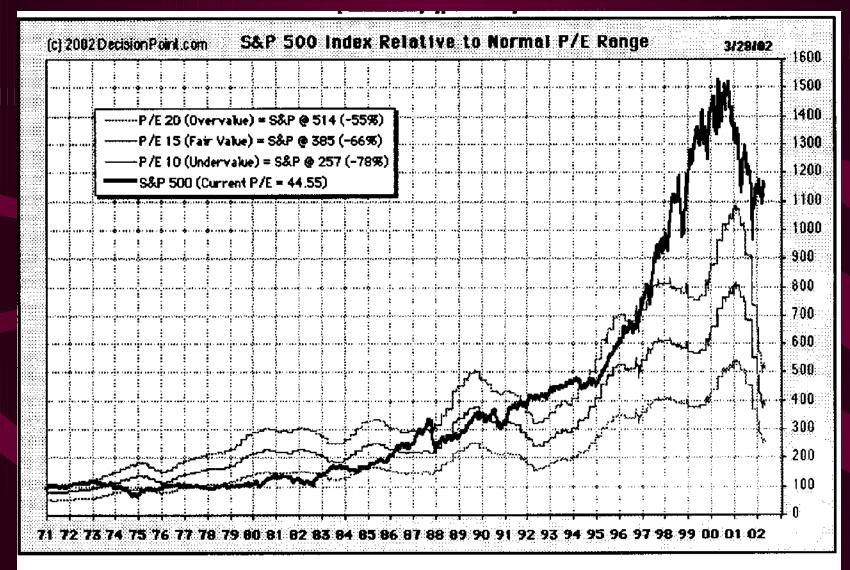
#### Japanese Bank Loans



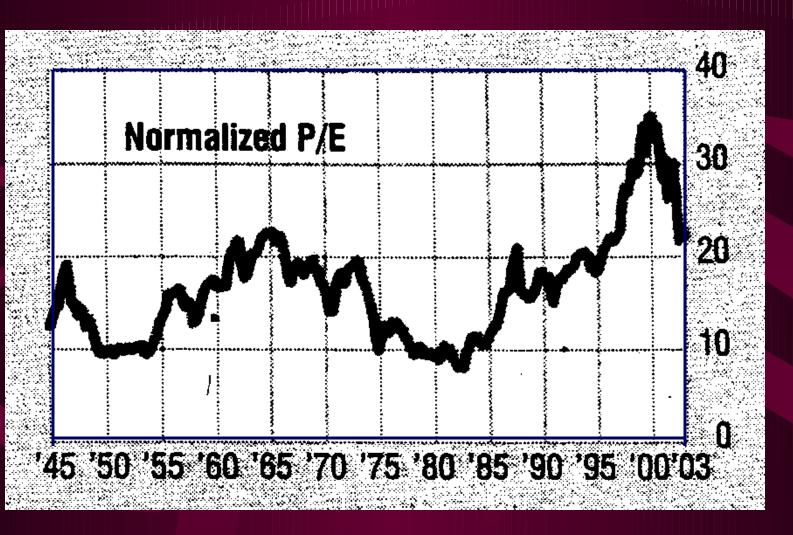
### S&P 500 Warning



#### S&P 500 Warning



#### P/E Ratio Valuation of Stocks



## Inflation, Hyper-inflation, Stagflation or Deflation

Impossible to Predict Politics

#### Hyper-Inflation



1920



#### The Gold standard

- The gold standard of the 19th century represented the highest monetary achievement of the civilized world
- It was a period of prosperity and growth without inflation
- All major currencies were stable (In 1914 59 countries were on the gold standard)

French Franc Dutch Guilder Pound Sterling	1814 - 1914 1816 - 1914 1821 - 1914	100 Years Stability 98 Years 93 Years
Swiss Franc	1850 - 1914	86 Years
Belgium Franc	1832 - 1914	82 Years
Swedish Crown	1873 - 1914	58 Years
German Mark	1875 - 1914	39 Years
Italian Lira	1883 - 1914	31 Years

Source: 1975 Pick's Currency Yearbook (21 West Street, New York)



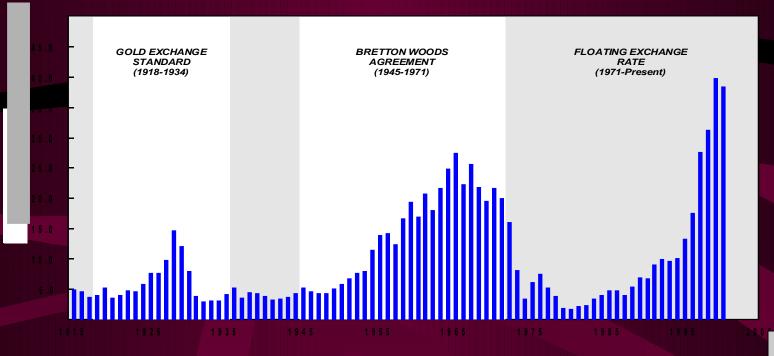
#### People turn to Gold When...

- The financial structure of highly-leveraged economies is endangered during economic contraction.
- Insurance against inflation and stagflation.
- Insurance against bank failures due to deflation.
- People buy gold and gold shares when they are concerned about the safety of their bank deposits, or the devaluation of their currency.

#### 115 Years DJIA/Gold



#### 3. The Dow/Gold Ratio (1915-2000)



Source: Golden Sextand Advisors LLC, Dez 200

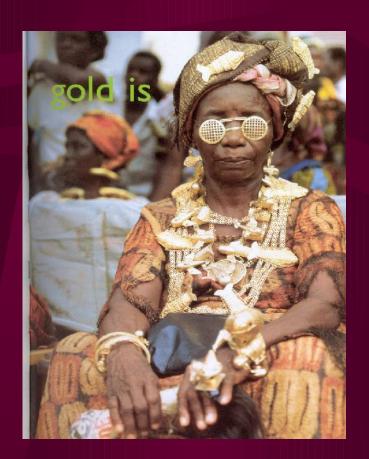
The international, monetary relationship between Gold, Currencies and the stock market

Neither the gold exchange standard nor the Bretton Woods system produced permanent prosperity. Rather, they resulted only in larger and more destructive economic cycles: two great global booms ending in the worst economic decades of the 20<sup>th</sup> century: the 1930's and the 1970's. Each peak marks the beginning of a swift descent into near complete international monetary breakdown, from 1929 to 1934 in the first cycle and from 1966 to 1971 in the second, although gold did not reach its peak until 1980.

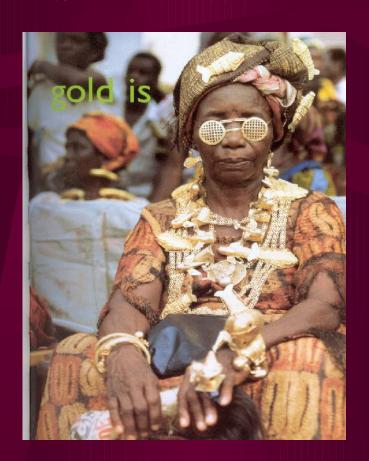
2012

- Adornment
- Store of Wealth
- As a Commodity
- Insurance Against Currency and Banking Crises

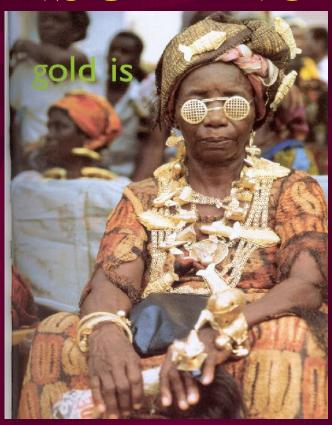
Adornment



Store of Wealth



#### **INSURANCE**



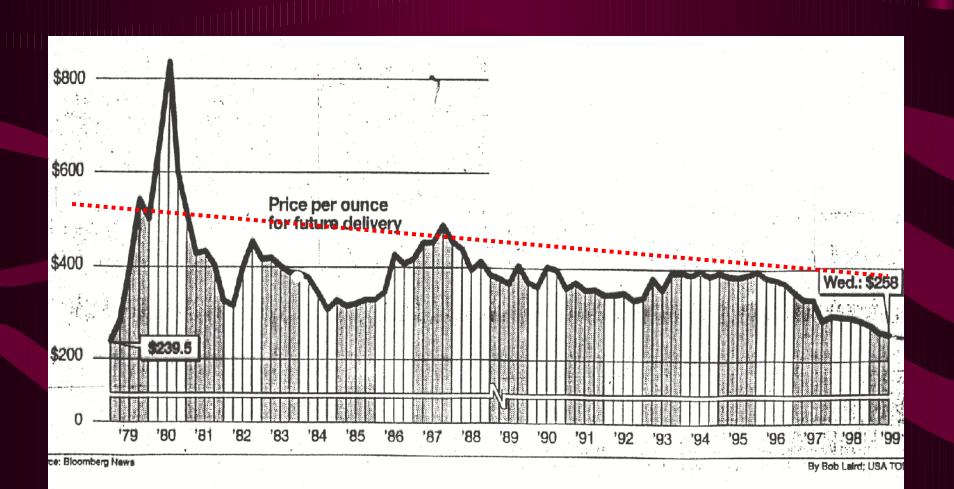
### Gold

One problem is that gold has not been very "liquid".

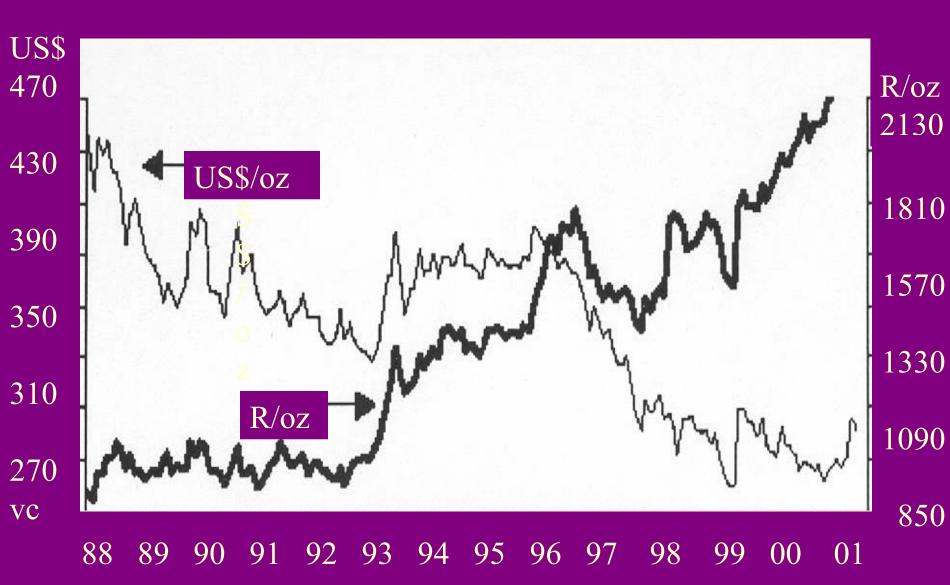
Try paying for a meal at a restaurant with a kilo bar of gold, or even with a Krugerrand

If a liquid and convenient form of gold ownership were available, imagine the potential demand?

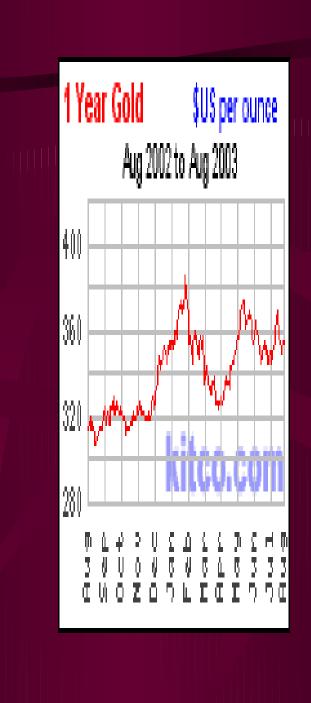
#### The Gold Price

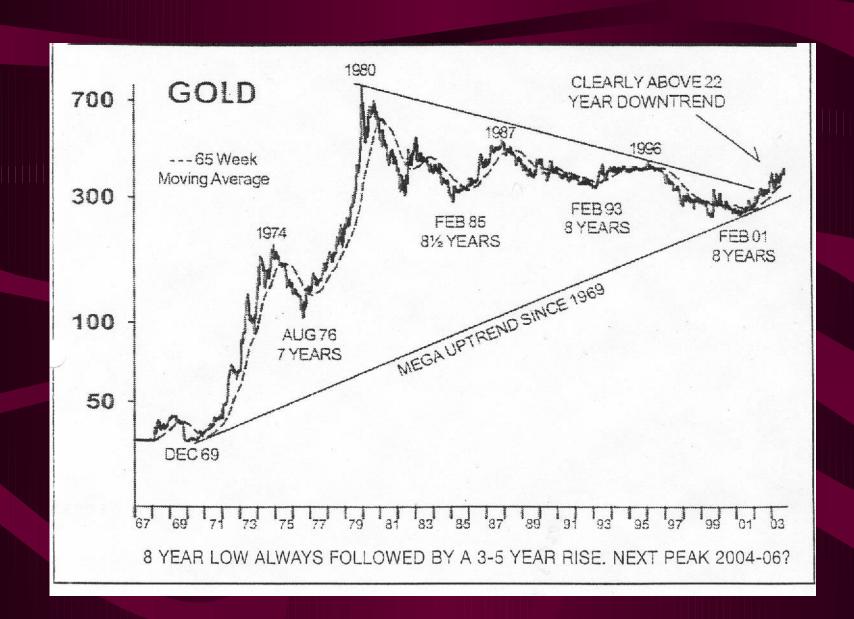


### Gold Price in Rands vs US Dollars 1988-2001

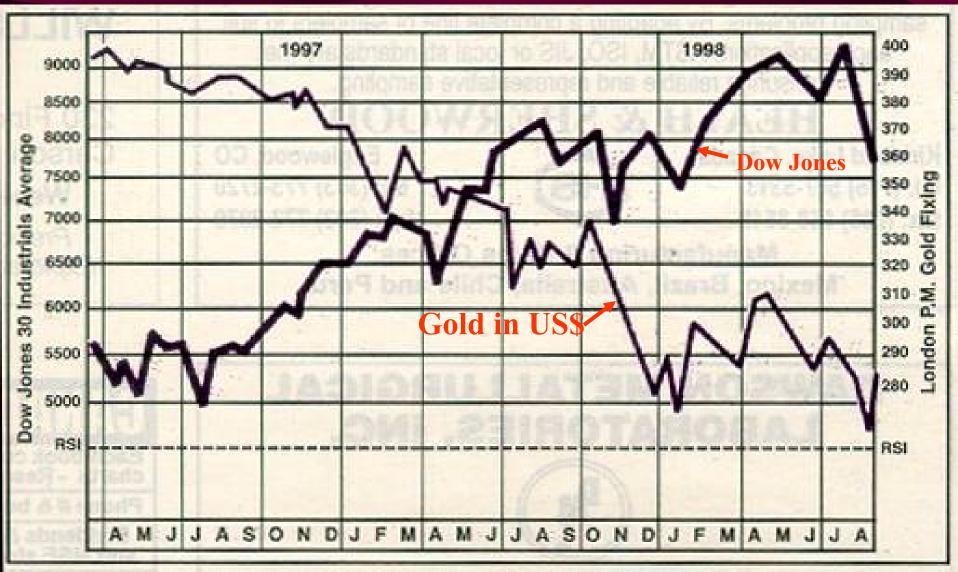


### 1 Year Gold \$US per ounce Aug 2002 to Aug 2003 400 360 320 280





#### Gold Price Falls during Prosperity



Inverse correlation between the Dow Jones and gold prices.

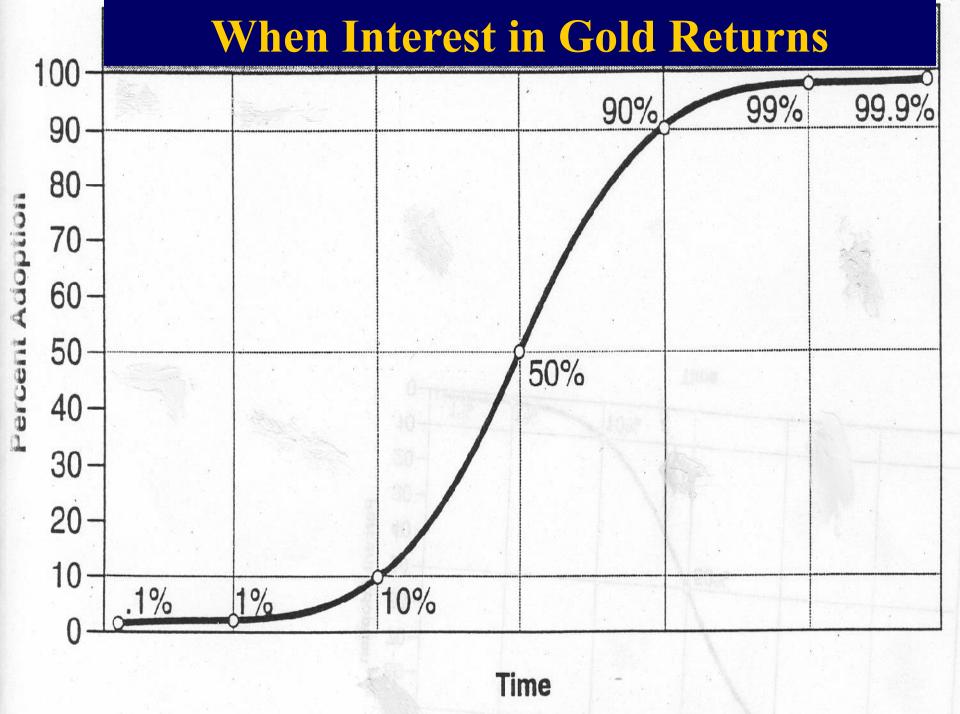
#### Randol Predicts Gold Price Rise

#### 1 Year Gold (\$USD)

June 29, 2001 to June 28, 2002



10 Year Gold (\$USD) December 13, 1993 to December 11, 2003 moving MAX \$414.80 on Feb 05,1996, MIN \$252.80 on Jul 20, 1999 440 420 400 day 380 360 340 320 close 300 280 260 240 220 13Dec93 13Dec94 13Dec95 12Dec96 12Dec97 12Dec98 12Dec99 11Decoo11Dec02 11Dec03 11Deco1Based



### Randol Gold Model Predicts

• S&P 500 P/E of 10

• Dow Jones Index of 2,500 - 5,000

• DJIA/Gold Ratio between 1 - 2

• Gold Price of US \$5,000 - \$2,500

#### What Can One Do?

- Own Gold Insurance
- Own Gold Mining Shares

## A Good Way to own Gold ....is in the ground

• Gold mining shares WERE more liquid than gold metal. Gold ETF's now offer same liquidity as shares.

 Gold mining shares generally have better leverage than the metal

Gold mining shares seldom get confiscated

#### How Much GOLD Is There?

All The 140,000 Tonnes Gold Ever Mined Is Worth Only US \$1.44 Trillion At A Gold Price Of \$321/oz.

About One-Third Of This Is Lost, A Third Is Tied Up In Jewelry, Coinage And Artifacts And A Third Sits In Central Bank Vaults And Investment Stockpiles

34,000 Tonne Central Bank Gold Holdings Worth Only \$350 Billion. How Much Of This Is Already Spoken For, Loaned to Bullion Banks and Sold to Consumers?

# Who Owns the World's Gold? 32,915 Tonnes

- U.S. 8166 T
- Germany 3468 T
- IMF 3217 T
- France 3024 T
- Italy 2451 T
- Swiss 2403 T

- Holland 911.8
- Japan 763 T
- ECB 766 T
- Portugal 606 T
- Spain 523 T
- U.K. 462 T

# When the World Wants Gold Again....

Available Gold in Central Banks = X% of 33,000 tonnes worth just \$350 billion

Total annual new gold production = ~2,200 tonnes worth just ~\$25 billion

Market Cap of the world share markets= \$25 trillion

Total world Bond market capitalization= \$25 trillion?

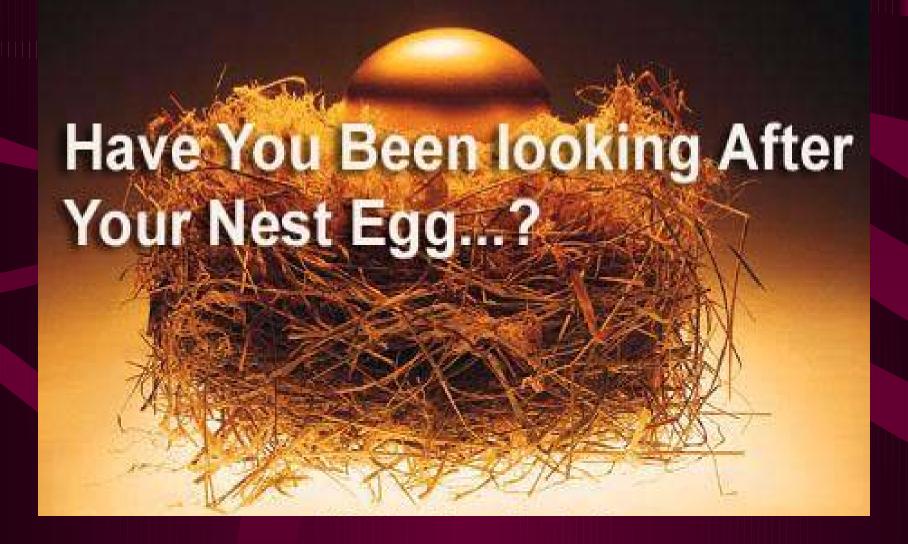
M2 Money Supply = \$4 trillion

....Will the Elephant be able to get through the Keyhole?

## The U.S. Dollar

- Buying Power 1970 vs. 2000
- 2000 2010 Inflation, stagflation or deflation?
- Deflationary depression or hyper-inflation?
- Insure with gold and gold shares.

Recently talking on CNBC, an analyst with a major brokerage firm said, "Gold is the buy of a generation. I'm looking for gold at \$450 to \$550 an ounce...and gold could go back up to its old high of \$850 an ounce!"



## People Turn to Gold When...

 Inflation and/or devaluations threaten to erode the buying power of their money.

• Gold holds value better than currencies (especially fiat currencies) in inflationary times and during currency devaluations.

## What is Deflation?

• "A fall in the general price levels or a contraction of credit and available money"

Noah Webster's Dictionary

## People Turn to Gold When...

- They fear a possible collapse of the financial structure of the country as a result of, for example, deflationary erosion of equity or competitive devaluations.
- They fear a possible giant derivative disaster.
- They fear inflation or hyper-inflation
- Gold offers better returns and safer wealth preservation than stocks, bonds, currencies, etc.

## Fate of All Fiat Currencies

 "No Fiat Currency Has Ended Without Fists Full of Worthless Paper?"

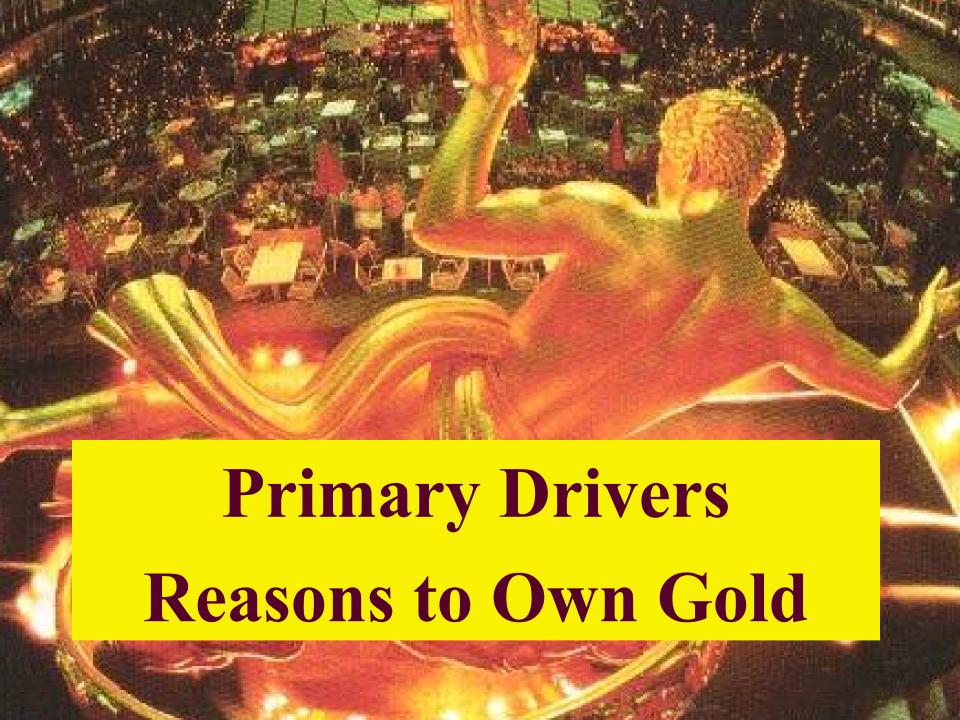
 The US Dollar Is No Longer Backed by Gold

The Question is "When"

#### Inflation or Deflation?

- Some believe that inflation and deflation are purely monetary phenomena, and are caused solely by relative levels of money available to spend... e.g. major bank failures and devaluations...as here in Argentina's crisis.
- However, inflation and deflation are also caused by the willingness of consumers to spend money, or lack thereof...e.g. Japan in the 1990's & 2000's





- Gold ownership provides Financial Insurance
- Gold is an excellent currency devaluation hedge (e.g. Argentina, S. Africa, Brazil, Indonesia, Venezuela, etc.).
- Gold Comes to the Forefront of Attention During Financial and Currency Crises
- Gold is an Inflation Hedge (e.g.USA 1970's, S. Africa)

 During Prosperous Times such as 1980-2000 in the USA Gold is Forgotten

"Gold is irrelevant"

• The Gold Price (in US dollars) Moves Inversely to the US Dollar

The Gold Price Moves Inversely to the DJIA

• The Gold Price is an Inflation Indicator

#### i tear Gold (3030)

March 21, 2001 to March 20, 2002

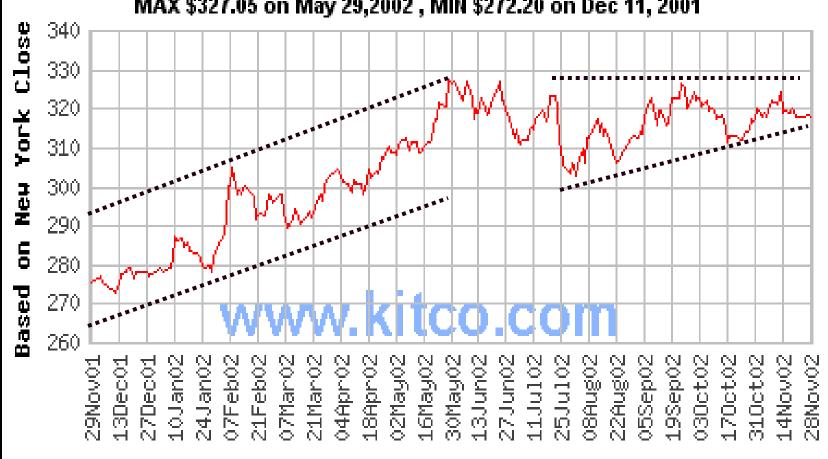
MAX \$304.30 on Feb 08,2002 , MIN \$255.95 on Apr 02, 2001



#### 1 Year Gold (\$USD)

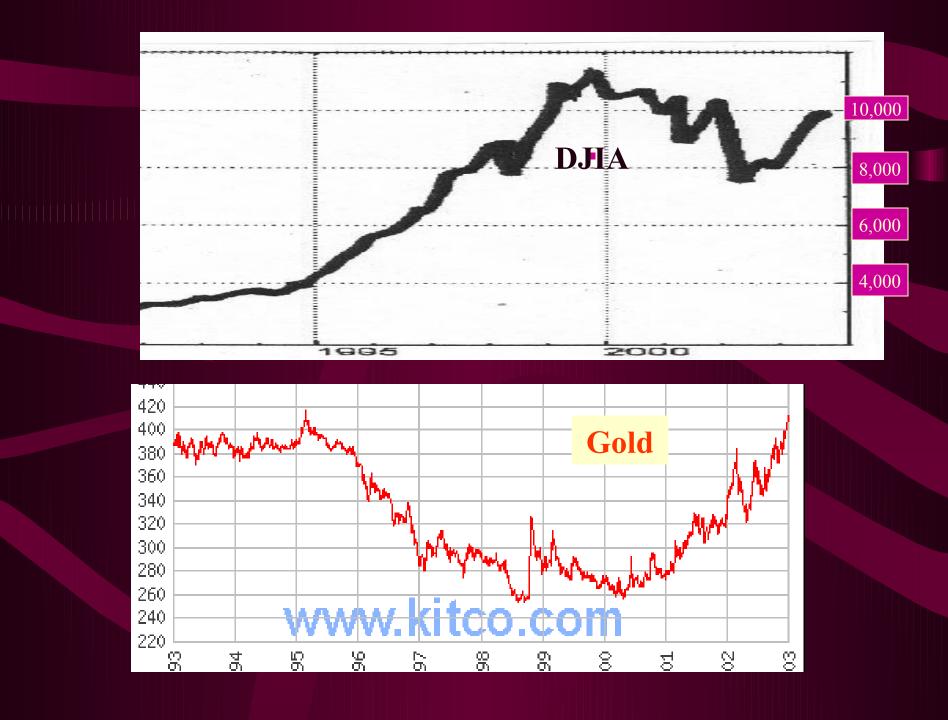
November 29, 2001 to November 28, 2002

MAX \$327.05 on May 29,2002, MIN \$272.20 on Dec 11, 2001

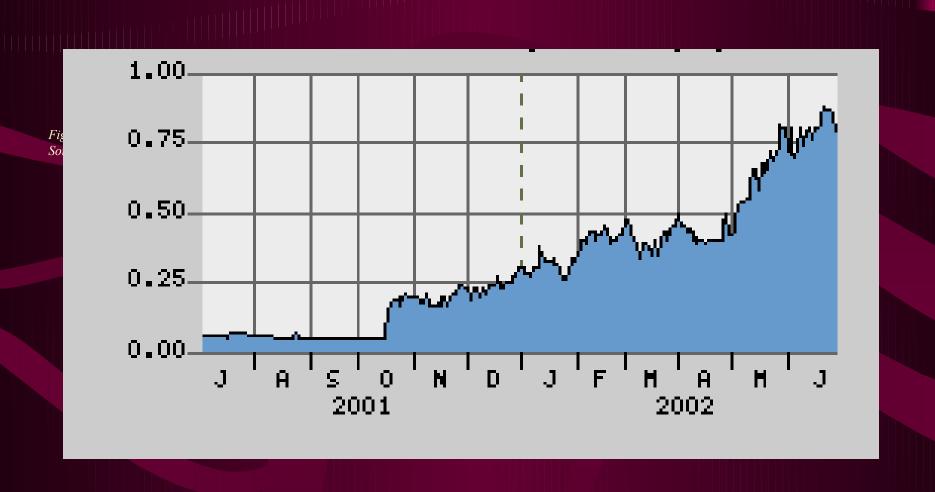


# 1 Year Gold \$US per ounce Feb 2002 to Feb 2003





# Share Price of Junior Gold Stock



## Share Price of Junior Gold Stock



# Share Price of Junior Gold Stock



• The Gold Price (in US dollars) Moves Inversely to the US Dollar

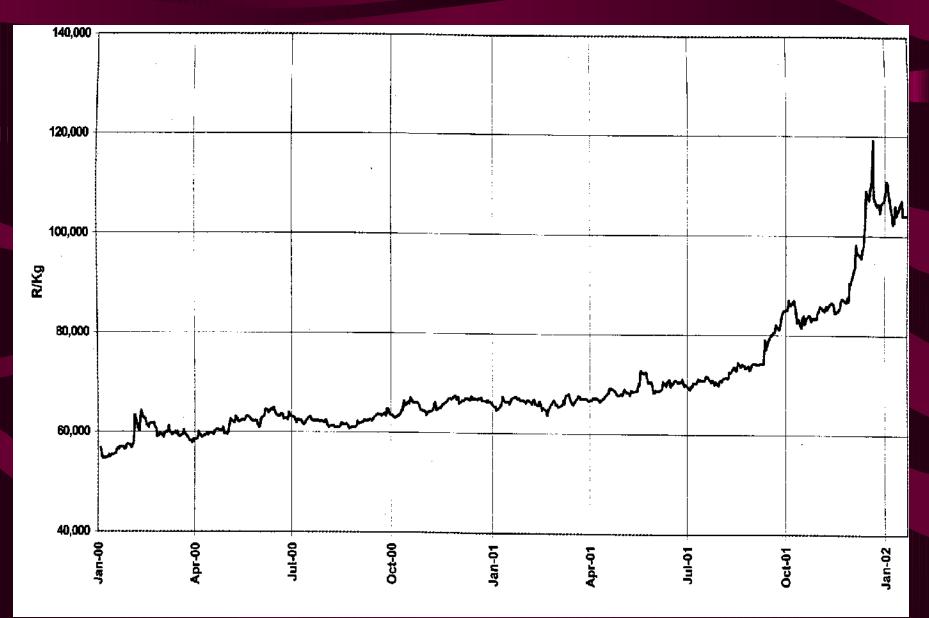
• The Gold Price has been regarded as an Inflation Indicator

 The Gold Price in South African Rands moves inversely to the strength of the South African Rand

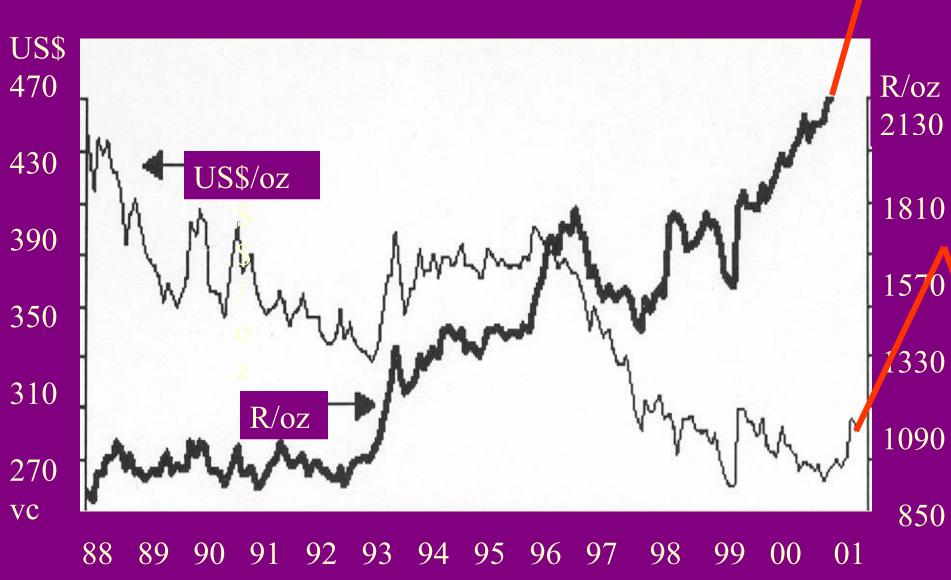
• The Gold Price in Argentinian Pesos moves inversely to the strength of the Peso.

• The Gold Price is an Inflation Indicator

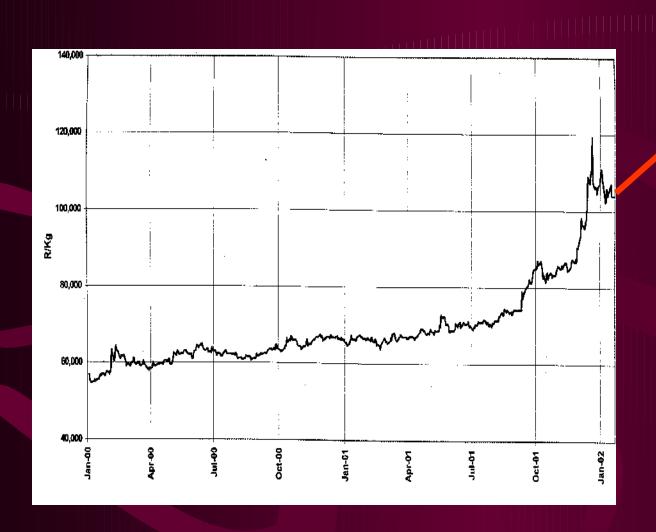
## Gold Price in South African Rands



# Gold Price in Rands vs US Dollars 1988-2001

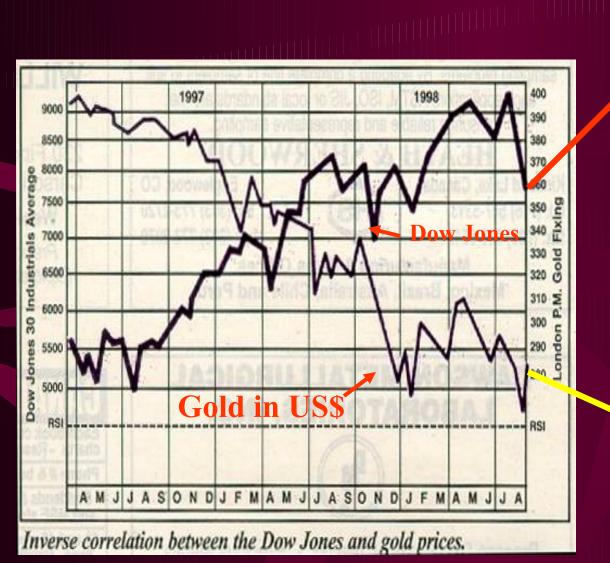


## Gold Price in South African Rands



Mar 6, 2003 R90,000/Kg

#### Gold Price Falls during Prosperity



# Gold Supply & Demand

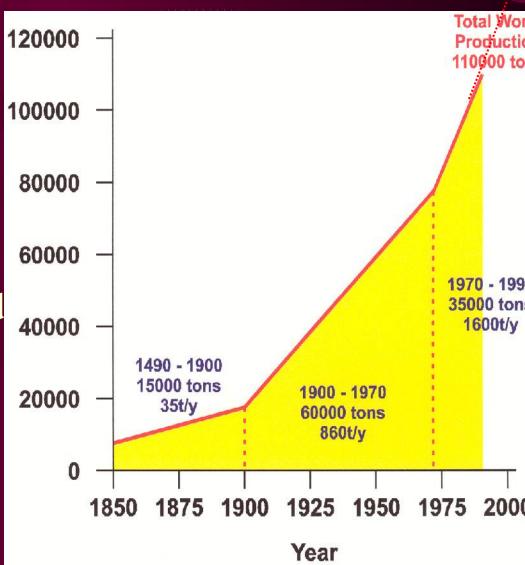


#### **Outlook for Gold**

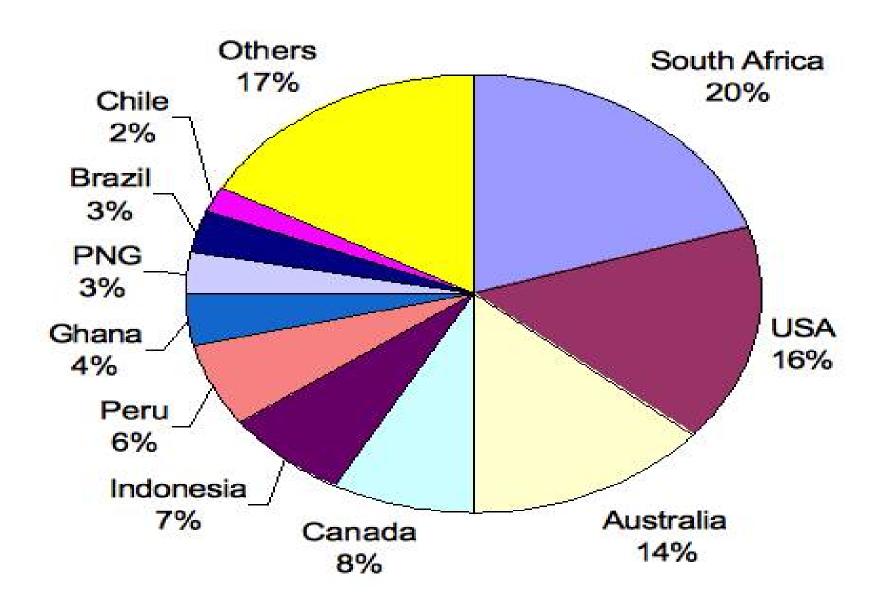
 World Production Total Only 140,000 Tonnes
 Since Time Began

 Today's Annual Demand Exceeds New Mine Production

 Deficit Supplied by Central Banks



#### **GOLD PRODUCTION 2000**



## Gold is a Commodity

- Fundamentals of Gold Supply & Demand are Improving Steadily
- Gold Demand Exceeds Mined Gold Supply
- At the current price of <US\$300 per oz. New Gold Mine Supply will shrink.
- New uses and markets are now being developed.
- Huge new demand for gold in Asia.

## **Outlook for GOLD**

- During Prosperity Gold is Just a Commodity
- During Depressions Gold Provides Protection from Banking Collapse
- During Inflation, Gold Preserves Wealth

# Gold is a Store of Value Gold Cannot be Printed

- Payment of dividends in gold IAMGold Goldcorp (?)
- Internet gold
  - e-Bullion
  - e-gold
  - Goldmoney.com (James Turk)
  - Kitco gold pool
  - E-dinar

# Gold Can Now be Liquid Money

Internet gold holdings can now be as liquid any other currency.

- Make payments in any currency
- Buy & sell gold with extreme ease
  - No assaying & weighing
  - No discount or haggling to buy/sell bullion
  - No big price spread between buy and sell
  - No shipping and security concerns

## Potential for Crisis Bump in Gold

- Competitive Devaluation of Asian Currencies?
- Protection against Major banking failures
  - Japan Argentina USA Germany
- Hedge Fund or Other Derivative Disaster
- US Dollar de facto devaluation
- Financial Scandal Breaks Confidence in US
- Potential for a Bullion Bank Short Squeeze
- Central Bank Holdings Partially Spoken for
- Asset Protection in case of war: India-Pakistan
  - Over 20 million gold-loving millionaires in India
- Possibility of a Central Bank breaking ranks
- Trade Restraints throw world into depression

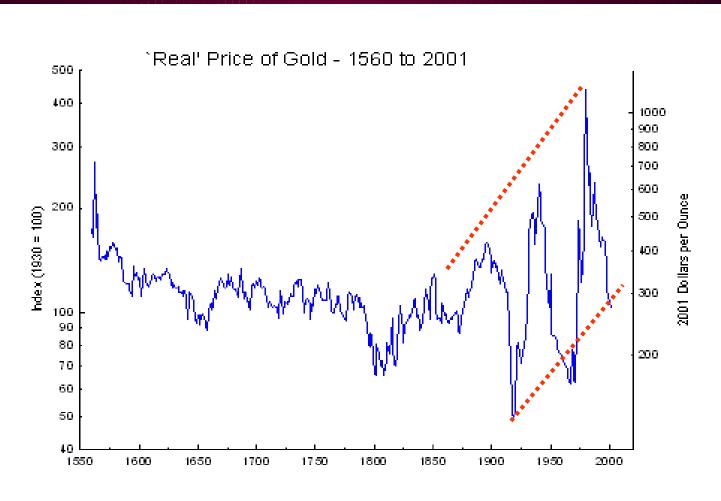
# The "Real" Price of Gold

Source: Phillip Crowson (2002)



# The "Real" Price of Gold

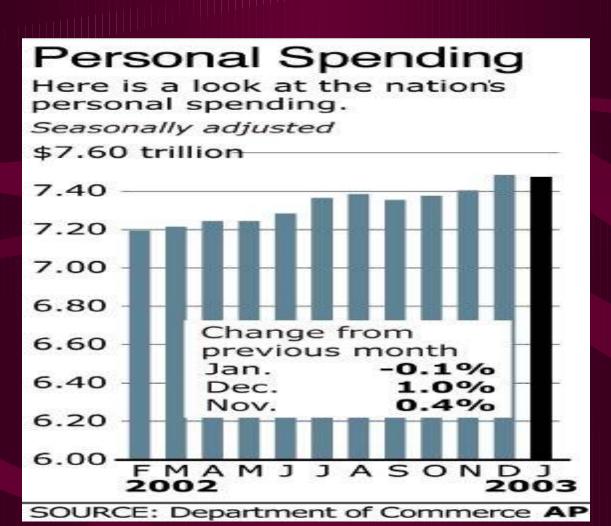
Source: Phillip Crowson (2002)



# The Greenspan Plan

- Maintain Global Liquidity at Any Cost
- Stimulate Spending at Home
- Preserve the Global Economy: Needs Strong \$
- War Uncertainty Creates Demand for US Dollars and Pounds
- Trade Deficit Funded By Borrowing from Supplier Nations.
- Recycle Dollars
- Expand Debt Ceiling & Print as Needed

# U.S. Personal Spending



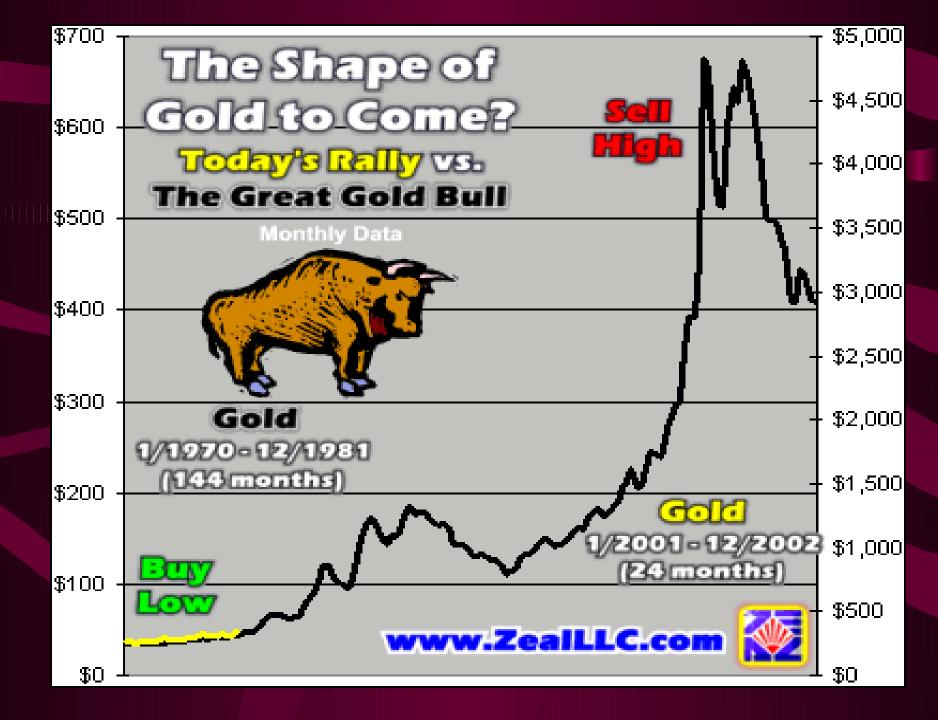
## Islamic Fundamentalist Crusade

- Destroy Israel and Israel's Protectors
- Disrupt the Global Economy
- Destabilize the US Dollar
- Expose the Dollar Fraud
- Islam Views Gold as Money; -
- So did the original US constitution
- What did Saddam Hussein, Osama Bin Laden & Khaddafi have in common?

## Is the US Dollar Overweight?

Will a falling US
Dollar Continue To
Replace Gold As
The Global
Currency Of
Preference?





# Randol Gold Model Predicts

• S&P 500 P/E of 10

$$(2012 = 20)$$

Dow Jones Index of 2,500

$$(2012 = 13,000)$$

DJIA/Gold Ratio between 1 and 2

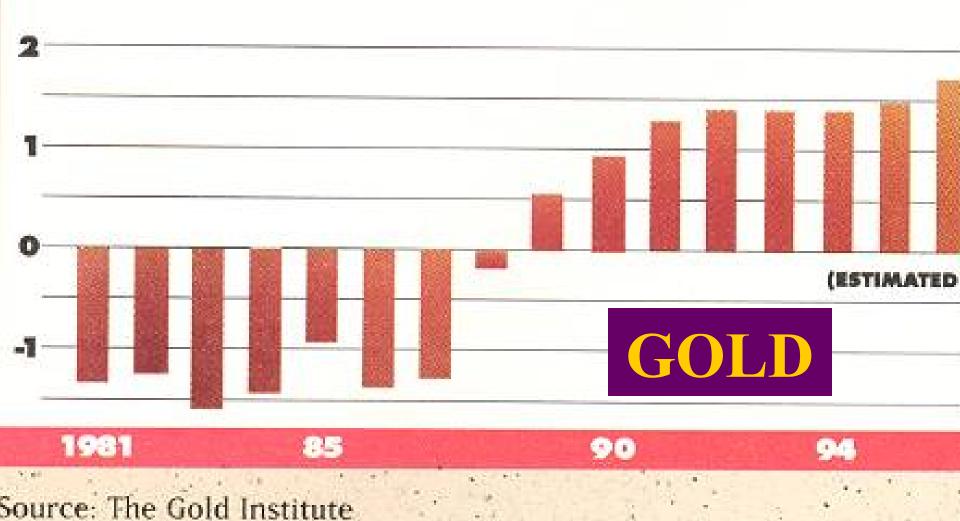
$$(2012=8)$$

• Gold Price of US\$2,500- \$5000

$$(2012 = $1675)$$

# BALANCE OF TRADE

SURPLUS/DEFICIT, \$ BILLIONS



# Gold Mining Creates Wealth and Jobs

# EMPLOYMENT

