

Here's an excerpt of the Flash Alert I sent my subscribers ...

Urgent Flash Alert...

September 16, 2008

Increase Your Core Gold Holdings Immediately!

Dear Subscriber,



By now it should be abundantly clear to you that the U.S. banking system is broke, busted, bankrupt.

And it should also be crystal clear that ...

-- The U.S. economy is experiencing its worst financial crisis since the Great Depression.

Fannie Mae and Freddie Mac have failed, the largest financial failures even seen in this country. And the U.S Treasury has guaranteed their \$5.2 trillion of debt.

Bear Stearns is gone. Lehman Brothers has failed. Merrill Lynch has had to be sold off to help stop its bleeding. AIG, the largest insurance company in the world, is teetering on an abyss.

The airline industry is broke. The big three auto manufacturers are bankrupt. And more woes are certainly coming.

-- The U.S. dollar has lost 33% of its value in the last few years, AND IT IS GOING TO LOSE A LOT MORE.

How can it not decline in value? The Federal Reserve is now accepting as collateral everything from investment grade bonds ... to mortgages ... and now, after the failure of Lehman Brothers, even common stock from failing institutions -- in exchange for lending (printing) money and loaning it out.

That means the Federal Reserve's once pristine balance sheet – the assets behind the dollar -- is now being massively diluted.

Just a little over a year ago nearly 100% of the Fed's balance sheet was invested in U.S. Treasury securities. Today, more than 40% of the Fed's balance sheet is invested in assets and securities that would otherwise be labeled junk in the private sector.

(And keep in mind the dollar's 33% loss in purchasing power occurred BEFORE the recent dilution of the Fed's balance sheet).

But it's not just the Federal Reserve whose balance sheet is deteriorating. So is the U.S. Treasury's.

Our national Treasury is now on the hook for \$5.2 trillion in Fannie and Freddie mortgage bonds. Not to mention the existing \$9.69 trillion in national debt.

If just 10% of the mortgages out there go bad, the Treasury will take a \$500 billion loss. If 20% go bad, not unreasonable in this environment, it will take a ONE TRILLION DOLLAR LOSS.

Since it's guaranteeing those bonds, and therefore must fund any losses on them -- the Treasury will have to go to the Fed and have them print up the money to pay the creditors of the Treasury, which include hundreds of billions of dollars of money owed to foreign investors.

Oh, and let's not forget – the Federal Reserve will charge the Treasury interest on the money it prints.

I ask you again now: How can the dollar not go down? Other than an occasional short-term bounce, the value of the buck is destined to decline much further.

More ...

-- Real interest rates remain negative, below the rate of inflation, and they will remain negative for some time.

In other words, it's cheaper to borrow dollars and speculate with them than it is with just about any other currency in the world.

In other words, when you hold dollars, you're losing out to inflation.

Negative real interest rates are bearish for the dollar. Period.

I haven't even begun to tell you the real nightmares for the U.S. dollar.

I haven't even touched upon the \$50+ trillion in contingent liabilities in Social Security, Medicare, government pensions, money the FDIC will need, and more.

There is no way, no how – any of these debts, liabilities, potential losses will ever be covered without a massive, ongoing devaluation of the U.S. dollar.

So why would you not want to own gold in this environment?

Gold is the only true form of money there is. It is no one else's liability.

It has no board of directors manipulating its value. It has preserved its purchasing power over 5,000 years of civilization. It has outperformed every paper currency on the planet.

Given all of the above, and more ...

I Recommend You Increase Your Core Gold Holdings Effective Immediately

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