



Wealth Creation ... and Preservation

Independent, unbiased advice to help Americans prosper

1st Quarter 2011

Volume 18, Number 1

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Where the action was in 2010

2010 was an amazing year both for what *did* happen and for what *didn't* happen.

Index or Commodity	Price, 31 Dec 2009	Price, 31 Dec 2010	12 month Change
Silver	\$16.91	\$30.93	+82.9%
Crude Oil	\$79.62	\$91.40	+14.8%
Dow Jones Industrial Average	10428.05	11577.51	+11.0%
U.S. Dollar	.78	.79	+1.3%
Canadian Dollar	.96	1.00	+5.0%
Australian Dollar	.89	1.01	+13.7%
Corn	4.14	6.29	+51.8%
30-year US Treasury Bonds	1.15	1.22	6.0%

2010 was an extraordinary year. I expected silver to rise, but nothing like 83%. I expected the stock market to fall, but it rose nicely. A lot of things that "should have happened" didn't. Most of the blame or responsibility (or credit, if you owned stocks) for what happened in 2011 can be given to one person, Ben Bernanke. Once again it has been demonstrated that you can take a terrible situation and make it much worse, while simultaneously making people think you have fixed everything so that they will treat you like a Greek god. Bernanke threw so much money at the markets they could only go up.

Allow me to point out that my top recommendations for 2010 were Silver, Energy trusts (oil and gas), and Canadian and Australian dollars.



An Uncertain World

You and I certainly live in interesting times. The world is turned upside down. We see the appearance of normalcy, but underneath the thin veneer is the reality, and the reality is neither pleasant nor hope-inducing.

The U.S. stock market had a pretty good year in 2010 as the rebound from the terrible drop of 2008 continued. That's the good news; unfortunately, many Americans missed it because they bailed out at or close to the bottom, and vowed never to get back in. Some of them are rethinking their decision, and may be unfortunate enough to get back in just as the next wave down is beginning.

If you are looking for a reason as to why the stock market went up, there are two of them. Technically, the market needed to rebound and regain a significant portion of its losses so that the next decline will be even more devastating. Fundamentally, the Federal Reserve injected enormous amounts of cash directly into the banking system, and it had nowhere to go but the stock markets. Perish the thought that bankers would actually *lend* some of that money to anyone . . .

Aside from the stock market, 2010 was the year for commodities. Cotton soared to consecutive all-time highs, inflation-adjusted levels not seen since the Civil War. Sugar has been soaring, along with copper, most of

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Ignore the title if you wish, but I have seen this information coming from numerous sources. The facts have been reported in the major media.

For the full article please go to <http://floydreports.com/author/ben-johnson/>

Conservatives Discover Obama's Fascism — But Not What to Do About It

by Ben Johnson

A series of federal regulatory measures has finally woken up the conservative movement to the dangers of Obama's plan to rule by executive fiat. New regulations from the FCC, EPA, and HHS have tightened the feds' grip around the internet, health insurance, and the energy industry. Net Neutrality, price fixing, and oversight of carbon dioxide as a "pollutant" — surely the only pollutant necessary for the continuation of life on earth — have forced them to face the reality that Barack Obama plans for forcing his far-Left on the American people. In typical inside-the-Beltway Republican fashion, they present half-measures and temporary solutions that will leave our Constitution open to continual assault, because they lack the solution understood by everyone from our Founding Fathers to Ronald Reagan.

Obama Begins Government by Regulation and Fiat

Since at least June Barack Obama "has used the threat of EPA regulations to goad lawmakers into action." Lawmakers bet that he was bluffing. They bet wrong.



the industrial metals, gold, silver, corn, and more. We hear of shortages, misallocations, crop failures, strikes, boycotts, dwindling supplies, hoarding, and other events that tend to send speculative money into the various commodities and push their prices higher.

If you look at the chart on the next page you will see some very interesting numbers - at least, they are interesting to me, and probably will be to you if you own those particular investments. The first 10 years of the new millennium have been unlike any other in our history. Who would have thought, for example, that in 10 years the famous Dow Jones Industrial Average would rise a total of 7.3%? Would anyone (except me and those who been listening to me talk about silver since 1993) have believed that silver would be almost 6 times higher in 10 years, outperforming the Dow by more than 78 times? Silver even managed to beat gold over that period, along with just about everything else I can find.

What's Next?

The question we have to answer now is "What's next?". It seems as if the range of available outcomes widens year-by-year. Many people want to think that we have the ability to abolish poverty, disease, hunger, illiteracy, and all the ills that have ever plagued humankind. There are not a few incredibly arrogant souls who proudly boast that we now have the ability to control nature. Such people never offer any positive results for the billions of dollars already expended on their research; they always promise that success is just around the corner. We just have to throw a lot more money at it and we will have the results they are claiming.

On the other hand, there are an increasing number of people (like myself) who are trying to call a timeout in our headlong rush toward this brave new world. Such people say that the research is falsified, the results unobtainable, the money wasted, the corruption covered up, that people's standard of living is plummeting instead of rising, that our freedoms are being stolen from us by an out-of-control government, and that the vision we may have once had of a great society is vanishing before our eyes.

Principles

The most important reason why the available outcomes vary so widely has everything to do with principles. I have always believed that there are eternal principles which, if rigorously applied, can bless our lives and the lives of all men and women. I'm not necessarily speaking of Biblical, though I am most certainly speaking of moral principles. I'm also speaking of principles that say that debt must be repaid, and there is such a thing as too much debt, and that you cannot get out of debt by borrowing more money. I'm saying that people like to be treated with respect, and if you try to regulate their every activity they will be less productive, less happy, and less obedient. I'm also saying that science has theories, but science also has laws, and sometimes we need to distinguish between the two.

Question: Is it possible to create a "perfect" society, one in which all participants are carrying, compassionate, honest, concerned about the welfare of their fellow men, intelligent, educated, and cultured? (Continued on Page 4)

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Charts provided courtesy of eSignal and moneycentral.msn.com.

1-, 5-, and 10-year changes in various Stocks, Commodities, and Indexes								
Index or Commodity	Price, 31 Dec 2000	Price, 31 Dec 2005	Price, 31 Dec 2009	Price, 31 Dec 2010	1-year Change	5-year Change	10-year Change	All-time High
Silver	\$4.58	\$6.84	\$16.91	\$30.93	82.9%	147.3%	575.3%	\$50.00 1979
Sugar	\$0.06	\$0.09	\$0.27	\$0.32	19.2%	198.1%	426.6%	\$.66 Nov 1974
Copper	\$0.84	\$1.45	\$3.34	\$4.44	32.6%	130.2%	426.7%	\$4.452 31 Dec 2010
Gold	\$272.50	\$438.40	\$1,097.80	\$1,422.00	29.5%	150.4%	421.8%	\$1432.50 7 Dec 2010
Corn	\$2.25	\$1.92	\$4.14	\$6.29	51.8%	115.4%	180.1%	\$7.76 Jun 2008
Wheat	\$2.79	\$3.07	\$5.41	\$7.94	46.7%	76.1%	184.3%	\$12.46 Mar 2008
Soybeans	\$4.99	\$5.48	\$10.48	\$14.03	33.8%	91.5%	180.9%	\$16.52 Jul 2008
Crude Oil	\$18.50	\$43.45	\$79.62	\$91.40	14.8%	83.2%	394.1%	\$147.27 11 Jul 2008
U.S. Dollar	1.09	0.91	0.78	0.79	1.3%	-13.9%	-27.4%	1.2129 5 Jul 01
Euro	\$0.94	\$1.19	\$1.43	\$1.34	-6.8%	20.7%	41.7%	1.5984 22 Apr 2008
Canadian Dollar	\$0.67	\$0.86	\$0.96	\$1.00	5.0%	10.9%	50.4%	\$1.1009 7 Nov 2007
Australian Dollar	\$0.56	\$0.73	\$0.89	\$1.01	13.7%	21.7%	81.4%	\$1.0141 31 Dec 2010
Swiss Franc	\$0.62	\$0.77	\$0.97	\$1.07	10.8%	26.3%	72.3%	\$1.0714 31 Dec 2010
Dow Jones Industrial Average	10787.99	10717.50	10428.05	11577.51	11.0%	-2.7%	7.3%	14198.10 11 Oct 2007
NASDAQ	2341.70	1645.20	1860.31	2217.86	19.2%	13.1%	-5.3%	4816.35 24 Mar 2000
30-yr US T Bonds	1.04	1.14	1.15	1.22	6.0%	0.9%	17.1%	1.4128 18 Dec 2008
Verizon	\$48.50	\$30.12	\$33.13	\$35.78	8.0%	10.0%	-26.2%	\$69.50 Oct 1999
Coca-Cola	\$60.94	\$40.31	\$57.00	\$65.77	15.4%	41.4%	7.9%	\$88.9375 Jul 1998
Wal-Mart	\$53.13	\$46.80	\$53.45	\$53.93	0.9%	14.2%	1.5%	\$70.25 Dec 1999
Lockheed Martin	\$33.95	\$63.63	\$75.35	\$69.91	-7.2%	18.4%	105.9%	\$120.30 Aug 2008
Wells Fargo	\$27.84	\$31.42	\$26.99	\$30.99	14.8%	-14.1%	11.3%	\$44.69 Sep 2008
Enerplus	\$14.94	\$47.98	\$22.96	\$30.34	32.1%	-52.1%	103.1%	\$59.45 Aug 2006
CWF	\$9.88	\$10.20	\$3.77	\$4.27	13.3%	-63.0%	-56.8%	\$15.4375 Jul 1998
Gold/Silver ratio:	59.50	64.12	64.92	45.97				

Comments on the table above:

- Silver has, as I predicted, handily outperformed gold over the past ten years. Notice that the gold/silver ratio (the price of gold divided by the price of silver) has dropped in the past 12 months.
- Notice that three things, Copper, the Australian Dollar and the Swiss Franc, all hit new all-time highs on 31 Dec ember 2010.
- Notice that over the past decade the U.S. Dollar has lost more than 27% of its value relative to foreign currencies. This is in addition to whatever inflation Americans may have experienced domestically.
- All data for stocks, indexes and ETFs excludes dividends and interest.
- Notice that Lockheed Martin (MLT) rose 105.9% in the past ten years, yet its price is well off its 2008 high.
- Note that the NASDAQ actually delivered up a net loss for the 10-year period. Treasury Bonds handily beat the tech-laden NASDAQ. Who would've thought?
- Wal-Mart: "dead money" for a decade except for a measly 2% dividend. Ditto for Coca-Cola, with a 2.6% dividend.
- Enerplus is one of the poorer-performing energy trusts over the past ten years, and yet it had a terrific decade and paid a handsome dividend. Just don't look at the chart: ERF is still almost 50% off its 2006 high.
- I included CWF, one of my favorite high-yield ETFs, not because it showed a large loss for the decade. What the table doesn't indicate is that I didn't start buying it until July 2009, when it had fallen 80% from its 1998 high. CWF has been very profitable for us.

(Principles, continued from Page 2)

The answer is a simple one. You can only hope to create such a society if people are free and motivated to work hard to improve their lot. Please show me a person who is completely happy living on welfare or on unemployment insurance.

Handouts can sustain life, but they often destroy the soul. Each of us who has the privilege of living on this planet has the obligation to be our brother's keeper. If we are taught that from our youth, and if our lives are based upon eternal principles, we have a vastly greater chance of achieving happiness as a species than we do under any other circumstances.

I make these statements for a very important reason. As I was writing my new book, *The Patriots Guide to Taking America Back*, I discovered the primary reason why our government has been doing such terrible things to us for more than three generations. It all comes down to human rights, which are a counterfeit of our God-given natural rights. For many reasons - most of them sounding very high-minded - our society has chosen to go the way of human rights, and for many years we have abandoned our principles and bankrupted ourselves both financially and morally.

Incidentally, I am fully aware that some of my clients and readers disagree with me on various issues. It is not my intention to preach. My beliefs affect everything I do, and my moral stance is fully in keeping with that of the Founding Fathers - and many other people I respect and admire. It is my understanding of eternal principles that enables me to *predict* the outcomes for which I must prepare. For me, life would be pointless without these principles, but I would never attempt to force them upon another. Instead, I would hope that all Americans would follow the Golden Rule. I try to.

We are now at a crucial tipping point. The cost of human rights has already become so great that we, our children, and our grandchildren cannot possibly pay it. We are now at the point where we can no longer sustain our current activities if we continue this folly. I am speaking solely in financial terms; I don't deal with moral bankruptcy in this newsletter.

Change is coming - but not the kind of change we wanted or hoped for

Today we are faced with several very unpleasant and very probable scenarios, more than one of which can come to pass in the very near future. They include these:

1. The collapse of the dollar, and with it the collapse of many other major foreign currencies.
2. The destruction of the American middle class, which is being pushed quickly into poverty as its wealth is stolen through taxation, low interest rates, inflation, and the decline of the dollar.
3. The collapse of the social order. Emile Durkheim said it very well: "When mores are sufficient, laws are unnecessary. When mores are insufficient, laws are unenforceable." Our world, it seems, is governed by that second statement.

4. The abandonment of our Constitution by our national government as we complete the change from a constitutional republic to a socialist welfare state led by a dictator. We are much closer to that possibility than most Americans realize.

5. Massive oppression of the American people as government implements tens of thousands of new laws and regulations to replace what is left of our capitalistic system with one controlled by the State.

All of these scenarios are consequences that flow naturally from our abandonment of principles both economic and spiritual. You and I both fervently hope that none of these scenarios will ever come to pass, and that America can remain the place we would like to think it is. However, the time to let others run things because we are too busy is drawing to a close. If we continue to bury our heads in the sand and do nothing, one or more of these scenarios will unfold and our lives will change forever.

As a financial advisor I need to prepare for all significant probabilities - and even a few "black swans", those events that are by definition impossible to predict. Life always has its ups and downs, and the pendulum always swings from one side to the other. That said, the things we have been seeing, if we look at them without our rose-colored glasses, can only indicate that we have slid a long way down a very slippery slope.

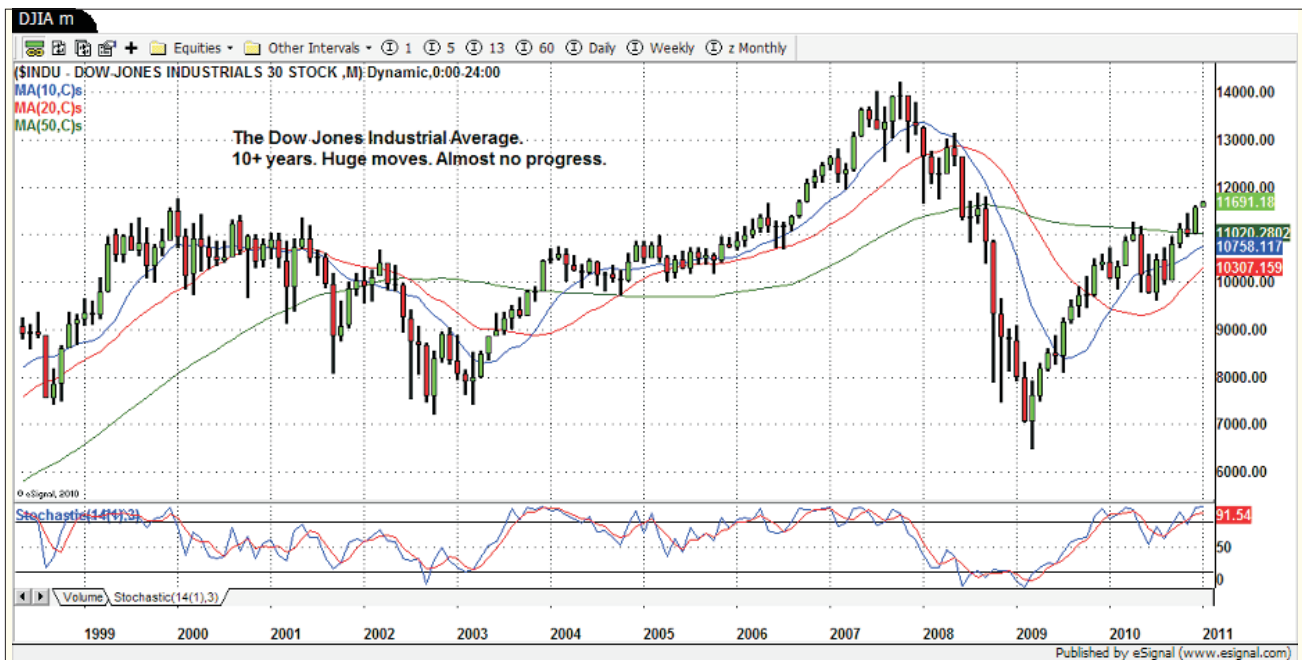
Look at every important social or economic statistic; there are more broken families, more divorces, fewer people getting married in the first place, more children born out of wedlock, greater dependence on the social safety net, more poverty, more hunger, more disease, more illiteracy, and more negative outcomes than we have ever seen. We have more debts, less savings, and less hope that we can enjoy the kind of life even our parents enjoyed before us. We can turn things around, but we must become educated and we must act.

You make your own good news

I continue to work as a financial advisor because I continue to believe that I can make a difference for my clients. In 2010, for example, my stock market strategy did not work well. However, our Fixed Indexed Annuities did very well, and silver did even better. If you had enough silver in 2010 to adequately balance out your portfolio, you may actually have kept ahead of inflation, taxes, and the declining dollar. Since I don't know exactly how much silver (or gold) my clients own, I can't say whether you did or not.

In March 2011 I will begin my 31st year in this business. In general terms, I can safely say that I have made a lot of money for a lot of people over a very long period of time. Obviously, I define my career as much more than that. My goal, my *mission* has been to make a difference in the lives of those whom I serve as a financial professional. In at least a few instances, I believe I have succeeded.

I wrote *Moneywise: Your Guide to Keeping Ahead of Inflation, Taxes, and the Declining Dollar* to help the millions of Americans whom I cannot serve as their financial advisor. *Moneywise* is a unique book, which is why I wrote it. *Moneywise* provides important insights into the world of money and finance, and helps you better understand how money works, and how you can make it



work for you. My idea was to help as many people as possible *do better financially*.

I wrote *The Patriots Guide to Taking America Back* because I felt I could make a contribution to the [mostly nonexistent] debate about the future direction of America. Like *Moneywise*, *The Patriots Guide* is designed to help Americans understand certain points that just are not found anywhere else. For instance, I point out specifically where our government has gone astray, and how, if we will, we can move it back to the Constitution. I wrote it because no one else had, and it is a book that every American ought to read.

I am writing *What Will You Do When the Money's No Good?*, the "sequel" to *Moneywise*, to help Americans prepare for any or all of the scenarios I mentioned above. We may well be in the last days, and are witnessing the fulfillment of ancient prophecies, but nothing I have read indicates that each of us is merely meant to suffer through all the terrible things that are coming. I believe we all should take responsibility for ourselves and take positive steps that will enable us to bless our families and others during difficult times.

I believe that I have done some good; I believe I will be able to do even more in the future. I would like to help all Americans wake up to the realities of today and recognize that we can make a conscious choice to change things for the better. We don't have to surrender our lives and our freedoms to the vicious fraud of human rights; we can live as we were intended to by our Founding Fathers and lift one another voluntarily instead of being compelled to provide handouts to others.

I believe that there are millions of Americans who feel the way I do. I am trying to find them and recruit them into the program I outline in *The Patriot's Guide* and/or the new non-profit organization I hope to establish this year that will promote and implement the teaching of the Constitution and natural rights in every public school across the country,

K-12, 4 hours per semester. The way I see it, this is the most important work I will do in this life.

If both of these programs succeed over the next 15 to 20 years, there will be millions of Americans who understand the Constitution and why it is a distinctly different and more valuable political document than any other in the history of mankind. Thus enlightened, I would hope that they will "spread the word", and help to create a great understanding of the principles of the Constitution.

Only in this fashion, I believe, can we actually "take America back". I want to take America back to what it was in 1789 when the Constitution was ratified; a unique nation with the potential to establish and preserve the blessings of freedom to all who live here. Then and only then will we have a real chance to abolish hunger, sickness, and want. We will do it voluntarily because we are people of integrity and passion. We will use our own money to lift our neighbors rather than stealing it from others.

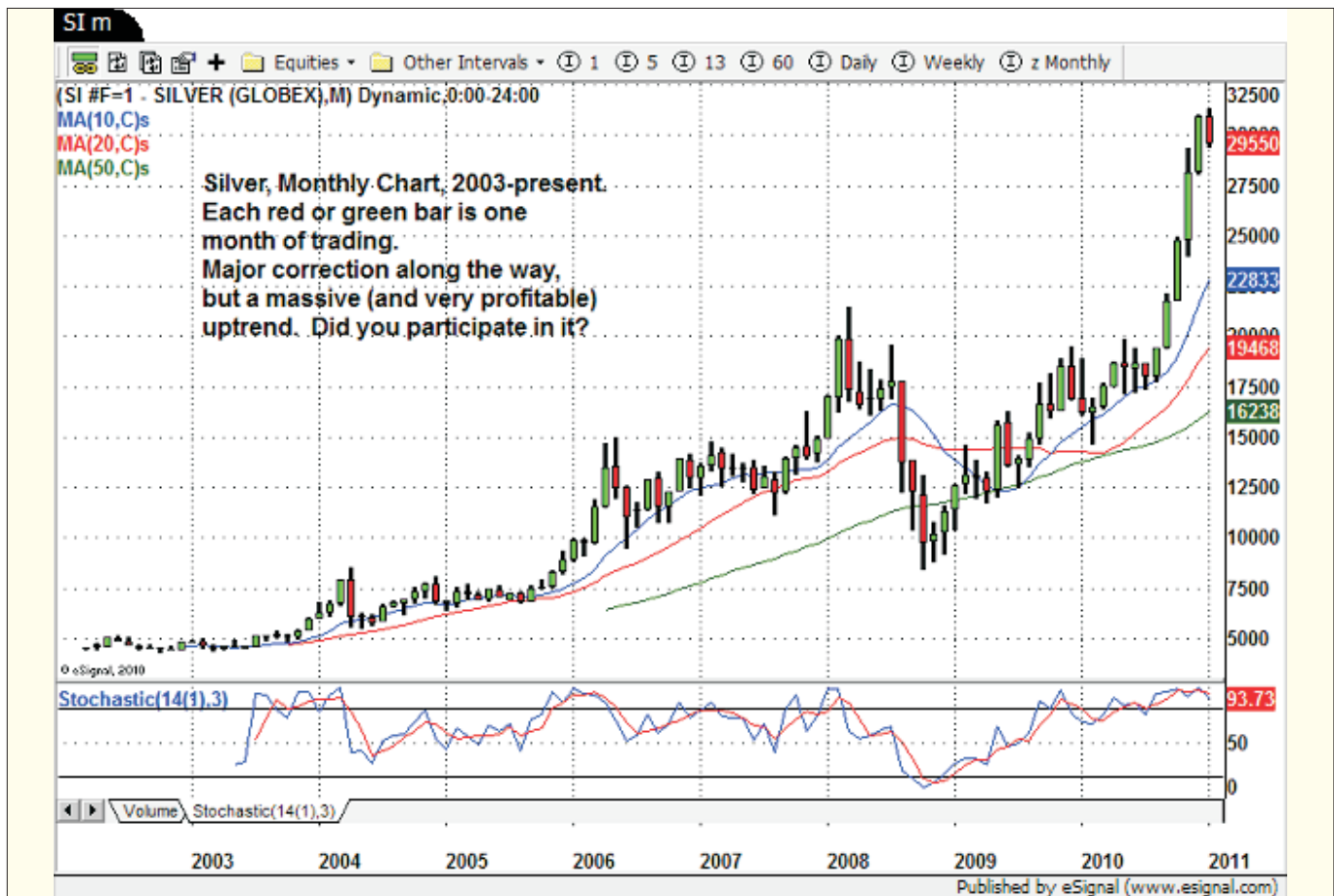
In the meantime . . .

In the meantime we need to plan carefully and deal effectively with the situation that we have. There is no simple way to successfully navigate through the difficult times ahead. Our survival will depend upon our preparation and the decisions we make - or fail to make - about how we will react to coming events.

I have summarized elsewhere all of my current recommendations regarding cash, a safe at home, silver coins, and foreign currencies. We will probably see large fluctuations in the value of these assets. We may be able to do some "market timing", but if you agree with my scenarios you need to keep these assets indefinitely.

Uncertainty in Investing

This may not be the first time in history that no asset classes may be relied upon to produce acceptable returns, but it is the first in my career. Let's list a few of them:



1. Stocks. We are waiting for Wave 3 down, which will drop the DJIA below 2000, probably by 2014.

2. Silver and gold. Robert Prechter continues to maintain that both will fall significantly, along with almost all other commodities, as the major phase of this economic depression sets in.

3. Savings accounts and CDs. These are guaranteed losers, and have been for several years. The tiny amount of interest you receive does not begin to compensate you for the loss of purchasing power due to inflation and the declining dollar.

4. Fixed annuities. These accounts may pay you a guaranteed 3%, which is better than what the bank is paying you, but it still won't keep ahead of inflation.

5. Fixed Index annuities. These will probably continue to do well right up until the day the dollar collapses. From that day on, no one knows what value your contract will have.

6. Oil and gas. These are commodities, and their prices should remain soft during the coming depression unless political events bring about supply disruptions.

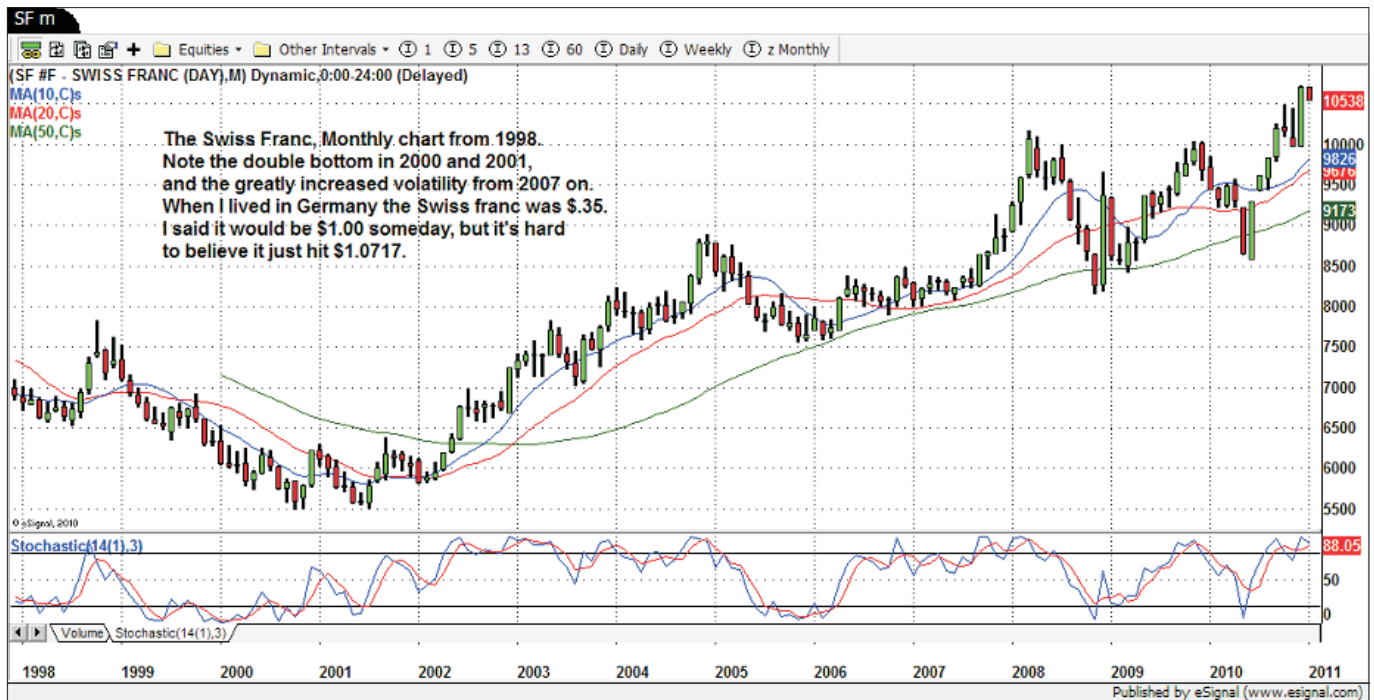
7. Real estate. A lot of people - most of them realtors - want to make you think that real estate prices have hit bottom and will rise from now on. Don't believe it for one second; the next wave of foreclosures and bankruptcies is on the horizon.

8. Foreign currencies. These two are commodities, but their price fluctuations will be largely influenced by the change in value of the dollar. Right now, the dollar is weak, and over the long-term is expected to move higher, which may lower the prices of even our favorite currencies, the Australian dollar and the Canadian dollar.

9. Managed money. See #1 above. In 2010, I prepared my clients' accounts for Wave 3 down, which didn't come. It cost us to have investments in our accounts. That kept falling in value as the stock market rose a total of 11%. Someday Wave 3 down will begin, but I need to be more cautious about identifying that date.

Why are all these investments unreliable? I can answer that in two words: *government interference*. Throughout human history, hundreds of governments have deemed themselves smart enough to control their economies; every one of them has failed, some spectacularly. Why are our leaders so arrogant that they think they can do any better? When will they recognize the enormous damage they have already done to the economy through the machinations of the Federal Reserve, corruption, bribery, ignoring the Constitution, abandonment of sound economic principles, over-taxation and over-regulation?

Every day we incur more debt. Every day nine million Americans remain unemployed. Every day we fight an endless "war on terror" in which, by definition, we can only acknowledge defeat, for there can never be a permanent victory. Everyday our standards slip a little more as we "first endure, then pity, then



embrace" ideas that are unworthy of us (from a quote by Alexander Pope).

Capitalism

There is nothing wrong with capitalism as an economic system. It is a far better system to create wealth for the many than any other system known to man. In order to function as it should and can, it must be left alone, free of the influences of government. By this I mean regulation as well as bailouts. There was enough regulation in place prior to this catastrophe *except* that the Congress of the United States made a very serious mistake; they repealed the Glass-Steagall act, and opened the door for the investment banks to treat FDIC-guaranteed savings as their own piggy bank.

Recently I spoke briefly with my Congressman, and he mentioned that he had supported the repeal of Glass-Steagall - but now he regretted having done so. Hindsight can be 20/20, but it's always too late. Repealing the Glass-Steagall Act was a disastrous move on the part of our Congress, and was a major contributor to our current economic crisis.

My premise is that the collapse came about because Wall Street was too closely tied to Washington. For decades corporate America has supported the Republican Party, and in the process built monstrosities like the military-industrial complex Eisenhower was so unhappy about. Today, however, Wall Street and corporate America have shifted their support. These are very smart people; they can see the way the country is going, and they have figured out that the Democratic Party is the place to be for the foreseeable future. For this reason, even though the Democratic Party is also the party of the unions, they have greatly increased their contributions to the Democrats. Like everyone else who makes campaign contributions, they expect payback - and they got it, both from George Bush and from Barack Hussein Obama.

This relationship - between banks, Wall Street, and the government - has produced many bad decisions, programs, and

legislation, all of them influenced by money. The trouble didn't start with Continental Illinois Bank back in 1974, but that crisis marked a major turning point in the cozy relationship between the CEOs and Washington. Once our government had declared even one private institution "too big to fail" it was all downhill from there. That decision enabled the failure of Long-term Capital Corporation, which brought the entire world to the brink of financial collapse. It then moved on to the situation in 2008 with the collapse of Lehman Brothers, AIG, and other major financial firms. If our government had "just said no" to corporate contributions and lobbying from Wall Street, these companies might not have gotten themselves into so much trouble.

Unfortunately, it no longer does any good to discuss what *should* have been. We are now in this mess, and are slowly discovering that as so many people like me predicted, the stimulus and the bailouts are not doing any good at all - despite what you have been reading in the major media of late. These "zombie" companies are still threatened - and in some cases they have actually *increased* their exposure to toxic derivatives, setting themselves up for more and bigger failures down the road. Guess who will get to pay for those bailouts.

Canada

I continue to recommend Canadian Western Bank for your Canadian dollar savings accounts. However, a client recently told me that he had open an account with Royal Bank of Canada (RBC) here in the US, and they had subsequently transferred his account to a branch in Canada.

I have not been able to speak with the representative of RBC who opened their account, but I hope to do so in the near future to verify that this is a procedure which is appropriate for my clients and subscribers and which will accomplish basically the same purpose as traveling to Canada to open your account there.

Parting Thoughts

On Page 2 of this issue I excerpted an article by Ben Johnson about Obama's plans for the next two years. I don't want to get too political here, but I would like you to do some research and find out what is going on in a couple of extremely important areas that are probably linked. If they are linked, and I don't see how it is possible they are not, the links (and comprehensive reporting, for that matter) are being withheld from us in an effort to hide the agenda until it is irreversible.

Please take a look at these items:

1. Important recent Eminent Domain cases.
2. Nature Conservancy fraud and deceit.
3. Illegal property seizures by police departments, the ATF, the FBI, sheriffs departments, and more.
4. Agenda 21 and Sustainable Development.
5. The UN Declaration on the Rights of Indigenous Peoples.

As you study these issues you may begin to see a pattern emerging, one with terrifying implications. The United States was one of only four nations that [wisely] rejected the UN Declaration on the Rights of Indigenous Peoples in 2006. Last month Obama made a big show of approving and signing the Declaration on behalf of the United States.

What is the pattern I am finding? Each of these items is a means of destroying the rights of property that are a hallmark of our constitutional republic. If fully implemented (especially Agenda 21), Americans would be prohibited from owning land. We would become sharecroppers and tenants in our own country.

Impossible? Unthinkable? So was the PATRIOT Act before 9/11. So was the government's seizure of gold in 1933 until it happened.

I would appreciate your comments and insights on these matters.

Doug Casey did recommend that you use a Canadian bank that has no branches in the United States. Obviously RBC has many branches in this country.

FYI, the Canadian dollar is hovering right at one US dollar, a multi-year high. Like so many other things, it's a little expensive to start buying now.

Recommended Investment Allocations

Prices as of 31 December 2010

NOTE: **There are important changes** listed below. Stocks mentioned here for the first time are highlighted in **Red**.

Type I accounts - Moderate risk, seeking growth and high dividends. Following are two hypothetical Fidelity accounts, one with access to all the mutual funds, stocks, ETFs and options available in a Fidelity Brokerage account (Investment and Retirement accounts including IRAs, SEP-IRAs, and 403(b)), and other retirement accounts which have access only to a limited group of the Fidelity Funds.

1. Fidelity Funds Brokerage accounts: ETFs, stocks, mutual funds and options. A * means that a stock has options. Stocks in **boldface** are owned by many of my clients with Fidelity or other brokerage accounts.

- ★ High-yielding ETFs: MSD, AOD, CWF, FHO, GIFD, JGT, JPC, JGT
- ★ High-risk penny stocks: None I'm willing to acknowledge at present.
- ★ High-yielding energy-related stocks and ETFs: **PWE***, **ERF***, **PVX***, **PGH***, **CQP***, **BBEP***
- ★ Other high-yielding stocks: **ETW**, **LPHI***
- ★ "Commodity" stocks: **SLV***, **FXA***

2. Fidelity Funds non-brokerage accounts limited to the Fidelity Funds only

- ★ 20% Fidelity Bond Fund SPHIX
- ★ 20% Fidelity Select Gold Fund FSAGX
- ★ 30% Fidelity Government Bond Fund FGOVX
- ★ 30% Money Market Fund

3. Allianz and other Equity Index Annuities (EIAs)

- ★ 25% NASDAQ 100 / 75% Interest-bearing

Please call me about other fund families and annuities not listed here.

Travel Schedule

I will be in Idaho and Missouri in March, and will probably visit Utah and Wyoming on the same trip. I am looking for opportunities to speak all over the country. I am happy to speak to church groups, Tea Party gatherings, other meetings of conservative groups (including Republican Women), Service organizations like Rotary, PTAs, and just about anyone who will listen.

If you belong to such a group I would appreciate it if you would inquire as to whether I could get an invitation. I travel at my own expense and will address a group of 20 or more. As my schedule firms up for this year I will let you know so that we may make more definite plans.

Website

I continue to have problems with my website. I paid too much for it and have been unable to get competent assistance in fixing it. As soon as I complete my annual audit and this issue of Wealth Creation and Preservation I plan to use Web.com to start from scratch and develop my own website. It will require a new name, and I have chosen www.cwkmba.com. More news on that later.

The Economic Crisis SCOREBOARD	Inning											
	1	2	3	4	5	6	7	8	9	R	H	E
BIG GOVERNMENT	20	8								30	35	3
The AMERICAN PEOPLE	1	0								1	2	0

The American people scored a hit when a federal judge in Virginia declared a portion of ObamaCare unconstitutional. The liberals instantly searched high and low to find anything they could use to discredit the decision. The insurance industry strongly favored the mandate in the mistaken belief that people would buy insurance rather than pay the fine.

As I see it, the economic crisis remains in its second inning, and the government is increasing an already huge lead. The most recent runs scored by government against the people of the United States include:

1. The Food Safety Act (passed unanimously by the Senate). This is a major blow to home gardeners and small farmers, and will bring about massive new regulation. Like our immigration laws, we would all be better off if the government just enforced the laws already on the books. This new law is going to cost you money every day for the rest of your life.

2. The repeal of Don't Ask/Don't Tell (DADT). As the IPCC did to "prove" global warming, those trying to show that the military would be better off by repealing the DADT law had to use seriously flawed surveys, trumped-up "facts", selective interviewing, and a lot of lobbying and arm-twisting. Bad idea about to make things much worse for our military. Tens of thousands of experienced soldiers, sailors and Marines have already declared that they would leave the military at the next opportunity if DADT is repealed.

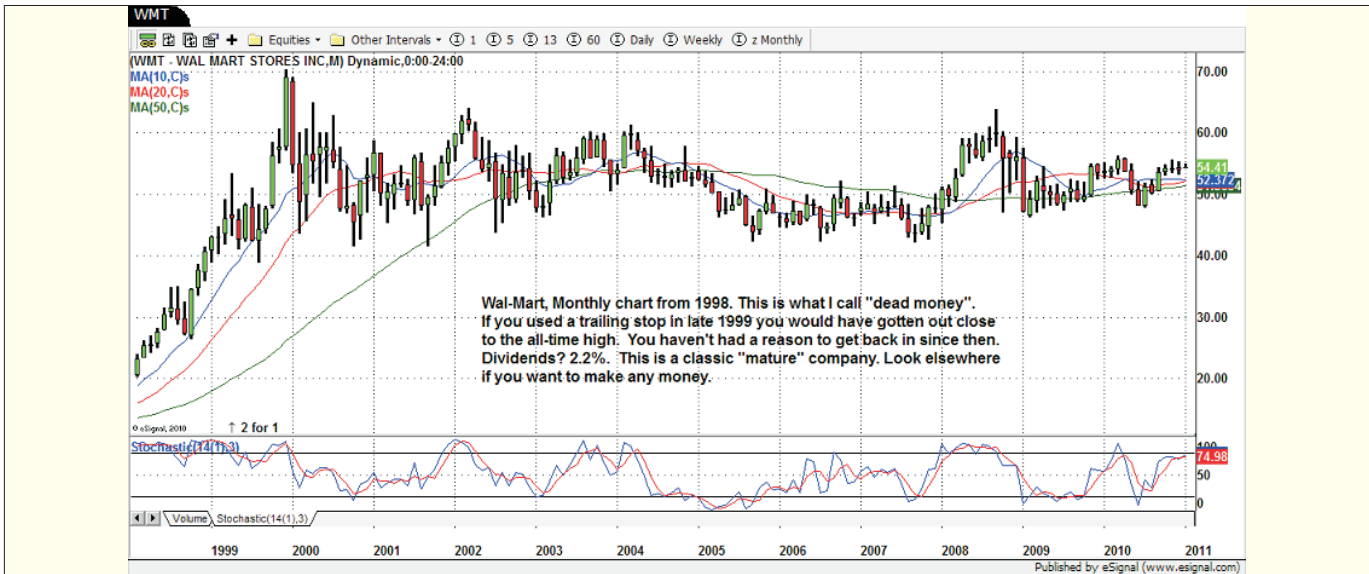
3. The recent tax bill contains 6,000 earmarks, and was passed right after many members of Congress pledged "no more earmarks". This bill renews the "Bush tax cuts" for another two years without cutting government spending accordingly. The bill also adds 22 months of unemployment benefits with no means of funding them.

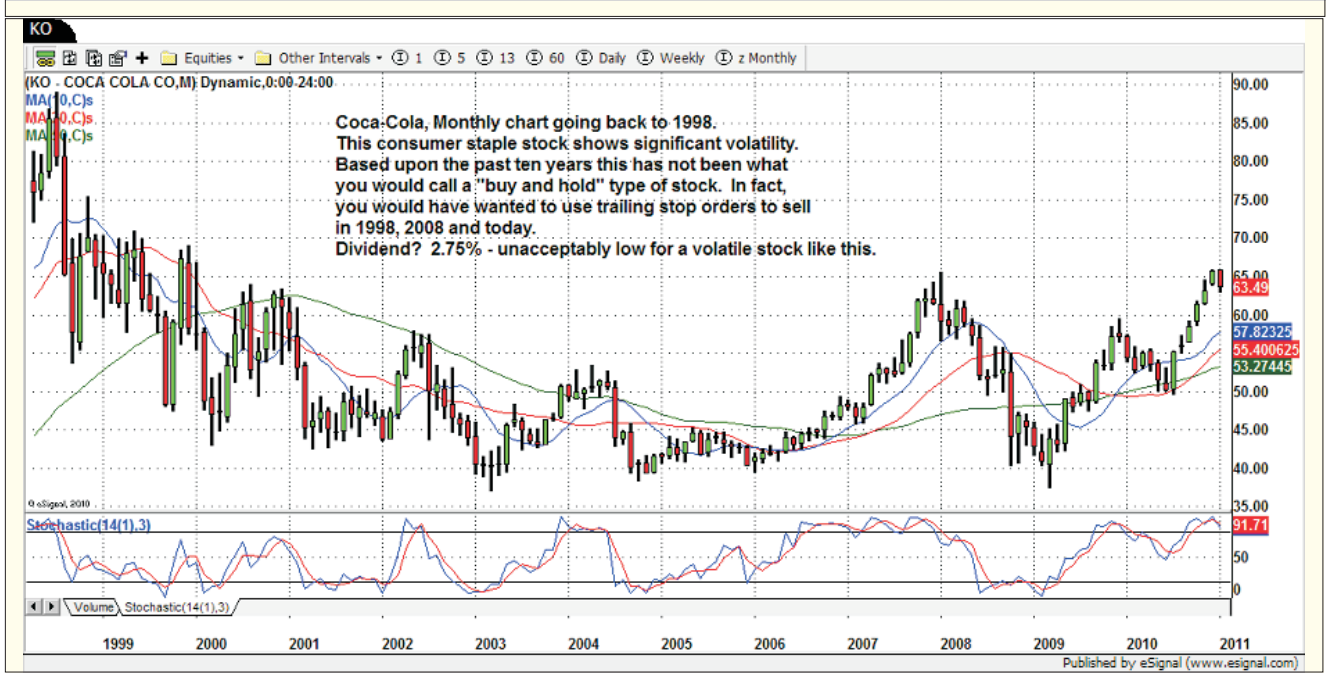
4. The START treaty is seriously flawed, and will most likely endanger our national security because of its provisions regarding a Star Wars"-style missile defense system.

5. Net neutrality - Government steps in to solve problems that don't even exist - and adds multiple layers of new, expensive, wasteful and unnecessary bureaucracy in the process. The FCC, of course, has no right to regulate the Internet; at least, they didn't until gave themselves the authority in late December 2010.

6. The UN Declaration on the Rights of Indigenous Peoples (see Page 8). The United States wisely refrained from accepting this devastating transfer of power from our government to the United Nations in 2006. However, Obama just signed it and we will all suffer as a result.

If our government wanted to do something both worthwhile and unconstitutional, they would address their ongoing failure to develop any sort of energy policy. We have let the tree-huggers hamstring economic growth with the global warming fraud while China buys up much of the world's natural resources - resources we will need in the near future. How is it possible that the Chinese with their controlled economy are smarter than us in planning and preparing for the future?





Will you help?

In this issue I have tried to share some of my feelings about what lies ahead. I don't know how much longer the dollar will exist, but the educated guesses range from sometime this year to perhaps five years out.

I encourage you to get involved. Please read *The Patriot's Guide to Taking America Back*, for it will help you understand what has been done to us and what we may avoid disaster.

The world has plenty of liberals and human rights advocates, none of them concerned about the bankrupting of America or the loss of our freedoms. We need Americans who understand the Constitution and who will vigorously

defend it. We also need a miracle. Maybe you will be that miracle.

If I can be of assistance, or if you would like to discuss ideas with me, please call or email me. I still visit with clients regularly and try to maintain frequent contact of one sort or another.

It is my privilege to serve you. I will do my best to make 2011 an even better year than 2010.

Charles W. Kraut