
Armenian Currency Goes Poof

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On 3 March 2009 in the space of a few hours the Armenian dram evaporated from about 300 per dollar to about 400 per dollar and 275,000 drams per ounce of gold to approximately 365,000 drams per ounce of gold. This rapid 30% currency poofing is like when the Kazakhstan currency went poof but without the strategic geo-political considerations. Nevertheless, extremely ominous financial troubles stir in Eastern Europe. One knows the conditions are dire when Armenian Prime Minister Tigran Sargsyan advocates using the Russian ruble as **a stable currency**

As fiat currencies represent the common stock of nations; Armenia's future is ominous. Trend Capital has reported that Ogtay Hagverdiev, of the Azerbaijani Cabinet of Ministers Economy and Finance and Credit Policy Department head, said. "It will take time to restore the country's economy. A revolt among the people may begin in the meanwhile."

The Armenian government may soon default. Rising prices, the effects of inflation, will soon begin. Shortages, a common effect of currency problems, may appear. Civil unrest may follow like in Iceland, Greece and China.

JUNCTION POINTS

Large buildings in urban environments are often constructed in such a way to reduce the effects, such as sound, of the outside. It can be inspiring to sit in perfect silence without any sound to be heard coming from the bustling outside streets. How is this silence possible with the hustle and bustle of a metropolis only a few yards away?

The answer lies in the construction. For example, an inner building can be built within the walls of an existing building with the walls of the inner building connected to the outside building at only a few junction points. This will greatly limit the effects of the hustling and bustling metropolis.

The investor can learn a lesson. The reduction of junction points with businesses, organizations and governments can greatly reduce various risks to one's capital and their effect on one's personal life. If the relationship is no longer mutually advantageous then any attachment through junction points should be easily severed.

Defining one's throughput and then implementing the Theory of Constraints thinking process can be extremely helpful in developing the Four Hour Workweek. This may allow one the freedom to live where, when and how they want. The transitions accompanying the great credit contraction will provide tremendous opportunity for wealth generation and accumulation. Being able to understand the environment will allow one to swim with, not against, the current.

As the great credit contraction grinds on more fiat currency illusions, like the Armenian dram, Kazakhstan tenge or British Pound, will evaporate either wholly or partially. As poet John Greenleaf wrote, "For all sad words of tongue and pen, The saddest are these, 'It might have been'."

I am sure many Armenians, Kazaks and British, who had their life savings evaporate, wish they had a last plane account with an institution like GoldMoney where they could have kept their cash balances in a tangible

asset because no matter what happens with its fiat currency price the gold or silver is still there. When these currency devaluation events happen, and a golden sword of Damocles hangs over the US Dollar, it is extremely fast.

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