

Suburban Dad Survivalist Newsletter

Analysis and Guidance on Practical Preparedness Solutions

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- Economy Watch: The Suburban Dad Survivalist's Magic 8 Ball says "Ask Again Later."

July 2011

Field Notes From Italy

In June, my family and I traveled to Italy for twelve days. We spent time in Rome, Florence, and the Italian countryside. We finished our vacation with a couple of days in Venice before returning to home. For those of you who have traveled abroad, you know that it takes a fair amount of preparation. For me, this was a trip of "firsts" – my first time to Italy and my first time to drive in another country. It was also the first time that I took an extended vacation with my 13-year-old stepdaughter.

Relax – I'm not going to bore you with details of what I did on my Italian vacation. However, I would like to share with you some preparations I made for the trip, as well as some lessons learned during it.

Preparing For The Big Trip

Being gone from home for twelve days, and in a foreign country to boot, requires a fair amount of planning. I did some unusual steps during this vacation planning that I would not normally have done. These include:

- *Creating a secret Facebook group of close friends and relatives to keep them apprised of our status.* Facebook can be a useful tool. While I did not want the whole world to know that I was going to be away from my house for several days, there were key people I wanted to be able to keep abreast of our situation while we were gone. Since internet cafés are very common now, if I need to get a message to a large group of people back home, I can easily do it with Facebook.

To ensure that not everyone could see what I was posting, I created a secret group within Facebook, adding only those people who have a need to know about my

whereabouts. I included family members, the neighbor across the street, and a couple of coworkers. In an emergency, provided I can get to an Internet café, I could send a quick message to all those individuals on Facebook. That message would be seen by them – and only them. When they reply, the other members of the group could see the message, but no one else. The idea here is to create as much transparency with your team back home as possible. While we did not have to post any sort of emergency message using this system, it was nice to know that it was there.

To create one of these on your own, go to the Facebook homepage. Once you are on your own homepage, go to “Create Group.” Fill in the required blanks. You will note at the bottom of the Create Group form, there is a box where you select the level of privacy afforded the group. By selecting “secret,” only those members whom you select will see what you post, and it won’t show up on anyone’s page except for those members you’ve selected.

- *Obtained international drivers licenses.* We heard you could obtain international drivers license from AAA. As we planned to rent cars while in Italy, we thought these might help us. The utility of these drivers licenses we will never know – when we filled out the rental agreement, the only one to see a credit card and our US driver’s license. No one asked to see our international driver’s license. Whether we paid \$15 unnecessarily for the international driver’s license is beyond me. However, I assume it's probably safe to have it, rather than to be sorry.
- *Created laminated launch code cards.* These cards contained a tremendous amount of information on a credit card sized document. On the document, I put everyone's passport number, the various contact information for the US embassies in Italy, the American Express and Visa international phone numbers, contact information for key people we needed to speak to while in Italy, as well as key phone numbers of people back home. I can say these cards did come in handy.

Cards like this are easy to make, and in fact you can give this to your kids as one of their pre-vacation assignments. Figure out the size of a credit card (roughly 3.25" x 2.25"), and determine in a word processing document where those boundaries are. Use the smallest type possible in order to get as much data on to the card. Our cards had front and back information. My stepdaughter cut the cards out as soon as I got the information on the pieces of paper. I took the cut outs to Kinko's, laminated them myself, all for the whopping price of about two dollars.

- *Registered myself and family with State Department using their STEP program.* The State Department's program allows you to let them know where you'll be staying and on

what dates, along with your contact information. Should any problems arise in the country while you were there, the State Department will call or e-mail you with the information and suggestions. Given the fact we've had very little Internet access on the trip, not to mention the lack of decent English programming on cable TV, this is a nice feature.

Gear For The Trip

In addition to the typical things one takes when you travel abroad, I added a few more to my suitcase. Perhaps the most unique choice of travel gear I chose for this trip included my 5.11 shirts and pants. Tactical gear manufacturer 5.11 makes all sorts of clothing options for police officers and first responders. A couple of their new designs caught my eye. [The Covert Casual Shirt](#) contains two internal pockets allowing you to carry documents, as well as firearms if needed. While I wasn't going to carry a firearm in Italy, I did want to carry my wallet and passport in a pickpocket proof place (as Italy is notorious for pickpockets). From the exterior, it appears that the shirt simply buttons up. However, the buttons are sewn onto the front of the shirt and are just for looks. To open the shirt to access the pockets, you undo a few snaps, revealing two Velcro closed pockets where you can store a number of things. Even with a fair amount of gear in these pockets, such as my wallet, passport, and RFID protector (see below), the shirt was not too bulky and did not reveal that I was carrying anything in front of my shirt. Overall, the shirt performed very well.

In addition, I purchased a pair of their [covert cargo pants](#). The covert pockets are actually sewn inside the pants, unlike traditional cargo pants. 5.11 claims you can actually fit two full size AR-15 magazines into each one of these pockets. I have not tried that out, but you can certainly fit a lot of gear into them.

I carried two different flashlights on the trip. The first flashlight was my normal Surefire E1L Outdoorsman light. This is my everyday carry flashlight. In addition, I carried a small Mag light, which I normally kept in my backpack or suitcase, as a backup. The Surefire light came in handy one night in Rome, as I'll discuss in a bit. I also took a few back up batteries - AA and lithium batteries for the Surefire flashlight. I didn't want to get all the way to Europe only to have my gear not work because I didn't bring enough batteries.



Look carefully at this picture I took while at the Vatican. You can see two large radio antennas within the Vatican compound. The Church is clearly prepared to communicate with its personnel and assets globally.

I also took my Leatherman multi-tool. You've all seen these tools; these are the multi-tools which contain pliers, wire cutters, a knife, bottle opener, file, etc. These can be quite handy traveling. I don't normally keep it on my person, but rather in my luggage, since some people still believe that a Leatherman tool is a "weapon." I only had to use it once – the drain to the tub and our hotel in Rome would not drain properly, and I had used pliers to get it open. It's a nice tool to have on a trip like this.

I took my survival tin as well. I mentioned this particular tin in last month's Journal. I only needed it once; my stepdaughter required a band-aid for a boo-boo on her finger.

I like the peanut butter version of Clif Bars. I carried a number of these for a high-energy, high protein snack should we get stuck somewhere. I know it may seem odd to bring your own food to Italy, but as it turned out, these came in handy throughout the trip.

Given the rising concerns of identity theft via RFID technology, I purchased a [RFID resistant wallet](#) from Magellan's. These wallets make a lot of sense. As you may know, RFID stands for *radio frequency identification*. Many credit card companies are now embedding RFID chips into credit cards. These cards can be read by someone with a card reader, standing several feet away from you. This particular wallet is designed to shield credit cards and other information which may contain such technology to protect your identity from being stolen.

You've probably seen para-cord bracelets on a lot of guys lately - the little wristbands made of small diameter cord. I have read quite a bit about these lately and how people have used the cord in them during emergencies. One inch of bracelet roughly equates to ten inches of unwound cord. I picked one up right before we left on our trip, and I continue to wear it daily.

Some Observations

We are often told the Europeans dress better than we do, have better manners, are more educated, are more tolerant, and are more sophisticated. After this trip, I can say that's clearly not the case. That's not to say that Europeans are bad people or that Americans are superior; rather, I simply don't think they're different or better than any other person anywhere else.

To that end, a lot of Americans think that and you travel to Europe, you should do your best to blend in. For most folks, this means not wearing blue jeans or tennis shoes when you are out in public. Ironically, the only people I saw wearing blue jeans or tennis shoes out in public were – you guessed it – Italians. Rome has a large tourist industry, and so is quite common to see people there wearing tennis shoes – both locals and visitors – to walk around Rome. In fact, I think I was paid the highest compliment when I was in the town of Chiusi at the train station, when a local approached me and asked me to give him a ride in my taxi, thinking that I was a local taxi driver! Apparently that 5.11 gear helps you blend in anywhere.

Perhaps one of the more important stops in our trip was our tour of the Vatican. If you are really into art and religious history, I highly recommend this. While most people fawn over the ceiling of the Sistine Chapel, painted by Michelangelo (and even me, a non-sophisticate of art, was thoroughly impressed with this work), I on the other hand found other features of the compound far more interesting. For example, within the Vatican I saw two of the largest ham radio antennas in my life. Clearly the Vatican feels the need to be able stay in contact with its operations around the world. It's also clear that they have made plans for emergencies should the need arise. If the Vatican can perceive emergencies happening, shouldn't we?

Speaking of emergencies, I remain convinced a flashlight is one of the all-time essential survival tools. I mentioned earlier that the Surefire flashlight came in handy. Late one night in Rome, I decided to break off from the group and head back to the hotel. I was walking down a street, trying to flag down a taxi with little success. I then took out my LED Surefire flashlight, and when I saw the next taxi, began flashing it at the taxi driver. He immediately pulled over. When I got into his taxi, he remarked with his thick Italian accent, "*dat-ah light eeez ah good sees-tem.*" He was genuinely impressed with the power of such a small flashlight. I always enjoy talking to taxi drivers, one of my barometers of the status of the local economy. This gentleman was no exception, offering all sorts of keen insights into the EU's impact on Italy's economy and the state of tourism in Rome.

And even in the internet era, radio remains a great source of information. One of the tools I took with me was my AM/ FM/ shortwave radio receiver. I'm never quite sure what people in other countries listen to on the radio, but in further proof of my assertion earlier that Americans and Europeans are far more similar than they are different, I would submit to you

that AM talk radio in Europe is alive and well. Note I have no idea what they were talking about, but there were a number of call in shows where people were talking about this or that.

I did manage to find three stations while in Italy which spoke English. One station, presumably out of London, at 1089 AM, was a call in show format with both news and sports topics. I also found an expatriate station for Americans (presumably broadcasting out of Rome, although I'm not sure) at 870 AM. I was able to listen to National Public Radio's news broadcast around midnight Rome time. Also, at 1440 AM, China Radio International broadcast in English-only format from time to time.

The radio in our rental car kept us (somewhat) entertained as well. Our cars were small, four seat diesel fueled, manual shift cars. If you plan on going to Europe, plan on driving a rental car that is a five speed. Fortunately, everyone in our party could drive a stick shift, so it was not a problem. The one thing I wish I had done beforehand would have been to make sure that I was quite familiar with all the Italian road markings and road signs. It's quite humbling when you first start driving in another country, only to find out you have no idea what the symbol is for a one-way street.

When we weren't trying to decipher Italian road signs, we had some down time at the villa. We used this time to take care of various chores, including laundry. In Italy, it's quite common for people to have a clothes washer; it's rare to see a clothes dryer. Much clothes drying, both in the city and country, is done using an old-fashioned clothesline. I remember my grandparents using a clothes line when I was little kid, but eventually even they purchased a dryer.

And so I got the opportunity to dry my close on a clothesline. Our villa featured clothes lines both inside the laundry room as well as outside in the yard. Predictably, the outside clothes line would dry clothes at much faster rate inside. While I don't plan on setting up the clothes lines outside of my house anytime soon, it was a good experience to see how long it would take the clothes to dry under those conditions.

Did I ever tell you about the time I vomited in Italian train station?

In some respects, I'm not a very good traveler. On the flight over to Rome, even my wife complained that I was "high maintenance" traveler. She made this comment in reference to the odd items I always insist on bringing with me when I travel places (I think the extensive list provided above is **Exhibit A** of her case). I'm also a picky eater, somewhat by choice and somewhat out of necessity for medical reasons. The downside is that when I travel, I sometimes find it difficult to find things I like to eat. The upside of that is that when it all comes crashing down around us, I'll be quite happy eating survival food.

From the second day of the trip, I noticed some stomach cramps off and on during the morning hours. However, the pains went away by lunchtime. I simply chalked it up to being a foreign country eating things that my body wasn't used to eating. I didn't think much about it.

On the fifth day of the trip, things got far more interesting. The stomach pains began to get worse as we visited the five cities region known as Cinque Terra, roughly three hour drive from where we were staying.

At one point, I told my wife that I was going to have to sit a while and let the others continue to walk, because I was not feeling well. Having experienced a lot of gastrointestinal issues in my lifetime, it takes a fair amount of stomach pain to make me stop what I'm doing, but I had reached that point. I stayed the train station and sent the others on their way, telling them that I could sit in the train station just as easily as I could sit anywhere else. Apparently, the look on my face indicated that this was far more serious than just a case of eating something bad. My in-laws were wonderful in helping me find medicine in this little town to help take the pain away.

Never underestimate the need for quick access to quality medications and first aid supplies, regardless of where you go. While this was a tough situation for me, it could have been far worse.

It wasn't until the pain migrated to my lower back that I realized what the problem was. It wasn't anything I ate – it was some sort of rock in my kidney. For those of you who have experienced kidney stones before, you'll know that it's a horrific way to spend your day, especially when you are 6,000 miles away from home in a country whose language you don't know.

So there I was – at a crowded train station, with my family, suffering from unspeakable pain to the point that I was forced to go to the edge of the railroad track and unload the lunch I had eaten just an hour earlier. (By the way, *nothing* silences a crowd like the guy throwing up his guts in a train station.)

Fortunately, my wife had the foresight to carry medicine with her at all times. Included in this medicinal stash were a couple of pain management tablets her doctor had prescribed to her previously. The twenty minute or so train ride back to the car seem like an eternity, but even by the time we got back to the car, I was actually feeling somewhat better. I took the meds, which took the edge off the pain, and we headed back to where we were staying.

I learned some very good lessons on this trip. While I had the medications to deal with the problem back at the villa we rented, I did not have them with me while out on our excursion. It didn't dawn on me I would need medications on a three-hour trip. Then again, the “three hour tour” is what got Gilligan in trouble on his ill-fated voyage.

There's a fine line between being that "high maintenance traveler" and being prepared for various things. One thing's for sure – I'll always make sure I have medications I need on hand at all times when I travel.

Self Defense Update

Last month, I reported ammunition sales had descended out of the stratosphere and were becoming more reasonable. Of course, what goes down must come up, and ammo prices are no exception. I've heard a number of reports lately that the rising prices of commodities are forcing anyone ammunition manufacturers to plan on raising prices in the very near future. If you are able to make bulk purchases of ammo, now may be a good time to do it.

The economic woes we are facing, which are no doubt fueling the commodity price increases, continue to have an impact on our crime rates. A number of media outlets have reported over the last two months about the increase in crime created by so called "flash mobs."

Interestingly, organizers of some of these mobs [utilize social networking sites](#) to bring their mobs together. (This begs the question: what does one say on a Facebook posting to encourage others to join you at a certain time and location to commit various crimes?)

And as part of my ongoing self-defense education, I took another one of [Karl Rehn's](#) courses: Home Defense Tactics. We met at one of the student's home to do a walk around the exterior and interior, identifying things the homeowner could do to minimize the risk of break ins. We then spent a considerable amount of time war-gaming various home invasion scenarios and how best to react to the threat, given the fact the homeowner and his wife had two small children there.

Karl stressed a number of points in the class. First, take steps to make it more difficult for criminals to get into your house. It sounds obvious, but we have to remember criminals like to take the easy way. A few motion sensor lights, some thorny shrubbery in front of the windows, a padlock on your circuit breaker box, and a driveway sensor can deter someone casing your neighborhood from putting your house on their short list of targets.

Next, think about what sort of firearm you're going to use inside of your home. Many people dismiss a rifle like an AR-15 in favor of a shotgun with tactical buckshot or a slug. This subject remains a source of debate in gun circles; you should do your own due diligence and research (including time on the range with both guns) to really determine what's best for you.

Finally, take time now to create an action plan in the event someone tries to get inside the wire on you. Don't expect to be able to improvise it when someone is smashing out the glass in one of your windows. This is precisely the kind of planning you can do, right now, which will cost you absolutely nothing and yet will greatly enhance your preparedness level.

Survival Project Of The Month – The Basic Bug Out



Bag

For this month's project, I thought it would be a good idea to review the steps for making a basic bug out bag. But before we do that, we have to understand what the bug out bag *is* and *is not*.

A bug out bag, as its name implies, gives you the tools and resources to "bug out." And by bugging out, I mean leaving an area of danger or uncertainty and heading to a better area. You might be bugging out from your office, from a meeting across town, or from an evening dinner party with friends.

Why might you bug out? There are a number of reasons why you may be forced to leave your vehicle and walk home, or use your vehicle as a shelter while you take an alternate route home. Severe weather, terrorism, civil unrest, natural or man-made disasters, and on and on – just read the news and you'll get a sense of reasons why you may have to rely on a bug out bag.

A bug out bag will enable you to shelter in place if necessary. It is normally designed for one person, although you may be inclined to create multiple bug out bags for various members of your family. Or you may create one central bug out bag for everyone on your team. And since the basic bug out bag is designed to help get someone home or to an area of greater safety, it needs to be lightweight. It also needs to be customized to you, rather than a generic application of various survival toys and gadgets which you may or may not need.

The bug out bag *is not* a collection of Rambo toys, enabling you to shoot your way through armed conflict in order to get home. Nor is it so big or heavy that it is impossible to carry. Remember, this is the *Journal of Practical Preparedness*, and not the *Soldier of Fortune* magazine.

When I build the bug out bag, I like to be prepared to walk three times the distance between my home and my office. Normally, my office is about eight miles away from my house. Thus, I need to be prepared to walk about 24 miles. There's nothing magical about the three times multiplier; it just seemed to me to be a good margin of safety. It certainly works in situations where I office an alternative location, which is usually 15 miles away.

What might you put in your starter bug out bag? I've created a list of things you may want to consider using. However, before we get into contents, let's talk about the physical bag itself.

As you can see in the picture, I use a basic college backpack. This is a backpack I used while in law school some sixteen years ago. I like this bag for number of reasons. First, it looks like a college backpack. Part of maintaining a good profile is to blend in. I live in a college town, and so it's quite common to see people carry backpacks like this around.

Next, it has ample space for what I need. Since this is going to be kept in your vehicle more than likely, it should not take up too much room. Your bag should be large enough to carry essentials but small enough that you don't mind carrying it ten to fifteen miles on your back if necessary.

Third, it's a backpack. I know some people like to use other bags for their bug out bag, such as your typical gym bag. Again, this is a matter of personal preference. For me, nothing beats a standard backpack for utility.

What might you put in your bug out bag? Here are some ideas:

- Multitool
- Canteen
- Flashlight
- First aid kit
- Cash/Coins/Telephone calling card
- Contact information for family members and friends
- Small AM/FM radio
- Wet weather gear
- Clothing that is season appropriate
- Towels
- Small container of Vaseline

- Walking shoes and socks
- Pocket knife
- Para-cord
- Sleeping bag
- Prescription medications
- Spare pair of eyeglasses
- Survival vest
- Bus pass/city map

I should probably explain some of the contents and the reasons for having them. Most of these are obvious, but you may not fully appreciate why you need to carry some of these items with you. I like to carry a bath towel to wipe myself off during the summertime heat if I'm sweaty, or if I got wet in the cooler months. Vaseline has a number of applications. If you have chafing issues when walking in summer months, it makes a good skin lubricant. It makes a good basis for a fire starter, since it's made of petroleum. It's also a good lubricant for various tools in an emergency.

Parachute cord, or para-cord as it is commonly called, is quite versatile. In fact, as I mentioned earlier, I've begun wearing one of the survival bracelets made of para-cord that you see from time to time worn by first responders. The cord has a weight capacity of about 550 pounds, so it is quite durable. There are numerous videos on YouTube which give you all sorts of projects and ideas on how to use para-cord.

You may think it's hard to get a sleeping bag into a backpack. I got a sleeping bag for my bug out bag years ago from Coleman. It's about the size of a medium size coffee can. I've never taken it out of its compression sack, mainly because I fear I will never be able to get it back in. I don't expect it to do much for me, but even if it serves as a blanket, it can be quite handy.

I also mention I keep a survival vest in my bug out bag. My survival vest is nothing more than a fishing vest I bought at Walmart. It's one of those things you see stereotypical grandfathers where when they are out fishing on the lake. It has a tremendous amount of pockets and D rings for clipping things onto the vest. My plan is to move a lot of the gear from my backpack into my survival vest, thus freeing up space in the backpack for things like bottled water.

You'll note that I added a canteen to the list, but I did not include water. That's because water is very difficult to carry and bulky to store. In this bug out bag, I am assuming that you'll be able to find a source of water that is drinkable. If you have any doubt that you will not be able to find such a source, you'll need to add some sort water purification system to your backpack.



From left to right: a poncho, glowsticks, a survival tin, salt tablets, potassium iodate tablets (for radiation events), a knife, a bottle/can opener, a spoon/fork/knife, biodegradable toilet paper, Clif bars, small first aid kit, AM/FM/WX radio, spare eyeglasses, and a towel. All items are lying on a pair of old tactical pants I keep rolled up in the bag.

One of the big issues you have to contend with when you have a bug out bag is dealing with extreme temperatures. Specifically, I'm talking about the temperatures inside your vehicle or trunk where you keep your bug out bag. In Texas, the winter temperatures aren't that much of a problem for the contents of the bag. However, the Texas heat can really take its toll on the survival foods I keep in it. There are number of strategies to deal with this. One strategy, while a bit extreme but very effective, is to simply take the bug out bag inside whenever you go inside. If you can do that, you are always assured of having the bug out bag with you, plus additional benefit of being your bag and eight climate controlled environment.

If you are not able to take the bag with you wherever you go, you'll need to set up a schedule where you check and rotate various things out of your bag from time to time. You'll have to make the decision as to how often it needs to be. I would submit for hot weather climates, you'll need to rotate your food supplies no less frequent than once every three or four months. Temperate climates can probably get away with a six to twelve month rotation cycle. In

addition, you'll want to check the condition of your batteries for things like the radio and flashlights. These, too, can deteriorate with time and heat.

Once you have your basic bug out bag kit completed, start looking on ways to customize it to fit your needs. You may think of things that you really want or need to keep in your bug out bag. Remember, it's *your* bug out bag, and not your buddies nor mine. It needs to fit *your* mission and *your* needs.

Speaking of your mission, some of you may have small children you want to make accommodations for. I see a number of kids these days carry around small backpacks, usually with some cartoon on it. Kids are getting more accustomed to wearing backpacks these days. I would encourage you to make a small one for them, containing just a few essentials. Allowing them to assist in building the bug out bag will be a good way to teach kids about preparedness. It will also make your child feel like they, too, are part of your team.

Good luck with the project!

Economy Watch

I must confess: I am a late comer to the notion that those interested in preparedness needs to be paying attention to the markets and the economy.

Don't get me wrong. I've watched the markets for years, handling my own investments for ten years now. I've spent countless hours reading articles and books about terrorism, severe weather, emergency response and preparedness. I've attended more training than I care to recall.

But it wasn't until three years ago or so when I had lunch with my friend Tony when it all came together for me. To put this in perspective, let me tell you a bit about Tony. A chemical engineer by education, his company does a lot of work with various investors. He's one of those guys who understands both the currency markets and the chemical nuances of biodiesel. Both he and his wife are bright people who live a prepared lifestyle. In a grid down situation, his family will do quite well.

I like to ask people who are into preparedness and have a significant level of business acumen what they think the threats are to our national security. When I asked him what he was preparing for at that point, his response was short and without delay: the economy. Until then, I had never really thought about the economy giving us a reason to prepare for a regional or national crisis. But the more I read, the more I began to believe that he was right.

In a bit, I'm going to make the case for why the recent news stories should spur us on to being prepared for economic uncertainty. But before I get there, I'd like to make the case why we should not believe some of the rosy economic outlooks we are hearing in the financial media.

"What Did the 'Experts' Say?"

That was the subtitle of a section in chapter 1 of Aftershock: Protect Yourself And Profit In The Next Global Financial Meltdown written by David Wiedemer, PhD, Robert A. Wiedemer and Cindy Spitzer. This is a fantastic book, which I highly recommend. It is a bit erudite and detailed, and I had to spend some time reading some of the passages two or three times before fully understood the messages of the authors.

The point I'm trying to make here is that many, many bright people who are tasked with telling us what's going on in the economy and financial markets completely missed the boat during the economic meltdown. So why do we keep listening to them?

In making the case that the so-called experts really do not have a good grasp of what's going on, they quote a number of them during the height the financial crisis stating how the economy is going to turn around and that certain investment should increase in value dramatically. For example, they quote Representative Barney Frank as saying, "I think this is a case where Freddie Mac and Fannie Mae are fundamentally sound. They're not in any danger of going under... I think they are in good shape going forward." The authors then point out within two months of this comment, "the government forced the mortgage giants into conservatorships and pledge to invest up to \$100 billion in each."¹

In another example, the authors quote CNBC commentator Jim Cramer as saying on March 11, 2008: "I think Bob Steel's the one guy I trust to turn this bank around, which is why I've told you on weakness to buy Wachovia."² The authors then point out that within "two weeks after Cramer's comments, Wachovia came within hours of failure as depositors fled. Steel eventually agreed to a takeover by Wells Fargo. Wachovia shares lost half their value from September 15 to December 29."³

Friends, I'm not picking on Barney Frank or Jim Cramer. There are *plenty* of experts out there that were telling you to buy stock as the stock prices continued to fall. Many in government positions encourage us to continue to buy things in order to stimulate the economy, despite the fact assets of all sorts continue to fall in value. The point I'm trying to make here is that many, many bright people who are tasked with telling us what's going on in the economy and financial

¹ Aftershock: Protect Yourself And Profit In The Next Global Financial Meltdown, David Wiedemer, PhD, Robert A. Wiedemer and Cindy Spitzer, pg 15, (2010).

² Id.

³ Id.

markets completely missed the boat during the economic meltdown. So why do we keep listening to them?

Alternatively, when a number of major financial news outlets cover stories about rampant inflation, government debt defaults, and double dip recessions, though some outlets ridicule people taking steps to prepare for the possibility of these events. For any media outlet to question why any of us would do so, my response is quite simple: *we are just reacting to what you're reporting; what would you have us do otherwise?*

That brings me to the stories a number of outlets have reported over the last thirty days. There are simply too many of them to catalog here. I would, however, commend to your reading a few key articles I think give you some flavor as to what's being discussed in financial circles. Some of these include:

- “The US economy is headed for a period of higher inflation and lower growth that makes the nation's debt unappealing when measured against its global competitors, Pimco's Bill Gross told [CNBC](#).”
- “It will come again. There will be another storm,” [warned Geithner](#), who in early 2009 succeeded Paulson as Treasury secretary. “But it’s not going to come for a while.”
- “You may be lucky to get half at this weekend's Memorial Day cookout, which is set to [cost 29 per cent](#) more than last year, thanks to inflation.”
- “A drumbeat of disappointing data about consumer behavior, factory sales and weak hiring in recent weeks has prompted economists [to ratchet down their 2011 economic forecasts](#) to as little as half what they expected at the beginning of the year.”

As you let this sink in, you should know that many of the people making these predictions were as recently as a year or so ago saying that the economy was going to get much better and that unemployment would be lower over the coming months. And while I encourage you to continue to reading financial and economic news, I also encourage you to verify what you are hearing and reading with your own observations.

I mentioned earlier in this month's edition that I use taxicab drivers as one of my barometers for the local economy. When the economy starts to slow, they are some of the first people to sense it. Dry cleaners are another good barometer. At least once a month, I asked my dry cleaning lady how business is going. She and several of her dry cleaning friends were acutely aware of the coming economic crisis as early as the fall of 2007. (At that point, the S&P 500 was trading north of 1460, in record high territory.) I even use my trips to local grocery store as field research on inflation. In fact, I recently noticed that the price of bananas – a staple in my

diet – went up another 20% per pound over the last week. In the span of about 18 months, bananas have gone up over 45% in price of my grocery store. But to hear our government leaders and financial experts tell it, "there is no inflation." My grocery store receipt tells a different story.

So What Should We Do?

I don't offer financial advice in this newsletter. In fact, I recently made a major change in my 401(k) portfolio to eliminate all equity exposure that I have. In short, I instructed my 401(k) manager to sell all the stocks in my portfolio and invest the money in short-term, low risk investments. Immediately upon doing so, I e-mailed a few friends of mine to let them know what I had done. I concluded the e-mail by saying, "given my less than stellar track record on going when to get in and out of the market, I suspect that now I have sold all of my stock means it would be a great opportunity for you to buy stocks and make a lot of money."

What I will offer you are some things that I am doing in an effort to preserve my savings and perhaps even to profit from some of the turmoil that's going on. Some people may think that "profiting" from turmoil is somehow immoral. However, to me it's more immoral to not be a good steward of your resources and take advantage of good investment opportunities when they are presented.

First, I have reduced a lot of my stock holdings. I am very few stocks now, and the ones I do I'll have a track record of it quite well over the last two to three years. At some point, I may get rid of those as well. But for the moment, most of my investments are simply in cash or other short-term investments.

Next, I have made one small investment – more out of curiosity than anything else – in ticker symbol EUO. This investment essentially shorts the euro in favor of the dollar. To put it bluntly, I'm betting that the euro will fall in value compared to the US dollar. Given the euro's meteoric rise over the last several months, it may seem odd to bet on the dollar beginning to turn the tide. However, as recent news out of Spain and Greece has shown, the euro's fate may be sealed.

Third, I am making more focused effort on budgeting my personal finances. I'm setting money aside for purchases of storable food and a more permanent ham radio antenna for my home. I also went ahead and met my charitable contribution goals for this year, in order for me to scratch one more line item off of my budget for the year.

Lastly, I'll continue to look for opportunities to invest in precious metals, specifically gold and silver ETFs. Since I foresee another round of quantitative easing in the future (as do a lot of other people who were much better versed in finance and economics), the inflation risk might

be going away anytime soon. Further, troubles in Europe will only exacerbate the need for protection from unstable currencies.

In Next Month's Issue....

- First steps in long term food storage
- A review of the [Sunforce 60 Watt Solar Charging Kit](#)
- And much more

Until then,

The Suburban Dad Survivalist