

FORMAT CHANGES

Over the last few years issues of **The Contrarian's View** have gotten longer and longer, and consequently chew up more paper. Partly this is due to the larger number of quotes carried as we migrate past the systemic failure, and partly because of the increased number of holdings in the portfolios. Now that I am adding yet another portfolio, I felt it was time to try to compress things a bit.

My first attempt was to try to reduce the size of, and number of columns in the portfolios so they would fit into a two-column format. That didn't work. The ancient (1994) piece of software I use, WordPerfect 3.1 for the Macintosh, allows for tables which fit only in a single column, the width of the printed page.

OK, Nick, I hear you saying, why don't you switch to more modern software? Well, I tried. Modern word processors have "tables", in which no calculations on rows and columns can be done, and "spreadsheets", which allow calculations but are in a rigid spreadsheet format. I tried ClarisWorks for the Macintosh, its successor AppleWorks 6, and Microsoft Word. None will do for me what WordPerfect does, which is to provide tables with spreadsheet-type calculations across rows and columns.

As technology rolls on, it's become trickier to use WordPerfect, as it is a Mac "classic" application. Five years ago, when I upgraded to a Mac iBook G3 running Mac OS X, that Mac supported "Classic mode", which allowed me to run my old Classic

software (with an occasional hiccup). Last year, when I upgraded again to a Mac Powerbook (which has an Intel processor, not an IBM or Motorola chip), it does not support Classic mode. So I located and installed a piece of software called SheepShaver, which allows one to install and run MacOS 9.0.4 (Classic mode OS) and Classic mode applications in emulation on the newer Intel-based Macs.

But I know I'm running on borrowed time here. Eventually I'll be getting a Mac which will not support Classic mode in any way; I'll just hang onto my last Mac that runs it, I guess, until it dies (or I die, whichever comes first).

Anyway, returning to the subject, which was format compression. I could not shrink the width of the tables making up the portfolios, but I found that I was able to reduce the "cell margins", making the table entries not as tall, and you will see that change in this issue.

The second major change was to reduce the type size of the quotes by a point, and put them into a two-column format. Not only should this take up less space, but hopefully the quotes will also be more readable.

The last major change is the introduction of a new portfolio, "'Free' Stock in IRA", which is an outgrowth of the non-Roth IRA portfolio which was last referenced in the July 2008 issue (as part of a total TIAA-CREF and IRA retirement kitty). The

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transfer of my TIAA-CREF IRAs to Fidelity is almost complete.... only one small IRA remains to be transferred.... and since October I have been buying stocks in the IRA, mostly at or near market bottoms in October, November and December 2008, and in February and March 2009. Also in April 2009, on the way up from the March bottom, because that is when a slug of money was rolled over.

As the mini-bull rally from the March lows took hold, some of these holdings sported gains of 30% or more. Now my feeling is, if you make 30% to 40% paper gains in two months' time, you should cash in, take the money and run, because it's highly unlikely you'll make another 30% in the following two months. So that's what I did.... sell enough to recoup my original investment, less about \$100 to \$200,

depending on the size of the initial investment, which I would add to the pot and let ride in the remaining shares of stock. So "free" stock is a misnomer.... "almost-free" might be better.... but you get the idea. The recouped cash can then be put into other holdings where I hope to make one-third or more gain.

The downside of this strategy is that not *everything* will go up, and I could in effect end up selling my winners while ending up with a pile of losers. Within a bull trend this is not really likely to be a problem, but I do need to be alert for the return of the bear when most all stocks sink. However, since the overall strategy calls for a generally high cash position, although profits will necessarily be limited, so will losses. Time will tell.

A Tale of Two Depressions

by Barry Eichengreen and Kevin O'Rourke (as edited by John Mauldin)

New findings:

* World industrial production continues to track closely the 1930s fall, with no clear signs of 'green shoots'.

* World stock markets have rebounded a bit since March, and world trade has stabilized, but these are still following paths far below the ones they followed in the Great Depression.

* There are new charts for individual nations' industrial output. The big-4 EU nations divide north-south; today's German and British industrial output are closely tracking their rate of fall in the 1930s, while Italy and France are doing much worse.

* The North Americans (US & Canada) continue to see their industrial output fall approximately in line with what happened in the 1929 crisis, with no clear signs of a turn around.

* Japan's industrial output in February was 25 percentage points lower than at the equivalent stage in the Great Depression. There was however a sharp rebound in March.

The parallels between the Great Depression of the 1930s and our current Great Recession have been widely remarked upon. Paul Krugman has compared the fall in US industrial production from its mid-1929 and late-2007 peaks, showing that it has been milder this time. On this basis he refers to the current

situation, with characteristic black humour, as only "half a Great Depression." The "Four Bad Bears" graph comparing the Dow in 1929-30 and S&P 500 in 2008-9 has similarly had wide circulation (Short 2009). It shows the US stock market since late 2007 falling just about as fast as in 1929-30.

Comparing the Great Depression to now for the world, not just the US

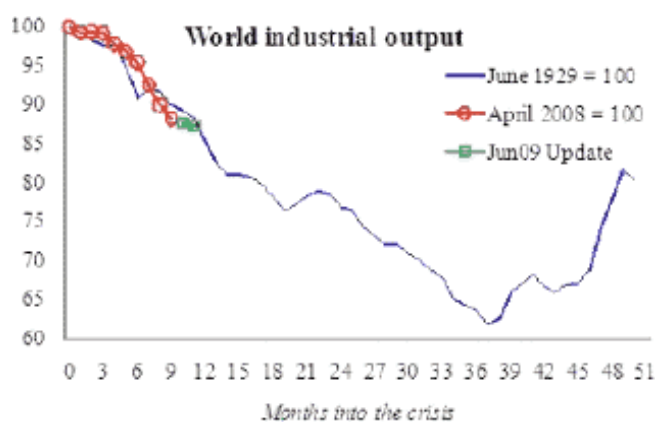
This and most other commentary contrasting the two episodes compares America then and now. This, however, is a misleading picture. The Great Depression was a global phenomenon. Even if it originated, in some sense, in the US, it was transmitted internationally by trade flows, capital flows and commodity prices. That said, different countries were affected differently. The US is not representative of their experiences.

Our Great Recession is every bit as global, earlier hopes for decoupling in Asia and Europe notwithstanding. Increasingly there is awareness that events have taken an even uglier turn outside the US, with even larger falls in manufacturing production, exports and equity prices.

In fact, when we look globally, as in Figure 1, the decline in industrial production in the last nine

months has been at least as severe as in the nine months following the 1929 peak. (All graphs in this column track behaviour after the peaks in world industrial production, which occurred in June 1929 and April 2008.) Here, then, is a first illustration of how the global picture provides a very different and, indeed, more disturbing perspective than the US case considered by Krugman, which as noted earlier shows a smaller decline in manufacturing production now than then.

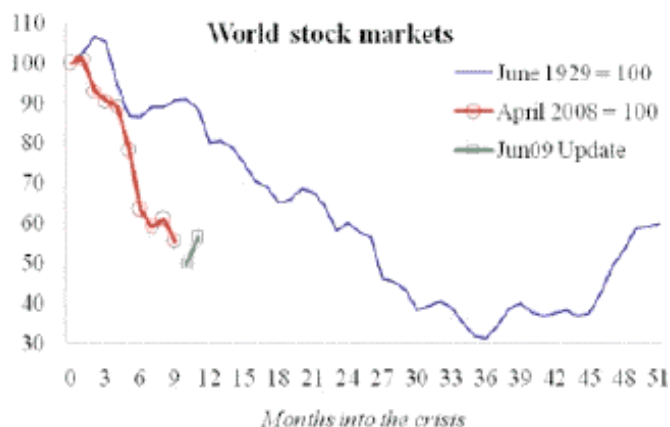
Updated Figure 1. World Industrial Output, Now vs Then (updated)



Source: Eichengreen and O'Rourke (2009) and IMF.

Similarly, while the fall in US stock market has tracked 1929, global stock markets are falling even faster now than in the Great Depression (Figure 2). Again this is contrary to the impression left by those who, basing their comparison on the US market alone, suggest that the current crash is no more serious than that of 1929-30.

Updated Figure 2. World Stock Markets, Now vs Then (updated)



Another area where we are "surpassing" our forbearers is in destroying trade. World trade is falling much faster now than in 1929-30 (Figure 3). This is highly alarming given the prominence attached in the historical literature to trade destruction as a factor compounding the Great Depression.

Updated Figure 3. The Volume of World Trade, Now vs Then (updated)



Sources: League of Nations Monthly Bulletin of Statistics, <http://www.cpb.nl/eng/research/sector2/data/trademonitor.html>

It's a Depression alright

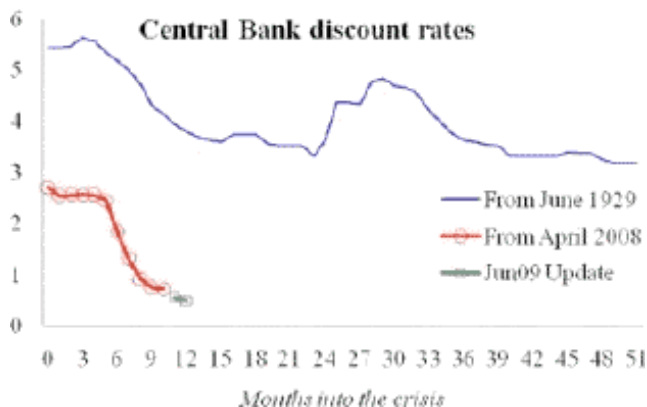
To sum up, globally we are tracking or doing even worse than the Great Depression, whether the metric is industrial production, exports or equity valuations. Focusing on the US causes one to minimise this alarming fact. The "Great Recession" label may turn out to be too optimistic. This is a Depression-sized event.

That said, we are only one year into the current crisis, whereas after 1929 the world economy continued to shrink for three successive years. What matters now is that policy makers arrest the decline. We therefore turn to the policy response.

Policy responses: Then and now

Figure 4 shows a GDP-weighted average of central bank discount rates for 7 countries. As can be seen, in both crises there was a lag of five or six months before discount rates responded to the passing of the peak, although in the present crisis rates have been cut more rapidly and from a lower level. There is more at work here than simply the difference between George Harrison and Ben Bernanke. The central bank response has differed globally.

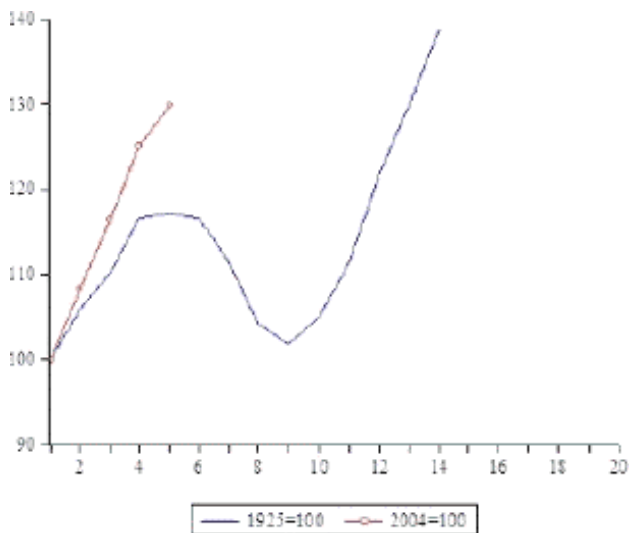
Updated Figure 4. Central Bank Discount Rates, Now vs Then (7 country average)



Source: Bernanke and Mihov (2000); Bank of England, ECB, Bank of Japan, St. Louis Fed, National Bank of Poland, Sveriges Riksbank.

Figure 5 shows money supply for a GDP-weighted average of 19 countries accounting for more than half of world GDP in 2004. Clearly, monetary expansion was more rapid in the run-up to the 2008 crisis than during 1925-29, which is a reminder that the stage-setting events were not the same in the two cases. Moreover, the global money supply continued to grow rapidly in 2008, unlike in 1929 when it levelled off and then underwent a catastrophic decline.

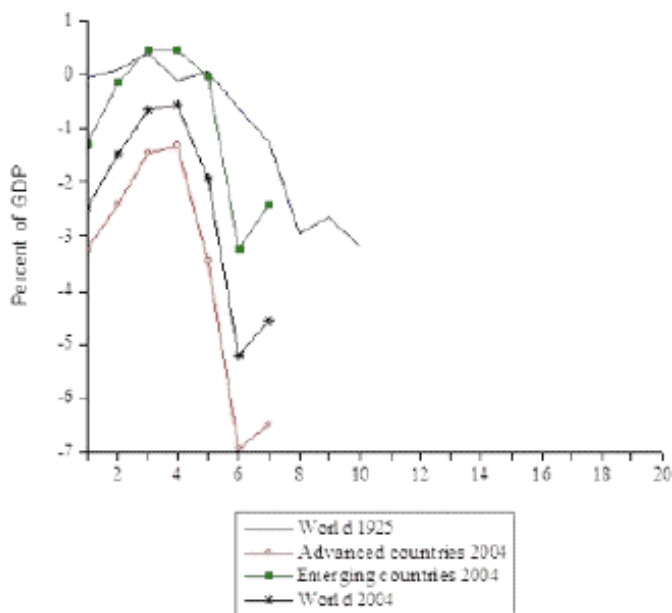
Figure 5. Money Supplies, 19 Countries, Now vs Then



Source: Bordo et al. (2001), IMF International Financial Statistics, OECD Monthly Economic Indicators.

Figure 6 is the analogous picture for fiscal policy, in this case for 24 countries. The interwar measure is the fiscal surplus as a percentage of GDP. The current data include the IMF's World Economic Outlook Update forecasts for 2009 and 2010. As can be seen, fiscal deficits expanded after 1929 but only modestly. Clearly, willingness to run deficits today is considerably greater.

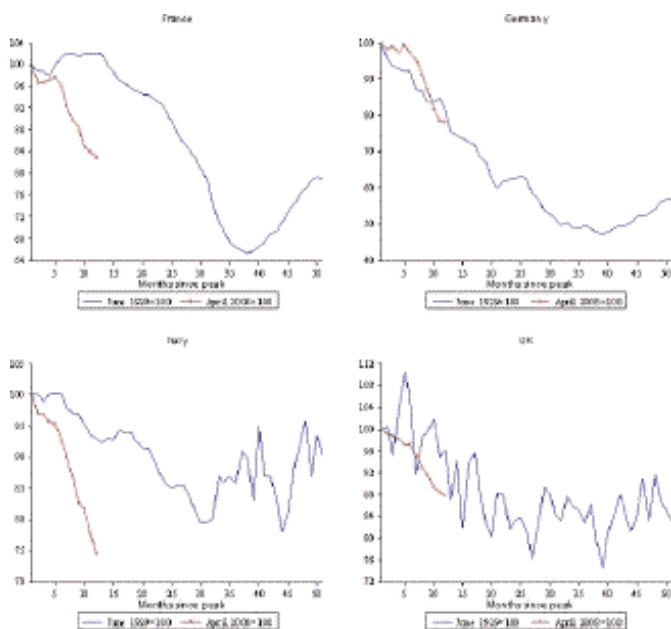
Figure 6. Government Budget Surpluses, Now vs Then



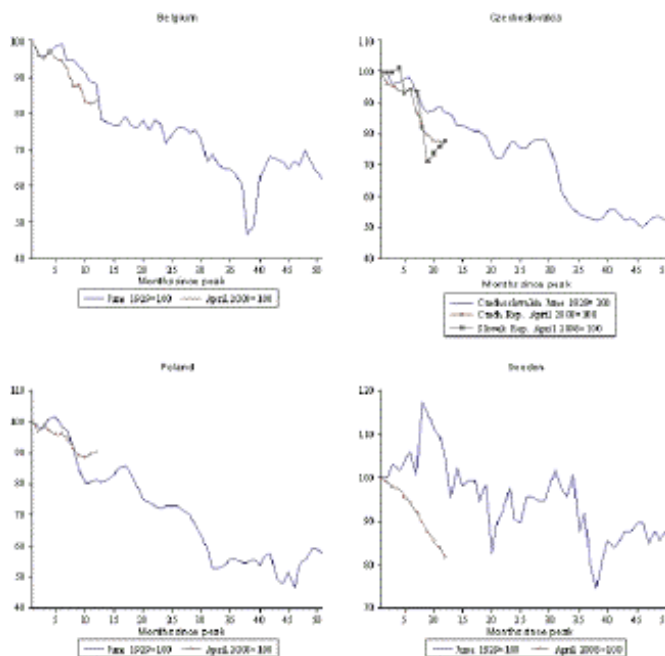
Source: Bordo et al. (2001), IMF World Economic Outlook, January 2009.

[They added some country data in their revision that I put here, hence the two figure 5's, but they are labeled as such on the website and I did not change their labelling - JFM]

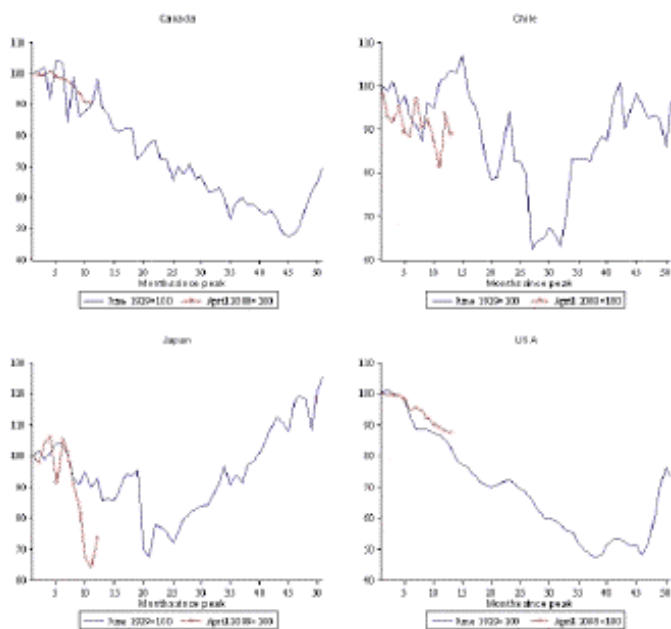
New Figure 5. Industrial output, four big Europeans, then and now



New Figure 7: Industrial output, four small Europeans, then and now.



New Figure 6. Industrial output, four Non-Europeans, then and now.



Conclusion

To summarise: the world is currently undergoing an economic shock every bit as big as the Great Depression shock of 1929-30. Looking just at the US leads one to overlook how alarming the current situation is even in comparison with 1929-30.

The good news, of course, is that the policy response is very different. The question now is whether that policy response will work. For the answer, stay tuned for our next column.

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The facts for Chile, Belgium, Czechoslovakia, Poland and Sweden are displayed below;

QUOTES FOR THE MONTH

We cannot be on the verge of any meaningful recovery because we are in a downward swirl of liberal policy consequences -- and we have a government determined to correct this by getting more and more liberal.
- C. Edmund Wright

Personally, I think the U.S. economy has decayed from dead-man-walking status to that of a zombie in the grave. The jury is still out on whether or not the zombie will rise and stumble on for another year or two. That introduces a lot of uncertainty into the markets now, with everyone unsure of what will happen next. The reality is, beneath all the bravado, that no one is ever sure of what will happen next. And the fools who proclaim certainty should be treated kindly, not left unsupervised around sharp objects, and never trusted with money. But there is one thing we're very confident of: if the zombie rises, it won't be real life we see. In other words, there is no credible scenario in which the efforts of the U.S. and other world governments to cure the global economic crisis will succeed, not before the mistakes from the past are liquidated. - Louis James

I am 100 percent sure that the U.S. will go into hyperinflation. The problem with government debt growing so much is that when the time will come and the Fed should increase interest rates, they will be very reluctant to do so and so inflation will start to accelerate. - Marc Faber

If increased government spending with borrowed or newly created money is a "stimulus," then the Weimar Republic should have been stimulated to unprecedented prosperity, instead of runaway inflation and widespread economic desperation that ultimately brought Adolf Hitler to power. - Thomas Sowell

The message here is clear: loan money to financial entities with friends in Washington and no matter how risky the loan, taxpayers will bail you out if it goes bad. However, loan money to a unionized manufacturer, even if prudently secured by real assets, and you have as much chance of getting your money back as finding Jimmy Hoffa's body.... As a broker who specializes in foreign investments, I am always wary of political risk. I must consider how the threat of arbitrary government action could undermine the value of my investments. However, recent events show that political risk is now greater here than abroad, and U.S. assets, which have historically traded at premium valuations based on faith in our legal system, will soon trade at discounts to reflect this new threat.

The fear of having contracts abrogated or property rights violated when doing so serves some contrived greater good will substantially raise our cost of capital and further reduce our competitiveness. - Peter Schiff

*On January 3, 2009, Kenneth Rogoff from Harvard University and Carmen Reinhart from the University of Maryland published a study called **The Aftermath of Financial Crises**. The authors analyzed recessions caused by financial crises, and here's what they found: 1. Real estate lost 35 percent on average, and the bear market lasted approximately six years. 2. Stocks tumbled an average 55 percent, and the bear market lasted three years. 3. Unemployment was on the rise for four years and peaked seven percentage points above the cycle's low (3.4 percent in the U.S.). 4. GDP contracted by more than nine percent. 5. Government debt rose strongly, on average by 86 percent. These empirical findings make it clear that the likelihood of a real turnaround is rather dim. And that there is more downside to come!* - Claus Vogt

In reality, the credit market shutdown actually gained tremendous momentum in the first quarter [of 2009]. And although it's natural to expect some temporary stabilization from the government's massive interventions, the first quarter was SO bad, it's impossible for me to imagine any scenario in which the crisis could be declared "over." Here are the facts:We witnessed one of the biggest collapses of all time in "open market paper" - mostly short-term credit provided to finance mortgages, auto loans, and other businesses.... it collapsed at the annual rate of \$662.5 billion.... Banks' lending went into the toilet....They literally pulled out of the credit markets at the astonishing pace of \$856.4 billion per year, their biggest cutback of all time.... Meanwhile, nonbank lenders.... pulled out at the annual rate of \$468 billion, also the worst on record.... Mortgage lenders.... pulled out for a third straight month.... And consumers.... were shoved out of the market for credit at the annual pace of \$90.7 billion, the worst on record.... The ONLY major player still borrowing money in big amounts was the United States Treasury Department...., sopping up \$1,442.8 billion of the credit available - and leaving LESS than nothing for the private sector as a whole. Bottom line: The first quarter brought the greatest credit collapse of all time.
- Martin Weiss [Nick's comment: We're looking backward here; but I find it hard to believe this trend reversed itself in the April-June 2009 period, in spite of the search for "green shoots".]

Some U.S. embassies worldwide are being advised to purchase massive amounts of local currencies; enough to last them a year. Some embassies are being sent enormous amounts of U.S. cash to purchase currencies from those governments, quietly. But not pound sterling. Inside the State Dept., there is a sense of sadness and foreboding that 'something' is about to happen ... within 180 days, but could be 120-150 days.... Another FDR-style 'bank holiday' of indefinite length, perhaps soon, to let the insiders sort out the bank mess, which (despite their rosy propaganda campaign) is getting more out of their control every day. Insiders want to impose new bank rules. Widespread nationalization could result, already underway. It could also lead to a formal U.S. dollar devaluation, as FDR did by revaluing gold (and then confiscating it). - Harry Schultz

The government is printing lots of money and borrowing even more; that's not the basis for a sound currency. The idea that anybody would lend money to the U.S. government for 30 years at 3 or 4 or 5 or 6 percent interest is mind-boggling to me. - Jim Rogers

And folks look, ...the people with me here today know, the president knows, and I know, that the status quo is simply not acceptable. It's totally unacceptable. And it's completely unsustainable. Even if we wanted to keep it the way we have it now. It can't do it financially. We're going to go bankrupt as a nation. Now, people when I say that look at me and say, "What are you talking about, Joe? You're telling me we have to go spend money to keep from going bankrupt?." The answer is yes, that's what I'm telling you. - Joe Biden [Nick's comment: Fiat money corrupts absolutely.]

America as our parents and grandparents knew it is gone! Let me repeat that - the America of our parents and grandparents is gone! I could write until the cows come home all the reasons for saying this but I'll make it easy for you and me: We've lived way beyond our means for too long, have taken on so much debt in order to live a lifestyle we didn't deserve and that debt has become too large for us to repay over any length of time. As a nation, we won't be able to generate enough cash flow to pay down debt after we pay for necessities of life and taxes that are going to skyrocket on all levels of government, leaving us no choice but to seek forgiveness of part or all of the debt and/or to monetize it.... by the time it's said and done, President Obama will end up making every surviving American and foreigner who now dislikes George Bush beg Mr. Bush to run again. Laugh now, but it won't be too long before deep down in your liberal bellies you will know how true what I say has become. This will cause

hate email for me but here goes anyway - Obama will be the straw that finally broke America's back. He has set off a chain of events that have already terminally damaged the very fabrics that once made this country great. The day he forced secured GM creditors to fall behind unsecured creditors will be looked back in history as the watershed event. Just because 99% of Americans and so-called professional financial advisers don't grasp what this meant (or care), doesn't make it any less horrific. As weeks turn into months, this should become more evident and show up in our financial markets. - Peter Grandich

But our new president, "the one we've been waiting for," ...has not run any type of organization - ever. Not a city, not a county, not a state, not a small company, not a large corporation, not an educational institution, not a non-profit organization, not even a governmental agency. But our lives are in his hands. And if he doesn't change his philosophy of big government running all our businesses, including our healthcare system, we will all be in big trouble. He may be a smart man, but having a Harvard Law School education does not prepare him to run the largest government in the world. As my mother used to say, "A little knowledge is a dangerous thing." - Barbara Howard

The political theater played out in Washington is so predictable. First, Vice President Joe Biden comes out and says "the economy was worse than we thought." Then the administration rushes out to say Joe was speaking out of turn, he didn't mean to say that, yada-yada. Then an advisor to President Obama comes out to say that the U.S. needs a second stimulus package. While saying this, the advisor slips in the aside that the budget shortfall is "likely to be worse" than the equivalent of 12 percent of gross domestic product that the administration forecast for 2009 and the 8 percent to 9 percent it projected for next year. Worse than the administration's own forecasts? Who could have figured that?! Well, anybody who doesn't take what Washington politicians say at face value could have figured that. Unfortunately, that rules out about 95 percent of the newsreading Barbie and Ken dolls on TV. - Sean Brodrick [Nick's comment: Next up, middle-class tax increases.]

One of the most important talents for success in politics is the ability to make utter nonsense sound not only plausible but inspiring. Barack Obama has that talent. We will be lucky if we escape the catastrophes into which other countries have been led by leaders with that same charismatic talent. - Thomas Sowell

STOCK MARKET OUTLOOK

You want to know why stocks go up while the economy goes down. I attribute this primarily to “printed-money syndrome”. The new money the Fed prints (via taking dodgy assets onto its balance sheet) shows up first in the financial markets, before it works its way into the general economy (if it ever does). That forces share prices upward; then the “herd effect” cuts in, psychology shifts, and the mini-bull charges ahead to outstrip reality.

Is there a prospect for economic turnaround and recovery? Yes, it's possible that Barack Obama's push for a vision of a new fascist Amerika may crash and burn; and that would give the gasping economy

some breathing space. But if either the monstrous health “reform” package or the energy crap-and-tax bill is signed into law, it will be the equivalent of Smoot-Hawley in the 1930s and the economy will roll over and die. If both pass, expect at least a decade-long depression (as defined by unemployment levels).

Regardless, for the moment we are in bull mode in the stock market until the end of summer. For the fall I expect a selloff, the severity of which will be determined largely by the amount of economic damage the idiots in Congress cause.

PORTFOLIO REVIEW

Prices shown are as of July 2, 2009.

A. “Inheritance” - real (normalized) “dividend and interest distribution” portfolio:

Shrs	Description	Symbol	Bought	Sold On	Sold At	Cost Was	Price	Curr Value
35	Advanced Micro Devices Inc.	[AMD/nyse]	13Nov08	20My09	151.24	95.17		
15	<i>Advanced Micro Devices Inc.</i>	[AMD/nyse]	13Nov08			40.78	3.78	56.70
50	<i>Advanced Micro Devices Inc.</i>	[AMD/nyse]	20Nov08			110.50	3.78	189.00
150	Advantage Energy Income Fund	[AAV/nyse]	3Jan08	23Mr09	335.13	1475.44		
350	Advantage Energy Income Fund	[AAV/nyse]	15Jan08	23Mr09	781.97	3327.92		
100	Advantage Energy Income Fund	[AAV/nyse]	16Jan08	23Mr09	223.42	938.94		
10	Bank of New York Mellon Corp. .36	[BK/nyse]	11Dec08			279.20	27.57	275.70
10	Bank of New York Mellon Corp. .36	[BK/nyse]	29Dec08			265.00	27.57	275.70
50	Barclays PLC	[BCS/nyse]	5Nov08	3Mar09	228.88	639.45		
50	Barclays PLC	[BCS/nyse]	12Nov08	8May09	864.97	547.95		
50	<i>Barclays PLC</i>	[BCS/nyse]	19Nov08			394.50	19.00	950.00
105	Baytex Energy Trust 1.25	[BTE/nyse]	23Mar09			1338.40	16.60	1,743.00
30	BHP Billiton Ltd. 1.64	[BHP/nyse]	12Nov08	8May09	1619.77	996.45		
20	<i>BHP Billiton Ltd.</i> 1.64	[BHP/nyse]	18Nov08			627.74	53.58	1,071.60
20	<i>BHP Billiton Ltd.</i> 1.64	[BHP/nyse]	19Nov08			589.19	53.58	1,071.60
25	<i>Citigroup Inc.</i>	[C/nyse]	21Nov08			101.25	2.88	72.00
25	<i>Citigroup Inc.</i>	[C/nyse]	8Mar09			33.50	2.88	72.00
200	<i>Coates International</i>	[COTE/otc]	14Jan09			66.00	.45	90.00
5	<i>Coeur d'Alène Mines</i>	[CDE/nyse]	23Oct08			32.72	12.31	61.55
20	<i>Coeur d'Alène Mines</i>	[CDE/nyse]	10Nov08			140.95	12.31	246.20
50	<i>Deswell Industries Inc.</i> .40	[DSWL/otc]	12Nov08			125.95	3.40	170.00

50	<i>Deswell Industries Inc.</i>	.40	[DSWL/otc]	12Dec08			71.00	3.40	170.00
15	EnCana Corp.	1.60	[ECA/nyse]	13Nov08			644.55	48.28	724.20
15	EnCana Corp.	1.60	[ECA/nyse]	20Nov08			527.00	48.28	724.20
200	Enerplus Resources	5.14	[ERF/nyse]	5Jan07			8141.95	21.21	4,242.00
25	Enerplus Resources	5.14	[ERF/nyse]	9Jan07			1012.20	21.21	530.25
55	Enerplus Resources	5.14	[ERF/nyse]	5Dec07			2164.30	21.21	1,166.55
100	<i>Entrée Gold</i>		[EGI/ase]	28Feb07			154.73	1.19	119.00
100	<i>Entrée Gold</i>		[EGI/ase]	28Oct08			56.94	1.19	119.00
100	Fairpoint Communications Inc.		[FRP/nyse]	28Oct08	29Ap09	114.44	357.73		
100	Fairpoint Communications Inc.		[FRP/nyse]	30Oct08	29Ap09	114.44	358.73		
50	Fairpoint Communications Inc.		[FRP/nyse]	17Nov08	29Ap09	57.22	139.45		
50	Fairpoint Communications Inc.		[FRP/nyse]	1Dec08	29Ap09	57.21	122.00		
100	FelCor Lodging Trust		[FCH/nyse]	12Nov08	4Mar09	85.99	198.87		
100	<i>FelCor Lodging Trust</i>		[FCH/nyse]	18Nov08			115.95	2.25	225.00
50	<i>First Marblehead Corp.</i>		[FMD/nyse]	12Nov08			62.95	1.90	95.00
50	<i>First Marblehead Corp.</i>		[FMD/nyse]	23Dec08			68.00	1.90	95.00
10	<i>FPL Group</i>	1.64	[FPL/nyse]	9Nov05			419.60	55.30	553.00
50	<i>Freeport-McMoRan Copper&Gold</i>		[FCX/nyse]	12Nov08			1170.45	49.72	2,486.00
40	Frontier Communications	.75	[FTR/nyse]	20Jan06			493.19	7.02	280.80
60	Frontier Communications	.75	[FTR/nyse]	11Feb08			662.14	7.02	421.20
100	FrontierCommunications	.75	[FTR/nyse]	15Apr08			1012.86	7.02	702.00
50	FrontierCommunications	.75	[FTR/nyse]	21Nov08			326.00	7.02	351.00
50	FrontierCommunications	.75	[FTR/nyse]	6Mar09			303.00	7.02	351.00
40	FrontierCommunications	.75	[FTR/nyse]	8Jun09			290.40	7.02	280.80
100	<i>Gammon Gold</i>		[GRS/nyse]	22Oct08			414.75	7.06	706.00
50	<i>Gammon Gold</i>		[GRS/nyse]	31Oct08			174.95	7.06	353.00
50	<i>Gammon Gold</i>		[GRS/nyse]	3Nov08			167.45	7.06	353.00
50	<i>Gammon Gold</i>		[GRS/nyse]	5Dec08			123.00	7.06	353.00
100	Gladstone Capital Corp.	.84	[GLAD/otc]	14Feb08			1713.94	7.52	752.00
200	Gladstone Capital Corp.	.84	[GLAD/otc]	3Mar08			3319.94	7.52	1,504.00
100	Gladstone Capital Corp.	.84	[GLAD/otc]	25Nov08			537.00	7.52	752.00
200	Gladstone Commercial Corp.	1.50	[GOOD/otc]	4Mar08			3409.75	12.28	2,456.00
300	Gladstone Investment Corp.	.48	[GAIN/otc]	4Mar08			3138.92	4.32	1,296.00
100	Gladstone Investment Corp.	.48	[GAIN/otc]	17Nov08			363.90	4.32	432.00
350	Harvest Energy Trust	.51	[HTE/nyse]	16Jun08			8801.92	5.38	1,883.00
40	Iowa Telecom	1.62	[IWA/nyse]	18Jan06			652.99	12.35	494.00
60	Iowa Telecom	1.62	[IWA/nyse]	25Jan08			931.54	12.35	741.00
50	Iowa Telecom	1.62	[IWA/nyse]	30Oct08			737.60	12.35	617.50
50	Iowa Telecom	1.62	[IWA/nyse]	6Apr09			599.50	12.35	617.50
15	Integrns Energy	2.64	[TEG/nyse]	11Apr06			658.35	29.61	444.15
35	Integrns Energy	2.64	[TEG/nyse]	25Jan08			1686.80	29.61	1,036.35
50	Integrns Energy	2.64	[TEG/nyse]	3Mar08			2293.42	29.61	1,480.50

40	Intel Corp.	.56	[INTC/otc]	13Nov08	19Ju09	628.80	544.53		
10	Intel Corp.	.56	[INTC/otc]	20Nov08	19Ju09	157.20	125.27		
20	<i>Intel Corp.</i>	.56	[INTC/otc]	20Nov08			250.53	16.72	334.40
15	<i>L-3 Communications</i>	1.40	[LLL/nyse]	15May03			672.97	65.75	986.25
50	Macquarie Infrastructure Co.		[MIC/nyse]	12Nov08	30Ap09	119.07	216.92		
50	Macquarie Infrastructure Co.		[MIC/nyse]	13Nov08	30Ap09	119.06	181.95		
50	Macquarie Infrastructure Co.		[MIC/nyse]	20Nov08			135.47	3.73	186.50
100	Macquarie Infrastructure Co.		[MIC/nyse]	2Mar09			93.99	3.73	373.00
50	<i>Maine & Maritimes Corp.</i>	.20	[MAM/ase]	15May06			717.47	34.63	1,731.50
100	Manas Petroleum Corp.		[MNAP/otc]	26Feb08			214.95	.78	78.00
100	Manas Petroleum Corp.		[MNAP/otc]	12Jun08			119.95	.78	78.00
200	Manas Petroleum Corp.		[MNAP/otc]	20Nov08			78.00	.78	156.00
200	Manas Petroleum Corp.		[MNAP/otc]	8Dec08			60.00	.78	156.00
50	<i>Market Vectors Gold Miners ETF</i>		[GDV/ase]	2Oct08			1486.95	38.31	1,915.50
30	<i>Market Vectors Gold Miners ETF</i>		[GDV/ase]	6Oct08			775.83	38.31	1,149.30
20	<i>Market Vectors Gold Miners ETF</i>		[GDV/ase]	13Oct08			538.95	38.31	766.20
25	<i>Market Vectors Gold Miners ETF</i>		[GDV/ase]	31Oct08			545.20	38.31	957.75
100	Medical Properties Trust Inc.	.80	[MPW/nyse]	23Oct08			681.73	5.94	594.00
50	Medical Properties Trust Inc.	.80	[MPW/nyse]	21Nov08			193.00	5.94	297.00
50	Medical Properties Trust Inc.	.80	[MPW/nyse]	12Feb09			218.00	5.94	297.00
50	Medical Properties Trust Inc.	.80	[MPW/nyse]	18Feb09			194.50	5.94	297.00
25	Microsoft Corp.	.52	[MSFT/otc]	13Nov08	19Ju09	598.26	506.20		
10	Microsoft Corp.	.52	[MSFT/otc]	20Nov08	19Ju09	239.31	180.90		
15	<i>Microsoft Corp.</i>	.52	[MSFT/otc]	20Nov08			271.35	23.37	350.55
50	<i>Newmont Mining</i>	.40	[NEM/nyse]	25May07			1989.95	40.26	2,013.00
10	<i>Newmont Mining</i>	.40	[NEM/nyse]	20Mar08			469.34	40.26	402.60
20	<i>Newmont Mining</i>	.40	[NEM/nyse]	24Oct08			445.95	40.26	805.20
200	NGP Capital Resources Co.	.48	[NGPC/otc]	3Mar08			3291.93	5.86	1,172.00
100	Nicor Inc.	1.86	[GAS/nyse]	3Mar08			3409.86	34.07	3,407.00
150	Penn West Energy Trust	1.56	[PWE/nyse]	10Oct07			4724.30	12.38	1,857.00
150	Penn West Energy Trust	1.56	[PWE/nyse]	5Dec07			3959.44	12.38	1,857.00
25	Peoples United Financial Inc.	.61	[PBCT/otc]	19Nov08			435.50	16.42	410.50
15	Peoples United Financial Inc.	.61	[PBCT/otc]	23Dec08			265.10	16.42	246.30
20	Peoples United Financial Inc.	.61	[PBCT/otc]	10Jun09			316.40	16.42	328.40
20	Peoples United Financial Inc.	.61	[PBCT/otc]	15Jun09			315.60	16.42	328.40
200	PNM Resources Inc.	.92	[PNM/nyse]	7Mar08			1885.93	10.46	2,092.00
200	Precision Drilling Trust		[PDS/nyse]	11Jan07			4565.95	4.80	960.00
50	Progress Energy Inc	2.46	[PGN/nyse]	17Mar08			2036.95	37.38	1,869.00
50	Proshares Ultra Financials	.40	[UYG/nyse]	28Oct08	6Apr09	139.99	390.95		
50	Proshares Ultra Financials	.40	[UYG/nyse]	6Nov08	24Ap09	174.50	419.45		
50	Proshares Ultra Financials	.40	[UYG/nyse]	12Nov08	24Ap09	174.49	356.95		
50	Proshares Ultra Financials	.40	[UYG/nyse]	13Nov08	24Ap09	173.01	326.45		

50	Proshares Ultra Financials	.40	[UYG/nyse]	18Nov08	24Ap09	173.01	286.45		
50	Proshares Ultra Financials	.40	[UYG/nyse]	19Nov08	24Ap09	173.01	261.50		
100	Proshares Ultra Financials	.40	[UYG/nyse]	20Nov08	24Ap09	346.02	384.00		
50	Proshares Ultra Financials	.40	[UYG/nyse]	21Nov08	26My09	193.83	176.50		
50	Proshares Ultra Financials	.40	[UYG/nyse]	20Jan09	26My09	193.83	165.50		
50	Proshares Ultra Financials	.40	[UYG/nyse]	12Feb09	26My09	193.82	152.00		
50	Proshares Ultra Financials	.40	[UYG/nyse]	17Feb09	19Ju09	194.33	135.00		
50	Proshares Ultra Financials	.40	[UYG/nyse]	2Mar09	19Ju09	194.33	109.00		
50	Proshares Ultra Financials	.40	[UYG/nyse]	6Mar09	19Ju09	194.32	81.00		
500	Provident Energy Trust	1.40	[PVX/nyse]	26Mar07			5534.95	4.73	2,365.00
350	Provident Energy Trust	1.40	[PVX/nyse]	8Aug07			3831.95	4.73	1,655.50
140	Qwest Communications Int'l	.32	[Q/nyse]	29Apr09			526.00	4.11	575.40
20	R.R. Donnelley & Sons	1.04	[RRD/nyse]	5Dec08	12Ju09	273.65	244.39		
25	R.R. Donnelley & Sons	1.04	[RRD/nyse]	26Jan09	12Ju09	342.06	249.65		
5	<i>R.R. Donnelley & Sons</i>	<i>1.04</i>	[RRD/nyse]	26Jan09			49.93	11.22	56.10
25	<i>R.R. Donnelley & Sons</i>	<i>1.04</i>	[RRD/nyse]	12Feb09			238.24	11.22	280.50
200	<i>Rubicon Minerals Corp.</i>		[RBY/ase]	4Jun08			269.33	3.01	602.00
100	<i>Rubicon Minerals Corp.</i>		[RBY/ase]	13Oct08			124.94	3.01	301.00
100	Southwest Water Co.	.10	[SWWC/otc]	6Jun08	4Mar09	416.05	1051.94		
50	Southwest Water Co.	.10	[SWWC/otc]	14Nov08	12Ju09	262.79	221.45		
50	Southwest Water Co.	.10	[SWWC/otc]	1Dec08	12Ju09	262.79	196.00		
50	Southwest Water Co.	.10	[SWWC/otc]	8Dec08	12Ju09	262.80	196.50		
50	<i>Southwest Water Co.</i>	<i>.10</i>	[SWWC/otc]	15Dec08			163.00	5.43	271.50
50	<i>Southwest Water Co.</i>	<i>.10</i>	[SWWC/otc]	29Dec08			163.00	5.43	271.50
30	Teekay Corp.	1.26	[TK/nyse]	6Nov08	12Ju09	680.45	507.45		
45	Teekay Corp.	1.26	[TK/nyse]	14Nov08	12Ju09	340.22	228.86		
30	<i>Teekay Corp.</i>	<i>1.26</i>	[TK/nyse]	14Nov08			451.24	20.39	611.70
400	Tortoise Capital Resources	.52	[TTO/nyse]	10Oct08			2270.95	4.20	1,680.00
100	Tortoise Capital Resources	.52	[TTO/nyse]	13May09			471.99	4.20	420.00
100	Tortoise Capital Resources	.52	[TTO/nyse]	26May09			443.68	4.20	420.00
100	Tortoise Capital Resources	.52	[TTO/nyse]	28May09			426.81	4.20	420.00
200	Tortoise Capital Resources	.52	[TTO/nyse]	4Jun09			927.62	4.20	840.00
100	Tortoise North American Enrgy	1.48	[TYN/nyse]	10Oct08			895.95	16.10	1,610.00
150	Tortoise North American Enrgy	1.48	[TYN/nyse]	15Oct08			1638.45	16.10	2,415.00
100	<i>US Gold Corporation</i>		[UXG/ase]	17Dec07			306.94	2.62	262.00
100	<i>US Gold Corporation</i>		[UXG/ase]	20Mar08			250.94	2.62	262.00
100	<i>US Gold Corporation</i>		[UXG/ase]	9Jun08			213.94	2.62	262.00
25	Vimpel Communications		[VIP/nyse]	12Nov08	29My09	344.91	257.20		
40	Vimpel Communications		[VIP/nyse]	19Nov08	29My09	551.86	330.40		
10	<i>Vimpel Communications</i>		[VIP/nyse]	19Nov08			82.60	11.57	115.70
25	<i>Vimpel Communications</i>		[VIP/nyse]	22Dec08			190.00	11.57	289.25
25	<i>Vimpel Communications</i>		[VIP/nyse]	2Feb09			144.25	11.57	289.25

40	Windstream	1.00	[WIN/nyse]	20Jan06			476.79	8.30	332.00
60	Windstream	1.00	[WIN/nyse]	25Jan08			673.54	8.30	498.00
50	Windstream	1.00	[WIN/nyse]	30Oct08			353.92	8.30	415.00
100	Crosstex Energy Inc.		[XTXI/otc]	13Nov08	4Mar09	93.00	526.40		
100	Crosstex Energy Inc.		[XTXI/otc]	19Nov08	4Mar09	93.00	364.00		
50	Crosstex Energy Inc.		[XTXI/otc]	5Dec08	4Mar09	46.49	153.00		
100	Crosstex Energy Inc.		[XTXI/otc]	23Dec08			261.95	3.81	381.00
60	<i>Yamana Gold</i>	.04	AUY/nyse]	22Jun09			520.40	8.75	525.00
	CASH						12292.21		12,292.21
	Totals						139,851.02		95,423.01

SUMMARY - "Inheritance":

Original cost:	\$100,000.00 (normalized)
Present value:	\$ 95,423.01 (see below)
Increase/decrease:	\$ -4,576.99 [-4.58%]

COMMENT on "Inheritance": I believe the portfolio as it is now shown is completely up to date and correctly reflects reality. Even the dividend amounts shown have been corrected to current payouts.

New since the last issue is the sale of all Fairpoint and Proshares Ultra Financials, and the addition of Yamana Gold and more Tortoise Capital Resources. Some of the purchases previously mentioned (AFLAC, Louisiana Pacific, Novagold, Silvercorp Metals, South Financial Group and Teck Resources) were actually in the IRA, as you can see in portfolio D, below.

I am now going to "retire" the Inheritance portfolio as shown, largely because much of it is in stable, boring utility- and energy-type holdings whose income is needed to help support the Florida house. (We are still carrying two Florida properties, house and condo, which are thus placing limits on my investment choices.) In the Inheritance portfolio as shown, you will see that I have italicized some entries; these will form a new portfolio of "free and gold mining" stocks, similar to the structure of IRA Portfolio D, below.

Candidates from the Inheritance portfolio for addition to this new "free stock" portfolio, when (if?) their share prices rise sufficiently, are: Bank of New York, EnCana, Frontier Communications, Macquarie Infrastructure, Manas, Medical Properties Trust, Peoples United Financial, Qwest Communications, and Tortoise Capital Resources.

This portfolio was begun, essentially, in the spring of 2006 with \$100,000 (normalized); over the intervening three years its has declined about 4.6% (as of July 2) while spinning off more than \$11,000 in dividends. That doesn't seem too impressive, except the period has spanned one of the ugliest bear markets of the past 110 years, where most people's portfolios have declined 30% or more, with substantially less dividend yield. God knows, I've certainly made my share of mistakes with this portfolio; but I find that when I'm investing *real money* over which I have *direct control* (as opposed to indirect investment with limited choices in a corporate investment plan), I tend to be *very careful* where I put the funds.

The portfolio cost (normalized) is \$121,125.16 with \$12,292.21 currently in cash.

B. "Professors' Investment Group (PIG)" - investment club portfolio.

Shrs	Description		Symbol	Bought	Sold On	Sold At	Cost Was	Price	Curr Value
50	Barrick Gold	.40	{ABX/nyse}	14Nov96			1466.01	34.06	1,682.00

Shrs	Description	Symbol	Bought	Sold On	Sold At	Cost Was	Price	Curr Value
100	Frontier Communications .75	[FTR/nyse]	20Jan06			1249.95	7.02	775.00
150	Evergreen Solar	[ESLR/otc]	4Feb05			774.68	2.39	346.50
200	GTC Biotherapeutics	[GTCB/otc]	7May04			408.55	2.51	96.00
1000	GTC Biotherapeutics	[GTCB/otc]	7Jun06			1659.95	2.51	480.00
100	Nokia OYJ ADR .78	[NOK/nyse]	14Jun01			2233.00	14.56	1,433.00
599.4	Prudent Bear Fund (504.169sh)	[BEARX]	10Oct02			3500.00	6.43	3,854.15
194.0	Prudent Bear Fund (163.144sh)	[BEARX]	5Dec07			1000.00	6.43	1,247.17
379.1	Prudent Global Income (364.085sh)	[PSAFX]	17Apr03			3200.00	12.09	4,499.70
	CASH & money market					5645.16		5,564.23
	Totals					21,056.37		19,977.76

SUMMARY - "PIG":

Original cost:	\$10,699.00	
Present value:	\$19,977.76	
Increase:	\$ 9,728.76	[+86.73%]

COMMENT on "PIG": There is no change from the last issue. One of the PIGs is cashing out, so the cash balance shown will be declining.

C. Roth IRAs - real portfolio:

Shrs	Description	Symbol	Bought	Sold On	Sold At	Cost Was	Price	Curr Value
2	T-notes (various maturities)	-	various			1941.94	105.828	2,116.56
215	Harvest Energy Trust 3.06	[HTE/nyse]	2007&8			5655.93	5.38	1,156.70
60	HRPT Properties Trust .48	[HRP/nyse]	2009			199.90	3.98	238.80
48	ING Global Equity Opportunity 1.87	[IGD/nyse]	2009			275.09	11.85	568.80
145	Marshall & Ilsley 1.28	[MI/nyse]	2008&9			2108.96	4.66	675.70
379	Penn West Energy Trust 3.47	[PWE/nyse]	2006			11716.10	12.38	4,692.02
370	Precision Drilling Trust 1.33	[PDS/nyse]	2007,8,9			5734.57	4.80	1,776.00
290	Prospect Capital Corp. 1.57	[PSEC/otc]	2007			5113.00	9.95	2,885.50
510	Tortoise Capital Resources .72	[TTO/nyse]	2007,8,9			5859.50	4.20	2,142.00
	CASH (CD & Fidelity money market)	[FDRXX}				5952.92		5,952.92
	Totals					44,557.91		22,205.00

SUMMARY - Roth IRAs:

Original cost:	\$ 30,746.19	
Present value:	\$ 22,205.00	
Increase/decrease:	\$ -8,541.19	[-27.78%]

COMMENT on Roth IRAs: Added since the last issue is more Tortoise Capital Resources, which suffered a dividend cut due primarily to its holdings of Eagle Rock Energy. But the underlying EROC partnership dividend is cumulative.... sort of, if the partnership's terms aren't changed.... and may well be restored to its supposed minimum level when conditions improve.

D. "Free" Stock inside IRA" - real "dividend distribution" portfolio:

Shrs	Description	Symbol	Bought	Cash Spent	Cost Was	Price	Curr Value
3	AFLAC Inc.	[AFL/nyse]	2Mar2009	27.68	50.34	29.43	88.29
6	AFLAC Inc.	[AFL/nyse]	10Mar2009	55.35	84.50	29.43	176.58
6	AFLAC Inc.	[AFL/nyse]	8Apr2009	55.35	130.28	29.43	176.58
15	CorpBanca S.A. ADS	[BCA/nyse]	29Dec2008	110.52	300.00	29.21	438.15
10	BlackRock Real Asset Equity Trust	[BCF/nyse]	14Jan2009	24.97	69.59	8.73	87.30
50	BlackRock Real Asset Equity Trust	[BCF/nyse]	15Jan2009	124.85	332.97	8.73	436.50
20	BlackRock Energy & Resources Trust	[BGR/nyse]	20Apr2009	125.67	315.99	19.66	393.20
15	BP PLC ADS	[BP/nyse]	15Apr2009	330.33	780.97	47.06	705.90
40	Enbridge Energy Management LLC	[EEQ/nyse]	18Dec2008	313.57	970.40	35.50	1420.00
50	Glatfelter	[GLT/nyse]	17Apr2009	167.46	344.47	8.30	415.00
5	HSBC Holdings PLC ADS	[HBC/nyse]	15Jan2009	69.79	200.45	41.24	206.20
5	HSBC Holdings PLC ADS	[HBC/nyse]	8Apr2009	69.78	92.44	41.24	206.20
25	ING Asia Pacific High Dividend Eq In	[IAE/nyse]	13Jan2009	183.99	272.74	14.10	352.50
20	Kayne Anderson Energy Total Return	[KYE/nyse]	20Apr2009	130.77	276.99	17.43	348.60
50	Louisiana-Pacific Corp.	[LPX/nyse]	20Apr2009	150.50	150.50	3.74	187.00
35	Methanex Corp.	[MEOH/otc]	17Apr2009	207.72	358.63	12.25	428.75
50	Telecom Corp. of New Zealand ADS	[NZT/nyse]	30Dec2008	171.90	334.00	8.22	411.00
5	Southern Copper Corp.	[PCU/nyse]	29Dec2008	27.72	75.50	19.59	97.95
20	Southern Copper Corp.	[PCU/nyse]	15Jan2009	110.86	285.00	19.59	391.80
100	Quest Capital Corp.	[QCC/nyse]	20Apr2009	77.94	77.94	0.87	87.00
10	Royal Bank of Scotland Group ADS	[RBS/nyse]	15Jan2009	236.79	121.30	12.23	122.30
1	Rio Tinto PLC ADS	[RTP/nyse]	14Nov2008	18.17	81.44	158.49	158.49
5	Rio Tinto PLC ADS	[RTP/nyse]	15Nov2008	90.85	420.40	158.49	792.45
20	Smith International Inc.	[SII/nyse]	24Dec2008	235.62	429.60	24.14	482.80
50	Silvercorp Metals Inc.	[SVM/nyse]	20Apr2009	115.50	115.50	3.45	172.50
2	ProShares UltraShort 20+ yr Treas	[TBT/nyse]	18Dec2008	27.81	74.17	50.73	101.46
10	ProShares UltraShort 20+ yr Treas	[TBT/nyse]	30Dec2008	139.03	368.40	50.73	507.30
75	Teck Resources Ltd.	[TCK/nyse]	14Jan2009	22.96	370.88	16.09	1206.75
50	Teck Resources Ltd.	[TCK/nyse]	15Jan2009	15.30	215.20	16.09	804.50
50	South Financial Group Inc.	[TSFG/otc]	23Feb2009	48.00	48.00	1.23	61.50
50	South Financial Group Inc.	[TSFG/otc]	6Apr2009	65.00	65.00	1.23	61.50
50	South Financial Group Inc.	[TSFG/otc]	18Jun2009	73.97	73.97	1.23	61.50
10	Wells Fargo & Co.	[WFC/nyse]	14Jan2009	368.42	236.13	23.08	230.80
	Totals			3,994.14	8,123.69		11818.35

SUMMARY - "Free" Stock:

Original cost:	\$ 8,123.69	
Present value:	\$11,818.35	
Increase:	\$ 3,694.66	[+45.48%]

(Cash spent:	\$ 3,994.14	
Increase on cash spent:	\$ 7,824.21	[+195.89%]

COMMENT on "Free" Stock: This portfolio (to date) has been constructed inside my non-Roth IRA as follows (with trades dating back to November 2008):

AFLAC - Bought 10@15.98 on 3/2, 6@12.75 on 3/10, 6@20.38 on 4/8; sold 7@36.03 on 5/8. AFLAC is a very sound insurance company whose biggest business segment is selling cancer insurance in Japan. It is a favored stock of Jim Stack (InvesTech), who recommended it when it was trading in the 30s and 40s. In early March, as part of the-banks-are-going-to-be-nationalized panic, most all insurance stocks tanked and AFLAC was *really cheap*, with a very good dividend yield, so I started buying.

CorpBanca - a large Chilean commercial bank. Banks in Chile have been largely unaffected by the systemic meltdown. Bought 40@19.80 on 12/29; sold 25@27.90 on 6/11.

Blackrock Real Asset Equity Trust - an ETF investing in hard assets. Bought 50@7.31 on 1/12, 50@6.7994 on 1/14, 50@6.4994 on 1/15; sold 90@10.1406 on 6/10.

BlackRock Energy & Resources Trust - another ETF with emphasis on energy hard assets. Bought 50@15.6394 on 4/20; sold 30@22.4106 on 6/10.

BP - Large British-based integrated energy company, primarily oil and gas. Bought 35@38.82 on 4/15; sold 20@52.22 on 6/11.

Enbridge Energy Management - holding company for Enbridge Energy Partners, a primarily Canadian oil/gas master limited partnership. Pays its dividend in additional shares instead of cash (and is not itself an MLP). Bought 50@24.10 on 12/18, 25@22.9894 on 12/23. In the interim, received 4 shares as dividends. Sold 39@38.2106 on 6/10. The cash committed to the remaining "free" position is larger than most, because I want to own enough shares to receive at least one share for each quarterly dividend, rather than only cash for a fractional share.

P.H. Glatfelter - specialty printer, primarily of advertising materials. Long-established and very sound company. Bought 100@6.8094 on 4/17; sold 50@10.59 on 5/8.

HSBC - large British bank, now partly government-owned and struggling to break free. Still has a lot of bad loans on its books, but might be able to overcome its problems. (The mortgage on the foreclosed 51%-off Florida house we bought was held by HSBC; they were a pleasure to deal with.) Bought 25@45.88 on 12/29, 10@42.02 on 1/14, 10@39.29 on 1/15, 5@18.488 (via rights offering) on 4/8; sold 40@45.70 on 6/11.

ING Asia Pacific High Dividend Equity Income Fund - an ETF with high current yield from Asia/Pacific holdings. Bought 50@10.7496 on 1/13; sold 25@14.78 on 6/12.

Kayne Anderson Energy Total Return Fund - ETF specializing in energy investments. Bought 50@13.6894 on 4/20; sold 30@18.9906 on 6/12.

Louisiana-Pacific Corp. - forest-products (lumber) company which has gotten crushed by the housing bust. Rich in real assets (timber, land). Bought 50@2.85 on 4/20.

Methanex Corp. - Canadian manufacturer of methanol. Bought 75@10.14 on 4/20; sold 40@14.22 on 6/11.
ProShares UltraShort Lehman 20+ -year Treasury Fund - goes up when long-term US Treasury bonds go down due to excessive money-printing. Not really a long-term holding because of the way UltraShorts hedge

daily, and because of fund expenses; the share price will deteriorate over time. But it can be held for several months (maybe many months) as a dollar hedge, though eventually I will have to sell it. Bought 15@36.55 on 12/18, 10@36.04 on 12/30; sold 13@58.91 on 6/10.

Quest Capital Corp. - Canadian financial company making short-term loans to businesses. Not recommended outside an IRA because you will have to file a pile of really screwy tax forms. Bought 100@.6994 on 4/20.

Rio Tinto - major worldwide producer of metals/minerals. You may recall I inherited some shares of RTP from my stepmother, which I sold at a profit - after which the shares tripled. They subsequently collapsed in the commodity bust. I tried to buy some last fall the day the price reached \$67/share, but missed; \$80/share was as close as I could get. Bought 5@79.8394 on 11/14, 5@82.48 on 11/22; sold 4@181.6506 on 5/4.

Royal Bank of Scotland - mostly owned by the UK government. Like Northern Rock, it may not survive; then again, the UK may think it's too big to fail and will resuscitate it. I thought I'd take a chance. A friend works for RBS, and he chided me because he said I was about 15% too *optimistic* about the systemic failure. I hope his job survives. Bought 35@15.10 on 1/7, 25@ 15.15 on 1/13, 20@ 12.39 on 1/14, 20@ 11.73 on 1/15; sold 90@13.21 on 6/11. This was not a money-making trade, but I decided to keep a minimum 10 shares and let it ride.

Silvercorp Metals Inc. - develops mines, primarily silver. Bought 50@2.15 on 4/20.

Smith International - oil-drilling equipment. Bought 40@21.28 on 12/24; sold 20@31.58 on 5/8. Stock is still depressed.

South Financial Group - A change in management interested me in this bank, which may well be bankrupt due to bad construction (mostly housing) loans. The stock faces dilution as part of its recovery, but the new management may be able to pull it off. Bought 50@.80 on 2/23, 50@1.14 on 4/6, 50@1.48 on 6/18.

Southern Copper Corp. - copper producer, mainly from Peruvian mines. Bought 50@14.94 on 12/29, 20@13.85 on 1/15; sold 45@20.21 on 5/8.

Teck Resources - Canadian miner/producer of base and rare-earth metals. China has recently bought a major piece of this company. Bought 100@5.70 on 1/12, 100@4.875 on 1/14, 50@4.15 on 1/15; sold 125@10.0622 on 4/24.

Telecom Corp. of New Zealand - name says it all. Bought 100@6.55 on 12/29, 50@6.52 on 12/30; sold 100@8.171 on 6/23.

Wells Fargo - Warren Buffett thinks this almost-nationwide bank has an excellent franchise. I think it may well be bankrupt, due largely to its government-forced takeover of Wachovia. This was not a money-making trade, but I decided to hang onto ten shares, watch it, and see who's ultimately right..... me or Warren. Bought 35@27.1894 on 12/23, 25@26.6794 on 1/7, 15@25.06 on 1/9, 10@23.42 on 1/13, 15@23.0794 on 1/14; sold 90@25.0506 on 6/11.

Candidates currently in my IRA eligible for future inclusion in this portfolio if their prices rise enough include: Automatic Data Processing (ADP), BB&T Corp. (BBT), CenturyTel (CTL), ConocoPhillips (COP), DWS Dremann Value IncomEdge Fund (DHG), Fauquier Bankshares (FBSS), H&Q Life Sciences Investors (HQL), Eli Lilly & Co. (LLY), LNB Bancorp (LNBB), New York Community Bancorp (NYB), Nokia Corp. (NOK), Premier Financial Bancorp (PFBI), PSB Holdings (PSBH), Rayonier (RYN), Southern Missouri Bancorp, now Southern Bank (SMBC), L.S. Starrett (SCX), StealthGas (GASS), Sunoco (SUN), Taseko Mines (TGB), Trustmark Corp. (TRMK), Verizon (VZ), Waste Management (WMI) and Weyerhaeuser (WY).

E. TIAA/CREF 403(b) and (non-Roth) IRA retirement plans: My TIAA-CREF is still in a state of flux, with the IRA currently in the process of being moved from TIAA-CREF to Fidelity (still!!), where I am investing the money in individual high-yield stocks. After this all settles down, the numbers that used to appear here will return for the SRA.... I think.

TIAA-CREF values, 2July2009: stock, 165.01; equity-index, 63.23; MM, 25.53; bond, 87.67; inflation-indexed bond, 52.71; real estate, 220.65.

Comment on NYSE "Timer's Trend": We are currently on a BUY signal of March 18, 2009.

NYSE TIMER'S TREND

Table with columns for date, day, month, year, and numerical values. The table is split into two columns, with the right column starting from April 20, 2009. The values fluctuate significantly, with a notable peak in late 2008 and a sharp decline in early 2009.

Comment on NASDAQ "Timer's Trend": We're on a BUY signal of July 15, 2009.

NASDAQ TIMER'S TREND

Mon 5 Jan 09	. #.	1628.03 -.	*	Mon 20 Apr 09	#. .	1608.21 +.	*
Tue 6 Jan 09	. .	1652.38 +.	*	Tue 21 Apr 09	. #.	1643.85 +.	*
Wed 7 Jan 09	#. .	1599.06 +.	*	Wed 22 Apr 09	. #.	1646.12 +.	*
Thu 8 Jan 09	. #	1617.01 +.	*	Thu 23 Apr 09	. .	1652.21 +.	*
Fri 9 Jan 09	. # .	1571.59 +.	*	Fri 24 Apr 09	. .	1694.29 +.	*
Mon 12 Jan 09	# .	1538.79 -.	*	Mon 27 Apr 09	. #.	1679.41 +.	*
Tue 13 Jan 09	# .	1546.46 -.	*	Tue 28 Apr 09	. .	1673.81 +.	*
Wed 14 Jan 09	# .	1489.64 .	*	Wed 29 Apr 09	. #	1711.94 +.	*
Thu 15 Jan 09	# .	1511.84 .	*	Thu 30 Apr 09	. .	1717.30 +.	*
Fri 16 Jan 09	# .	1529.33 .	*	Fri 1 May 09	. #.	1719.20 +.	*
Tue 20 Jan 09	# .	1440.86 @.	*	Mon 4 May 09	. .	1763.56 +.	*
Wed 21 Jan 09	# #I	1507.07 .	*	Tue 5 May 09	. #	1754.12 +.	*
Thu 22 Jan 09	# .	1465.49 .	*	Wed 6 May 09	. #	1759.10 +.	*
Fri 23 Jan 09	# .	1477.29 .	*	Thu 7 May 09	. #	1716.24 +.	*
Mon 26 Jan 09	# .	1489.46 .	*	Fri 8 May 09	. #	1739.00 +.	*
Tue 27 Jan 09	# .	1504.90 .	*	Mon 11 May 09	. #	1731.24 +.	*
Wed 28 Jan 09	# .	1558.34 .	*	Thu 14 May 09	. #.	1689.21 +.	*
Thu 29 Jan 09	# .	1507.84 .	*	Fri 15 May 09	# .	1680.14 +.	*
Fri 30 Jan 09	# .	1476.42 .	*	Mon 18 May 09	. .	1732.36 +.	*
Mon 2 Feb 09	# .	1494.43 .	*	Tue 19 May 09	. #	1734.54 +.	*
Tue 3 Feb 09	# .	1516.30 .	*	Wed 20 May 09	. #.	1727.84 +.	*
Wed 4 Feb 09	# .	1515.05 .	*	Thu 21 May 09	# .	1695.25 +.	*
Thu 5 Feb 09	# #I	1546.24 .	*	Fri 22 May 09	. #.	1692.01 +.	*
Fri 6 Feb 09	# #I	1591.71 .	*	Tue 26 May 09	. #	1750.43 +.	*
Mon 9 Feb 09	# .	1591.56 .	*	Wed 27 May 09	. #.	1731.08 +.	*
Tue 10 Feb 09	# .	1524.73 .	*	Thu 28 May 09	. .	1751.79 +.	*
Wed 11 Feb 09	# .	1530.50 .	*	Fri 29 May 09	. #	1774.33 +.	*
Thu 12 Feb 09	# .	1541.71 .	*	Mon 1 Jun 09	. .	1828.68 +.	*
Fri 13 Feb 09	# .	1534.36 @.	*	Tue 2 Jun 09	. #	1836.80 +.	*
Tue 17 Feb 09	# .	1470.66 @.	*	Wed 3 Jun 09	. #	1825.92 +.	*
Wed 18 Feb 09	# .	1467.97 @.	*	Thu 4 Jun 09	. #	1850.02 +.	*
Thu 19 Feb 09	# .	1442.82 @.	*	Fri 5 Jun 09	. #	1849.42 +.	*
Fri 20 Feb 09	# .	1441.23 @.	*	Mon 8 Jun 09	. #	1842.40 +.	*
Mon 23 Feb 09	# .	1387.82 @.	*	Tue 9 Jun 09	. #	1860.13 +.	*
Tue 24 Feb 09	# #I	1441.83 @.	*	Wed 10 Jun 09	. #	1853.08 +.	*
Wed 25 Feb 09	# .	1425.43 @.	*	Thu 11 Jun 09	. #	1862.37 +.	*
Thu 26 Feb 09	# .	1391.47 @.	*	Fri 12 Jun 09	. #	1858.80 +.	*
Fri 27 Feb 09	# .	1377.84 @.	*	Mon 15 Jun 09	# .	1816.38 +.	*
Mon 2 Mar 09	# .	1322.85 @.	*	Tue 16 Jun 09	# I	1796.18 +.	*
Tue 3 Mar 09	# .	1321.01 @.	*	Wed 17 Jun 09	. I#	1808.06 +.	*
Wed 4 Mar 09	# #I	1353.74 @.	*	Thu 18 Jun 09	. I#	1807.72 +.	*
Thu 5 Mar 09	# .	1299.59 @.	*	Fri 19 Jun 09	. I#	1827.47 +.	*
Fri 6 Mar 09	# .	1293.85 @.	*	Mon 22 Jun 09	# .	1766.19 -.	*
Mon 9 Mar 09	# .	1268.64 @.	*	Tue 23 Jun 09	# #I	1764.92 +.	*
Tue 10 Mar 09	# &	1358.28 @.	*	Wed 24 Jun 09	. I#	1792.34 +.	*
Wed 11 Mar 09	# .	1371.64 @.	*	Thu 25 Jun 09	. .	1829.54 +.	*
Thu 12 Mar 09	# &	1426.10 @.	*	Fri 26 Jun 09	. #	1838.22 +.	*
Fri 13 Mar 09	# #I	1431.50 @.	*	Mon 29 Jun 09	. #	1844.06 +.	*
Mon 16 Mar 09	# .	1404.02 @.	*	Tue 30 Jun 09	. #.	1835.04 +.	*
Tue 17 Mar 09	# .	1462.11 @.	*	Wed 1 Jul 09	. #	1845.72 +.	*
Wed 18 Mar 09	# #I	1491.22 -.	*	Thu 2 Jul 09	# I	1796.52 +.	*
Thu 19 Mar 09	# .	1483.48 -.	*	Mon 6 Jul 09	# I	1787.40 +.	*
Fri 20 Mar 09	# .	1457.27 -.	*	Tue 7 Jul 09	# .	1746.17 -.	*
Mon 23 Mar 09	# .	1555.77 -.	*	Wed 8 Jul 09	# .	1747.17 -.	*
Tue 24 Mar 09	# .	1516.52 -.	*	Thu 9 Jul 09	# &	1752.55 -.	*
Wed 25 Mar 09	# #.	1528.95 -.	*	Fri 10 Jul 09	# I	1756.03 -.	*
Thu 26 Mar 09	# .	1587.00 +.	*	Mon 13 Jul 09	# I#	1793.21 -.	*
Fri 27 Mar 09	# #I	1545.20 +.	*	Tue 14 Jul 09	# I#	1799.73 -.	*
Mon 30 Mar 09	# .	1501.80 -.	*	Wed 15 Jul 09	# #I	1862.90 +.	*
Tue 31 Mar 09	# #.	1528.59 +.	*	Thu 16 Jul 09	# .	1885.03 +.	*
Wed 1 Apr 09	# #.	1551.60 +.	*	Fri 17 Jul 09	# .	1886.61 +.	*
Thu 2 Apr 09	# .	1602.63 +.	*	Mon 20 Jul 09	# .	1909.29 +.	*
Fri 3 Apr 09	# #.	1621.87 +.	*	Tue 21 Jul 09	# .	1916.20 +.	*
Mon 6 Apr 09	# .	1606.71 +.	*	Wed 22 Jul 09	# .	1926.38 +.	*
Tue 7 Apr 08	# .	1561.61 +.	*	Thu 23 Jul 09	# .	1973.60 +.	*
Wed 8 Apr 09	# .	1590.66 +.	*	Fri 24 Jul 09	# .	1965.96 +.	*
Thu 9 Apr 09	# .	1652.54 +.	*	Mon 27 Jul 09	# .	1967.89 +.	*
Mon 13 Apr 09	# #.	1653.31 +.	*	Tue 28 Jul 09	# .	1975.51 +.	*
Tue 14 Apr 09	# .	1625.72 +.	*	Wed 29 Jul 09	# .	1967.76 +.	*
Wed 15 Apr 09	# .	1626.80 +.	*	Thu 30 Jul 09	# .	1984.30 +.	*
Thu 16 Apr 09	# .	1670.44 +.	*	Fri 31 Jul 09	# .	1978.50 +.	*
Fri 17 Apr 09	# .	1673.07 +.	*				*

"Timer's Trend" is based on 4% and 10% exponential moving averages of the New York Stock Exchange or NASDAQ advance/decline lines (that is, the ratio of advancing to declining stocks). There are many symbols shown above, but the ones that count are the braces: {, } = "Timer's Trend" (4% exponential confirmed by 10% exponential) SELL (I) or BUY (J) signal.

NEXT ISSUE - should appear in August 2009. With the added work of getting a second house up and running, it is highly unlikely I will be able to get out 11 issues this year (July to June); but I will do my best.