

INFORMATION LINE



Perspective

By Rich Checkan

I love helicopters!

I was an Army Light Infantryman in my previous lifetime. Back then, in Hawaii and on the Demilitarized Zone (DMZ) in Korea, it was my Uber to the battlefield. It's how we got around.

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I had some of the most amazing rides on helicopters flying nap of the earth (NOE)... low altitude flights weaving along the contours of the landscape just above the treetops. I've parachuted out of perfectly good helicopters. I've helo-casted. I've rappelled out of them too. I love helicopters!

Of course, as a precious metals dealer for the past 25 years, helicopters have taken on a whole new meaning.

In 1969, Milton Friedman coined the phrase "Helicopter Money." He was referring to the unbridled expansion of the money supply and the distribution of that free money – created out of thin air – by dropping it from the skies to the masses.

Hand in hand with that concept is another one of his famous statements... "Only a government can take a perfectly good piece of paper, add some ink to it, and make it totally worthless."

Our Two Best Helicopter Pilots

With the recent confirmation of Janet Yellen as Treasury Secretary, and Jerome Powell as Chairman of the Federal Reserve, we have our two best helicopter pilots on the job. Both have an affinity for printing money.

Expect them to continue to follow that playbook under President Biden's administration. Of course, this follows on the footsteps of an unprecedented 25% expansion of the money supply last year alone!

Coupled with a continuation of artificially low interest rates – currently yielding a negative real return after accounting for inflation, it is no surprise the U.S. dollar is under extreme pressure.

We expect this cycle of dollar weakness to continue for another roughly seven years. At least, that's what history tells us should happen.

Add in the ballooning U.S. debt at nearly \$30 trillion, and much more stimulus and government spending on the way, I only see one direction for the dollar to go for the foreseeable future.

Are you following me? Or, as my lovely daughter Ava says to me all the time... "Are you pickin' up what I'm puttin' down?"

A couple weeks ago, we held our [1st Quarter 2021 On the Move webinar](#) with special guests Pamela and Mary Anne Aden. We covered this topic in-depth. If you weren't able to attend and have not seen it yet, please do so.



[Click to view.](#)

You can sign up for the next one in April [here](#).

Bottom line, and we were all in agreement on this point, real assets – such as gold, silver, platinum, and palladium – are all poised to perform well in this environment of...

- Massive debt
- Massive monetary expansion
- Fiat currency dilution
- Artificially low interest rates
- Fiscal irresponsibility

Got Gold? Got Silver? If not, you need to get some.

The Mob Hits Wall Street

I touched on this yesterday in my weekly episode of [Getting Rich](#).

After targeting the short-sellers of GameStop and a few other struggling company stocks, the Reddit folks, r/WallStreetBets, set their sights on silver.

From Thursday last week through Monday, they managed to have a bit of an impact. The price of silver surged over the weekend and into Monday from under \$26 per ounce to an intraday high on Monday of \$30.51 per ounce.

This was partly due to their buying activity. In addition, the news of the activity spurred would-

be investors to buy as well – eager to see where they could take the price.

Knowing they were able to move GameStop from a market cap of under \$3 billion to a market cap of \$22.67 billion, investors thought the sky was the limit for silver.

But, silver's market cap of \$1.46 trillion was a bit more than GameStop's. In this respect, GameStop was a lake, and silver was an ocean.

Again, they had an impact, but it was short-lived. By Wednesday morning, the silver price was back down to earth with only a slight gain for the week.

What to Make of It All...

For me, the importance of the recent activism in markets is not the price movement of GameStop, AMC, silver, or anything else. For me, it's all about the rampant disillusion that exists today.

We saw it play out last year in the Black Lives Matter protests and rioting. We saw it play out rather violently with the storming of the Capitol.

We see it everyday in the media where discourse is passionately argumentative. We see it in the calls for censure and the suppression of ideas and open dialogue.

Financially, we have seen it in the flight away from fiat currencies. More and more investors are shedding their dollars and euro for gold, silver, Bitcoin, and other cryptocurrencies. They are choosing to buy alternatives to government issued and completely mismanaged currencies.

And most recently, we have seen it in the concerted attacks on financial markets.

All of this, to me, suggests we have had enough with the status quo.

Disagreements do not equate to hate. Passionate arguments and the exchange of ideas is crucial to critical thinking and the advancement of society.

But, for right now, until civility and dialogue are restored, people are acting out so as to be heard.

*As I have often stated, in this environment, owning real assets is crucial for you to **Keep What's Yours!***

*Call us at **800-831-0007** or [send us an email](#) to set-up a consultation... now... today! Let us help you ensure your retirement and non-retirement portfolios are protected against depreciating dollars.*

If not now, when?

—Rich Checkan

"As the Publisher of The Oxford Club financial group for over 28 years, I've learned to be very selective in who I recommend to our Members. When it comes to buying precious metals and offering services for offshore diversification and protection of assets, there's only a few groups I would trust.

Asset Strategies International is one of the select firms I recommend without hesitation. I've worked with them for decades. ASI is a family-led business that offers the perfect complement of hard asset services and expertise for our Members, with the utmost professionalism and responsiveness."

Julia Guth// CEO & Executive Publisher, Oxford Club

Editor's Note: Frank Holmes is the CEO of U.S. Global Investors, well-known for his expertise in gold and precious metals, natural resources, and emerging markets. We favor his insights on the markets and hope this article on federal debt will open your eyes to the current economic climate. This article was originally published in Frank Talk on January 25, 2021. To subscribe, [click here](#).



Feature

The Gold Standard Ended 50 Years Ago. Federal Debt Has Only Exploded Since

By Frank Holmes

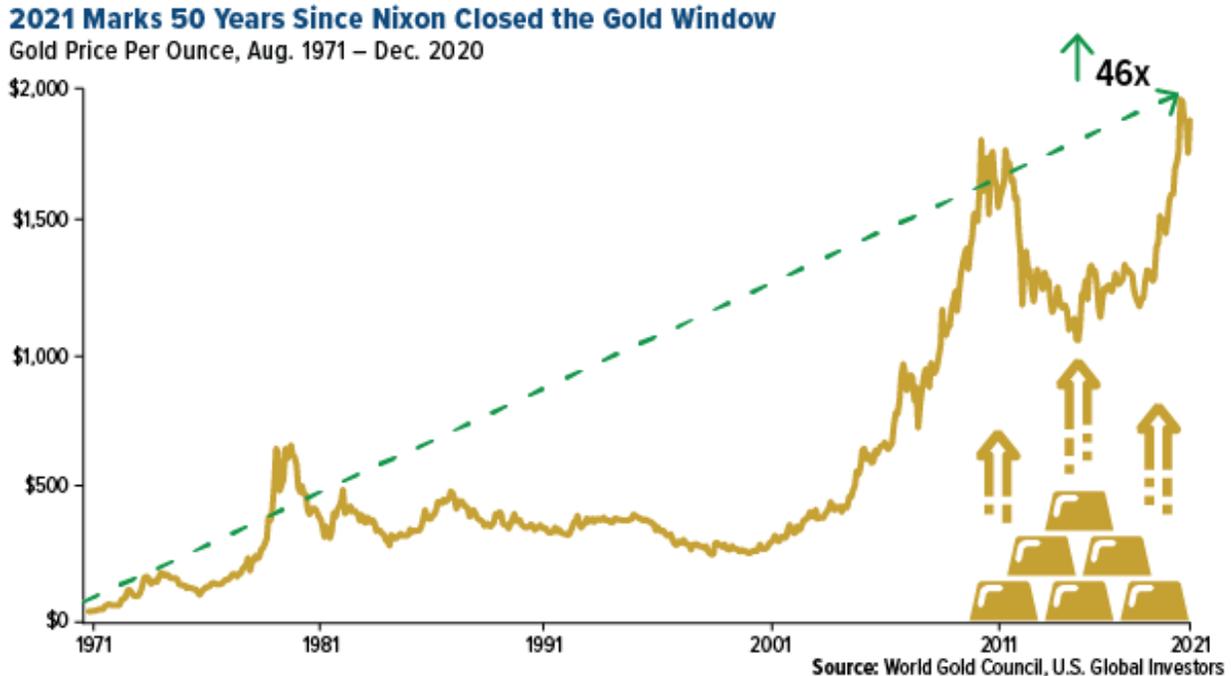
This year marks the 50th anniversary of the end of the gold standard in the U.S. In August 1971, President Richard Nixon formally unpegged the U.S. dollar from gold, meaning the greenback was no longer convertible into bullion. Overnight, the dollar became a free-floating currency, measurable only by comparing it to other world currencies.

And yet there were still restrictions on private ownership of gold coins, bars and the like. It wouldn't be until President Gerald Ford signed a bill in December 1974 that Americans could freely buy and trade bullion, for the first time in over 40 years.



A lot happened as a result. Its price no longer fixed, gold exploded 385% from the end of 1974 to 1980, when the metal topped out at \$850 an ounce as the U.S. coped with historic levels of inflation.

Over the past 50 years, gold has expanded more than 46 times, with a compound annual growth rate (CAGR) of about 8%.

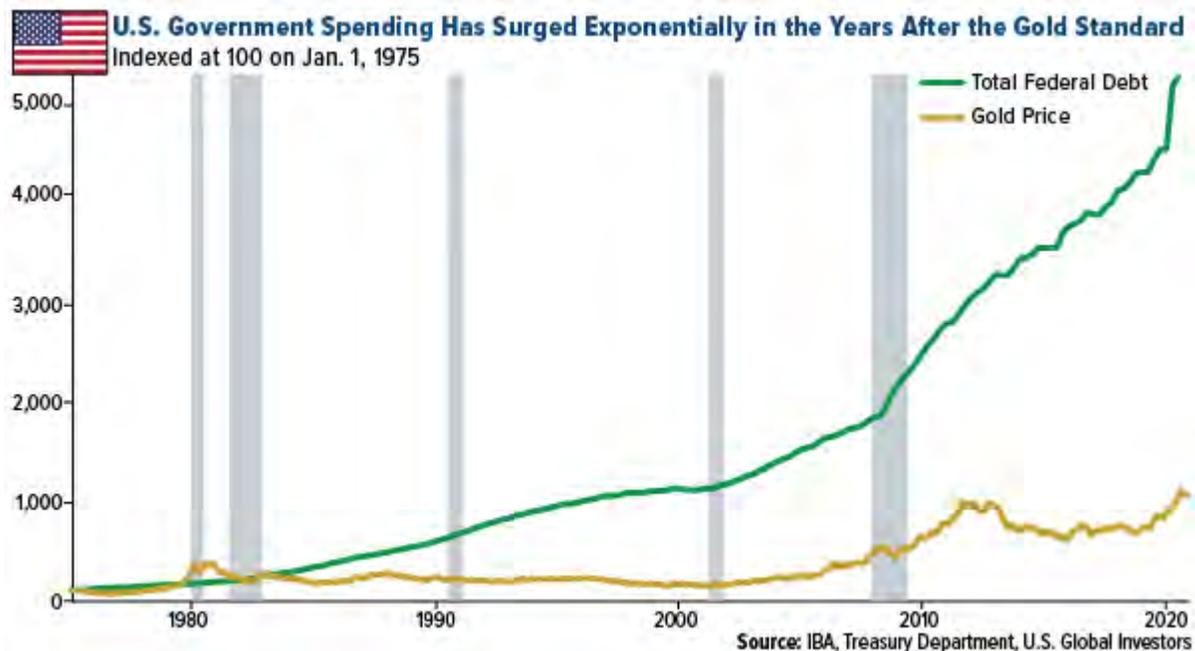


The ability to trade gold freely has obviously been good for investors. Today, gold bullion is one of the most liquid assets in the world, its daily volume standing at more than \$145 billion, according to the World Gold Council (WGC). Only the S&P 500 and U.S. Treasuries trade more—but not by much.

The Age of Runaway Debt

The drawback is that, in the years since the end of the gold standard, there’s been a significant and growing lack of discipline when it comes to government spending. Before 1971, there was a natural limit to how much money could be printed. New issuances were dependent on the amount of gold sitting in the nation’s coffers.

Today, with the dollar backed not by a hard asset but by the “full faith and credit” of the U.S. government, the federal debt is closing in on an astronomical \$28 trillion, which is more than 130% of the size of the U.S. economy.



To give you some idea of how dramatically times have changed, federal debt in 1960 was only a little over half the size of the economy.

The debt is expected to surge even more in the coming months now that Joe Biden has been sworn in as president and Congressional control has shifted in the Democrats' favor. Biden, who turned 78 in November, has called for a \$1.9 trillion economic relief package that include \$1,400 checks for all American adults.

I'm not advocating that we return to the gold standard. It's probably no longer feasible. According to the Treasury Department, official gold reserves currently stand at approximately 261 million ounces, for a market value of some \$493 billion.

That's just not enough metal to support an economy as large as the U.S.—not unless the price of each ounce of gold was fixed at something outrageous like \$100,000.

There's been some discussion of making Bitcoin a reserve currency. Like gold, its supply is limited, and it has the potential to scale up. But at the moment, cryptos are far too volatile.

So for now, we're left with the current monetary system of unlimited money-printing, which in turn makes each U.S. dollar less valuable and each ounce of gold more valuable.

The Rise of Modern Monetary Theory (MMT)

What this is all pointing toward is the rapid adoption of modern monetary theory (MMT). I've written about the concept before.

In short, proponents of MMT say that governments that issue their own currency, as the U.S. does, are free to spend as much as they want, regardless of the amount of revenue generated. And if the government ends up with a spending deficit, it can just print more money to cover the difference.

Isn't this what we're already doing? In 2020, the federal government spent a total of \$6.55 trillion, despite it collecting "only" \$3.42 trillion—about half of that—in tax revenue.

What's more, the amount of M1 money supply—which includes the most liquid and readily available forms of money—was up an unprecedented 67% in December 2020 compared to the same month the previous year.

As Ray Dalio, billionaire founder of Bridgewater, the world's biggest hedge fund, has said a number of times, "Cash is trash."

"Michael, Rich and the team are not only my own personal go-to provider for gold and other precious metals, they are wonderful colleagues, friends and experts for discussion and insight into what's happening in the global markets."

Doug Casey // Founder, Casey Research



Hard Stuff

Here's How the Smart Investor Buys Metal Today

By Madeleine Coe

Last spring as the pandemic broke out, mints and refineries went into lockdown as well. This meant that supply chains were cut off and that investors were having a hard time getting their hands on fabricated bullion coins and bars.

At the time, many dealers were selling bullion they don't have in stock with 2-3 month delays and at a high premium. Wholesalers committed to trades, but couldn't promise a fixed delivery date because of the short supply of fabricated gold and silver coins and bars.

Recently, premiums have started to rise again. We have word from our suppliers that The Royal Canadian Mint is out of many of the fractional gold bullion products and delivery times have crept up to 30-45 days. While the vaccine is slowly being distributed, new strains emerge and infection surges may lead to new lockdowns and temporary supply squeezes.

The window to capture physical gold and silver at current prices and lower premiums might be coming to a close once again. If gold and silver lower than the highs is something you need to balance and diversify your portfolio, then the time to act is now.

While gold has decisively broken out, silver is at just half the spot price of its all-time high, which means it has plenty of room to climb. Silver often lags behind gold in a bull market, but outperforms it in the long-run. Last year we saw evidence of this as gold rose about 25% while silver topped the hard assets market with 48% growth.

However, we only want to help clients find products at a premium that makes sense for their investment goals.

So, if there is a shortage of fabricated gold and silver coins and bars, there is no shortage of physical gold or silver, and the Perth Mint offers the very best physical gold and silver options for the current situation. And today, there are more options than ever to buy, trade, and store your precious metals with [The Perth Mint](#) in Perth, Australia.



Back in 1997, ASI and The Perth Mint teamed up to create the groundbreaking Perth Mint Certificate Program (PMCP) with the goal of streamlining how customers invest in gold, silver, and platinum and making it more affordable than ever with the world's only government-guaranteed precious

metals investment and storage solution. It's still one of the best ways to own precious metals today.

ASI and The Perth Mint have also partnered to bring you the world's most affordable and flexible way to buy, sell, store, and deliver gold, silver, and platinum online. With 24/7, the Perth Mint Depository Distributor Online (PMDDO) is the other best way to make the most of your precious metals investment in 2020.

If you haven't already, take control of your asset allocation with all the benefits of the PMCP or PMDDO. Whether you are a long-time client who already holds Perth Mint Certificates, or someone who is new to both programs, we don't want to see you miss out on a real opportunity. The time is now to act on the current market dip and add to your position before precious metals prices gain momentum in this volatile economic landscape.



If you want to make sure that your wealth is protected, then these are the best ways to obtain precious metals at a low spot price without the current exorbitant premiums we saw last year and might see again. If you have any questions, don't hesitate to call **800-831-0007** or email us.

"If there's anything you need in terms of handling your bullion - buying, storage, certificates, etc. - The staff at ASI are the folks you want to do business with. That's the truth."

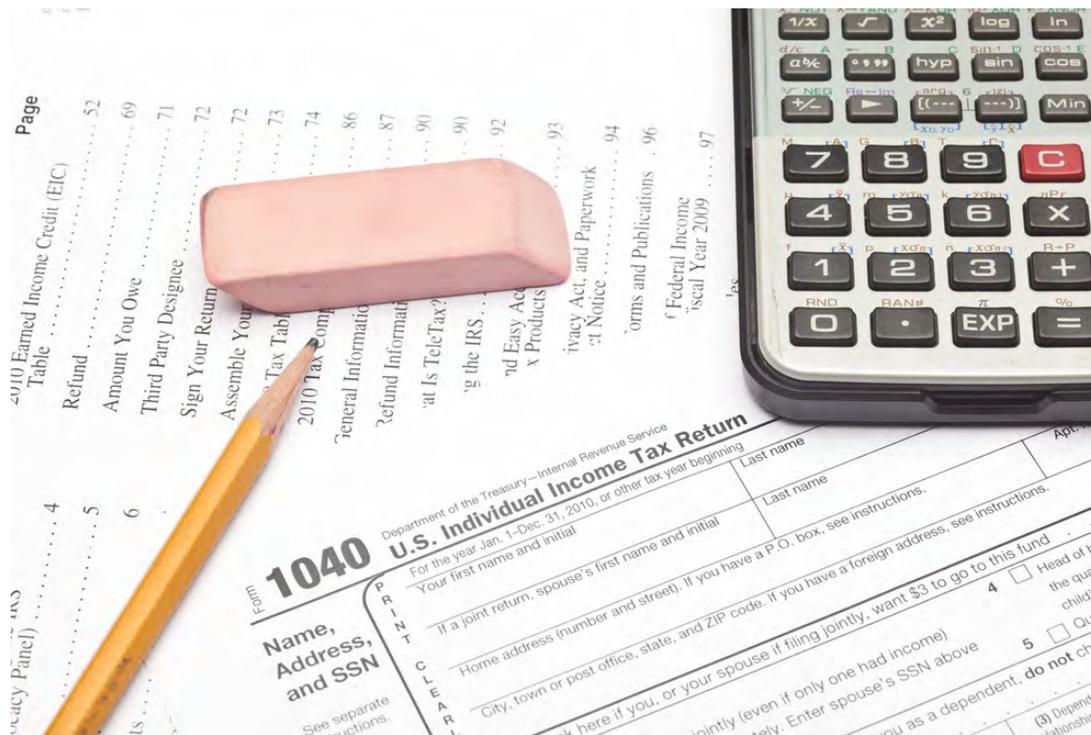
Porter Stansberry // Stansberry & Associates

The Inside Story The Facts About IRAs

At ASI, we know facts can be hard to come by in a world where volatility and confusion reigns.

That's why we offer the information you need to consider to **Keep What's Yours!** We believe that clients should be informed so that they can make the right selection from many strategies, products, and services to preserve their financial future.

One strategy is to invest in a precious metals IRA... Did you know that was an option for self-directed IRAs? We have been assisting clients in making it a reality since the IRS code first allowed it over 30 years ago!



FACT #1. You MUST make your 2020 contribution by April 15, 2021, and you can also make your 2021 contribution at the same time, if you wish.

For each year, the total annual contributions to your Traditional and Roth IRAs combined cannot exceed: \$6,000 if you are under age 50, or \$7,000 for those ages 50 or older. Traditional IRA contributions are not limited by annual income, and are tax deductible for the year of the contribution.

Therefore, if you have room to contribute more for 2020, you can take care of that and your full contribution for 2021 up until April 15th. This is particularly useful for those of you expecting income increases in the next year or so.

FACT #2. Roth IRA contributions are after tax dollars, and there are limits and eligibility rules based on your modified adjusted gross income, which also vary depending on tax-filing status as follows:

<https://www.irs.gov/retirement-plans/amount-of-roth-ira-contributions-that-you-can-make-for-2021>

FACT #3. Required Minimum Distribution (RMD)

Don't forget: The Traditional IRA is tax deferred, not tax exempt. When you reach April 1st immediately after you turn 70 1/2 years of age, you are forced to take distributions. At that point, funds in your traditional IRA must begin to be withdrawn, and ordinary income tax must be paid on the withdrawal.

How much is your RMD withdrawal? At 70 ½, the RMD is 3.65% of the TOTAL value of all your deferred accounts as of December 31st of the year prior. As you go through your 70's, the percentage you are forced to take out increases. For example, at 72 it's approximately 4.2%. When you're in your 80's, it can be 6%. As you get older, you are forced to take out more money at unknown future tax rates.

Your ROTH contribution, so long as it is in your qualified account for 5 years or more, is distributed tax-free... including the growth. There is no RMD requirement. This is a good deal, if you can afford to pay taxes on current qualified holdings and convert to a ROTH, or make contributions without taking a deduction.



FACT #4. Good News: Precious Metals in Your IRA

The Internal Revenue Code allows IRAs to own certain gold, silver, platinum and palladium bullion (coins and bars) so long as they meet the LBMA minimum standards of fineness. In general, precious metal bullion bars and coins that are 99.9% pure or better are eligible for IRA investment, but we can help guide you when it comes time to make your purchase.

Precious metals are perfect for an IRA because they are for long term investing and so is your retirement plan.

But, you must have a self-directed account that follows carefully controlled IRS rules and restrictions. Specifically, your precious metals cannot be held by you directly; they must be held through an IRA administrator in an approved depository.

ASI offers several programs, IRA storage choices and trustees/administrators, one of which is certain to be right for you. Call an ASI Preferred Client Relations representative to get the full realm of possibilities at **800-831-0007**. You can even hold your IRA assets offshore!



Another great IRA alternative is the [Perth Mint Certificate](#) which can be placed in your existing self-directed IRA if you have one. ASI has been working with several trustees/administrators for decades in this regard. Your gold, silver or platinum is held offshore in Perth, Western Australia and is guaranteed for safety by the Government of Western Australia and is fully insured at full market value at all times... at their expense.

Plus, when it comes to making your RMD, all you have to do is call ASI. We will be glad to

help you liquidate properly for ease and convenience.

Give one of our Preferred Client Representatives a call at **800-831-0007** or [email us](#) to discuss your precious metals IRA options... another strategy to help you **Keep What's Yours!**

**Asset Strategies International is neither a financial advisor nor a tax advisor. Consult your CPA or Tax Attorney today before making any decision.*

"As the Publisher of The Oxford Club financial group for over 28 years, I've learned to be very selective in who I recommend to our Members. When it comes to buying precious metals and offering services for offshore diversification and protection of assets, there's only a few groups I would trust.

Asset Strategies International is one of the select firms I recommend without hesitation. I've worked with them for decades.

ASI is a family-led business that offers the perfect complement of hard asset services and expertise for our Members, with the utmost professionalism and responsiveness."

—Julia Guth // CEO & Executive Publisher, The Oxford Club

PRECIOUS METALS				FOREIGN CURRENCY			
	Year Ago	Current			Year Ago	Current	
Gold	\$1,578.96/oz.	\$1,836.24/oz.	▲	British Pound	\$1.3201	1.3668	▲
Silver	\$17.70/oz.	\$27.14/oz.	▲	Euro	\$1.1090	\$1.2050	▲
Platinum	\$969.75/oz.	\$1,110.47/oz.	▲	Japanese Yen	\$0.00923	\$0.00952	▲
Palladium	\$2,321.50/oz.	\$2,309.39/oz.	▼	Swiss Franc	\$1.0376	\$1.1142	▲

**Prices are as of 12:45 PM EST on 02-03-2021*

PLEASE NOTE: This email is published to inform your thinking, not lead it. Only you can decide the best place for your money, and any decision you make will put your money at risk. Information or data included here may have already been overtaken by events—and must be verified elsewhere—should you choose to act on it.