





Introduction

The following report provides word-by-word transcripts of the General Session presentations from the 2025 New Orleans Investment Conference. It represents an incredible value – hundreds of pages jam-packed with some of the most insightful, enlightening and entertaining investment information you'll ever encounter.

We are confident that you'll deeply enjoy the analyses, forecasts and specific recommendations provided.

However, by the very nature of having these presentations transcribed by an independent service, there will be errors in the resulting document. We've tried to catch most of them, but please forgive those that snuck through.

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Mary Anne & Pamela Aden

“GREAT YEAR! How Long Can It Last?”

Thank you very much. It's really a pleasure to be here and thank you for coming. It's been an exciting gold and metals bull market. We can be sure of that. And it's been going on for the past couple years, but it really heated up this year. And it's been a powerful bull market that's unfolding not only in gold and silver, but also in the

precious metals shares, and platinum, palladium, copper. They're all diving in and moving together now. But yet many people still don't realize it. So that's good for us because it means that this bull market has a lot more to go.

The Chinese have a saying: "May you live in interesting times." We are. That's for sure. Interesting times are rarely calm. But they're always full of change, challenges and opportunities. And that's what we believe is coming — change, opportunities and challenges. That's what we see coming ahead of us. And these markets are sending very powerful signals that the time for hard assets has come. People want security and they want safe havens.

This year, for example, I'm going to show you the first chart here. Here you'll see gold and silver and the gold shares. You can see they've all risen sharply this year. Gold shares have risen 140%. Silver's up 78% this year and gold is up 63%. You can see they tend to move together. Sometimes one will be stronger than the other. But even though stocks have been all the excitement and everyone talks about stocks so much, in comparison, the S&P this year is only up 17%. And NASDAQ with all its tech stocks and everything is up 24%. That's very good, but it's not at all in comparison to what the metals have done. It's outperformed all of the markets.

Plus the stock market is now the most expensive it's ever been. Ever. And when that happens, it's happened only a handful of times if you go back through stock market history. It always tends to end up in a bubble that falls sharply. The metals on the other hand — this isn't just another cycle. It's the beginning of one of the strongest bull markets we may see in our lifetimes. So you want to keep that in mind.

And even though gold has been correcting a bit in the past couple weeks, it's not a big deal. It's normal following the sharp rise it had. And you can see here looking at gold's big picture, it's strongly moving up. It's hitting all-time record highs recently. And the central banks have been buying gold like mad because they understand what few investors remember — gold is strong when paper currencies are weak. That's what's happening and gold is literally in the parabolic phase, what we call it, and that's when it really starts to soar. So this correction is normal because no market, no matter how strong it is, goes straight up.

The message that gold is giving us is simple: the world wants stability, safety, and something that's real. And that's what gold is providing. And that'll be the case as long as this uncertainty we're feeling in the markets continues. Plus it's important to remember that gold has been a safe haven for 5,000 years, and it's now reinforcing this again. These are things that are very bullish for gold.

Anyways People always ask us, "So how high do you think it's going to go?" And that's dangerous to try to guess because no one knows how high it's going to go. It's a new bull market territory, but we do have an idea.

If you compare the two big bull markets that gold has had in the past, one was from 2000 to 2011. At that time, gold went up over 600%. If this bull market performs in the same way ...which we think it will be one of the bigger bull markets — then gold could rise, if it does the same thing, up to \$8,000 an ounce. And that would be a double from where it is now.

But then if you look at the other bull market, which was in the '70s, which is shown on the left, at that time gold rose over 2,000%. And you can see at the bottom there, gold is barely getting started compared to that one. Now, we don't know if it's going to be similar to these. We think it'll be close. But if that were the case, and it is similar to the '70s bull market, it would go to \$25,000. And we know that sounds crazy and seems very radical to say, but that's what the numbers are telling us.

So what could drive gold to these levels? The main thing is this. That's the U.S. debt going back to 1900, and it continues to soar in the last few decades especially, every year it's gaining at a faster momentum. And there's no easy way to turn this around. The U.S. would either have to default or devalue the dollar tremendously or go for big inflation with all the money that's going to have to be printed, or make a significant change that would just change things. We don't know what's going to happen, but these crises happen about once every 50 years, and this one is pretty much on schedule.

Aside from the debt and all of its repercussions, the other reason we're so bullish is because the central banks have been buying gold like mad for the past few years — but they're stepping it up. That's very important because they are not so secure with the dollar anymore. The other reason: bonds are losing their safe haven status. For many, many years it was considered a great safe haven, and that's starting to erode a bit. We think big inflation is coming, and geopolitical tensions are always very bullish for gold. There's also a loss of confidence, and the dollar is going down. So this is all uncertainty basically, and that's what will fuel this bull market.

And then there's one last thing that's important, which is traders. Just last week, for example, I was talking to a new friend who's 30 years old, and he was all excited about Bitcoin — and that's good, that's fine — but then he said, “So what do you follow?” And I said, “Well, I follow the markets but focusing on gold lately.” He said, “Gold? Who buys that? All my friends are not buying. They don't even talk about it.” And I thought to myself, that is a great sign that the crowd isn't coming in yet. The speculators, the younger investors, the ones that always go drive bull markets to the frenzied level — that tells us there's a lot more to go on the upside.

So that's it for me. Pam will take it from here. And thank you.

[applause]

Pamela Aden:

Good afternoon. And to carry on the same story that actually Peter mentioned and Mary-Anne did: The last major debt, when Nixon took the dollar off the gold standard — that was in 1971 — that was the very last major debt crisis in the U.S. And now we think now too. But that was really the biggest one, and the U.S. dollar became backed by the economy instead of holding gold. So we all know what happened after that.

See this next chart. Look at what the dollar did since 1971. It was just a downhill slope, and it's still — you can see at the end on the right-hand side, you can see that last red line, which is the fourth one since '71. That's been the major drops. It's in process right now. Right now the dollar is bearish even though it's been stabilizing a few months, but it's basically still a major downtrend. And we'll see how low it'll go.

The next chart shows you — they mentioned the foreign central banks buying so much gold. They know something's wrong because look at this. This is the first time since 1996 that they're buying more gold and less bonds. Bonds were always the major safe haven for everyone. That's really losing its steam and it's unfortunate for the US but it is losing its stability and it's down. So this is a big eye-opener to keep your eye on, and foreign central banks are still buying today. They're not stopping. This is really, really amazing.

And then the next thing is silver, which I'd like to go over... You can see how it has two major bottoms. Many of you know that silver basically bases forever and everyone feels bored. That's kind of what's happened in this bull market since 2015. But just last September, it broke up. First of all, it broke over 40 — in the summer it was just hanging under 40 and it finally broke it. Everyone was thrilled. Then immediately after that it broke to 50, and it broke that ceiling it's had since 1980. That's a big deal for silver, especially with the demand it has behind it.

Even though it's come down some, it's okay. It can come down a little further. The fact that it broke it for the first time is important for silver, and it has a lot of reasons to be bullish. Aside from the fact that it's a monetary metal, it's also an industrial powerhouse. Powerhouse, not just an industrial metal. You want to be invested in silver and ride the wave. This big bull market could rise to possibly the top of that channel at \$100 an ounce, maybe higher. The point is it's wide open, and it's not too late to buy even though it's at these levels.

Many people fear that this is too high. This weakness is giving us another opportunity to do that. Gold may be the king, which we believe it is, but silver is the rocket. And when silver breaks out, it tends to surprise everyone like it did this last time. And it's not too late to buy like I said — but buy on this current weakness.

Now, platinum and palladium are also in breakout mode. And when all precious metals are rising together, you know the bull market is vibrant. That's really another plus for the whole bull market...

...The mining shares — they've been the best. As you saw in the first chart we showed, it gives Investors leverage to rising prices. When gold rises, say for example 20%, you can get the best miners rising 100% versus 20%. There's big leverage there. But you have to be careful — you buy certain mines, and we have plenty of them here in this conference.

And it's no secret that gold and silver shares have risen much more than gold this year, but even so they are still very undervalued. We didn't bring that chart to show, but if you see the difference you'll see — wow, it's still in the pits compared to the relationship with gold, and that's the case with many of the metals today.

Copper is another giant in waiting. You can see this next chart. You see it since 2008. It's been in a nice major up channel, and in fact the green one is a steeper channel, but even so it started rising in 2000 a little bit better. But still it's hitting that ceiling it had at \$5. Now \$5 is a bargain for copper today even though that was the peak many years ago.

Despite the surging demand, there's been underinvestment — supply simply isn't keeping up with the demand today. Copper is the backbone of the modern economy — from power grids to EVs, electric vehicles, to renewable energy. It's really the star in the resource sector. But there are many stars within that star. Copper is not just a metal, this is what's really interesting— it's the new oil of the energy transition. At \$5 it is a bargain and it's clearly undervalued. Its rise can end up being extraordinary in the years to come because we feel this is a big major commodity move, but the precious metals started it and they're all going to start following looking ahead.

And when copper and gold take off together, when they're both rising together, that's when you really want silver because then they both are exploding silver. So this is what you want to keep your eye on. If they're both rising together, just be sure you have your silver.

The resource shares are the forgotten asset class, but they're about to be remembered. Resource shares across the board — whether it be copper producers, energy explorers, diversified resource companies, steel, base metals — they're all trading at bargain levels. They haven't caught up to the reality of higher commodity prices yet. But when they do, they'll probably start recuperating pretty fast.

Right now the world of gold, silver, copper and resource shares are all looking good. We are living in very interesting times indeed.

And then there's uranium, the comeback story of the decade. No uranium, no nuclear; no nuclear, no clean energy. That's the rhythm that's in. For years, uranium was left for dead. But that decade of neglect created today's opportunity for uranium. It's already been rising a lot, but has a lot more to go. The mines were shut down at the time. Supply collapsed. And now demand is roaring back as nations rediscover nuclear energy as the only reliable carbon-free power source. That's pretty impressive.

The fundamentals are simple: tight supply, rising demand, and no substitutes. That's uranium's bull case in one line. It's already been strong, like I said, but it's not too late to buy. I keep repeating it, that should be the title — it's not too late to buy — because that's really what the message is today.

In our bottom line conclusion, we step back and the message is clear. We are in a global resource revaluation. Years of underinvestment combined with soaring demand have created a perfect storm. Gold is strong and it's the world's best safe haven. Silver is undervalued. Copper is critical and uranium is scarce. And resource shares — the producers — are still waiting to be recognized, but they are getting recognized.

This is not the end of the bull market — it's the beginning of the strongest phase of the bull market. This is what we wanted to emphasize. It's not the end — it's the beginning of its strongest phase. This year was the fuel that lit the bull market and the explosion is still ahead. The fire is on.

For those who understand what's unfolding, these are not just interesting times — they are extraordinary times, and this is a generational opportunity.

Now the next chart — I'd like to show you some things we recommend, and there's plenty more, but this is just giving you an idea. Silver and gold of course: physical is what we like the most. But ETFs, exchange traded funds, are a simple way to get your hands on a moving trend — silver and gold ETFs. Platinum is also an ETF. We like platinum. And the gold miners ETF is GDX, which you have plenty of gold mines to pick here but ETFs are always worthwhile.

Same with Agnico Eagle — that's been one of our loved senior mines for many years. Rio Tinto is a broad-based metals and minerals and materials company. Nucor is a good steel company. Rare earth is an ETF if you just want to get your hands on some rare earth. Copper ETF too, they're handy because sometimes you want to have the metal but you want it on the stock market and that's great. Those are good for that. And Cameco is the uranium share we like but we like several — these are just ideas we wanted to bring to your attention.

For questions and comments — if you'd like to reach out to us — we'll be happy to send you our latest issue for free. Just go to adenforecast.com and we'll be happy to give you a free copy.

Also, our really great trader — he won the number one prize this year in MarketWatch for his best trade of everybody — he's going to have a workshop tomorrow at 6:30. It would be great to have you join him. I'll be joining him too. It's on the second floor in the Churchill B1. It'd be nice to see you there. And I thank you very much.

Jim Bianco

"Is The Fed Cutting Interest Rates The Right Thing To Do?"

Good morning. Thanks for having me here today. I put as the title of my speech, is the Fed cutting interest rates the right thing to do? The answer is no. Thank you very much.

And what I want to try and do is I want to address this issue as to what's going on with the bond market and why I think that cutting interest rates would be a mistake. And I want to address the issue by talking about the elephant in the room when it comes to the bond market that everybody refers to, and that is when is this public debt problem that we have going to finally start to show up?

And the answer might be actually in the last couple of weeks it's showing up right now in the form of the funding markets having some trouble and I'll step you through it so we can understand what's going on.

So let me start with this chart here. This is probably the best way to look at the debt in the United States. It's the public debt as a percentage of GDP. So we have \$38 trillion of debt and we have about a \$38 trillion economy.

Now, this chart goes back a hundred years, and it shows you that the record was 1946 to finance World War II. And the red line is the Congressional Budget Office's estimate of where we're going to go from here. And that is that we're going to have much more debt than we've ever seen in the future.

Why do we have so much debt? So, this chart here shows you government outlays or spending as a percent of GDP. So how big is the government? As of the end of 2025, the government uses September 30th as their year end, it was 23% or roughly a quarter of our economy is the government.

That number, if you look at the chart closely — this chart goes back to World War II — is one of the highest numbers we've ever seen. The only times it's ever been higher than that were 2020, 2021 during the COVID crisis and 2009 during the financial crisis.

Restated, what we're doing right now, the government, is they're spending as if we're in a crisis, but we're not in a crisis. If you look at the chart closely before 2009 — and I labeled 1983 and 1991 — those were recession years. We're spending more right now than we did during recession years.

Typically, the government spends to try and push you out of a recession and then it backs off when you start going back into the next recovery. We're five years past COVID and we're still spending as if we're trying to hyperventilate and saying that we're in recession and trying to get out of it.

Now, that's had a consequence. The Treasury has very good data and this chart here goes back to 1790. It's the deficit as a percent of GDP.

So, let me, before I explain the chart, let me make sure we all understand the terminology here. The US government spends about \$7 trillion a year. Where do they get that \$7 trillion? Well, about five of it comes from our taxes. The other two they borrow.

How big is that borrowing? That \$2 trillion they borrow is the deficit as a percent of the size of the economy, GDP. That's what you're looking at here: yearly chart going back 200 plus years because the Treasury has good data. And in 2025 that was nearly 6% of GDP.

Now I put some labels on the chart. When has it been larger than that? It was COVID and the financial crisis as I pointed out in the previous chart, World War II, World War I, and the Civil War. That's it.

Yet, last time I checked, we're not in a world war. We're not in a civil war. We're not having a financial crisis. And the government and the country isn't shut down because of COVID, but yet we're spending at levels that we've seen similar to that.

So the government has grown bigger, debt has grown larger, the deficit is at crisis levels — and where's that starting to show up? That's starting to show up in the financial plumbing of the markets, the funding markets as we say.

So I'm going to try and step you through two technical charts here to try and understand what's going on.

So that orange line on the chart is what's called interest on reserves. This is bank reserves and this is what they get charged from the Federal Reserve. It's about 3.90.

Now if you look at the blue line on the chart, this is the secured overnight financing rate otherwise known as SOFR. Now what this is is this is the repo rate. This is the funding rate in the financial markets that banks charge each other, that hedge funds get, that broker dealers get from banks. This is the rate that they pay on their money.

You'll notice that in the middle of the chart, the blue line is typically under the orange line, meaning that that orange level of whatever the interest on reserves is, that that market rate is a little bit less than that.

But you'll notice in the right-hand side of the upper panel of the chart, it's more than that. And I show that on the bottom panel as the spread on this chart with a little arrow. The funding markets are getting tighter. The rates on funding markets are going up.

The funding markets are very big. As this chart shows you right here, there are over \$3 trillion a day that is getting financed in the funding markets right now.

So what is it that I'm trying to show you here. It's that the government has grown so big and the debt has grown so large that we have these funding markets that finance the US government's debt, but they have grown beyond the capabilities of these financing markets to fund it. So we're starting to see the rates of funding rates starting to move higher.

Let me bottom line it for you. The numbers that we're seeing in this market right now have effectively undone last week's rate cut. So the Fed put down their target interest rate, but the rate you're getting in the market right now is the same rate you got last week even though the Fed cut rates. So effectively short-term interest rates are not falling because of this tightness in the funding market.

So, as the government continues to expand, it keeps going up.

Now, what's causing this to happen? I talked about the supply side. The government is getting bigger and bigger. Let's talk about the demand side.

This is the Fed's balance sheet, otherwise known as the System Open Market Account or the SOMA account. This is how many Treasury securities in blue, mortgage securities in orange, and all the other securities that they own on this chart.

Currently, the Fed has \$6 trillion of securities. This was \$8½ trillion in 2022. They've been doing quantitative tightening. The Fed has all these securities — about \$100 to \$150 billion a month of these securities mature. They get \$150 billion of cash. What do they do with it? They reinvest all of it except \$40 billion. So \$40 billion less than they mature. And that's why it keeps going down.

So they're removing the supply of liquidity from the market where the demand for liquidity — because the debt keeps growing — is rising. And as I showed you in this previous chart right here, this has kind of crossed over in the last couple of months that we're starting to see higher and higher funding problems in this market right now.

This is an issue and it's a signal to the marketplace. The signal is that the debt markets have gotten too big. We've all worried about this, right? When is all this borrowing, when is all this debt, when are all these debt ceilings that we keep having — when is this all going to start to show up in these markets and start to become a problem?

It is. It's not — maybe “problem” is a strong word. Maybe it's more it's a concern on its way to a problem right now.

So, a lot of people in the financial markets are talking about what is the Fed going to do about this? And they've got various tools that they could use to try and inject more liquidity into the financial markets.

Quantitative easing is a tool. They could buy various securities. They could have facilities where banks could come and borrow from the Fed in order to get funding.

But all of these tools have two outcomes that I see. One, they'll work. They'll relieve the funding stress.

So what's the problem if they relieve the funding stress? Two, what they'll do — what the Fed will do, to go back to my chart in the beginning — is they'll just encourage the government to borrow even more, spend even more, grow even faster.

Now why is that going to become an issue? Why do we care if the government does spend all this money? And it gets to this chart here and it's about inflation.

So, I want to step you through a couple of charts about inflation here.

This chart shows you the year-over-year change in the Consumer Price Index, CPI, the inflation rate. But I color-coded it.

So, on the left in blue — and that line in the middle of the chart is the average for that period, and the shaded area is plus or minus one standard deviation. If you forgot your statistics class, that just means that two-thirds of the readings are in that shaded area. When it's above or below it, it means it's starting to get extreme.

So in blue on the left — that is 1965 to 1991. That is from the beginning of the Vietnam War to the fall of the Soviet Union. The average inflation rate during that period was 5.7%. That was the average inflation rate for about 27 years. It was an incredible period that we had such a high inflation rate.

Then the red in the middle of the chart is the inflation rate between 1991 and 2020. That's from the end of the Soviet Union or the beginning of the internet until COVID. It averaged 2.25% with a very tight range.

Now the blue on the right on the chart is post-COVID.

Now this is the old Sesame Street song: one of these doesn't look like the other. So the blue line on the right does not look like the red line in the middle. Even though most economists are trying to tell me, the inflation rate's done, we're going to go back to the way we used to be before COVID, it doesn't look anything like it because the inflation is very different right now. And it's averaged over 4½%.

Even though it's near the lower end of that post-COVID period, it's still higher than anything we saw pre-COVID going back a decade plus.

So we've got all this inflation. What is the big driver of inflation right now? It is government spending.

If you were to look at a lot of the measures in the marketplace and ask the question: what is one of the biggest drivers of what causes inflation? It's the government. You have more government, you have more government spending, you have more government demand for stuff. They push up inflation.

So, if the debt ceiling is getting so big and we've got so much debt that the funding markets can't handle it — and that's what we're starting to see with the creep up in interest rates in the actual market, regardless of what the Fed tries to do — if the answer is “supply more, make more supply so we can handle all that funding,” we're just going to encourage more debt and we could potentially encourage more inflation.

Now, the bond market knows this and the bond market sees this.

So, here's the 10-year yield going back about 60 years or so. It's on a logarithmic scale. So it might be a little bit different than what you're usually accustomed to, but I think it's a better scale. And I drew a line on the chart to show that the 40-year downtrend from 1981 to 2020 was broken a couple of years ago with a giant rise of interest rates when we actually got down to a half a percent on the 10-year yield to almost 5% by 2023.

And what this chart shows you is that since that 2023 period, we have been trending sideways in interest rates for the last two years or so. So we had a big up-move and then we've been going sideways.

Those red lines on the chart are what we refer to as a wedge pattern if you're talking about technical analysis. And usually a wedge pattern is a continuation pattern. And that's a fancy way of saying you went up, you're going sideways, and that usually is just a pause before you go up again. So the bigger trend will continue. So that's what I mean by continuation pattern. You will continue to go higher. You're just kind of trending sideways. We're getting towards the end of that wedge right now.

But now here's a question that people ask. If the debt's a problem, if the funding markets are a problem, if we know that all of this is leading to inflation, why aren't interest rates going up now?

Well, my first response to that is: they went up a lot from 2020 to 2023. They went up from half a percent to nearly five percent.

And as this chart shows, this was a scarring event.

Now, what this is — this is a rolling three-year return in the bond market going back 200 years. So, what did you get if you held a broad basket of bonds and by the end of 2024 you were down 19%? Down 19%.

The last time the bond market lost you that much money over a three-year period was 1840. It's been 180 years. So in other words, what we went through in that period from 2020 to 2023 — from a half a percent to nearly five — was one of the most scarring events for the bond market that we have seen ever. Not just in our lifetimes, but ever.

So now we're going to go through a period of digestion for a couple of years on it around four to five percent, which is what we've been doing as the market has been moving higher.

Now I want to conclude by talking about what all of this means.

So when the government expands — when the Fed expands their balance sheet to meet the government's spending — it does two things. It encourages financial markets to go up, because cheap money — the stock market always loves cheap money. But it also encourages inflation. And what we've been seeing that second one, with inflation, its been unusual from what we've seen in the last couple of years.

This chart is the University of Michigan's Consumer Sentiment Index. A lot of people don't realize, but they started this survey in 1952. So here's 73 years of data.

And what I want to point out about this chart is what you look at at that October low at 53. That is one of the lowest readings on consumer sentiment in 73 years. The public is unbelievably pessimistic about the state of the economy right now.

If you look at the chart closely — it's worse today. Stock market at an all-time high. It is worse today than most of the bottoms of most recessions. June 2022 when we had 9% inflation, May of 1980 when we had 15% inflation — that was about the only other times it was worse than it is right now.

So, what's happening is we're having what we refer to as a K-shaped economy.

So, I literally drew the K here. The red line is the S&P 500. It's going up, and it has been going up for the last several years and it's been moving higher. The blue line is that same consumer sentiment index I showed you in the previous slide. It's been trending down.

Now before 2020, before COVID, sentiment about the economy and the stock market moved hand in hand. Ask the average person, "What do you think about the economy?" — they'll pretty much describe to you what the stock market did last month. If the stock market's up, I think the economy is good. If the stock market's down, I think the economy is bad.

President Trump did that Sunday in a 60 Minutes interview when he was asked about the state of the economy. He says, "It's great. The stock market's at an all-time high." So, it's nothing new, but something's changed in the last five years that's caused the public to somewhat ignore the stock market and to look at the economy much more pessimistically.

And the answer is inflation. And it is probably one of the more discussed topics but yet still misunderstood about what inflation does.

So let me try to bottom line it for you. The average inflation rate in the United States since 2020 is up 24%. That's cumulatively over the last five years. Meaning that whatever you bought for \$100 in 2020 is going to cost you \$124 to buy today.

Now, that has had a profound impact on the public and it has had a profound impact on our politics.

Not only in 2024 was inflation considered the number one economic issue in the country — it still is today.

Now, people like President Biden before the 2024 election and President Trump now will say, "Yes, but inflation was 9% in 2022. That was its rate of change. And today now it's down around three. So therefore we've gotten rid of inflation."

No — prices are still up. And that's why you see this big divergence between the view of what the stock market says and the view of what the economy says.

Let me turn this around and put this in different terms.

The top 10% of income in the United States owns about 90% of the stocks — the stock market right now. It's about \$75,000 a year to be in the top 10% of income. The bottom 90% owns about 10%. And the bottom 50% of the country in terms of income owns about 1% of the stock market.

The top 10% of income has a savings rate of about 30%. Meaning that whatever they make, 30% of it they don't spend in a year. They usually ship it off to a wealth manager who buys the red line, the stock market, and they make even more money.

The bottom 90% of the country has a savings rate of about 1%. And the bottom 50% of the country has a savings rate of zero. They live paycheck to paycheck.

So they don't benefit from the stock market going up. They just get the ravages of inflation.

And so this has really taken a tremendous toll on the economy.

So, I want to take this back all the way to the beginning and I want to try and tie all of this together, what I was saying here.

Debt has been exploding higher. It's been exploding higher because our government has been spending as if we're in a crisis, but we're not in a crisis.

We've all wondered: when's this going to start to matter? And the answer is it's starting to matter now because the funding markets — the markets, the plumbing of the financial system that's used to finance this — is starting to bring up short-term interest rates.

Even though the headlines say the Fed is targeting a lower interest rate, the actual market rates are moving up because the amount of debt is too big for the funding markets.

Now the answer to that could be the Federal Reserve could supply more funding to the funding markets. But in doing so, they will encourage the government to borrow more money, to expand more government, and that will give us more inflation.

And the problem with giving us more inflation is, if you live in the top 10% of income, you have high savings rates, you ship that off to a wealth manager and the wealth manager can structure investments for you that can deal with inflation.

But if you're in the bottom half of the country and you live paycheck to paycheck, prices just get more expensive and you are forced to pay it.

Or to put it in a different term: if you're in the top 10% of the country and you go to the store and you see that prices are going up, you have a choice four-letter word about what's happening to these prices, but you just pay it and you move on with your life.

If you're in the bottom half of the country and you go to the store and you see higher prices, you have that same choice four-letter word, but now to buy that product you've got to take something else out of the basket because you don't have enough money for both.

And that's why inflation is such a ravishing thing. It is a thing that kills economies. It is a thing that kills cultures, inflation.

And so that's what we're seeing with the public trying to tell us, we're still dealing with the issues of inflation. Despite the stock market going up, the bond market is telling us government spending is starting to reach its outer limits, which is why its funding rates are going up.

And the answer that everybody's giving us on Wall Street is print more money, make it easier for the government financing to occur so that the government could then borrow even more and potentially create more inflation in the future.

So, if I was to go all the way back to the beginning in my presentation — is the Fed cutting interest rates the right thing to do? The answer I'll give you again is no. And the reason I think the answer is no is it's just encouraging the expansion of more government.

The expansion of more government is encouraging inflation. And inflation is something that will devastate the bottom half of the country. It may not necessarily hurt the top half of the country as much, but it will create those inequality divisions that we've seen in the country. It will create stresses that we've been dealing with and potentially worsen it.

There is a market signal here to us that we've kind of gone as far as we can. Now, we can invent ways to go further, but the question is: do we really want to? And I'm afraid that the answer is, from the Federal Reserve and from the government is yes, go further. Go further. Make it easier for us to borrow more money.

The government is currently shut down right now because even though we're spending record amounts of money, they can't agree on whether or not that's enough and they potentially want to spend more. And that's why they can't come to an agreement with a budget and we have a government shutdown going on for the moment right here.

So this to me — you know, people have asked this question to me for years: when is this going to start to matter? And the answer is it's starting to matter right now because of what you've been seeing in the funding markets.

All you need to understand about the tightness of the funding markets and rising in short-term interest rates is that the government debt market has grown too big for the market — the funding market — that finances it. And now we've got a mismatch and that's why interest rates are going up and we have to now try to figure out how to deal with it.

Now I'll conclude by saying a couple of things. I'm going to be on a panel later today on booms, bubbles, and busts. I'll be in favor of one of those Bs, and you'll have to figure out which one when you listen to the panel around lunchtime today...

...But I'll also point out too that I'm Jim Bianco. I'm president and macro strategist at Bianco Research. If you are interested in anything we do, you can follow me on social media at Bianco Research or on our YouTube channel at Bianco Research or our website — guess what it's called? — BiancoResearch.com.

As well, we also manage a fixed income total return ETF with our partners at WisdomTree. It's the WisdomTree Bianco Fund. Its ticker symbol is WTBN. WTBN is its ticker. And you can find out more about that at...BiancoAdvisors.com.

Peter Boockvar

"A World Of Investment Opportunities"

Thank you. Thanks. Thank you. Thank you everyone for waking up on a Monday morning to watch.

All right, so we're going to go through a bunch of things — both macro and micro. I'm going to throw out a lot of investment opportunities and my idea for the cheapest asset in the world right now. So, start trying to guess what it is.

We have a very mixed and uneven economy. We really have two different economies. I refer to it as a two-lane highway with the strength in upper-income spending — people benefiting from high home prices, which have risen 50% on average over the past five years. Of course, stock prices being elevated and how that translates into the wealth effect.

We know government spending is defined as about 6% of a budget deficit relative to GDP, even though that is beginning to slow a little bit. And of course, anything touching the buildout of data centers — and I'm going to go through and give perspective on the level of that AI spend.

And then, as I mentioned, the stock market. On the flip side, there's a recession going on in the economy. Lower- to middle- income consumers are essentially in their own personal recession. And that's not my opinion — all you have to do is listen to a lot of companies that tap into that consumer.

It was just Chipotle last week that talked about the slowdown in spending, particularly the 25- to 35-year-old cohort, which is a big percentage of their revenue. Forty percent of their business is done with people earning less than \$100,000, and that is an area of the economy that's stressed as well.

Manufacturing is in a recession — but it's been in a recession now for about two and a half years. That's not just on the production side, but the transportation side that transports all the things that are made. There's been a freight recession for the last couple of years, too, as a byproduct of that manufacturing recession. But keep in mind, manufacturing has been in a downturn globally.

The existing home market, at about four million homes annualized — that is a rate last seen thirty years ago, 1995. Of course, the population is much greater today.

For every house that's not transacted, there's less paint being bought, less wallpaper, less furniture, less flooring that takes place. Yes, some people do renovate their existing house, but most of those new things happen on a sale of a home.

Global trade — pretty muted. Capital spending outside of the AI data center buildout has essentially been flatlining. And of course, we have a mixed bag overseas with a slowing pace of growth in China but some offsets in Southeast Asia. Europe is very mixed: Spain and Italy are doing pretty well, but France and Germany are not.

The stock market, generally, we know is dominated by the big names. The top ten stocks make up about 40% of the S&P which is a statistic I'm sure you all know. But I wanted to show you it relative to earnings. A lot of that gap is multiple expansion — huge multiples on the big names, less expensive on the rest of the markets, even though the rest of the markets are still highly valued as well. Relative to this year's expected earnings, the S&P is now trading at 25 times earnings.

I mentioned earlier the budget deficit relative to GDP. This is important because understand that government spending doesn't just disappear into the ether — it flows into the private economy. Medicare and Medicaid, the two dominant payers in health care, drive that area of the economy, which is now almost 20% of the U.S. economy.

Of course, transfer payments, the IRA, which has been gutted but is still leading to a lot of factory building, the CHIPS Act — we know what's going on in Arizona with Taiwan Semi, there's a chip plant being built in western New York, also Ohio — that's government-induced spending that flows into the private sector. Infrastructure, that's still going on, and keep in mind also, the government's interest payments on treasuries is someone else's income.

Those that are driving that income are those that are savers that obviously after 15 years of zero interest rates are finally enjoying some interest income. So this is important because this is the third leg of that economic stool with AI spend, upper income spending, government spending.

But understand that the rate of government spending is now slowing on a rate of change basis. So when we talk about the economy in the aggregate, this can end up being an eventual drag.

I mentioned earlier that X AI capital spending is relatively flat. This is non-defense capital goods X aircraft which actually includes the data center buildout and even with that you can see we're still below where we were at the peak in 2022 and this is in nominal terms. On a real basis we're actually below where we were 3 years ago. Again highlighting the very bifurcated and mixed economy that we're in.

2018 — Trump put tariffs on the economy and US manufacturing went into a recession and the Fed was cutting interest rates in 2019. The same thing is happening. We had a recession going into these tariffs. The tariffs are just prolonging that recession. Whether you agree with them or not, it is just the reality of the economy right now.

Let's talk about the Beige Book. The Beige Book comes out about every six weeks. You have all the Fed districts that are surveying and listening to their districts, businesses, consumers and getting a sense. Now, if this is not sounding like a blah economy, I don't know what is.

And if you can't read that, economic activity changed little on balance. Now, this was out two weeks ago, so it's pretty timely. Since the previous report with three districts, out of a total of 12. Three districts reporting slight to modest growth in activity, five reporting no change, and four noting a slight softening. Now, that sounds like an economy that's just not growing in the aggregate.

Consumer spending inched down in recent weeks, although auto sales were boosted by the demand ahead of the expiration of the \$7,500 EV tax credit...

...Bifurcated economy, upper income individuals spending on luxury travel reportedly strong. On the other hand lower to middle-income households continue to seek discounts and promotions in the face of rising prices and elevated economic uncertainty.

This is the University of Michigan consumer confidence index. Comes out once a month — there's one preliminary one in the early part of the month, there's a final one at the end of the month. And they do actually break out the survey amongst parties. So you have confidence of Republicans, confidence of Democrats, and then you have independents in the middle.

And you can imagine, not surprisingly, when Biden was president, confidence of Democrats were high, Republicans were low. Trump wins, Republican confidence skyrockets, Democratic confidence plummets. So I said, you know what? Let's just look at the independents.

And as you can see, independent consumer confidence is still relatively depressed and is actually below where it was in 2020 and knocking on the door of the weakness seen in 2022. Again, getting to an economy that has a very fragile state. A lot of these people don't own stocks. They don't own their house.

As opposed to confidence being better for those that do have a stock portfolio, that do own their house and particularly older people that have a pool of savings.

Inflation — now we on Wall Street, you know, we pay attention to the rate of change of inflation. Is inflation up 2%? Is it up 3%? Is it up 4%? Well, the average

person going to the supermarket or trying to buy something, they're not thinking rate of change. They're thinking about the cumulative rise of inflation and they're still stressed by it.

So this is from the October report which came out just a couple weeks ago. Consumers remain frustrated by the persistence of high prices, spontaneously mentioning high prices at various points throughout the interviews. About 45% of consumers reference that their personal finances were eroded by high prices — the highest reading since August 2024.

It's very simple. People don't like when their cost of living jumps, particularly relative to their wages and they're pissed about it.

Beige Book on the labor market — blah, I wrote again. It's very little job growth. And yes, it's a supply thing, particularly when you cut down the level of immigration. You're just naturally going to get less people entering the workforce. But there's also a slowdown in the demand for labor and that was captured in this wording.

Most districts, more employers reported lower headcounts through layoffs and attrition with contacts citing weaker demand, elevated economic uncertainty and in some cases increased investment in AI technologies.

Now, AI — Gen AI — because AI has been around for 70 years, by the way. This is not new. The current iteration of AI, yes, will be hugely disruptive. I just don't know, in what I've seen in the data, and listening to staffing companies, whether it's replacing jobs yet. So, I think they're a little ahead of themselves on that, but it's certainly going to happen.

Employers that reported hiring generally noted improved labor availability and some favored hiring temporary and part-time workers over offering full-time employment opportunities.

That's important, too. That's a sign that companies are not willing — because when you hire somebody full-time, you're making a commitment. You're making a financial commitment, you're making an emotional commitment, a social commitment to that employee. If you're not confident about things over the next 12 months, well, maybe you'll just sort of test drive that person and hire temporary or part-time. So that's a sign of still uncertainty and reluctance on the part of employers to take on new labor.

On inflation, prices rose further during the reporting period. Several district reports indicated that input cost increased at a faster pace due to higher import costs and the higher cost of services such as insurance, healthcare and technology solutions.

Tariffs of course, raising the cost for many different products and just the question of to what extent companies are passing that on. You have three ways of dealing with tariffs. You try to get the exporter to you to eat it, you have to eat it versus a hit to your margin, or can you pass it on to customers?

And from what I've heard from people, both companies and surveys, it seems to be a third, a third, a third. Exporters to us are eating a third, companies are eating a third and consumers are eating about a third of those tariffs.

And here — this is sort of where I...got that from, basically saying that when they talk to their customers, and this is a company that's based in Cincinnati, so being in the Midwest they have a lot of industrial manufacturing type customers. This is what they hear from their customers.

I mentioned earlier the 30-year low in the pace of existing home sales. Unfortunately, my chart doesn't go back to the mid-90s, but you can see how depressed this level is again with a much higher population today relative to then.

Now, I broke down this Gen AI spend just so you can see how big these numbers are. Now we know in the aggregate the big hyperscalers are going to spend probably three to four hundred billion dollars this year. There's talk next year it could be four to five hundred billion.

But what I did was — and this is before actually the earnings last week because when I submitted this presentation it was right before it — so these numbers are actually even bigger. But you can at least get a sense at the extent of this spend.

I mean Oracle is going to spend in capex 52% of their revenue. Not 52% of their cash flow — 52% of their revenue. That is a gargantuan amount. It was 10% 3 years ago. Microsoft spending almost 30% of its revenue on this Gen AI capex buildout versus 12% 3 years ago. Meta 35%.

And Meta stock got hammered last week, not because their business was challenged for any particular reason — they were able to grow revenues 25% off a massive base — but because investors said, “You know what, guys? We need to call a timeout here. You're spending so much money and I'm not really confident on where this is all going to lead.”

Now, Mark Zuckerberg doesn't give a shit what you think. He wants to spend this money because he believes in it. But it's a sign that maybe Wall Street is beginning to question the extent at which these companies are spending. And you see the last one, Google Alphabet — that's spending about a quarter of their revenue on capex versus 10%.

Now, just to give you an idea — Meta is building, here we are in Louisiana — Meta is building a data center in Louisiana that's going to cost about \$27 billion, which they're financing through a special purpose vehicle. So, off-balance sheet.

This is going to be 4 million square feet. So, I was curious to try to visualize what 4 million square feet is. 1,700 football fields. Just think about that — 1,700 football fields.

Now, if there's one incredible thing about technology, it's that things get more powerful and they get smaller in size. So, your phone probably has the same amount of power as a mainframe computer 50 years ago.

Are they really going to need 4 million square feet 3 years from now? What if they only need two, but they can actually have more power within it? And the servers and the equipment and the chips that are going into today could be obsolete in three years.

And I can guarantee, almost, that a lot of this space — not necessarily in this one facility, but just generally speaking — you're gonna have a lot of pickleball courts in some of these data centers. Not because we don't need that compute power, but because we're going to be able to do it in a smaller way. So, I would not be investing in data center real estate.

Okay, here's a good visual that I got from my friend on this level of spend. And you can see just the gargantuan amounts. And just to quantify this — in the first quarter of 2025, US GDP growth averaged 1.6% on an annualized basis. If you take out this data center buildout, it was almost flat.

Just be aware of this if you're long these stocks. These companies — the beauty of them was not only did they create these brand new industries and became dominant in them, but they were asset-light businesses with massive free cash flows.

Now they're hugely capital intensive and their cash flows are getting eaten up by all that capex and they're taking on now large amounts of debt to do it. Oracle in particular, but we're talking hundreds of billions of dollars of debt now to finance this by these big companies.

We had the massive building in canals in Europe. We had the railroads. We had the fiber optic cables in the late 90s. This is a repeat.

So my point is that at some point we're going to be the beneficiary of all this spend — us being the users. Businesses are going to integrate it into their companies. We're going to integrate it into our households. Siri is going to be better. Alexa is going to be better. But these companies, I think over the next 10 years, they're just

going to be trading stocks, not long-term investments anymore. I think their best days as stocks are over.

The name of my presentation was *A World of Investment Opportunities*. And I made that point because it's not just about seven stocks. You have a whole world of opportunities right now.

This chart was from actually the early part of the year just to show you and visualize how much US stocks have dominated the global marketplace in terms of performance over the past couple years — and it is multiple standard deviations.

This was the setup for the tremendous outperformance in US and foreign stocks this year, which was also helped by the weakness in the dollar. I bet you don't know this, but the Spanish stock market in dollar terms — so benefiting both from the rally in its local market and weakness in the dollar — is up 55% this year, 55. The Italian stock market is up north of 40% this year. The Hang Seng is up more than 30% this year.

So you don't have to just look at US stocks in order to make money in markets. Here's another chart showing that if you look at the pie of global market cap, how much the US has dominated — and I think the pendulum in the process and has already started to swing in the other direction.

Okay, so I mentioned some of those stats. The IBEX — that's Spain — look on the far right column, 55%. MIB—that's Italy—41%. Stockholm 33%. The German DAX 37% in dollar terms. This is Asia—the NIKKEI up 30%. The Kospi up 74% year-to-date, a lot of it has to do with Samsung and Hynix. The Vietnamese Ho Chi Minh index, which I'm long by the way, full disclosure, up 26% in dollar terms.

There is a world of investment opportunities. This is a chart just showing how much the US has dominated going back the last 15 years. The S&P 500 up 486%. The MSCI ex US up just 60%. So I think this level of international outperformance is not just a one or two quarter thing. It is a multi-year thing.

What to do now? The US economy — if I didn't make this point strong enough — and the US stock market, is all in on this data center buildout. Economically, I made the point that all the GDP growth is coming from that one area. And in the stock market, most of the performance is coming from those stocks.

And the level of the stock market is helping upper income spending. So if we wake up one day and some of these big spenders say, “You know what? I think we built one too many buildings,” then you can imagine what the ripple effect is going to be. Not just in terms of the economic impact, but what happens to these stocks — and if these stocks falter, what that means for consumer spending since all the upper income households own these stocks, since the top seven of them make up almost 40% of the S&P.

I also want to mention the private credit and equity space because we're beginning to see some rumblings — we had Tricolor, we had First Brands, we had Primoland—all tapping into the subprime auto space.

And I hear people, “Yeah, those were idiosyncratic. It was fraud.” Yeah, but if you're a lender to a business and you're lending to a fraudulent situation — yeah, sometimes that happens. But if it happens many times, maybe your due diligence was faulty.

And you know what? We've learned enough lessons over the many years — when too much money chases not enough good opportunities, bad things happen. And I think that this is something to watch.

So where are the opportunities? I'm going to give you a bunch of ideas now in my last 8 minutes.

Two things to watch on the private credit space. This is an ETF, and I'm not recommending this, but it's something to watch. This is the BDC ETF. These are business development companies. They're essentially publicly traded companies that lend to the private space.

It's essentially leveraged loans, private credit. Keep your eye on this and you can see the pullback that we've seen. Part of this though is as the Fed's cutting interest rates, a lot of their interest income is floating rate. They get less income then and you may see some dividend cuts.

This is the leveraged loan index. You can see it's beginning to top out. That's something to watch as well on your radar when we're looking at that particular space.

Who likes sports here? There are only a few publicly traded sports teams. Manchester United is one of them. If you're familiar with the Premier League, they are one of these storied franchises.

And just to give you an idea of their global reach, they have more Instagram followers than the Yankees, the Lakers, the Dallas Cowboys, the Patriots — and I can probably throw in another 10 names — all of them combined.

It's trading at about \$3 billion enterprise value, and if they sold themselves today, it would go north of six billion. Jim Ratcliffe, one of the wealthiest people in the UK, a couple years ago, took a stake in the company. He paid \$33 a share, that you can pay— actually today it's probably 16ish. So you can pay half as much as Jim Ratcliffe did.

Madison Square Garden Sports — they own the Knicks and Rangers. You can buy the stock at about a four and a half to five billion dollar enterprise value. The Knicks

alone are worth nine billion. The Rangers are probably worth another two to two and a half billion. So you can buy the Knicks and Rangers for half the value.

Okay, that is one ugly chart, but it's one of my favorite turnaround stories. Under Armour — Kevin Plank regained the CEO role last year. It's his baby. I think he's going to turn this thing around. It is dirt cheap. Healthy cash flow, healthy balance sheet, and yes, really dirt cheap. You can get this for under five bucks. It was 50 in 2016 and you can literally ski down that chart it's so ugly.

Fertilizer stocks — so, as a bull on commodities right now, Mosaic and here's Nutrien, two that have suffered from depressed crop prices. But interestingly enough, soybean prices now that China has begun to buy more soybeans have risen to a one-year high, corn and wheat prices are beginning to creep off the lows. So these are two stocks that I like.

Conagra — that is another ugly chart. One of the beaten up areas in the market have been consumer staples. If you're worried about the economy and you want to try to find some defensive names, these consumer staple stocks are trading like bonds in terms of the dividends that they're providing — 3, 4, 5%.

You're buying what I think is a bond-like security with equity-like upside. They own Slim Jim. They're the largest producer of frozen foods in this country. If we have a stressed consumer, people are eating out less. Well, what's better than a \$6 frozen food meal at the supermarket?

And this whole GLP thing — well, they're providing a lot of protein-based items. So, this is dirt cheap with a good dividend.

Reynolds Consumer Products — raise your hand if you can think of a more boring business than tinfoil and garbage bags. Well, they make them, and with more people eating at home because of a stressed consumer, they benefit from that.

The stock is actually lifted here because the earnings last week were pretty good. Stock yields about 4% dividend yield. If things go to hell, well, I know that people are going to probably still use tinfoil and they're going to throw things in garbage bags.

Mister Car Wash — another ugly chart. This is the largest owner and operator of car washes in the United States with about 525 different locations, but that's only 5% of the market. There are probably 10,000 in the country, and they are the best operator, most technologically advanced in terms of their conveyor belt system.

75% of their revenue comes from membership. So regardless of the weather, they have 75% of their revenue locked in.

Let me go quickly here. Melco — Macau casino company looking overseas. Macau is the Las Vegas of Asia.

Brightview — the largest landscaping company in the country, commercial landscaping company you probably never heard of. But when you think about what Waste Management did 30 years ago, rolling up local garbage trucks, Brightview is going to do that in the commercial landscaping space. And AI is not going to stop the grass from growing. You are still going to need to cut that grass.

Las Vegas Sands—another Macau name. AIA Group, one of the largest life insurance companies.

And let me get to my favorite. Okay. The cheapest asset in the world right now, I think, is the price of oil at \$60. On an inflation-adjusted basis, it is near the COVID lows. You have US shale production, which is now beginning to roll over. You have the US oil rig count, which is near its lowest level since September 2021. You have OPEC production increases that are not matching the quota increases, which tells me that they don't have as much spare capacity.

Oil is cheap. I own BP, Canadian Natural Resources, Occidental Petroleum where Warren Buffett owns 25% of the company. And I also own Shell.

Goes without saying, of course, I'm still bullish and long gold, silver, and platinum. Just some country ETFs — I mentioned Vietnam earlier and also Brazil — dirt cheap. You want a commodity-type ETF, Brazil is it with a good dividend yield and a hoped for change in leadership next year when in October 2026 Lula may be voted out and maybe we can get a Milei-type leader.

And in light of all the craziness in the world, I figured I'd end the presentation with a serenity now.

Thank you.

[Applause]

Danielle DiMartino Booth

“Revised Into Recession”

Well, thank you for being here because it's 5:00 not somewhere. It's 5 o'clock here. And if you brought a drink, that's good. We're not watching football this year because it's not a Saturday afternoon. But just in case you want to know, Arch Manning came in as probably the lowest ranked, within a few weeks of playing, as one of the lowest ranked quarterbacks of all time. And now he's beat almost all Texas records. So never give up on your team. Hook them. All right, hook'em horns.

I'm going to jump in really quickly. We've got a lot of slides to get through. I was looking through them earlier. There's a lot of relevant headlines that are popping about. But let's start with Jerome Powell. Jerome Hayden Powell, Esquire, trained as an attorney to look at all sides of all arguments theoretically. And yet he says he's driving in the fog and that he cannot make monetary policy because he can't see through the front windshield.

The good news is if he was to look at the official data that he says he does not have — and he mentioned this a few weeks ago in a speech that he gave when he was accepting an award — if you just add up all of the states together, you can get a very good sense. In fact, the national figures are revised based on what states subsequently report because it's more reliable data. But even so, the month of June was revised into the red. Now, the pandemic aside, that was the first time since September of 2015 that we had a negative print. That seems a bit unequivocal to me, but apparently he likes to equivocate. I did mention he's a lawyer.

The other official data that he had in hand showed that — and this is not something that the Fed has acknowledged, which is probably making all those 786 PhDs' heads explode, because they like to get in the weeds. They love revisions. They love data that's released 18 months subsequent to- Okay apparently so do I.

But what we saw and what I mentioned earlier today is that we know now that net job creation according to 12 million US employers — who employ 97% of the country's workers — we know that net job losses began in the second quarter of 2024. That continued through the third quarter. There was a bit of euphoria around the election. It looks like we might have had a spurt of job creation and then we fell right back into recession in the first quarter of 2025.

Now, I'll give you a very quick bit of GDP math. Until we have all revisions in hand, we cannot go into GDP math and back out the income that was not produced by the workers who were originally reported as having existed. So when you see really high GDP figures, question them.

As for alternative data sets: we at QI Research were not surprised by the government shutdown because we've always relied on alternative data sets to get a feel for where the economy is. So that's boded well for us. I'll give you a few examples.

If you were to go and search for “file unemployment” on Google, you would not be alone. If you're looking at 2022, '23, '24, '25, you see that red line has gone way off the charts. Now, do you think that this tells you more about jobless claims, or jobless claims themselves reported by the Department of Labor? The Department of Labor, by the way, was one of these main entities that — before the shutdown even occurred — 89% of US economists polled by Reuters said they did not have faith in the official data that were being reported. I am not alone in being skeptical about what our official data statistical agencies report.

If you don't believe Google Trends, have a look instead at the headlines — the headlines that cross one at a time with US employers saying, “We're going to cut this many employees,” which they do. If you can't control for costs or tariffs, for example, the biggest line item that you can control for is indeed labor. And in the month of October that just ended with Halloween, we had north of 154,000 layoffs that were announced in the United States. It's a 25-month high. That seems fairly unequivocal to me, but again, the man likes to equivocate.

Or you can look at Workforce Adjustment and Retraining Notifications which by law must be filed with individual states. We add them up on a monthly basis. And right now where we are is the highest level of workers getting WARN notices, WARN notices allow you to look for a new job if there's one to be had, but we're at the highest level since September 2009. Can anybody in the audience tell me what was happening in September 2009 in the US economy?

Okay. It's okay to say the word.

It was the GFC. I mean, that was a little bit more specific, but yes — we were in recession at the time. In fact, we were in the thick of recession.

So we've got WARN notices at the highest since 2009. If Chair Powell, you insist on official data, let's take a look at the recent past. Bearing in mind we only have data through August.

Well, I had a saucy Bloomberg anchor tell me a few days ago, “Don't you understand that the US economy creates four and a half million jobs every single month?” Well, this was my response: “But what happens if they're destroying more jobs than they're creating, employers?” Well, that's been the case. As you can see, that blue line has fallen under the zero line.

And in fact, gray bars — that's what dismal scientists, me — economists — call recession. The only thing missing here is the gray bar because over the last 12 months, that's what you're looking at, 60% of those months have seen a greater degree of job destruction compared to job creation.

All of these data sets were available to Chair Powell when he took to the podium last Wednesday. And yet he's choosing to ignore them. He's choosing to ignore that the share of young adults living with their parents — I venture to say not by choice. Of course, I make really good lasagna, so I mean mine come home anyways. But they're not allowed to live with me. You know, as long as they're adults, they can't come home.

Anyways, but the share of kids living with their parents is at the highest since the Great Depression.

If they're lucky, they're renters — that's that green line — as opposed to that yellow line which shows you owners of homes in the past few years declining.

When homeownership is declining, it shouldn't surprise you to see this headline out of Redfin from a few days ago saying that housing turnover — the pace at which houses are changing hands — has hit the lowest level in at least 30 years. Think about that for a minute.

And then there is the post-pandemic hangover. We gave people lots of money starting with the CARES Act, three stimulus checks. They didn't have to pay their rent for 19 months. And by the way, they didn't have to pay their student loans for five years, which caused them to believe they would never have to pay their student loans. Look, it was a logical deduction to make at the time, right? But the fact is they're now having to repay those student loans.

And we're seeing an increase, an increase in the percentage of the population with a big decline... I know, why am I doing that? Increase and decline. That's not fair. But that's how the data is presented. And we're seeing a big increase in people with falling FICO scores because these student loan payments have kicked in.

It's the reality of pinched budgets. It's the reality of wage disinflation. It's the reality of the lowest percentage of job entrants coming into the job market.

And it's not like 1988 when the entrant unemployment rate was very high — that was because that was the peak year for baby boomers flooding into the market. No, it's because the jobs are not there, which is why kids are not paying the rent.

Now, you will be told time and again by the talking heads — which, if you're watching CNBC, please mute it — but you will be told that the auto situation in the country, right, \$1.7 trillion in debt, is contained to subprime. It's like they're parroting the ghost of Ben Bernanke. Wait, Ben Bernanke is still alive. But it's like they're parroting the ghost of Ben Bernanke who made the same exact comments about subprime housing way back when.

But what you're looking at here is people who make \$150,000 or more. They're the ones who are seeing credit-card debt past due, auto loans past due. In fact, VantageScore reported last week that the fastest growth — albeit off a low base — the fastest growth in delinquencies is among those who are in the prime category of borrowers.

That's produced a lot of business for the repo man. And by the way, to be fair, there are some repo women out there. Just saying. But it's a fairly dangerous job, and you're always packing a gun because you're going to get shot at.

But what we know right now is that car repossessions are tracking, in 2025, to be at the highest level since 2009.

And by the way, that is allowing for the fact that the ability to recover a car that needs to be repossessed has gone down quite a bit in the past few years because borrowers have gotten to be wiser about how to hide their car and not get it

repossessed. Even so, 2025 is tracking to be the highest year on record for repossessions in the United States.

If you hear differently from Cox Automotive, disregard it. This is actual assignments that come from lenders to repo men to go pick up the car. And you can get a luxury car — go to auction. A lot of these cars are high-end because people borrowed more than they could afford to borrow when they thought they would never have to repay their student loans and they thought that job creation would keep going as it did — which it didn't.

So, where does that take us in the inflation discussion? This is where I will deviate off course from 99% of people you're going to hear at this conference.

Right now, the cost of food and electricity are going through the roof. That much we know. But when we talk about core inflation, when we talk about some of the key drivers that sent inflation upward during the immediate aftermath of the pandemic — that would be used cars, new cars — and one of the support structures underneath used-car prices...

Because as you can see, the Mannheim Used Vehicle Value Index has come down off its peak, but then it stopped. And one of the reasons it stopped is because so many people during the pandemic held on to the cars they had leased for longer than what was normal. So you had a dearth of cars coming off lease for a few years. That's over. So we're now going to see that supply come into the market.

This is all important on an afternoon that we just learned that car sales came in at 15.3 million last month on a seasonally adjusted annualized rate — down from 16.5 million the prior month. And by the way, that was not all the EV credit going away.

So again, back to this idea of, “why is Danielle talking about inflation differently than others?”

Until we get the Doge dividend — until we hand US households cash, and I mean cash directly deposited into their accounts — you're not going to see a repeat of this spike in Trueflation, which by the way hit 11.7%, higher than the 9% consumer-price index where it peaked. Today it's at 2.7%, mostly reflecting, again, high food costs and high electricity costs. Thank you AI data centers for jacking up those costs for hardworking Americans.

But in terms of what they can afford to pay up to buy discretionary purchases — that is not filtering through to inflation. And neither is wage inflation when you've got this many layoffs going on, when you're in a labor-market recession as we are.

So again, if Powell and others are talking about tariff pass-through, why don't you refer them to this morning's ISM manufacturing survey, which stated in no uncertain terms, all of the damage of the tariffs, all that was done to our cost structure, it's gone. Now we simply have — as Eastman Chemical told us after the

close this afternoon, “our clients are sitting on too much inventory and they're trying to whittle it down.” When you're trying to whittle down inventory, what do you do if it won't move? You put it on sale.

When you put something on sale, what occurs to the average general level of prices? They come down.

Now, everybody's going to tell you that other forms of inflation are blah blah blah. Just remember — you can look up Trueflation online, TRU. It's the only time I'll talk about the blockchain, thank you. But it's 30 million prices gauged every single day in the United States. And it is a true reflection of where inflation is today.

Is it north of the Fed's 2% target? Yes. Is the employment mandate where the Fed is falling down to a greater degree? Absolutely.

But the question is, talk to anybody on Wall Street and they will tell you that we don't need to be debating a 25-basis point or a 50-basis-point rate cut — which is exactly what they're debating at the Fed right now.

Most investors will tell you that the next round of quantitative easing is imminent. Really? Because in order to get there, you have to go from where we are in the Fed funds rate today, all the way down to the zero bound before you can launch QE. The last time we did that, there was a global pandemic that spurred that move.

Even if the Fed does take the Fed funds rate down to the zero bound, you're going to be taking \$71 billion — \$71 billion — of interest income out of the hands of retirees. It is not just the stock market that has supported spending.

It is not just — I'm in trouble if my clicker dies. And oh, I'll glaze over this quickly because I've got too many charts and we don't have enough time.

Next time you hear somebody say that financial conditions are not restrictive, ask a small-business owner how they feel about the availability of credit because they will tell you that credit is way too expensive and that they're not Meta or Apple or Oracle. I mean, Meta had an 11% decline in its stock price a few days ago — it was just annihilated. And yet the same exact day it sold \$25 billion of bonds, and the bond sale was five times oversubscribed. There's something weird going on on the street.

Anyways, I will move on.

Oh, back to the street — yes, fiber optics 2.0. This is what we are high on. We are high on an AI narrative that through the year 2030 is, according to the OECD, \$2 trillion short on what it needs to invest for the growth it's promising. That's a nice round figure for you to remember — \$2 trillion.

And whereas a year ago we were talking about AI being generated by cash flow, revenues, etc., now they're just selling debt. In other words, they're not even pretending. Do they need to pretend? Probably not.

Because of the power of passive investing to push up the highest, largest-market-capitalization stocks and power them higher and higher and higher — whether it's Nvidia or... well, let's look at Apple.

In any event, for those of you who were wondering how magnificent the Magnificent 7 is, it's larger than Europe. Market-capitalization-wise. Europe, the continent.

So I'm going to give you a very quick illustration of Apple Incorporated. The share price, as you see it, has gone to the moon.

In 2011, Apple's global market share of the iPhone was 18%. As of the second quarter of 2025, the latest data available, Apple's global market share is 17%. Based on revenue and income and cash flow, that revised share price is where you should see Apple trading today. And yet, because every single time money is taken out of somebody's paycheck and put into a target-date 401(k) fund, it automatically goes in and buys the biggest capitalization stocks to the greatest extent and pushes them upwards and upwards and upwards.

And this will work. This will work until it doesn't. And it makes the Fed's job a lot harder because they're trying to rein in animal spirits without talking about it.

The other thing the Fed doesn't talk about is who can afford the \$2,000 iPhone? By the way, they finally introduced burnt-orange iPhones. Somebody finally came to their senses in Cupertino. They finally came up with a UT iPhone. So I am getting the burnt-orange one for all four kids for Christmas FYI, kids, can you hear me?

In any event, most people who can afford a \$2,000 iPhone — they live in this cute little area called the top 10% of earners, who now account for 50% of US spending.

Think about that. Demographically speaking, we're talking about the boomers. We're talking about the silent generation, who combined control about \$100 trillion of the wealth in this country.

So again, top 10% of earners account for a record 50% of US consumption.

As for the rest of us — what have they been able to buy since 1994? That appears to be a flatline.

There's a point that I'll get to, hopefully without getting thrown off the stage, about what this implies for our economy on a long-term basis — the haves and the have-nots — the growing divide.

Because I can guarantee you that even though the people who represent the top 1% who've seen their net worth go into the stratosphere — who don't need to bother with pedestrian things like traffic because they can just take a helicopter everywhere — the people who don't have what they have... they're aware. They're very, very aware.

How aware are they? This QI chart was in Bloomberg over the weekend. They ran a special “Scariest Charts in Existence” for a Halloween special — and this was just made, this chart.

So the University of Michigan asks households every month: What do you expect your financial security to be five years out? As you can see, after the stimulus checks wore off, it's absolutely collapsed. And it's moving in the opposite direction of the stock market.

There are implications for people being as upset as they are, for people being as financially insecure as they are.

And by the way, unless you missed the presidential election, they don't like to be gas-lit. They don't like to be told that the US economy is not in recession just because somebody at Goldman Sachs or a big sell-side firm says we're not in recession — when they know they're in recession because they're in recession on a personal basis. They're in recession when less than 20% of US states are not in recession.

Buddy of mine David Rosenberg shared this chart with me a few days ago. I thought it made quite the statement.

Being in recession is also reflected in the absolute meltdown in asset prices that we've seen outside of that Magnificent 7.

We went from work-from-home to return-to-the-office to where we are today — reality — because return-to-the-office was supposed to make this line turn around and come down. But it didn't. This is the office-delinquency rate.

Office Properties Trust went belly-up just a few days ago. Great big office REIT. It's going to be the first of many.

The pandemic sent a lot of people offshore. AI is destroying jobs. I know it's supposed to create productivity blah blah blah. How? Ask somebody how AI is going to make us more productive. I get it on an individual basis, and that indeed is where the adoption's been the greatest is on an individual, personal basis. But in the corporate world right now, it's just destroying jobs.

Now, until that process... until the Fed goes back to the zero bound, until money becomes cheaper, we're going to continue to see the lag effects of higher-for-longer, which is exactly what we're seeing.

Standard & Poor's last month reported that the monthly tally of bankruptcies hit the highest level in the post-pandemic era.

But again, we don't pay attention to this because we don't need to. We just know where Nvidia closed. That's it. It could be a \$6 trillion stock by tomorrow for all we know. That's the power of passive investing.

People are absolutely ignoring what's going on in the real economy. And when I say people, I mean people on the street — not with a capital P.

When corporations go bankrupt, US households go bankrupt. And indeed, that is exactly what we're seeing. It takes a little while for the corporate bankruptcies to filter through to job losses to then filter through to household bankruptcies. But again, that is exactly what we're seeing.

So, I actually have a few minutes for questions and answers because I had — I don't drink caffeine — but I had a Coke Zero before this so that I could get through my slides quickly.

So here we are.

But this is the aftermath of income inequality. I used to live in Venezuela. I can tell you before Chávez rose, I could tell you that income inequality was going to take the whole country down.

Now, my children tell me I'm old, but I'm not so old that I remember personally the fall of Rome. But it too fell because of income inequality. And that is what we have today. We have the greatest income inequality our country's ever seen.

And if you think about this — if you think about 18- to 26-year-olds — 46% of them, almost half, say they would prefer to be unemployed than unhappy.

Where is the value system?

And moreover — not to cross a line I shouldn't — but this was in the Wall Street Journal a few weeks ago: 58% of Gen Z agree with the statement that "violence is never acceptable." That means the other 42% believe that it is.

Income inequality has economic ramifications — but more importantly, it has societal ramifications that can then boomerang back into the economy and create a cycle.

We have to find a way to rebuild the ladder so that people can live the American dream — not just the top 1%.

Now, with that, I will take anybody who's brave enough — or maybe somebody who has had a martini — can ask me a question.

Yes?

Audience member:

I have a question for you. I know you're a sound money advocate, but you also believe the United States is moving toward a crypto solution for debt in terms of stablecoins whereas the East is moving toward gold and silver — China, Russia, India. What is your opinion about the USA, the Treasury Department and the Fed regarding gold and stable coins?

I think that stable-coin adoption is going to continue in earnest because a lot of people have figured out that it is simply a way to digitize the dollar, digitize the US Treasury, indemnify its status on the world stage as the reserve-currency status and the risk-free asset.

So they're looking at it through a different prism than you are.

If our country was going to get in trouble for pissing all over its fiat currency, that might have happened a few years ago.

China doesn't want reserve-currency status. It's a burden. It's a burden to carry. And until somebody else wants to take it from us — and when I say take it from us, I mean through war, it's the only way you ever lose it, a hot war — we'll retain it. It's as simple as that.

... Anybody else?

Yes sir.

Audience Member:

[inaudible]...Do you think the Fed would potentially start selling — potentially form another type of QE sales to shift to Treasuries?

Well— so refinancing volumes have gone up appreciably and the Fed is not ending its QT in mortgage-backed securities, which very few in the media picked up on.

No. They'll never sell. No no no no. It's an entity that by law does not have to realize a loss; therefore it never would.

But as prepayment speeds increase, we'll go from today's \$20 billion a month in mortgage-backed-securities roll-off — that will increase up to \$35 billion a month.

But for everybody who's looking for sources of QE, that money is being reprocessed, regenerated, put back into the US Treasury market — which is not bad for the US Treasury market if you're thinking in terms of providing liquidity. I'm very happy, by the way, that the Fed is getting out of the business of credit easing and getting away from QE mortgage-backed securities. May it never return.

Yes sir.

Audience member:

What are you doing to protect your financial future?

Well, my portfolio is in the fetal position.

[laughter]

No. I'm probably sitting on more dry powder. I am and have been. If I feel that a company's dividend is lock-safe and their stock's been beaten up, I like names like that — especially if there's something called cash flow as opposed to EBITDA.

But I think right now in the current environment — my platinum's treated me well as well. I don't mean what I'm wearing. But I think right now, the reason that it costs so, so much to hedge your stock-market portfolio is because you get what you pay for. And you're going to have to pay up right now to be hedged.

So be in instruments that still pay you what cash will pay you, which is around 4%. Take it. Keep your powder dry and be ready to be opportunistic.

And to the extent that your powder's not dry, it sure as hell better be throwing off an income — whether it be a stock or a bond.

Okay. I've got the three zeros. I got in three questions. So I'm happy that we had a few minutes for that.

Thank you so much for your attention.

Booms, Busts, and Bubbles Panel

MC: Albert Lu, Jim Bianco, Dave Collum, Jim Iuorio, Peter St. Onge

Albert Lu:

I want to start by talking about AI, because I think AI is a particularly dangerous emerging bubble for the retail investor. I run a community called Ruleclassroom.com. This is for individual investors in the mining sector. And Rick has one rule for us, and that is for every holding in your portfolio, you should be prepared to spend one hour per month working on it, one hour per month. So if you have one stock, that's one hour per month, five stocks, five hours per month, 10 stocks, 10 hours per month. He keeps the math easy for us.

But if you're an indexer, all of a sudden you can hold 500 stocks and spend zero hours per month, which seems a little strange, especially since the returns on the cap weighted index are more and more dominated by seven stocks.

And so I think the phenomenon of AI is something that the retail investors should specifically be concerned about. I want to just take a quick poll of the panelists. Just by a show of hands, which of you think that we are indeed in a bubble in AI?

Dave Collum (to Jim Bianco):

Oh, you're not raising?

Albert Lu:

Bianco's a contrarian. Peter, you had your hand up?

Peter St. Onge:

Yeah, we're in a bubble, but in the 1990s, we're in a bubble in the internet. And so the question is what stage of the bubble are you at? I first bought Yahoo in 1996, everybody thought I was an absolute idiot, it was \$60 a share. People said I may as well just throw the money away, I put my life savings in it. And guess what, right? So the question is yes, without a doubt it's a bubble. It's probably on a scale about 10X of the internet. The question is where are we? Are we in 1997 or are we in 1999? We're clearly not in 2001, and at some point that will come, but do we have another 2X to go and then it falls 75%? Do we have another eight x to go and then it falls 75%? That's the question.

Albert Lu:

This is what I find interesting about this bubble, is people are openly talking about it, even on CNBC as a bubble and framing it exactly the way Peter just did, "Well, yeah, I'm sure it's a bubble, but it can go a little bit longer, so let's have some fun while we still can." Jim, what do you think?

Jim Luorio:

I think we know a lot more about bubbles now than we used to in the past after having experienced them ourselves. But for me to say it's in a bubble, to mirror what Peter said, is that means actually relatively nothing. I believe that there's going to be a 30% haircut from those particular names sometime within the next 18 months, maybe even two years. So the only thing it changes, the facts that I think we're in some stage of a bubble where you're foolish to try to pinpoint what stage that is, but the one thing that really flipped me was OpenAI, anytime they mentioned any partnership with anyone, just the mania that happened with those stocks.

To me, that means we're in some sort of odd realm that I'm not comfortable with. But again, I'm not selling everything, I'm just keeping my positions, trim and trail, keep hedges on and just know that there is a very distinct possibility that one day you're going to open up your portfolio and things will change quite a bit. So again, it's not that valuable in my opinion to say it's in a

bubble, but I'll say it anyway just because I'm used to providing no value. I hope that's okay with you guys.

Albert Lu:

Jim Bianco, you didn't have your hand up, right?

Jim Bianco:

Yeah, I did not. I have a problem with the term bubble because I don't know exactly what it means. Usually when people raise their hand for a bubble, they think it's at the end of the bubble, so I'm kind of with Peter on that as well. But the other reason I didn't raise my hand is, count me in the camp that thinks that the technology of AI is very real and the technology of AI is going to be more transformative than the technology of the internet. And that when we look back several years later and we say, "What did AI do for us?" it'll be kind of like the way we look at the internet.

When you go back and I did, I reread some Wired magazine articles about what does the internet mean in the late '90s, we've exceeded all of those wildly optimistic probabilities and I think we're going to do the same thing with AI. Now, whether or not it turns out to be a good investment, because in the late '90s if you bought the internet, you probably had to go through the end of the great Recession in 2009 or '10 before you eventually got back to whole, so there's those two issues at the same time. Is the technology real, is the technology meaningful? Yes, absolutely. Is it going to be transformative? I'm happy to discuss it. But are we at the end of the game with it? That I don't know, and that's why I didn't raise my hand.

Albert Lu:

I forgot one rule of the Booms, Bust Bubble Panel. You can't be afraid to use the word bubble.

Jim Bianco:

Oh, okay. So then I'm a no.

Jim luorio:

But can I put something on Jim's point, too? AI itself is not in a bubble. I agree that it's completely transformative. I'm just talking about market positioning and we can... The internet stayed around, but then it went and lost what, 80% of its value? And the internet still existed, the AI will still exist as well.

Jim Bianco:

I'll go one step further. Jeff Bezos talked about this a couple of weeks ago and he said that when we had the... The way he expressed it was we had a bubble in the AI and then the bubble busted. But we had such a build out because

of the investment into AI that we were left at the bottom of the bubble... We had such an investment in the internet that we were left with the internet after the bubble.

And so he thanked investors, "Thank you for giving us all your money," so you left the rest of humanity with the internet. The same thing with AI. When we're on the backside of it, yeah, do I think the stocks will eventually get ridiculously overvalued and correct a lot? Yes, but on the backside of it, we'll be left with AI. That's not going to go away. And I'll thank all the investors that lost 80% for giving me this wonderful gift of AI so I didn't have to buy it myself.

Peter St. Onge:

And if we look at sentiment, if you look back in the '90s just like Jim Bianco was saying, in the mid '90s when we were right in the middle of the DotCom bubble, there were still a lot of articles that were calling the internet, they said, "It's a fashion. CEOs feel obligated to jump on board because it's the big new thing, but you can't actually make any money on it. Nobody will buy anything on the internet because there's no trust." There were all these negative articles. Even in the middle of it, I jumped into Yahoo because Paul Krugman said it was going to be the fax machine. I thought Paul Krugman has a relatively high IQ. If he's that stupid, there's a lot of people running a lot of money who are that stupid.

So if we take that snapshot and we compare that to where we are in AI right now, if you look at polls from outfits like Pew, the vast majority of Americans think it's garbage, it's a joke. They remember Google with the diverse 1930s soldiers. There have been all these fails early on, the hallucinations. So the vast majority of Americans still think it's a joke, they are opposed to it, they don't think it's going to change much. So I would say that we are very much at the fax machine stage in terms of sentiment. The question at that point is, how is sentiment mapping onto prices? Have the prices already anticipated because the internet is a living memory, or are we in 1996?

Albert Lu:

Dave Collum, you want to jump in?

Dave Collum:

I had to crawl out from underneath the table to do this podcast. I, by the way, would like to have you give a hand to Peter for his shirt. I think AI's in the middle of a much bigger bubble, and I think there's suitcase nukes all over the planet waiting to blow up, and I think they could all go. And I think AI, for example, using Jim's data to refute Jim, I think the AI bubble could be blown up by a lack of capital. So I think as the credit tightens up, they're saying, "Wow, we're going to spend \$100 billion here and \$500 billion there." And I'm going, "Where's that going to come from, private equity?" Those guys are about to blow up, in my opinion.

Private equity's marking the myth again and they're now trying to get rid of the assets under private equity.

I think the bubble we're in now, I think people are looking for a sentiment top. And the sentiment top is the euphoria. It's 1929, the Nikkei, the 2000, they all had euphoric tops. This one, I don't think is going to have a euphoric top. I call this now and I'm trying to trademark this or something, the complacency bubble. Everyone in this room, everyone in the market knows that it's all screwed up, but they think somehow they're going to be protected. And history shows after Mao killed 80 million people and Stalin killed 40 million people, the authorities do not really care about the common man and they're not going to protect you.

And so I think this thing could go for a host of reasons that have nothing to do with AI. And I think bubbles serve a great purpose of generating exactly what Jim says, is that at the end, you end up with this new technology and a bubble squeezes the floor of society for the craziest ideas and you get a chance to try stuff, and all of a sudden out pops Amazon and out pops these things. But you can't do it every 10 years, that's just inefficient, I think. So I think you need a bubble about every 30 years, and I think this bubble's going to be the one the Feds can't control and I think it's going to blow the hell up. And I don't know which suitcase nuke is going to do it.

Jim Bianco:

Dave, it's been 30 years, it was late '90s was the internet and it's 2025 right now. Is that close enough to being 30 years?

Dave Collum:

Well, then I'm saying 40 years.

Jim Bianco:

Okay.

Dave Collum:

It just feels too soon. No, no, no, we had the real estate.

Peter St. Onge:

Okay. We had real estate, you could add China, China commodities.

Dave Collum:

And that created quite a mess, right? Quite a mess. And everyone said, "Oh, the stocks got real cheap." No, they didn't, they got the fair value. They got the historical average value.

Jim Bianco:

And I'll just say this to support what you just said, Sam Altman, one of the co-founders of OpenAI-

Dave Collum:

Who is this, Sam Altman?

Jim Bianco:

Scam Altman.

Dave Collum:

Scam Altman.

Jim Bianco:

That's what Elon calls him, Scam Altman. Elon Musk was the co-founder of OpenAI with Sam or Scam, but basically I think he was on Tucker a couple of weeks ago,

Dave Collum:

who's now been totally discredited.

Albert Lu:

Yeah.

Jim Bianco:

But he was asked about whether or not AI is in a bubble and he gave the typical Silicon Valley answer, "Oh yeah, it's in a bubble and it's going to bust out and all this stuff's going to lose 80% of its value, but not me. Good luck to you, not me. I'll be fine and I'll be buying you at 20 cents on the dollar." And that's kind of the mentality that you hear a lot of in Silicon Valley. They acknowledge it's a bubble, but not them, they're okay. It's everybody else they got to worry about.

Dave Collum:

And Oracle's CDSs are blowing out right now.

Jim Bianco:

Yeah, credit default swaps that are a bet on whether or not they're going to default on-

Dave Collum:

It means they're betting against Oracle being able to pay back their debt.

Jim Bianco:

Right.

Dave Collum:

That's a problem.

Jim Bianco:

It is.

Albert Lu:

I think you guys made some really good points there, and it actually goes to the essence of what these bubbles and boom-bust cycles are about. Jim and Peter both pointed out that, look, this is a legitimate development we're doing and at the end of it, we're going to be left with legitimate transformative technology like the internet. No argument there. But Dave also points out that, "Look, are we just not going to be able to fund this?" And that's the essence of the Austrian business cycle, right? If you're building a house, it's not like the engineer screwed up. It's not like the architect drew up poor plans.

It's, you never had enough bricks to finish the house from the beginning. So you may have a good blueprint for an AI world, for super intelligence, for whatever, but do we have the capital to do this? Is this a stretch? And when you see Trump soliciting \$550 billion from Korea or Japan or \$350 billion from the other country, where's the capital going to come from? And as Warren Buffet says, when the tide goes out, you see who's been swimming naked. So if the capital dries up, what's going to happen?

Jim Bianco:

Well, first of all, some of those numbers are largely made up. I mean, they just kind of-

Dave Collum (sarcastically):

No...really?

Jim Bianco:

Yeah, they invent those numbers. But the capital's going to come from everywhere else. I'll give you one statistic that I've been bantering about for the last couple of weeks. JP Morgan did a study of the S&P 500 and put together a list of the 41 companies that they call AI related. It's the Mag Seven, other AI companies, a couple of power companies that feed in to power the AI and some capital equipment companies. Those 41 companies are now 48% of the market cap of the S&P, the other 459 companies are 52% of the S&P. Those 41 companies, since November of '22 when ChatGPT came online, are 75% of the gain in the stock market, are just those AI-related companies.

The other 459 are 25% of the stock market. And the final statistic I'll give you comes from Brian Taylor over at Global Financial. He looked at themes in the past. When was the last time half the stock market in the United States was tied up in one theme? And it might be the railroads in the late 19th century. It's been that long since we've seen, because we never got to that kind of concentration with internet, we never got to that concentration with China or with housing or anything else, that it was half of the US stock market at its peak. And that's essentially what the AI has become right now.

Dave Collum:

How do you not call that a bubble?

Jim Bianco:

Well, I mean, what I was trying to say is to answer the question, where are we going to get the capital from? We're going to take it away from every other company is basically what we're going to do, because investors are of the mindset right now, there is a fair number of people that are of the mindset that the only thing worth investing in is AI. And that if you don't give me financials or don't give me consumer cyclicals or don't give me energy or healthcare, waste of time, I only want AI. We're going to just take away-

Jim Luorio:

Aren't they just looking at it wrong, though? Because AI is really going to touch everything. I mean, I'm sure there's minors who are going to use AI, Walmart, Deere. These companies are implementing it to make themselves more efficient banks. So the tier two Kirkland play on AI isn't the AI people who are the gatekeepers, it's who is going to use it effectively.

Jim Bianco:

Right, we're in the infrastructure stage of building it out.

Jim Luorio:

Yes.

Jim Bianco:

You're talking about the content stage.

Jim Luorio:

The next stage.

Jim Bianco:

Yeah.

Jim Luorio:

But the one thing I was going to say about the capital part of it too, is that everyone who's here, we're hard-money people and we realize that the government keeps injecting ever-increasing amounts of money. M2 money supply keeps going through the roof, national debt keeps going through the roof. And it can make something like Beyond Meat stock rally 250% a day. Well, if Beyond Meat can rally 250% and we have Meme stock world. Well, then these can keep going for a long time, too. That's where the money comes from for the next wave.

Dave Collum:

I don't debate that.

Jim Luorio:

Okay, good.

Dave Collum:

I'm not calling an end.

Jim Luorio:

And neither am I, but I am saying-

Dave Collum:

But I have the markets at 200% over historical average.

Jim Luorio:

Yeah.

Dave Collum:

Let's take the tame route. If you grow the economy 2.5% a year, the markets are 200% over historical average valuation. I'm using the Case-Shiller, but there's other metrics. If you say at some point in the future we will be at the mean historical average valuation and you grow the economy at 2.5% a year, it will take 45 years. This is pulling appreciation forward at a level that is mind-boggling.

Jim Luorio:

But you're missing one thing though, and that is the-

Dave Collum:

I'm missing more than one thing.

Jim Luorio:

You're missing lots of things. No, the period we're talking about is activist-Fed, free money, rates held inorganically-

Dave Collum:

You're just describing inflation...

Jim luorio:

Yeah, but it's inflation in asset prices as well, so they trade at different valuations.

Dave Collum:

No, no. Valuation is the price divided by something, always.

Jim luorio:

Yes, of course.

Dave Collum:

The something is also inflation sensitive. So if you're doing price divided by revenue, price divided by earnings, as you're trying to inflate away the valuation problem, you're going nowhere because they're both going up. You can't solve a valuation problem without selling.

Jim luorio:

Fair enough.

Dave Collum:

I'm not sure that's true, but you bought it.

Jim luorio:

Yeah, I bought it. Yeah, I'm giving you the point. He talked in a circle and I forgot what I even said, and then it was over.

Dave Collum:

I have the advantage of having no training and no skill and I can look at it through totally fresh eyes of a five year-old.

Albert Lu:

People, was it a good decision to have them seated together?

Dave Collum:

I don't think so.

Albert Lu:

I thought it'd be good. I was anticipating this, we get you in the single shot.

Peter St. Onge:

Okay, so going back to the question of is there enough money in the world. 2008 crisis, I think the biggest policy fallout from that was that governments all around the world concluded that they can write unlimited blank checks and nothing happens...For 50 years, everybody said, "No, no, no, you can't. You can't dump \$3 trillion into Wall Street, think of the inflation." And people on both sides, this was not just Austrian saying this, this is everybody saying.

Dave Collum:

Did you say \$3 trillion or \$30 trillion?

Peter St. Onge:

Sorry?

Dave Collum:

\$30 trillion.

Peter St. Onge:

\$3 trillion in bailouts, but then right, when you incorporate the other losses, you get to the-

Dave Collum:

\$30 trillion is the round number.

Peter St. Onge:

Right. And we didn't get any inflation and there were reasons for that because the banks used it to plug the holes in their balance sheets and this and that. But at any rate, the takeaway for governments around the world was, "Whenever something goes bad, we can literally dump trillions on it and nothing happens." So we get COVID and I think at that point it was \$13 trillion worldwide just from central banks alone, \$9 trillion or \$13 trillion, somewhere in that range. Anyway, these were numbers that no sane economist, not even Paul Krugman would've accepted before the 2008 crisis.

Dave Collum:

I got that joke, by the way.

Peter St. Onge:

But they looked at 2008, they said, "No, no, inflation is a myth. I don't know how it happens, but anyway, it doesn't happen from this." And then we got the Biden inflation, we got the 40%. But even so, 40% did not break the world. And so my concern is that even if the AI blows up and the suitcase nukes go off, it's not going to be \$13 trillion, it's going to be \$30 trillion plus next time. The inflation takes about a year, a year and a half, so whoever did it, there's plausible deniability. Maybe it was Mr. Putin, maybe it was all the Amazon...it was the boat in the Suez

Canal. They're going to have plausible deniability, the media's going to play along with it. So I think that yes, there's a good chance that it could all pop, the suitcase nuke, but they will just write bigger checks this time for bigger inflation.

Jim Luorio:

Can I interject something real quick? When you talked about inflation in your speech, and we talked about inflation, inflationary pressures of all this, is that when we embarked on the internet, in my opinion, it was one of the most dis-inflationary things that ever existed. We haven't mentioned yet the dis-inflationary part of AI, like increasing productivity, which I think is a very, very real thing because it's a real technology. Is that emboldening the Fed to be like, "Okay, 2026, 2027, we're going to be dealing with this new technology, that technology is dis-inflationary, end of story." And is that part of his emboldenedness, whatever? That's not a word, you know what I mean.

Peter St. Onge:

Yeah, it's the China deflation on steroids. China's an amazing machine for making everything cheap and that sustained ZIRP during the 2000s, and I think AI is probably going to be bigger. The order, maybe 30% across the board. Plus, China didn't really do services and services are most of our economy. AI does goods and services, manufacturing.

Jim Bianco:

The other thing you got to keep in mind too, is as far as the inflation goes, we talked about the two stages of the bubble. We're in the infrastructure build stage. This is similar to the late '90s when we had Cisco, JDSU, Global Crossings building out the internet. Now we got Nvidia and everybody else, OpenAI and everybody building out AI. Then we had a bust, 80% down in the NASDAQ. What came after that? We were left with the internet. What do we do with the internet? We had the content companies create it, right? Facebook, Google, eventually Uber.

And so these companies came about and said, "Now you've given me this tool, I'm going to make a business around this tool." Well, that's what we'll do, is we'll have this infrastructure build, we'll have a bust, and then we'll have these content companies come along afterwards and they'll say, "Here's what you're going to do with AI, we're going to make a business about it." Now, the problem with that is who's going to make those content companies? That person's probably in seventh grade gym class right now, so we're going to have to wait a couple of years for them to come along.

Dave Collum:

You're describing what will happen after we go through the valley of death, though.

Jim Bianco:

We'll come out.

Dave Collum:

I don't doubt that, but what I would like to say in the 200% over-evaluation, the complacency bubble, people think it's somehow going to be held there. And I ask people, say, "Name for me an asset class that got way overvalued, that didn't find its way back to cheap," and there is none. Now, my fear is it's going to take 40 years to get back to cheap and then I'm going to be dead. I will have been looking at lousy investment opportunities.

Jim Bianco:

Well, what do you make of the argument that the way we're going to get back to cheap is that all these companies are going to fire everybody and they're just going to run one large language model and that their margins are going to be huge-

Dave Collum:

Well, how are you guys going to feel when you get fired? Let's start with that.

Peter St. Onge:

That's Google roughly, right?

Dave Collum:

Right.

Peter St. Onge:

That has just insane margins on AdSense, which is pretty much the entire business, right?

Dave Collum:

Right, right.

Peter St. Onge:

You are starting to see some AI applications, I think Harvey is a big one. They got valued at \$3.5 billion. They basically take ChatGPT and they do a legal specified version of it. The fact that we're just starting to see those applications is one more thing that makes me think that we're closer to 1996 than we are to 2001. We haven't even begun to see, and we're going to have a lot of stupid businesses once they get to the applications. We're going to have lots of pets.com, but we haven't even gotten there yet. So we are not at peak stupidity, meaning that I don't think we're going to have a bubble or a bubble pop quite yet.

Jim luorio:

I was about to say something, but I'm not going to.

Dave Collum:

Peak stupidity.

Jim luorio:

Yeah, it was about peak stupidity.

Dave Collum:

Time for us to shut up, isn't it?

Jim luorio:

Right, yeah.

Albert Lu:

Can I make a point on what Jim said, actually? You're talking about productivity gains leading to sort of deflationary output. The Fed has a double mandate, right? So unlike the internet revolution, the AI revolution is going to come at the expense of jobs, right?

Jim luorio:

Oh, yes.

Albert Lu:

The internet displaced brick and mortar, displaced the Postal Service and whatnot, but AI is coming after a lot of our jobs. And there was a time when we used to hypothesize like, "Oh, what if the truck drivers get displaced with self-driving cars?" That's just the tip of the iceberg now. Now that you're looking at it, they're going after software programmers. On the Amazon sales earnings call, the CEO was talking about, "When you know what you want to buy, everyone goes to Amazon because Amazon's the best. It's when you don't want to buy and you need interaction with the salesperson, that's when we don't have an advantage."

Well, AI is going to close that gap now. And so what's going to be left? I mean, AI, they're going to be teaching, right? They're going to be making decisions, doing code. I think it was Mark Zuckerberg on the Facebook call, said, "One day business is going to go to Facebook and just answer some questions and give it the marketing objective, and AI is going to produce the whole content creation, everything." You don't even need content creators.

Peter St. Onge:

All right, so we've had vending machines for about 120 years, and yet we still have bartenders, right? Vending machines are far, far cheaper than bartenders. There are a lot of things that are possible to automate, and yet nobody wants it. In the 1910s, it was really popular, you would go to a restaurant, you'd

have little boxes, and you would open the box and get your ham sandwich. Nobody does that stuff, it's called an Automat, I think. Anyway, the point is that people value the human element to things. Another example is handmade stuff. Any chair that's handmade is going to have 10 times, 50 times more flaws than something that's made in a factory, because you make it in the factory, you engineer the part, the machines. Yet, people will pay more for handmade.

Moral of the story being that a huge part of what we buy, we don't even realize it is, but it's the human element that's built into it. That's point one. Point two, Hong Kong and Detroit both lost manufacturing in the 1980s. Hong Kong, within 10 years, they had replaced all those jobs. We don't even think of it that way. When many of us were kids, everything was made in Hong Kong, all the toys. Nothing's made in Hong Kong now, it's ridiculously expensive. Why is it expensive? Because the wages went up. Why did they go up? Because it was a free market government. All those jobs were replaced with services at two, three, four times the wage. Now, take Detroit. What happened in Detroit? The jobs never came back.

So the AI and jobs thing, if you let the market run, which, we actually let it run a lot more than we think because the government tends to leave things alone that maybe you would expect it to regulate, like Airbnb or Uber or the gig economy and things like this. But if we let things run, the problem fixes itself, no problem. Half percent to 1% transitory unemployment while people start new businesses. And those businesses will be overwhelmingly in services, somebody to keep your dog company while you're at work. There's a thousand businesses that are in services.

And all those are paid for because the automation itself is...raising incomes to the point where people discover they actually want a personal chef, so on. So I think it really boils down to a public policy question in terms of, if you're zooming out and you're asking, "What am I going to teach my kids, what kind of job am I going to prepare them for?" content will always be king because people want it from a human. There's a limited appetite for AI generated songs. People want it to actually be created by a human. Other than that, services.

Jim Bianco:

Just to build on that, there's a professor at Northwestern University, Bob Gordon, and he's been there for 50 years, and he's done a lot of work on technology. Technology is a net creator of jobs. And the problem is if you use the most recent examples, we can see a new technology coming and we can see the jobs that will be displaced. You mentioned autonomous driving is one. And there's been studies that said there's 160 million jobs in the United States and AI could maybe displace 50 million of them, but it ain't going to be right away. But AI will also change business models. It will open new industries, it will open new jobs that don't exist today.

And if you want an example of that, go back to what I just said. 48% of the S&P 500 today is AI related. It didn't exist 20 years ago and now it's half the stock market. The problem of course, we always face, following what Peter was saying, was I could see the jobs that are leaving. I cannot tell you the jobs that are coming. They won't come at the same speed. So what are we going to do when AI replaces our job? There's going to be a whole new industry that's going to need millions of people doing something that is not economical now, but will be economical because of that new technology.

Jim Luorio:

But you agree that the interim, it could be, this is a very interesting technology and it scares me a little bit. I think in five years it could be that it's displaced quite a bit of jobs. And I'm not even, I'll give you that beyond that, it could get great.

Jim Bianco:

I'll give you an example of that. The biggest technological change we probably saw is the Industrial Revolution, and that we moved from the farm to the city and worked in a factory. And there was a giant pushback and it was called communism. And the communism was a pushback against the capitalist movement towards industrialization. Now, that doesn't mean that the pushback on AI will be communism. That was from a previous century, but it'll be something like that. It could be a clumsy time period in our-

Jim Luorio:

Right.

Dave Collum:

The other thought I have about AI is I think the more microeconomic you go, the more convincing your story is. For example, I was talking to a pharmacist and he said, "Well, they can't replace me." And I go, "Are you kidding me? Are you kidding me?" He says, "Well." I said, "They'll dispense the drug out of a vending machine." Sorry, Peter, I think they will. And he says, "Well, but," something about talking about drug interactions. I said, "You can beat a computer on that?"

And so I think at the microeconomic level, it'll work brilliantly and I think the application will be everywhere, little small startups. I think the big, they call it LLM stuff, is going to be a gigantic mess. So I think that the guys who are swinging for the fence, that are just going to create something that can scrub the entire internet and tell you anything you want about anything, I think that's the bubble. I think the post-bubble period will be the development of these microbes.

Jim Bianco:

They're also going to have another problem with the LLMs too, and that's going to be in good old-fashioned copyright law. Because at least now you do a Google search and traditional Google search, what does it return you? It returns you a link. You could click on the link, you could see advertisement and everything else. You do an LLM search on OpenAI, "Tell me about this," and it tells you where to get that information. It stole somebody's intellectual property and they're not getting paid on it. And there's a lot of lawsuits right now that are saying that basically every word that an LLM produces, you're going to owe somebody some money. And that actually might wind up being more annoying than the build-out that we're talking about right now.

Dave Collum:

Yeah. I actually used a couple of lines of lyrics from a song and my copy editor said, "You can't use lyrics of a song."

Jim Bianco:

Right. LLMs and AI results do that all the time.

Dave Collum:

Right.

Jim Bianco:

They're just copying what somebody else said in the internet somewhere.

Albert Lu:

All right guys, let's move on. And just before we do though, just summarize, Jim started the discussion by saying, "Look," he's maybe trimming back on these stocks?

Jim luorio:

No, stay nimble and don't be surprised. If a 30% correction crushes you, then you have too many AI stocks, is my belief.

Albert Lu:

That's the question, so how are you guys approaching it? Are you prepared to ride through this or are you going to try to time it?

Jim luorio:

No, I've trimmed positions and that's why God invented puts. And if you guys don't know how to, I'll give you Jim's cell phone number, he'll teach you how to trade options. But yeah, I just have put protection on when it's cheap and I sleep well at night.

Albert Lu:

All right, what about you, Peter or Dave?

Peter St. Onge:

Yeah, I agree. Keep it small enough in your portfolio that you can live through a winter. The average American's house fluctuates in value on the order of \$4,000, \$6,000 a month, which is roughly how much they earn. So if people actually looked at their house price every single day, it would freak them out. Guess what? They don't. The average American has no idea what their house is worth. They have sort of a vague idea. So do that with your portfolio, don't look at it. Look at it once a year if you need to or just leave it with your accountant. If you don't look at it, you don't particularly care, it's going to even out in the wash.

Dave Collum:

I think we have a potential, we haven't talked passive flows, maybe you want to go there. The problem we have with the passive flow story besides the distortions that it causes, is that if let's say you are investors, they say get defensive. If you're indexing, you can't say, "Well, I'm going to dump Nvidia." You can't say, "I'm going to dump Google." You've got one choice. You say, "I'm going to dump the market." And literally, you can exit an entire investment portfolio with one keystroke. So when people start getting nervous, your Philip Morris is not going to save you. You're going to be in trouble because that rock bottom value stock is going to get sold along with everything else because all you can do is sell the passive index.

Jim Bianco:

You're feeding perfectly into what I was going to say about it, was that whether or not, how much AI do I own? If you own an index fund-

Dave Collum:

You own a lot.

Jim Bianco:

Half your money's tied up in AI if you bought an index fund, so you've got to be... And if you decided, "I don't want to have any AI," and you want to buy some non-AI index, then you've badly underperformed. Those are the two option choices that you have right now. I think that you need to understand that this technology is in every investment we have right now, whether you intend it to be or not. So as Jimmy was saying, 30% correction. If you can't handle that, that might be too much, you might actually want to apply that to the index too, because the index is not going to... You're going to notice it in the S&P or whatever you'll have once AI starts down, it's going to take it with it.

Albert Lu:

All right, the market brief that I-

Dave Collum:

I have fair value at a 60% to 70% correction, just for the record.

Albert Lu:

The market brief that I read earlier today said this is not a problem at all, but that of course, was produced by AI itself. Where do you go? Guys, looking for alternatives with the minutes we have left, Jim, you put up a slide in your presentation, showed the three-year rolling return of the US bond market and the enormous loss people took in 2024. This looks like the late stages, or on a different time scale perhaps, but a giant bubble in bonds slowly deflating. Is that how you look at it?

Jim Bianco:

Yeah, no, I think that's exactly what it was. The bubble in bonds was that they were artificially manipulated down to zero interest rates for seven years and the Fed was printing money to try and keep suppressing interest rates. They used the term called the portfolio balance channel, we'll print money, ram interest rates down. You'll hate them and you'll go invest in something riskier is basically what happened. That bubble got unwound '20 to '23. We already did that. We popped that bubble and we unwound it, and that's why we went up to 5%. We've been trending sideways. Alternative investments, the 41 stocks that have produced 75% of the stock market's gains, let me turn that around. The 459 stocks that are not AI related in the S&P are up 7.5% this year. That's what the entire stock market is, sans AI up 7.5%.

The bond market's up 7.4% if you use the Bloomberg aggregate index. So alternative investments, if you say here's AI, what else is there? The bond market's been actually pretty competitive with the non-AI part of the stock market right now. That would be one option I would throw out at you, is that as a safe investment, the bond market now has yield where it didn't have yield in 2019, and it's got a little bit more stability. So it's been churning out a lot of income and some capital gains because rates are down a little bit right now.

Albert Lu:

Jim, so you don't think we're still walking on thin ice on the bond market?

Jim Bianco:

No, we did. We did from '20 to '23. That's what I was trying to say, was that that was the bubble pop. That was 2000 to 2002 in the NASDAQ, was the 2020 to 2023 period. We're beyond that right now. Now the next step is where does the bond market go from here? It has a yield, so even though I made the case, yields are going to go up, meaning prices go down, there's so much yield in there, you're still going to churn out 4% or 5% out of the bond market. Doesn't sound like

much, but like I said, take the AI stocks out, the rest of the stock market's going up 7% a year. All of a sudden 5% sounds pretty competitive with a lot less risk.

Albert Lu:

How much duration are you comfortable with in this market?

Jim Bianco:

Currently, not a whole lot because the yield curve is fairly flat. So if you're going to pull your duration back a lot, which we have in the ETF that I mentioned earlier, if you're going to pull back on your duration, you're not going to be sacrificing a lot of yield. That's why I'm comfortable with the idea of being shorter duration right now because I don't have to give up yield. Typically, in these type of environments, the yield curve is supposed to be very steep. So if you pull back on your duration, you give up a lot of yield, but you're not really doing that now.

Albert Lu:

Okay, let's hit on the US dollar as we close. Peter made a good point in that we shouldn't be, as investors, just monitoring every single tick, every quote. Mr. Market, we learn comes to your door, you can just turn him away, right?

Dave Collum:

By the way, Peter told me the market was red this morning, so he's not living up to his expectations.

Jim luorio:

Very red, yeah.

Albert Lu:

That one's perfect.

Peter St. Onge:

That's because the title for my talk is now obsolete.

Albert Lu:

But on the other hand, liquidity is important. Liquidity is a feature, that's what we like about markets. That's what like about the treasury market, that's what we like about these widely traded stocks and that's what we like about the US dollar. But the dollar, down a lot this year, and I read Morgan Stanley saying, "Look, expect more next year, another 10% maybe." Where do you guys sit on the dollar as sort of a safe haven source for dry powder? Peter?

Peter St. Onge:

My image for the dollar is that I think fiat is collapsing. It's going to be staggered, it's not going to be tomorrow, it's going to take some time. But if we look at the rates of deficits and central banks trying to sell 3% inflation now, trying to get it worse and worse, I think fiat is entering its, I don't know, 20-year-long death. And I think that every step that fiat takes towards collapse, the US dollar actually paradoxically gets stronger. Not in absolute terms but relative to other currencies, so it eats the corpses of weaker currencies as we go towards the end. And this is because of the depth of liquidity, the transaction costs. For the past couple of years, the biggest threat to the dollar, people kept hyping, is BRICS. I think BRICS has just catastrophically lost its path.

For a while there they were talking about gold backed currency, now it's a basket. A basket case currency is, almost every country in BRICS had hyperinflation at some point in the past 20, 30 years, including Russia. So BRICS is a joke, that's not going to do it. I think honestly, the whole Debasement trade, which, I know a lot of speakers this weekend have been talking about that sort of long-term inflation, nothing stops this train, I think that's actually relatively bullish for the dollar relative to other currencies. Now, having said, of course, I would never actually put resources into dollars or bonds, but in terms of zooming out, is the US specifically doomed, and no, we're the cleanest shirt in a pile, the cleanest dirty shirt? And I think we will be for a long time.

Jim Luorio:

Well, the last thing you said is the most important part. Because you have to remember that the dollar index is the greatest lie we're told. The dollar index does not measure the strength of the dollar, it measures the strength of the dollar against the euro and the yen, and secondarily against a lot of other currencies. We are without a doubt, the finest currency on the planet. And by the way, that hubris has led to a lot of the debasement trade here because we know that we're that far away, in my opinion. I mean, I know you know this, but that's why I think things like gold, things like commodities are going to do so well, even if the dollar... Because today, the dollar index went back over 100 and it looks strong if you give it crap about what it trades against the euro and yen. But most of you aren't going out to buy a lot of euro and yen. You're going out to buy groceries and that part of the dollar's weak and it continues to do so.

Albert Lu:

Okay, I'm sorry guys. We're out of time.

Dave Collum:

We're out of time, give us more time.

Albert Lu:

Dave, can you go 10 seconds followed by Jim?

Dave Collum:

I would go back and experiment. Imagine you had to buy a 30 year treasury and there was a rule, you had to hold it, period. And imagine in the Gedanken experiment, you also can't hedge it, so you're committing to a 30 year treasury. Not knowing the future, not knowing what's going to happen, what interest rate would you demand? And if the answer's not 4.5%-

Jim luorio:

No, above 10%.

Dave Collum:

It means that the price is wrong. And so we've got a ton of bonds that are priced wrong. My number would be near 10%.

Albert Lu:

All right, we've got to go. Jim, quick word?

Jim Bianco:

Let's go.

Albert Lu:

All right.

Jim Bianco:

Leave it at that. Let's drink.

Albert Lu:

All right, let's have a hand for our panelists. Thank you very much.

Jim luorio:

Thank you, guys. Thank you very much.

CIC Panel

MC: Robert Helms, George Gammon, Russell Gray, Jason Hartman, Robert Kiyosaki, Mike Maloney, Ken McElroy

Robert Helms:

We have a mastermind that you're about to meet, and we are business owners, entrepreneurs, investors that regularly get together and talk about this stuff. And

you're going to meet four of our five partners and you're going to meet a couple of our members, and that is the Collective Inner Circle. Some of you saw the booth, some of you talked to the members. So I'm going to be your emcee, your moderator for this panel. I'm also the first of the five partners, so I'm going to invite my partners to come on up first, and then you'll meet a couple of our members and we'll have a great discussion and maybe open it up to questions, maybe not. These guys like to talk, but they also love to listen. We'll start with a gentleman you met early this morning. It means you've had a long day. Please welcome the Rebel Capitalist, George Gammon. Right there. There he is. He's had a long day too. You were up early.

George Gammon:

Oh, whoa. Yeah, wow, I wasn't expecting that.

Robert Helms:

All right, next. Please welcome Main Street Capitalist, Russell Gray. On the love seat.

Russell Gray:

Thank you.

Robert Helms:

And a partner that you may have met because he came up and spoke...yesterday on my panel, but he's really the glue that keeps this partnership together. He's also a best-selling author. Please welcome our friend, Ken McElroy, ladies and gentlemen. So our missing partner is Jason Hartman. You may have met Jason. He was here this weekend, but he had to fly out for another engagement. So the five of us, rather than a program that is a person, we're not aimed around a personality. The five of us are the partners, and then we have a whole bunch of amazing members. I want you to meet two of our members and the first is the best-selling author on any financial topic in the world from Rich Dad, Poor Dad, please welcome, Robert Kiyosaki. And another great friend of ours, a man who was mentored by Mr. Kiyosaki, and that is the best-selling author on gold and silver in the world, Mr. Mike Maloney.

Ken McElroy:

All right, Mike.

Robert Helms:

So we are completely honored to have members like this, and before we're done, I'll introduce you to the other members, have them stand up if they're in the room, so that if this is something that sounds interesting to you, you can talk to one of them about it. But here's what we want to cover. We've learned so much, heard so much, argued so much this week that it can be a little confusing. And so, what I'd like to

ask each of our panelists today is given what you've just heard, what concerns you the most? There's a lot to be concerned about, what concerns you the most? And secondly, where do you see opportunity? So concern and opportunity, we'll start with George Gammon.

George Gammon:

I think one of my biggest concerns is not necessarily that the Democratic Party is headed toward more central planning and socialism because you kind of expect that out of them, going back to what Matt was talking about. But my bigger concern is that the Republican Party is doing it. So if the Republican Party is moving towards socialism and I would call it economic fascism, just as fast, if not faster than the Democratic Party, then there's no checks and balances. And I don't think that ends well. So when you look at the current administration, they are central planning as well as any administration I've seen, I think in my lifetime. They're taking equity positions in huge corporations. And in fact, I'd like to read to you guys a quote here. I've used this on a couple of my YouTube videos and this is a quote from Mussolini. And I think what they're doing is they're asking him about socialism, and here it is.

It is a quote from Mussolini, "Fascism should more appropriately be called corporatism because it is the merger of state and corporate power." And think about what we're doing right now in the United States. We are literally merging the federal government with a lot of corporations and this doesn't end well. This is a very slippery slope. And I get all the arguments, "We have to do it, George, it's for national security." Okay, but there's always trade-offs as Thomas Sowell teaches us, right? There are no solutions. So when you look at the trade-offs, I think sometimes the cure is worse than the disease. So the thing I'm most concerned with is not necessarily that the Democratic Party is headed towards socialism and more central planning, but the Republican Party is doing it at the exact same rate in just different areas.

Robert Helms:

What do you think about opportunities, given that and everything else that we've learned this week? What do you see whether it's defensive or offensive in terms of opportunity?

George Gammon:

How many of you are entrepreneurs? Just out of curiosity, or real estate investors? Oh, good, good, good, good. So for entrepreneurs and real estate investors, you have massive opportunities out in front of you. I mean, *massive* opportunities. Number one is leveraging AI. Now, AI, as far as the stocks, if you ask me, they're in a massive bubble. I don't know if we're in 1999 or 2000, but I think whatever year we're in, we're going to look back in five years and we're going to say, yeah, that was basically the dotcom bust 2.0. But as far as the technology itself, I'm wildly bullish. And even with my YouTube videos or what I do with my, I don't know if you

want to call it a business, but in making money, I've been able to leverage AI and it's only going to get better. That and content creation for you entrepreneurs and real estate investors is a huge, huge, huge opportunity.

How many of you watch my live streams? Anyone? We've got a few people out there and you hear me talking about Josh. So Josh is the one that's behind the scenes that's clicking from one scene to the other. Josh started working for me, he was 18 years old. That was in 2021, I think. So now he's about 22, 23 years old. And what Josh has done, at 23 years old, is taken what he learned from my YouTube channel, and he started implementing that for guys like Robert Kiyosaki, guys like Kenny McElroy, and others like Jeff Snyder. And he's turned that into a business that is making about \$2 to \$3 million a year right now. And he's netting about a \$100,000 a month at 22 years old, 23 years old.

This is an opportunity that I did not have, none of us had when we were growing up. And it's the opportunity that not only young people have, but we all have. I don't care what your age is. And the more I get into this, the more I understand funnels and how... I mean, as an example, Kenny, your game is you really try to solicit high net worth individuals to invest in your next fund. And Kenny has a huge YouTube channel, which Josh does for him. And how has the level of investors, qualified investors, increased since you really started to get serious about your YouTube channel?

Ken McElroy:

Well, significantly, yeah, we will do 600 million this year and all high end class A apartments essentially in markets that we're picking. And that's very much as... Most of it is just letting people know. We are always doing our thing for years. This is our 25th year. So for me, I just did it locally and through our normal channels-

George Gammon:

That's 600 million. How much of that was equity?

Ken McElroy:

Almost 300.

George Gammon:

300 million?

Ken McElroy:

Yeah.

George Gammon:

So basically, correct me if I'm wrong, but Kenny raised \$300 million basically from the lead gen for accredited investors, from people watching his YouTube channel or the vast majority of the 300 million.

Ken McElroy:

Yeah. Yep. We had a list already, but we just keep adding every single week.

George Gammon:

That's the opportunity that's out there. And it's mind blowing. I remember back in the day when I first started my own, well, not the first business, but the first business that was really profitable. I had to have 400,000 or 500,000 just to get out of the gate because you got to get a 10,000 square foot office, you have to sign the lease, you have brick and mortar. You guys remember how, or maybe some of you are in that type of business now. But back in the day, that's the only opportunity that you had. And now, did you know that I make as much now as I did prior to retiring? The difference is prior to retiring I had about 100 employees and now I have about 3. And how many of you manage employees? How many of you like managing employees?

Ken McElroy:

And how many of those are in the US?

George Gammon:

Josh, basically, that's it. So anyway, I'll pass it on to the guys who are smarter than I am, but there's just incredible opportunities out there for you guys who are investors, real estate investors and entrepreneurs.

Robert Helms:

Great answer. Because we don't want to leave here just being concerned, and worried, and scared to death, and weeping about the future. We want to see where there is opportunity. That was a great answer. Russ Gray, what do you say? What do you think is the thing you're concerned about the most and where's the opportunity?

Russell Gray:

Yeah, so for me, you guys heard me speak. You guys, I think, mostly know where my headspace is right now. I'm a grandfather of 17 grandchildren, father of 6 kids. I'm at a space in life where my late wife died in my arms six years ago, 59 years old. And so I just have this urgency that I want to make sure that the things that I've learned through mostly the mistakes that I've made, but some of the things I've gotten right, the relationships that I've built actually translate into something that's going to be useful. And so, that's kind of where I'm coming from. And so, my biggest concern is what I talked about in my opening presentation, which is just that we get so caught

up in either the problem or the opportunity which we have in our own life to solve our own problems, which we should do.

And then that's where we stop and we forget that there's a handoff. And I talked about it a little bit on the panel this morning. There's a generational divide out there. I'm starting to monitor what goes on in social media and I see the boomers getting attacked because we happen to inherit a bond bubble that created massive equity. And we rode it, like who wouldn't? But then you've got a lot of young people that are looking at that going, "Hey, I got left behind." And Matt was talking about that wealth inequality. It's exactly what John Maynard Keynes warned about, that inflation impoverishes the nation and yet enriches a few. It's a way for the government to steal from the people in a way they don't understand, but a few people really profit from it. Unfortunately, the people who make the rules and run the systems are the ones largely profiting it.

And then there's some smart main street guys that figure out how to really profit from it. And that's great. But if you think just profiting, and making your own, and taking care of your own, and solving your own problems and then letting the next generation come along, I understand that mentality from the standpoint of, hey, every generation's got to earn their way. They've got to go through their own hardships. They've got to develop their own skills. And it's tough times that make you tough. But we all operate in a system. And the way the younger generation is feeling, is we all crapped in the fish tank and now we're leaving and we left them a crappy fish tank. And there's some validity to that. The thing is, it goes back, every generation did it. And so, if you think about that fourth turning, you think about those 80-year cycles, we just happen to be the generation on duty when we're at that reset, whatever it's going to look like.

So this is unlike some of the things that have happened in the previous generations. We're just a generation, and when I say generation, it's not boomer, millennial, Gen X, Gen Z. I don't care if you're 18 or 80 years old. We are the generation on duty right now when this thing is going to get reset. And we are going to decide what that reset's going to look like. And that's going to mean we have to take the time to open our mouths and have maybe some unpleasant conversations with people who don't understand. I'm not about calling people names and I'm not about accusing people of having bad motives. Peter Schiff says all the time that good economics is bad politics and bad politics is good economics. And that's why we always get bad economics from our politicians. And we're having that right now. And the reason that happens is because we have an economically illiterate electorate that are going into the voting booth and voting for outcomes, but they don't understand process. And so they're being deceived. And so we have to take that on.

And so I'm excited because I think that there is some fundamental shifting going on in the way the economy works. I think we are doing a massive economic remodel

and we're tearing down some of the financialized economy and making an attempt to reindustrialize the nation that changes the game. You see these kids that have college degrees and they're realizing that they would've made more money if they just went into the trades. In some ways, I hope that's a trend that continues. So as far as being here, I think that your head can spin and you walk away thinking, I'm not smart enough to have an opinion. I am afraid to say anything to anybody because I'm confused. And you become so overwhelmed, you go home and you're just like, I'm just going to do things the way I've always done things.

You came here not for information, but for transformation. You came here because you want to change your life in some way, shape or form. You want your portfolio to be safer, you want your business to grow faster. If you're young, you want to find your way, you want to make your way. And that's going to require going out and operating in that uncomfortable zone where the growth is. And that's what these communities are all about. That's why we have a mastermind. That's why we... I've always been a proponent of clubs. It's why... This is like a family. It's like a family reunion for a lot of us because we come here year after year. So I think the opportunity is to continue to lean into authentic human relationships in the age of AI. I think it's important to lean into open conversations and debate.

And the panel I was on today, there was some differing opinions and that's a good thing. It's healthy tension, two people pulling really hard to find that balance. And the truth is somewhere in the middle, probably. So I think that if we do that, I think the economic conditions are actually going to be good. I agree with George 1000%, tons and tons of opportunity. All I'm saying, my concern is that we don't just go get ours and stop. I think we get ours and include as many people as you can. Maybe you don't like employees, but take on apprentices, take on junior partners, bring your kids into the business. Make sure that you're passing along the principles and the passion for main street capitalism to the next generation or when you are done and you are trying to enjoy the end years of your life, you don't want your kids doing what they just did in New York and making attempts to outlaw your right to exist if you happen to be a billionaire.

Robert Helms:

All right. Ken McElroy, there's a lot that we've all taken in this week. What's your biggest concern? And then tell us about an opportunity.

Ken McElroy:

Well, I have two kids both in their 20s, one's early 20s, one's mid, and it was a blessing obviously to hang out with them and their friends and watch them all go through school and university. But they all have one thing in common, that is that they can't afford anything. They do if they go into credit and debt of course, but unless they come from somebody wealthy, they're in trouble. So there's an affordability issue that we have right now for lots of reasons. I can go for hours and

talk about exactly why because it started a long time ago. But the truth is what's happening now in the government, especially what we just saw in New York is going to make it worse. There's no question that that will happen. So any form of rent control, all that does is, for example, it just drives good money to somewhere else.

That's it, for now. Of course, until the whole country's that way, if it ever is that way. But it's Gresham's law, right?...When bad money enters the system, good money retreats. That's just the way it works. So that's essentially what's going on and we're heading into what I see as a renter nation as a result of need and necessity. And I think we all, a lot of us grew up at a very different time where you would build credit as a renter, then you'd buy that affordable home, and then you'd build the equity and then you'd move on. And even today, most people's real wealth is sitting in their home. And so that's going away right now because more people are being forced into rental housing. And so some would look at me and go, "Well, isn't that good for you?" And the answer is yes, because I have 10,000 units that are filled with renters that are paying them all off. And I've been in this game a long time.

But that's not healthy. It isn't healthy, it's not healthy. I'm supposed to lose people to buying homes. That's exactly what's supposed to happen. They're supposed to build equity in a home and we can't build affordably. And there's all these excessive regulations and things that are making it very difficult to deliver any affordability. So if I was to say what my concern would be is we've been in an affordability issue, affordability problem already. What I'm seeing now, it's just going to make it worse. And so, the opportunity, of course, is the way I look at everything, and it doesn't matter for me... Well, it does, but I guess whether it's a red, or blue, or who ever is in office, they have different policies around housing, which is the industry I'm in. So I just act accordingly, whether it's the Big Beautiful Bill or whether we have an affordability issue or whether we're overbuilt or not, I just act accordingly.

And so what we're heading into now is trying to solve that issue. How do we help people build a little bit of wealth and not be stuck in a rental for their life, much like outside of the US. If you guys travel, I'm sure many of you have, to Europe and Asia. Those are hundreds and hundreds and thousands of years. The rich own a lot of that. And so, what we're doing is we're doubling down right now to buy homes and apartments right now, and we're going to hold them for the long term. And why would I do that? I'm going to do that because I can fix my debt today. And then the tariffs and all this excessive spending like George was talking about this morning, and we all know it's all going to happen. I just have to sit back once you own them and just let the government do their thing and it's just going to bring all that stuff up.

And so it's just being in front of it. So that's really the opportunity, is to take advantage of what the government's doing and provide housing and affordable if you can for some of these people. That's why there's such a run on mobile home

parks, and RV parks, and tiny homes, and all this stuff. It's that. They're trying to solve this issue and I don't see it going away anytime soon.

Robert Helms:

Thank you for that. Robert, what do you think is the challenge, the thing that keeps you worried, and then where do you see opportunity today?

Robert Kiyosaki:

Well, I wrote Rich Dad, Poor Dad for this time. If you read the book, there were three rules my rich dad had. Number one, the rich don't work for money. Number two, savers are losers. Number three, a house is not an asset. And I caught hell for that, it was 2007. But for me, my teacher was a man named Dr. Buckminster Fuller. He created the geodesic dome. He was known as the futurist. The AIA architects considered him one of their greatest architects. He wasn't an architect. He went to my sister's school, US Naval Academy. So Fuller was, he talked about intuition and intuition is a high form of thought. And so I ask all of you, why are you here? That's the question.

So I'll just give you a little bit of my background is I happened to be always in the wrong place at the right time. So in '65, I held one of these up and I said, why is it copper? My intuition says something is wrong. As Kenny said, the Gresham's law. So I joined the US Marine Corps when I didn't have to. I was a Marine Corps pilot, and I happened to be at a battle called Quang Tri. And Quang Tri was when the North Vietnamese broke South and they kicked our asses. So I saw communism winning. We killed a lot of them, they killed a lot of my friends and I got back to the States. And as we were taxiing up the Northern Air Force base north of the Communist Republic of California, the captain of the aircraft, we're all full of Marines coming home. And they said, "Gentlemen, as soon as you get into that terminal, get out of your uniforms, America has changed."

So we ran into the terminal, we did get out of our uniforms, and we got into the civilian clothes. And as soon as I stepped out the door, a rotten egg hit me and I got spit on. It was all these love generation hippies, I should have shot them. And as I often say, because most of my people I speak to are Republicans. And I swear I saw Bernie Sanders and Pelosi in that audience. So I'll ask the question again, so intuitions, I studied with Fuller, why are you here? And then for years, from about 2000 or 2005, I was one of these exhibitors here. I took gold mines public, Kenny and I were on the New York Stock Exchange listing my last gold mine. Why? Because I could see it coming. So Quang Tri and all that.

I was also in Zimbabwe when Zimbabwe collapsed and it's not pretty. So I'm a hunter, politically not correct hunter. So I was in Zimbabwe, I got wrong place, right time. And the war vets came up, these black kids with AK-47s, they put their guns on us. I had to go like this. They took everything. I said, "I should have shot them."

So I could see this coming. And then I was on stage with Charlie Kirk and we spoke at Arizona State University. I played my cash flow game because we're teaching capitalism because the fundamentals of capitalism is a financial statement. And 95% of our college graduates have no idea what a financial statement is. So we're teaching the cash flow board game, and Charlie Kirk was speaking up there and 39 professors shut us down. So we had to call an inquiry of the Arizona legislature to go after the Arizona State professors. So the question I have for you is, who shot Charlie Kirk?

And then this is my friend here, that's Donald Trump and myself, we wrote two books together. His right ear, the patch is still on. He was shot the day before. So he and I were sitting in Milwaukee at the RNC conference and we're watching him get shot on TV. And he said, "You know what it's like to be shot?" I said, "Yes, sir." So the question is, who shot Donald Trump? Who elected this guy Mamdani, and why? Those are the questions. So by the way, I have 12 of these for sale.

Robert Helms:

Always the capitalist.

Robert Kiyosaki:

You don't have to buy them, it's 100 bucks and it goes to Trump. I fight back. I've killed a lot of communists. And I'm going to fight harder even than before. So you guys can do what you like. But my question is, what's your intuition telling you? Why are you here? No empire has ever sustained debt this high. And we don't talk about that national debt, \$38 trillion, we can never pay it back. So that's why you're here. I'm here because gold and silver are God's money, Bitcoin, Ethereum are people's money. That's what I'm investing in. So why are you here? What is your intuition telling you? You want to donate 100 bucks to Donald Trump? Cash, no credit cards. I'll send it to him. Thank you.

Robert Helms:

All right.

Robert Helms:

Robert will be at the party tonight if you're interested in that. And I bet you could talk him into signing one of those pictures.

Robert Kiyosaki:

I'll sign them. Yeah, the 100 bucks is actually for the pen I'm writing. I love that man. That guy's got bigger cojones. In my opinion, I know guys hate him. My family hates him. Because I went to military school, I went to one of the five academies. And the first book we had to read was the Communist Manifesto. It was my economic teacher. And I said, "Why are we studying the Communist Manifesto at a military school?" He says, "You better know your enemy. They're called Marxists." I hate to

say this, when I read that book, that's my family. They're all academics. So if you can understand the question I'm asking again, who shot Charlie Kirk? Who shot Donald Trump? That's the question. Thank you.

Robert Helms:

Thank you, Robert. All right. It's hard to believe that this is the first time that Mike Maloney has attended the event. Thrilled that you could join us. You've been a member of our Collective Inner Circle for a year now, but I know you've been paying attention beyond this. Mike has a huge following. If you're not following Mike on YouTube, you need to be. Raise your hand if you've watched any of the Hidden Secrets of Money. Oh, look at all the hands. If you haven't, look at the hands, you need to. But Mike, what concerns you the most and where do you see opportunity?

Mike Maloney:

Well, it's exactly the same thing that Matt Taibbi was talking about. And there's different ways of fighting this and Robert's done both. He's actually fought and killed people over it. I haven't killed anybody, but I've educated a lot. And I've got several different missions in life. And the YouTube channel and all of the free education that I've created and the books, it's to enlighten the world that maximum prosperity can only be achieved through individual freedom, free markets and sound money. And so that's the mission. The mission wasn't to make a profit in any way. The profit is something that happens if you're doing something right... You know what's interesting? Throughout my life, every time I've chased profit, I've had losses. And every time I follow the mission, I end up getting ahead financially.

And then I started Goldsilver.com. And the reason for this mission is because as I was doing research, I had met Robert in 2003. I was already starting laying out a book, but I asked Robert if I could be the Rich Dad advisor for precious metals. And he says, "Well, first, you got to write a book." Well, I had already laid out the table of contents and stuff and knew what I was going to write about, and Robert helped me get it published. But in the research, reading about the Weimar hyperinflation was scary because as the middle class becomes impoverished, the middle class is about 70% of every population, they determine the direction of the country with their vote. And during the Weimar hyperinflation, in the final week when the entire middle class was wiped out, impoverished and scared, this unknown politician, Adolf Hitler, and his stormtroopers surrounded a beer hall called the Bürgerbräukeller, a beer hall that housed about 3000 people.

And there were political speeches going on that night. And his stormtroopers literally pointed machine guns at the front door. And to this captive audience, Hitler took the stand and gave a speech that changed world history. And the next day, a whole bunch of the people in that crowd followed him to try and do a military coup. But it is these economic events where these snakes come crawling out of the woodwork. And when I read about this and I saw the trend, all of these idiotic

professors in college that are being paid basically through taxes, so they're being paid by the government picking your pocket and transferring your wealth to them. And then they're saying how evil capitalism is and teaching... I mean, I've got a niece that is, I mean I'm sure she's real happy with the election results in New York. So it's the same with my family as Robert was just talking about. And so, I started Goldsilver.com and the mission there is to save the middle class one investor at a time. And it was to try and service the small investor and protect them from what is coming.

And that's the way I'm fighting this. But my biggest concern is this shift towards socialism. I find this scary as can be. And what I'm trying to do is inform as many people as possible, which everybody on this panel with the education that all of you put out is to reinforce capitalism and fight socialism. And so that's what I'm scared about. And the big opportunity that I see, I'm a precious metals dealer, so full disclosure. But when I study this increase in the national debt, when you really study the way the monetary system is designed by its very design, all of these national fiat currencies, which when Robert first introduced me, the first time we were in front of a big audience. He said, "In 1971, the dollar ceased being money and became a currency." And for me that was a big light that came on. And I spent years researching this.

And there is no nation on earth that uses money. We all use national fiat currencies that are debt-based currencies that are borrowed into existence, but they only borrow the principal. You owe that plus interest. So there's always more debt in the system than there is interest. And George teaches about this. George has a passion of trying to figure out how the economy works and explain it to people and so do I. And our very monetary system, it is flat-out evil. It is based on fraud, theft and enslavement. And the way it works is it does a wealth transfer from the majority of the people, the middle class, to the people that run the game. And the richest people profit most from it. And that profit is actually a wealth transfer from the middle class. It's based on theft, fraud and enslavement.

And you have to ask, to whom do we owe the \$38 trillion national debt? But then there's all the private debt, and there's all the other national debts around the globe. Who had all these trillions upon trillions upon trillions of currency to loan us? And the answer is nobody. It is a balance sheet sleight of hand trick, the operative word being trick. They type numbers into existence and then enslave you because when they type these numbers, the Federal Reserve buys a US Treasury bond and then you have to work for the next 30 years to pay taxes, the principal and interest on those 30-year Treasury bonds. And so you are enslaved by the monetary system and it's a wealth transfer.

And the only thing that I can see that the smaller investor can do to protect themselves is gold and silver. Because throughout history, it had periodically- it lies

in wait, and then suddenly when the public feels the inflation, the loss of purchasing power and they rush back toward gold and silver as the safe haven, the insurance for their purchasing power, it does an accounting of the expansion of the fiat currency supply. It does an accounting of the entire thing going back to the last time it did an accounting. And it's all the public's emotion that causes this to happen. But it's quite amazing when you... I've got some research assistants, you look at the numbers.

And throughout history, it has done this. It's doing it again. And during these moments, it's not just the safe haven, the insurance for your wealth, it also becomes the greatest opportunity. It's the single greatest potential gain in purchasing power during these rare moments. And we're in one of those moments right now. And so, that's my take on the opportunity and my big concern. The big concern is the same one as this entire panel and Matt Taibbi.

Robert Helms:

Thank you, Mike. Robert.

Robert Kiyosaki:

I want to acknowledge Mr. Helms here because he's with the study group on the Communist Manifesto. And I suggest everybody read that book because I went to military school and that was the first book I had to read, the Communist Manifesto. If you read that book, you'll see it today. That's my Rich Dad, Poor Dad rule number one of communism, abolition of private property. That's what this guy Mamdani is going to do, right?

Ken McElroy:

Yep.

Robert Kiyosaki:

Second rule is that a graduated income tax is essential for the spread of communism. America was founded as a tax-free nation, 1773, we revolted against Mother England for the tea tax. And then the Federal Reserve came in, I believe, 1913, whatever it was with the 16th amendment, and they had to have the tax thing changed. A graduated income tax is essential for the spread of communism. But this is the reason I think our problem is who shot Donald Trump, who elected Mamdani, and who shot Charlie Kirk. The rule in the Communist Manifesto says workers of the world unite, labor unions. What is the biggest labor union in America? The NEA, its richer, more powerful than anybody else. They're so powerful and arrogant. When the 39 professors shut me down, and Charlie Kirk down at Arizona State, the Arizona legislature asked the professors to show up at a hearing at the state legislature of the 39 professors, how many showed up? Zero...

Robert Helms:

Well, thank you for that, Robert.

Robert Kiyosaki:

I've killed a lot of communists, I haven't killed enough of them yet...

Robert Helms:

So there's a lot of talk about free speech.

Robert Kiyosaki:

... the problem is it's in our academic system. Who shot Donald Trump, why is Mamdani elected, and who shot Charlie Kirk? It is in our school system. Thank you very much.

Robert Helms:

Raise your hand if you've read the Communist Manifesto. Keep your hand up if you found it difficult to read. This is an interesting point because there's a lot of talk about free markets, and free capitalism, and free speech, but free speech, when they're censoring, that upsets us. So you have to be willing to read the stuff that you can't stand. As the Collective Inner Circle, we once a month have a book study. We're studying a book. We learned this from Robert. Robert taught us years ago not just to read a book, but how to study it. And we get in small groups and we read and we highlight and we underline. And Robert, he's always on my ear saying, what is the author saying? Sounds easy to articulate what the author is saying after you've read something, but it's really hard because what you want to do is you want to say, "Well, I think," and that wasn't the question and Robert's great about this.

So we have fashioned our book studies on that and we always read really interesting books. And we had our Collective Inner Circle quarterly mastermind, and we had just finished up a book. And I said to the members, "Hey, who's got an idea for a book?" And Robert says, "Let's study the Communist Manifesto." And we did. And it was extraordinary, if you've not read it. And there's a difference again between reading and studying, and that's I think one of the messages here is to take what you've learned. Don't just file that workbook away and stick it on top of your dresser when you get back, go through your notes, think about the places that you were challenged this week, things that maybe you didn't know at all. And don't just listen to the same voices all the time telling you the same thing. It's one of the things I appreciate about Brien and the diversity he brings.

We try to do the same thing at our meetups and so forth. But I think we have a unique set of folks up here who have done well in life. And this is not something I've told them in advance, but I just feel that we've got a lot of young people here, we've got a lot of people that are longer in the tooth. There's a ton of wisdom in this room. But I think the best question I can ask a bunch of really successful outward-focused people is what advice do you have for people that want to do

more, make a dent in the world, make this a better place, be wealthy, be happy, just any sage life wisdom. And we'll start back with Mike Maloney.

Mike Maloney:

Wow, that is a tough one. One, keep on trying. The first time you invested in oil, Robert, what happened with the first investment in oil, right? It went south and you lost hundreds of thousands of dollars, but what did he say? Let's do it again. Had different results the second time. So keep on trying and keep on learning. And then as you learn, teach, that would be my advice.

Robert Helms:

Love that. Robert.

Robert Kiyosaki:

I want to thank Brien Lundin and the New Orleans Investment Conference. Like I said, for years, I was one of those guys sitting out there in those booths. And the best thing you can do, because you go and interview every one of those miners out there and you ask them what's good, what's bad? And the reason for that, the reason the New Orleans Investment Conference or VRIC in Canada, you get to actually speak to the miner. That's priceless. You speak to the entrepreneur. If you go to your frickin' financial planner selling you a 401(k), you can get a stock sticker or something. Well, you should look at this gold mine, this mine. At the VRIC and the New Orleans Investment Conference, you go out there, you can talk to the entrepreneur, you will learn more talking to those guys than anybody else.

This is the greatest opportunity is this conference and VRIC. And like Kenny and I, when we rang the bell on New York Stock Exchange. And all these guys say, "Well, I got a 401(k)." I said, "Well, I ring the frickin' bell, asshole." And so the opportunity was sitting right out there and you will learn more from those guys than anything else because the definition of a liar is a gold miner standing next to a hole in the ground. And you'd better figure out what's in the hole. Thank you very much.

Robert Helms:

Thank you, Robert. Kenny, obviously, you've had a ton of success in real estate and a ton of success in educating people. Kenny's got many, many bestselling books and has made a real dent and has also raised two amazing young men. So what advice might you share in terms of life and-

Ken McElroy:

I think for me, it was communities. I think for the longest time, especially when I got out of school, we're not really collaborative, I would say, right? You have to be if you're in business. And so, the first thing that happened for me is I got into a group called EO and YPO, which I'm still in YPO. And one of my very good friends from there started what then was a small ice cream company and became Cold Stone Creamery. And then he sold it and then he became our governor. So he became the

governor of Arizona, and I watched him move policy. I watched him do it as a business owner. Now it's not easy, it's not hard. It came certainly with some scars for sure. But that process of, a lot of times everybody's like, why would you run for office? And he did it to make change.

And I think that's kind of why we created The Collective. And if you look at how we picked the name, The Collective, it was actually started with Ayn Rand in the '50s and the '60s. She was meeting weekly with people like Alan Greenspan. All you got to do is look it up, you'll see it was called The Collective. And it's literally just a group of thinkers that get together. And instead of being individuals, they're a group and then there's a community, and then there's ideas, and then they start to move things just like a group like this, you can literally move things. And that's why, that's actually what I'm starting to do now.

And certainly, YouTube has created a very fast way to teach, and that's been a blessing as well because we didn't have to do anything with the school system. The kids are gravitating to the way that they're learning. And there's not a lot of old guys on YouTube. There will be at some point. And I'll tell you, it's really gratifying. We have a blast doing it. And I feel like it's the only way I can just bypass the system is to put out really good quality things that I'm working on. And so, that's what I think we can all do.

Robert Helms:

Love that. Jim Rohn says, "you become the average of the five people you spend the most time with." What Kenny said many years ago to us is if you want to up your game, you got to up the people you hang out with. And all these years later, here we are doing that very thing. If you're a member of Collective Inner Circle, just stand up for a minute. These are our members, business owners, entrepreneurs, and folks that are making a difference in the world. And if you're interested in learning more, this is not a commercial for us, just talk to one of them and they'll tell you all about it. Thank you teammates. Russ, wisdom, life, what would you have to share?

Russell Gray:

Yeah, well, that was actually what I was going to say, so I agree with it.

Robert Helms:

All right, George.

[Laughs]

Russell Gray:

Yeah, I think believe big. Donald Trump wrote a book called Think Like a Billionaire. He goes, if you're going to be thinking, you might as well think big. And part of that is a Roger Bannister effect, which is if you're not in the proximity of a Roger

Bannister, if you don't know the story, for those of you that don't, he's the first guy to run a four-minute mile. Up until that time, all the scientists, all the smart people thought it was physically impossible for a human being to run a four-minute mile. Then one day, Roger Bannister did it because he was too dumb to know he couldn't. And then about a dozen people did it within a month because once he did it, they believed they could too. And so when you get a chance to hang out with amazing people, you begin to realize, hey, they're just regular people. They maybe think a little bit different. And that leads to a little bit different action.

And so, the difference between being big and small is sometimes just a little tiny thin line and you can get that edge. I think that believe big, invest in yourself, invest in others and then learn to be comfortable being uncomfortable. We first got invited into this, I was a little uncomfortable, big room. I decided to go off and break off from the Real Estate Guys and launch a new thing, a little uncomfortable. And then all of a sudden, I'm talking about doing something big. Believe big, and you can talk big, but you have to start to act big. And then if you do that consistently, maybe there's a chance you can become big. I don't know. I want to find out. One of the things I've learned in life hanging out with very, very successful people is they're nothing at all like people who've never been around successful people think.

Had somebody ghost write a book and they tried to cast characters and it was a poor person writing what they thought it was like to be rich. And it was supposed to be my story. It was embarrassing because it was nothing like reality. So I think that the most successful people I've seen are intensely curious. I was talking to Mike about that when I interviewed Mike today for my show and very curious. I think the other thing is very generous. Robert Kiyosaki taught me that if you only have one job, you're greedy. If you only have one house, you're greedy. And there's a lot of people, I have a show on Pray.com called the Christian Capitalist. And part of the reason I'm in there is because in that community there's this teaching that says how much is enough? And that's written from a poor person's mentality because they think working is about making money, but it isn't. It's about being of service and making an impact. And if you ask the question that way, how much is enough? Well, are there still problems to solve? Yeah, well, then you're not done.

And so humble, curious, generous, and hardworking, diligent. And the other thing, I think, relationships. Very, very important. And so I think in simple terms, if you just focus on those things, then everything else begins to take care of itself. And lastly, I'll just say, this is one of my quotes, it's my favorite one that I ever came up with, is that when you have clarity of vision, strategy and tactics become evident. Whenever you're confused about what to do, whenever you don't know where you are, when you feel lost, when you feel foggy, don't try to figure out what to do. Try to figure out where you want to go, find that north star. And then once you fixate on that, you'll begin to figure it out. Especially if you've done the other things and you're in the right rooms with the right people. You've got the lifeline. So you can

call somebody, call these guys and like, "Hey, what do I do?" Been there, done that. They can help you.

Robert Helms:

Last word to you, George Gammon.

George Gammon:

Okay, first, I want to let everyone know that I've got a free Skool community. You guys know what Skool, the platform, S-K-O-O-L. If you're not on that platform, it's fantastic. But Josh and I have a free community on Skool called the Rebel Capitalist Business Accelerator. And we just started it, we don't talk about it too much. But what it is, it's called RCBIZ Accelerator. So you can look it up on Skool, you can join it for free. And it's Josh and I on there just helping people create content around their business, around their, if it's investor. So definitely check that. I wanted to mention that before I forgot. And I always tell the story about probably the biggest mistake I made as an entrepreneur before I retired in 2012, is I always thought that I could do everything by myself. And I really didn't take advice from other people. I didn't seek out a network, I didn't really seek out mentors.

Because I thought it was a waste of time and I would just do what I wanted to do regardless. And it's good because you've got quite a bit of belief and confidence in your own ability, so that's good. But the ego thing gets in the way, and it really limited the amount of money that I made as an entrepreneur. I would've made much, much more if I would've been open to joining a mastermind group or even just getting advice if I ever had the opportunity to meet someone or have access to someone like the individuals on this panel. But when I started the YouTube channel, it was like Mike said, it was just out of passion. I wasn't trying to make money or do anything like that. I had all these ideas in my head and I just wanted to get them off my chest.

Very similar to why Ron Paul entered politics. I had Ron Paul at my conference back in 2022 in Houston, and he told that story as to why he got into politics. And it really resonated with me because that's why I started my YouTube channel. But to Russ's point, I got out of my comfort zone. I had never done a YouTube channel. And unfortunately, when you start a YouTube channel, you suck. There's no getting around it. I don't care if you're Robert Kiyosaki, Mike Maloney, George Gammon, when you start, you suck. And so you have to be very comfortable putting yourself out there. But you got to think about this. I almost flunked out of high school. I don't know if you guys knew that. I've never taken an econ class in my life. I've never taken a finance class. I've never taken a business class for that matter. And so this is all completely self-taught by me getting out of my comfort zone back in 2019 when I started my YouTube channel. Look at me now.

And I'm not saying that, that I'm up here on stage, but look at the people that I'm honored to call friends. And all of that was a result of me doing the opposite of what I did when I was an ego-driven entrepreneur. And now I make more money, I have less headaches. My life is a thousand times better. And every single morning I wake up and I have to pinch myself. Because as a result of getting out there and doing something that was very uncomfortable and made you look stupid, I now have a life that I could only dream of. And so, if you're in that situation right now as an investor and an entrepreneur, I would encourage you to make sure that you keep pushing yourself. Take action, try to improve yourself. If you're passionate about something, pursue it. Get off the couch.

What's the saying? If nothing ever changes, nothing ever changes. So I would challenge each and every one of you to change something in your life for positive direction. Seek out others, seek out mentors, and just help others around you. Build that community, build that network because your life will be a thousand times better as a result.

Robert Helms:

All right. Well, we are out of time, ladies and gentlemen, and I just appreciate being invited here by Brien Lundin and his amazing team. Could we just have a hand for the Jefferson team and how much they do? Alex. Let's stand up again, a standing ovation. Yes. Emily, and Adele and the whole team, they're just absolutely amazing. We'll get a photo here. There's an awesome-looking group. Oh, Mike Maloney.

Mike Maloney:

You were talking about of your five friends, you're the guy in the middle. When I joined Robert Kiyosaki's group, I was actually this guy on the bottom and it accelerated me. When I left Robert Kiyosaki's group, I became this guy. And when you're the wealthiest of all of your friends, you stagnate. You stop growing.

George Gammon:

You never want to be the smartest guy in the room.

Mike Maloney:

When I joined the Collective Inner Circle, I became this guy again. So I've got people that I can mentor and I've got people that can mentor me. So Collective Inner Circle is well worth it. And I've got personal payments for you.

Russell Gray:

Oh yeah.

Mike Maloney:

Ounce of gold for you. Ounce of gold for you. Ounce of gold for you.

Robert Helms:

Mike is renewing his membership.

Mike Maloney:

Ounce of gold for you.

Robert Helms:

Ounce of gold for everybody. Thank you, Mike. That'd be a good shot right there all of us in the... And we'll report this, of course, in every legal way that we should.

Ken McElroy:

Did you find it?

Robert Helms:

These are props, but no. Thank you, Mike. Thank you, Robert. Big hand for Kenny, and Russ, and George. And of course our host, Brien Lundin.

Adrian Day

“Sherlock Holmes And The Mystery Of The Missing Gold Investors, Part II”

I know a lot of you had anticipated our next speaker, but unfortunately he's not able to make it.

Adrian Day was not able to make it this year, so we've gone ahead and gotten a replacement speaker for you. You'll be surprised by the person. We feel grateful to have him here. He is a decorated veteran of the second Afghan war where he served in her majesty's army as a medic and became one of the most famous and prolific writers of all time. His creation of Sherlock Holmes continues to be wildly popular even to this day.

I give you Dr. John H. Watson.

[Applause]

[Music]

Good afternoon. I'm sorry, but my friend Adrian Day couldn't be here, but he asked me if I could come up. I'm Dr. John Watson. And the story I'm going to tell you this afternoon is one that I've only relayed once before.

And there's some new clues that have come to light since I last told it. So sit back and enjoy.

It was a dark and damp London afternoon, as Sherlock and I sat in our flat at 221B Baker Street.

I was reading some of the past adventures in back issues of the Strand magazine. That's one of my favorite occupations, while Sherlock was playing his violin.

[Music]

"Oh, won't you stop that infernal scratching, Sherlock?" I pleaded, as there was a knock on the door and Mrs. Hudson came in.

"Mr. Holmes," she said in a genuine, her best, Scottish brogue, "Mr. Holmes there's a gentleman to see you. He had no appointment, but he's in a state of great agitation."

And before Mr. Holmes could even say a word, we heard the determined footsteps coming up the staircase.

And before we could say anything, the door flung open and a gentleman burst in, his cheeks red and indeed in a state of agitation. Virtually ignoring me, he looked at Holmes and almost screamed at him in an accusatory manner, "Gold is at all-time highs. Where are the gold investors?"

"Oh, do calm yourself, my good man," said Sherlock. "Please sit down and tell me what it is about which you wish to consult me."

"Well," explained our visitor, "the gold price is very close to an all-time high. As you know, the costs of mining have not risen anywhere near as fast as the gold price has. And so as the price of gold has gone up, the company margins are expanding dramatically."

"The cash flows of the gold sector — " this client very kindly brought some graphs along to help us out — "the cash flows of the gold mining stocks have been rising faster than those of any other S&P industry group."

This shows the United States on the left and Canada on the right. And you can see how the margins are not only high, but they're actually increasing.

"And yet the valuations of the gold stocks remain very low."

"Agnico Eagle," said our client, or prospective client, "is selling at a price to cash flow that is one of its lowest in its 45-year history. It's selling at a price to cash

flow lower than it has, other than last year, for the last five years. And it's the same for other companies with other metrics."

Now, US investors are simply ignoring this.

"Well, the GDV is up 100% this year," I mumbled, as John Watson frequently does. I mumbled to no one in particular.

But it seems our visitor has very good ears. "Yes," he said, "but the stocks normally exhibit great leverage to gold. Look at the GDV. Look at the flows. People have been selling it. That's this year. In fact, the GDV and GDVJ combined have \$4.7 billion of net outflows this year."

And normally, although the gold stocks and GDV is up, normally at the beginning of a gold bull market, in the early stages, the gold stocks exhibit incredible leverage. Look, sometimes as much as 10 times or even more what gold goes up. And yet in the last three years, when gold started rising, the gold stocks have barely kept up with gold. Ordinary investors are not only not buying, but they're selling gold stocks.

"Mr. Holmes," he said, "I beg you to find the missing gold investors."

"Well," Holmes told our visitor, "you're remarkably well informed, sir. Your reputation as an economist, of course, precedes you and is very well known. But your knowledge of the intricacies of the gold stocks is remarkable."

And our visitor acknowledged the compliment, but he declined credit. "You know, I got all this from the manager of my gold fund, Adrian Day. He's a very well-informed gold investor."

"Well," I mumbled, "if he's so clever, why isn't he here?"

Well, this man had indeed presented us with a mystery. Gold is going up. Gold stock profits are going up and yet investors are selling the gold stocks.

I was resolved to unlock this mystery.

And after our visitor had departed, I turned to Sherlock. "Come on, Sherlock. Let's solve this man's case. The game's afoot," I said.

I donned my hat and coat. And to my astonishment, Holmes just sat there.

"You go on," said Sherlock. "I can solve this case from my armchair."

"Okay...Well, I'm on my way to the London Reading Library to confirm our visitor's facts and then we'll try to figure out what the mystery is. And I'm leaving. Oh dear, I seem to have picked up Sherlock's coat by mistake. Never mind."

But on my way to the London Reading Room, I thought I would pay a visit to Sherlock's brother, Mycroft Holmes.

Now, Mycroft is equally intelligent as my friend. In fact, he may even be more intelligent. He's worked for the intelligence services. He's got connections — all departments of all governments around the world. You know, the Queen barely makes an important decision without consulting Mycroft.

It's sometimes said that not only does he work for the government, he *is* the government.

I knew at this time of night I would find him at the Diogenes Club.

"Mycroft, thank you for seeing me."

So after I outlined the facts of the case to him, he explained that gold has been going up because of several groups of buyers.

"My sources inside government," he said, "tell me that the central banks of the world are buying gold to diversify their holdings away from an asset of an intemperate government in the face of dollar weaponization."

And Mycroft also had some slides with him.

"My secret sources in Asia tell me that the Chinese investors are concerned about the possibility of a yuan devaluation amid a slowing economy. They don't trust their banking system. They're prohibited from owning Bitcoin and so they've turned to gold...and they've turned to gold in a big way."

"In addition, you've got wealthy families in the Middle East and Asia who are buying gold to protect themselves against the unprecedented and dangerously high fiscal deficits of governments around the world as well as geopolitical instability."

"And all of this buying," said Mycroft, "is very price inelastic."

"Mycroft," I interrupted, "why do you have to talk like an economist?" But he ignored me and kept going. That was a joke, by the way. "Like the central banks and the Chinese, they want gold and not mining stocks. Hence, the gold stocks have lagged even as gold is hitting new high after new high."

"Well, that all makes sense," I said as I bade him farewell.

"Give my regards to Sherlock," he called out. And as I was leaving, I heard him say something about reminding Sherlock that his gold pick was the top performing gold stock of the year. "Ask Sherlock," he said, "how his little stocks did in comparison."

But I thought I would not pass that message on.

I returned to our flat and I found Sherlock smoking his confounded pipe, sitting calmly in his armchair with another visitor. I recognized the man immediately.

Two weeks ago, with gold at 4,400, this man was pounding a table and even ringing bells, telling people to buy gold stocks. But last week, after gold had dropped, he was telling people to sell.

"Good evening, Lestrade," I said.

And then I excitedly told Sherlock what I had discovered. And everything I had discovered confirmed our visitor's analysis.

"So, Sherlock, where are the missing gold investors?"

From a corner of the room came the words, "It's a conspiracy."

And we turned around to see a new visitor.

"No, not a conspiracy," said Holmes, as placid as ever. "It's elementary, my dear Watson. As Mycroft told you, the central banks and the Chinese are buying gold for their own particular reasons and they are not buying gold stocks."

"Typically, however, investors in North America—they turn to gold when inflation is high, interest rates are low and declining, even below the rate of inflation. And for the last few years, we have experienced precisely the opposite of that narrative."

"Even the dollar, which has fallen sharply this year, is still relatively high on a longer-term basis. At least this has been the commonly accepted narrative—until recently."

"And then when you add to that the fact that the stock market continues to go up month after month after month, well, investors are not buying gold and they're exchewing gold stocks."

"Moriarty is behind this," said Sherlock.

"Oh, here he goes again," exclaimed Lestrade.

"Sherlock," I said, "surely even you do not believe that Moriarty is responsible for all this."

Sherlock's mind went back to his last meeting with Moriarty.

"Yes," he said, "it's Moriarty and his evil gang known as the Federal Reserve. That's the outfit behind every major crime in London. He and his gang control interest rates and they kept money — they kept rates far too low for far too long, flooding the markets with paper money that moved into the stock market and distorted prices.

"Then he moved them dramatically higher in a short period of time. And by stubbornly resisting lowering them — by keeping them high for too long — he's been risking the economy and the market."

"And of course, what he's doing to interest rates is keeping investors away from gold stocks."

Well, by the look on the face of our client who had come back to discover what we had learned, he was no particular fan of Moriarty and the Federal Reserve gang.

"But will investors ever return to gold stocks?" I asked.

"Ah, yes. As I have told you, Watson, historically investors have allocated between 2 and 4% to gold. Now they own, in North America, less than half a percent on average. 78% admit to owning less than 1%. Family offices own just about 1%."

"But as it becomes clear that the economy is slowing and the labor market is far from solid — that's what Moriarty called it just two months ago — the Federal Reserve is being forced to cut rates even though inflation is continuing to move up."

"As that happens, the dollar will fall and that will be the macroeconomic environment that favors gold."

"Further, in my view, by the end of this year, the US government's funding crisis will become apparent and the Federal Reserve will turn to QE and they will print the money to buy the bonds that others are avoiding."

“Already, as you know, the Fed has stopped QT for the last six months they've been buying only \$5 billion of bonds a month, which is meaningless on a \$6.5 trillion balance sheet. But now they've announced that by the end of this month they will stop buying altogether.”

“They've only reduced the balance sheet by less than half of the amount that it grew in 2020. They've stopped it, and any mortgage securities that mature are now being rolled over into treasuries.”

“That sounds an awful lot like QE to me,” said Sherlock. “As this ploy becomes obvious, it will be wildly bullish for gold.”

And of course on top of that, the stock market is showing signs of extreme weariness with high valuations, narrow breadth and high insider sales.

And when the S&P stops going up month after month, investors will look elsewhere. As they cut their holdings in the overvalued market leaders, some of that money will move into the undervalued gold stocks.

And look at this. The top five — the numbers here are out of date, things are moving so quickly — the top five companies in the United States now have a market capitalization of over \$18 trillion. That is more than 20 times the value of all the gold stocks in the world.

So you only need a little bit of that money from Nvidia and Google and Apple to roll into gold stocks to have a meaningful impact.

“And that's not all. We're far from a top right now,” said Sherlock. “You know, I listened to that chap Brien Lundin. Sounds like a smart chap. Anyway, he said that the factors that have driven gold over the last three years are still in place. That sounds right to me.”

Let's look at the move in gold...

...So if you look at the move in gold, it seems awfully dramatic to us on an arithmetic scale, but put it in a log scale and the recent run-up over the last three years is only a fraction of the rally in the early 2000s and the 1970s. And this chap Brien Lundin made the same point in his talk.

Look at it a different way. That red line is 2024, and you can see that it is by no means an outlier in terms of how high gold has moved.

Look at the price of gold relative to equities. Yes, it's not at the extreme level of undervaluation that it has been in the past, but it's still a long, long way from overvaluation and extreme overvaluation.

Then look at the GDX. In 2011 at the last top, the GDX had a huge and growing inflow all year. You can see that on that bottom table there — how you see inflows pushing the price of GDX up and you see it trading at a premium. Compare that with where we are now, a few days and a few weeks of inflows but mostly outflows and hardly any increase in premiums.

And it's simply not a manic top. You cannot have a top in any market without public participation — and that we do not have.

"Um, I remember," said Sherlock, "in 1873, just ahead of a market crash, the shoeshine boy was giving me stock tips. So I sold everything ahead of a crash. Now, this year, is the shoeshine boy or the barista or the Uber driver giving you gold stock tips? They're not giving them to me."

"And is gold the topic of conversation at dinner parties? No. Why, the last little dinner party that Mycroft and I were invited to as a guest of her majesty, there was no discussion of gold at all."

"There's no mania. There's no public participation. That means there is no top to gold."

Our client looked very satisfied with the explanation.

So our missing investors have been found. They will return, and our mystery has been solved.

Thank you.

Viva Frei

"Manufacturing Consent 2.0: When Fake News Has Real Power"

All right, thank you very much. Nice to see everybody here. I usually do this online so I don't have the advantage of seeing hands up when I actually ask a question, and in the chat I say put one or two. Starting it off, simply by a show of hands, how many people are familiar with what is called Project Mockingbird? Operation Mockingbird?

All right, not bad. Operation Northwoods?

All right, very good. And then the third one is MK Ultra. Everybody's heard of MK Ultra. Talking about McGill and Montreal. These were, for those of you who don't know... like very similarly, Operation Northwoods was a government proposed operation by the Department of Defense to carry out acts of terrorism against American cities, American civilians, make it look like Cuba did it so you could manufacture support for a war against Cuba.

MK Ultra — if you don't know about this, I don't know if it originated in Montreal, but it has a good foothold in Montreal — it involved dosing people who went to brothels, prostitute houses, with LSD, to see if you could actually get mind control, get them to tell the truth. It involved kidnapping. It involved torture. It was totally horrendous.

And the third one, which was what we had here... we have Northwoods, MK Ultra, Mockingbird — media infiltration, infiltrated by the CIA. Now, I'm sure you're all going to say these one-offs of government's unlawful conduct were three one-offs that have never repeated ever again. And I'm sure nobody says that because it's absolutely not the case. It's continued and it continues to this day.

I presume everybody's following the news, but you've been here, so you might not have heard the news about James Comey. Not that he got indicted for allegedly leaking information from the FBI so that it could get published, so that it could shape public opinion as to how to deal with the Hillary Clinton emails back in 2016. Yesterday, he filed a motion to dismiss. And in response to the motion to dismiss, the Department of Justice filed a slew of additional documents, how he was using this guy named Dan Richmond, who was a Columbia law professor, to leak to the *New York Times* information that would be favorable to Comey and the narrative they wanted to spin, which was absolving Hillary Clinton of any wrongdoing for the purposes of influencing election.

This is, you know, ex-FBI leaking to the media — *New York Times* yet again — to manufacture consent, consensus among the population, and if you don't know what's going on, you could be an unwitting victim of it.

Another recent bit of news, when I initially drafted my speech, it was only how public opinion had swayed against, allegedly, Jay Jones, attorney general for Virginia, who then was running to be the attorney general, had his text scandal where he was secretly texting another Republican colleague how, you know, it wouldn't be a terrible thing if children of Republican colleagues were getting killed because only when they feel pain do they change policy.

And when this news broke, it was a big scandal. The news was running the narrative that, "oh, public opinion is turning against Jay Jones." There was a

Newsweek article that actually said 12% of respondents had a more favorable opinion of Jay Jones after the news broke of his text scandal than before. And they say, “Only 12%.” I’m like, “Hold on, 12%. That’s one in eight people who thinks more favorably of an individual who jokes about killing his colleagues, jokes about the death of his colleagues, jokes about orphaning his colleagues’ families...” and then yesterday the man just got elected to attorney general of Virginia.

And the question is: how in the name of sweet holy hell did we get here? Because this is — it’s not a partisan issue. I don’t know anybody’s leanings in here, but I can imagine based on the responses to the first questions, we’re about half extremists here. That’s a joke, everybody. More than half.

The question is, how the heck did we get here? And the reality is — I make the joke — its moral bankruptcy. We’ve entered a realm of moral and intellectual bankruptcy.

And I’ll tell you a bit about who I was or who I am — you’ll make more sense of what I look like today — but I used to be a practicing lawyer and I used to do some bankruptcy law. It was kind of interesting up in Canada. And you know the joke in bankruptcy is it happens very slowly and then all at once. And it’s the same thing of moral and intellectual bankruptcy. It’s drip, drip, drip. You don’t notice it’s happening and then you’re electing people who ostensibly support extrajudicial assassinations and the murdering of their political rivals and a demographic that doesn’t seem to care about it.

Now, so getting back to who I am — because it’s, you might be saying, “Who the heck is this guy?” Not to stroke my ego or deflate it, how many people have ever seen a podcast that I’ve done or know who I was before this?

That’s not very many. Excellent. Well, then, I didn’t always used to look like this. I used to be normal. I used to have short hair, practicing attorney up in Canada. And I got red-pilled. And the red pill, like moral bankruptcy — like an awakening — happens very slowly, then all at once.

And I used to practice law, and being a practicing lawyer, you think that lawyers think critically, can see through the propaganda, can see through the lies, can see through the manipulation. And as we’ve all seen now in COVID, it’s the very professionals who are the most — I won’t say educated but I’ll say trained — that seem to be the most easily manipulated into this role of tyrant based on what they think to be correct, think to be right.

And my red pill started slowly, 2015, 2016, and then it happened all at once. And I’m here now trying to make sense of the media, trying to make sense of the suppression, the censorship, the stuff that I’ve been going through both on what I

comedically and accurately refer to as “CommYouTube,” and how it led to my journey into Rumble.

But it was Kierkegaard who said, “Life can only be understood backwards, yet it must be lived forwards.” And when it comes to the issue of manufacturing consent — which was a Noam Chomsky book back in the day — it dealt with dated examples of the media manipulating information, lying, misinforming, so as to manufacture consensus among the people.

Ironically enough, Chomsky seems to have fallen victim to the very same propaganda when it came to COVID that he warned against in *Manufacturing Consent*.

Living my life backwards now, I can go back to 9/11. And no, I'm not one of those “extremists” who thinks it didn't happen, it was holograms, whatever. Nor am I one of the ones who jumps on some of the more extravagant conspiracy theories. But whether or not I believe the official narrative — nobody should believe official government narratives — but you look at how that incident was used to manipulate public opinion to pass legislation which led to decades of war.

And I remember living through it at the time. 9/11 happened. We go to war with Afghanistan. And the immediate causal link was terrorism. Osama bin Laden. 9/11. Then they dovetail, or, you know, two-step into Iraq and they say, well, it's not because Iraq participated in 9/11, but they've got weapons of mass destruction and we need to go and invade.

And in order to sell that to the public, they need to avail themselves of the tools that they have, which are intelligence, infiltrating media to leak misinformation, disinformation, malinformation in order to manipulate public opinion.

And you see how they did it during 9/11: crisis, experts, media reports, media repeats. And you've built a narrative that led to a disastrous two-decade-long involvement in foreign conflict. But people consented to it.

I remember being a useful idiot back in the day. I wasn't anywhere near as vocal about politics because my parents always said, “You never talk politics or religion at parties.” And the only times I'd done it — when I talked about, had a discussion about abortion with six women at a house party when I was at McGill — as my grandmother says, I did it twice: the first and the last time, because it ended in tears.

Because there's no way to have certain discussions with people who are potentially invested in the subject matter and have an objective dissociated discussion about it.

But I was by no means as vocal as I am today. But I remember the thought process at the time: “Okay, WMDs. We've got expert reports. Intelligence says we've got it. You got the media repeating it.” And then, when you're in the matrix — to use the cliché — when you have not yet been red-pilled and you're sort of blue-pilled, and you think being a professional... I wasn't at the time, but you're studying philosophy, studying law... you think what makes you smart is repeating what the experts are telling you, when in reality, I would say true intelligence is sort of a skepticism to what you are being told by so-called authorities.

You only learn that after the fact. And you've got to revisit everything.

And so I remember saying, “Okay, yeah, we got to go get Iraq — WMDs.” Then they go in, they can't find the WMDs, so they move the goalposts. “Oh, well, they were shooting Scud missiles at Israel. That technically qualifies as the WMDs. So even though we misled you on the WMDs, it was still justified.”

And then, you know, two decades later, basically everyone admits it was an abject disaster based on misinformation that was peddled as information, repeated by the media, to manufacture a consent of support of that intervention.

And then you go and you look at things like the 2015–2016 election, which is where I got thoroughly red-pilled. I won't use the analogy of the method of delivery of the red pill, but it was involuntary, to say the least. And you realize they do the exact same thing over and over and over again — *mutatis mutandis*, applied as warranted to fit the circumstances.

So you have Russia collusion. Expert reports. Leaks to the media. Media repeating. Manufacturing consent.

Then the next — what crisis? — we had COVID. And then you had the media coming out repeating the expert reports, doom and gloom. Repeat, over and over again and you will manufacture consent.

Then you have the January 6 “insurrection,” which people still call an insurrection despite all evidence to the contrary because that memory of truth is ingrained in us.

Now, I've had Alex Jones on the channel a number of times, and I go on InfoWars regularly. And one of the things he told me the first time he came on — and it's stuck with me ever since — he said, in his voice: “You know, Viva, they have the same tactic over and over again. What's a surprise to me is everyone falls for it over and over again.”

And like I totally understood it at that point. And it's like: they use the same tactics *mutatis mutandis*, and what you have is sort of a generational — not lack of awareness, a generational amnesia.

So, I've also been, viral videos on the internet, you could up look my name, you'll see some funny stuff. Best one ever is when I use a drone to catch a smallmouth bass in Quebec. It's called drone bass fishing. Look it up. It still makes me happy to watch that video to this day.

What I noticed on the internet is that videos go viral almost on a seven-year cycle — say, give or take 5, 7, 10 years — because one generation which went viral with it rises, falls, or, you know, leaves the market, and a new generation comes in. And if it went viral the first time, it's because it tapped into some human emotion, some innate human emotion that is common among all humans. The next generation comes in and you have these spikes in videos, subject matter that goes viral.

And that's what makes sense about what Alex Jones said about them using the same tactics over and over again is, to put it crassly, you know, a generation dies off. The ignorant generation that hasn't experienced it comes into that and is not aware of the tricks.

And so now, this is going right back to the beginning where you're looking at me and you're at a financial investment conference looking at a raving lunatic talking about MK Ultra, Northwoods and Mockingbird and you say what the heck is this all about? And there my Canadian accent just came out.

It is about — you're here presumably because you want to learn about finances so that you can achieve a certain degree of financial autonomy. My mission, or at least what has become my mission — it's been imposed on me — is to make sure that people have the intellectual autonomy to be ungovernable and to read through the nonsense.

And it takes a little bit of practice. Once you get it, you will never lose it. I forget who said it — it's a Japanese proverb — “Once you see the way broadly, you see it in all things.”

And once you understand *how* they do it, you'll never forget — until you are no longer of the generation that needs to remember. But then the duty is to teach those who don't yet know so they can look for it.

When I say, you know, crisis, experts, media reports, media repeats and it becomes truth...

When I studied philosophy, I took a class called Philosophy of Jazz with a professor named Eric Lewis, who's still there. I looked him up to make sure. He used to play frisbee with my wife. And I took the class thinking it was going to be like a bogus class, easy to get an A. And it was... I didn't get a very good grade in it. Probably because I told him — and I shouldn't say this in New Orleans — but I don't really like jazz. I love blues. I love blues. I don't very much love jazz, specifically because it's nonlinear and doesn't have a repetitive pattern that you can relate to.

The theory of the class was, pop music — at least this is the theory as far as I remembered, I might have made it better or worse over the years — pop music is not popular because people like it. It's popular because it's been popularized. You've been ingrained to like it. You've been ingrained through repetition, through familiarity, to like it. Nobody likes Taylor Swift's “Shake It Off,” but you've heard it so many times...

Maybe — okay, look, I do like— I did a video to that once upon a time. It's a good catchy song. It's a good catchy song because it catches something in you, because you relate to it. You're familiar with it because you've heard it on the radio all day, every day, multiple times a day. You see it on the news. You see it at sports games.

And the theory of Philosophy of Jazz is, nobody likes pop music. They make you like it through conditioning, through repetition.

And my wife is a neuroscientist. Anybody who watches the channel knows this. It's the Ben Shapiro joke, “My wife is a doctor.” My wife is a neuroscientist. And I think she can kick Ben Shapiro's wife's butt. That's a joke.

But she says there's an actual neurological, neuroscientific reason for why this happens: where when you learn something, it becomes difficult to unlearn. Where when things feel familiar, you tend to like them more than things that you're not accustomed to — songs you haven't yet heard. Things that you don't know, that you don't associate with something — you're more familiar with it, you get to like it more. It becomes part of you, even if you don't want it to.

And to some extent, the same is true of the truth: where you learn something and it becomes ingrained in you. You become conditioned to believe that it's reality. And then even when you learn that it's not, it causes a certain degree of cognitive dissonance — but also a certain degree of discomfort — where you refuse to believe that it isn't true, because that would involve undoing what you've programmed within yourself that made you feel comfortable with yourself, comfortable with your positions and comfortable socially.

And so once you understand that that's what's going on in the media — and that's what's going on with the “truth” that they feed you — you will never be able to unsee it.

I wanted to say, there are only a few things that I wanted to write down so that I don't misquote them because I'm notoriously bad. “Dialogue is the battle of the personality of ideas.” If anybody in the crowd knows who said it, you've got to let me know. I Googled it and it's sort of like attribution unknown.

Dialogue is the battle of the personality of ideas.

When it comes to the government and when it comes to those who exercise control over you — and unfortunately, that is what government does. If government doesn't govern, it's not government anymore. And that's precisely why they want to keep control over people. If they have no subjects to govern, they have no *raison d'être*. They no longer have a purpose for being there. But if they no longer govern validly, well, then they're no longer government either. Then they're terrorists.

And so the government doesn't like the personality of ideas being debated. Coming out of COVID, when you saw what's-her-face, Jacinda Ardern, saying, “If you want information, you come to the government. Don't go to these, you know, nutbags who have been exponentially more accurate than all of us. You come to the government — we tell you the truth.”

They don't want the battle of the personality of ideas. And that is specifically and precisely where, censorship comes into play. But when they can't do overt censorship, they do discrete censorship, which is having their moles leak “truth” to the media, which makes it truth in the minds of those who read it, repeat it, and then come to believe it.

And censorship is the tool of tyrants. The only thing that challenges a tyrant is independence — the autonomy of the individual, of the subject.

I haven't gotten through it — it's like a book, an audiobook that's almost as long as the Bible — it's Jordan Peterson's *We Who Wrestle with God*. And he's talking about tyrants and what makes them tyrants and how the greatest threat to the tyrant is the independence of the individual.

And that is what government is. Government is a necessary evil that should be kept to the absolute smallest inasmuch as possible. But it doesn't mean you give that absolute smallest government any leeway in terms of what is lawful tyranny.

And they impose censorship. They want to suppress the free exchange of ideas. I mean, everybody loves free speech until they're in a position of power where everyone else is using the free speech to challenge their reign at the top or their power. And that's basically what government is — inasmuch as you have controlled opposition. People say they love freedom of speech until they get into that position of power.

But in order to read through the media lies and how you are being manipulated so they don't play the games on you, you just run that test — crisis, expert, media report, media repeats.

And the crisis, as I was writing this... the crisis — which I almost gloss over — is the most important thing. I presume a lot of people in the crowd have kids. And I think I even see some kids, although they look old here. Everybody's got... well, who's got kids? You're not a kid anymore. You look old enough to be not a kid. But you want to — okay, you're young.

Anybody with kids — and the younger the better — because it's a good test. You want to see a kid make a bad decision? Watch them in a position of panic.

And nobody makes good decisions out of panic. I say not nobody, but it takes training — takes training to take a deep breath, to back up, and not be manipulated or make a rash decision in a state of panic.

All of these manipulations, manufacturing of consent, originate from a point of panic. Real or manufactured. Gulf of Tonkin manufactured or real? COVID manufactured and I don't say COVID doesn't exist I just personally happen to believe COVID might have been a rebranding of a bad flu season that they then decided to say: we can now weaponize this into total panic so that we can implement contact tracing, digital life, total surveillance, lockdowns. I came from Quebec. In Quebec, we were locked in our homes — house arrests — for five months. And people tolerated it. People promoted it.

In Ontario — I cover this at length — they were telling people to lock up their kids, 10 days of quarantine if they crossed paths with someone who tested positive for COVID. You whip people up into a frenzy of panic, terror, life or death, you'll get them to do anything — especially when the guys and gals with the white lab coats are telling you to do it. And then the media tells you to do it. Then your neighbor tells you to do it.

And so once you understand this method, and once you understand how they do it — crisis, expert, report, repeat — you'll see it everywhere. You might end up seeing it in places where it doesn't actually exist. But it's good to have the skepticism as opposed to the blind obedience.

And so inasmuch as financial independence is also what a government doesn't like — they don't want to allow you to make transactions without their constant surveillance, increasingly lower levels of microtransaction surveillance — the government doesn't want you to be financially independent, but they don't want you to be intellectually independent.

So, inasmuch as you're here trying to gain financial autonomy so that you can be financially ungovernable, exercise critical thought so that you can be intellectually ungovernable.

And I swear a lot more on the internet. So if you want to check that out, it's Viva Frei. But this is the idea. Once you see it, once you know what they're doing, it makes it more difficult for them to get away with it the next time. And when you impart it on the new generation, it's going to make it more difficult for them to get away with it the first time.

Thank you very much.

Future Of Money Panel

MC: Adam Taggart, Russell Gray, Brent Johnson, Lawrence Lepard, Peter Schiff

Adam Taggart:

Thank you everybody for coming down this morning for the Future of Money Panel. I'd also like to give a big thanks to Brien and the team here for running their usual standard excellent show. If you have not attended a previous Future of Money Panel, just know that it's known as the barely controlled chaos panel due to the fireworks that we've seen in it over years past, and you'll understand in a second when I introduce the panelists here. I think of it like hockey, right? You tell yourself you're there watching it because you're hoping for a good game, but really you're just looking for the fights. I think today will be no different there. But let me introduce our panelists and we'll get it started.

Starting off is Peter Schiff, Chief Economist and Global Strategist of Euro Pacific Asset Management, he's Chairman of Schiff Gold, Founder of the Schiff Sovereign Newsletter and host of Schiff Radio. Next is Brent Johnson, CEO and Portfolio Manager of Santiago Capital and Developer of the Dollar Milkshake Theory. Then we've got Lawrence Lepard, Founder and Managing Partner at Equity Management Associates and author of this year's must-read book on sound money titled The Big Print. And last but not least, we've got Russ Gray, Founder of Main Street Media, the official media platform of the New Orleans Investment Conference this year.

Brent Johnson:

What's he got? Uh-oh.

Adam Taggart:

There's a mystery package there.

Russell Gray:

Well, last year we had a little drama, so I thought that if it got nasty, you guys could have it out. Remember this?

Adam Taggart:

Is that Rock 'Em Sock 'Em Robots?

Russell Gray:

Remember these when you were a kid?

Adam Taggart:

That's a great game.

Peter Schiff:

Rock 'Em Sock 'Em Robots.

Russell Gray:

Rock 'Em Sock 'Em Robots. This is the bullion bruiser over here.

Peter Schiff:

You knocked my block off.

Russell Gray:

In the right corner, the bullion bruiser, and over here the Bitcoin bruiser. So if it starts to get heated, they're going to get after it. All right.

Adam Taggart:

All right gentlemen, well look, lots to talk about this year. It's been a record year for the precious metals, even despite the correction they've had recently. Gold is still up over 50% for the year and silver's up over 60% for the year. And gentlemen, I actually had inside knowledge that it was going to be a great year for the precious metals because leaving this conference after last year's fisticuffs, I was back at the airport in New Orleans flying back home and I was there in the baggage check line and I was standing next to this really delightful older couple and we got to chatting and as they were moving their bag to check it in, the bag fell over and some of the presents they had brought with them spilled out and I was helping

them put the gifts back in the bag. And as I looked in the bag, I realized this bag was infinitely deep, it had infinite gifts in it.

And as I looked at the couple and it clicked, the guy had a long white beard, a big belly. And I said, "Are you Santa Claus?"

And he said, "Yeah, yeah, I am. My wife and I looked to come down and have a little bit of fun here, blow off some steam before things get real busy at the Pole during December, but do me a solid, please don't let anybody else know. We're trying to keep it on the down low. If you do, I'll grant you a Christmas wish, any wish you want."

So I said, "Well, I just came from this Future of Money Panel. It was kind of crazy, but it would be really interesting if silver hit a record price in 2025 and then we could talk about that."

And he said, "Oh man, buddy, I can't do that for you. I'm sorry. That's like right at the edge of my abilities. And to be honest, we have so much silver in our electronics and our sleigh bells and our tinsel, I mean it would almost bankrupt me to do this. Just please ask me for anything else."

And I said, "Okay. Well, the panel's got some guys who were pretty passionate and get pretty wild sometimes going after each other. I've got Peter Schiff and Larry Lepard on there."

And he said, "Oh, I know those guys. I'm not going to tell you what list they're on, but I know those guys." He said, "Well, what do you want me to do?"

Lawrence Lepard:

We're on the naughty list.

Adam Taggart:

I said, "Well look, if you could just encourage them to give concise answers and be respectful of one another, man, that would be great."

And he scratched his chin and he thought for a second and he said, "How about \$54 spot. Would that work for you?"

Lawrence Lepard:

That's a good line.

Brent Johnson:

That's a good intro.

Lawrence Lepard:

That's a great intro.

Adam Taggart:

All right, gentlemen. Well luckily as I said, so we've had a record year for the precious metals. We've had a record year for Bitcoin too, and it's gotten, taken to slumps a little bit recently, but it's still up 10% for the year, and we've got something really interesting going on with the new administration and stablecoins. And if there's time, Brent Johnson's going to talk about the implications of that, some of which may actually shock some of you here in the room. To kick it off, I figured we'd just end where we started last time. Peter, we'll start with you. A lot of people claim that gold is the money of the past and Bitcoin is the money of the future.

Lawrence Lepard:

Here we go.

Adam Taggart:

Do you have any thoughts on that?

Peter Schiff:

Interesting question. Yeah. Well, I think that not only is gold the money of the past, but it will be the money of the future. It hasn't been money in the present, although central banks still hold it as money and they've been buying a lot more of it as their reserve for their currencies. But I think that the people who are advocating for Bitcoin as some type of digital alternative to gold and that it's going to take on the role in the future that gold played in the past, I think that's based on a flawed misunderstanding of what money is and why gold became money and the conceit that just an artificial string of numbers could somehow replace the real value of gold and the reason that it's been money for thousands of years. I mean, Bitcoin has certainly replicated some of the monetary properties that gold has, but not the intrinsic value of the metal without which it never would've become money.

But I think it's ironic that I think to the extent that blockchain, as relevant in the future when it comes to money, it will be because of tokenized gold on the blockchain. And I know we're going to talk a lot about stablecoins. Well, the best stablecoin you can have is one that's backed by gold because there's actual stability in gold. There's no stability in the dollar. And if you're going to hold a non-interest bearing instrument, why would you want to hold non-interest bearing federal dollars when you can own gold and then you can transact with gold and receive payments in gold for your goods and services, your labor, rather than a fiat currency that's losing value. You can receive real money that preserves its value and you can negotiate it as easy as anything else. And if anybody wants to get in on the ground floor of this, go to tgold.com and open up an account. That's my new venture.

Adam Taggart:

All right, I see the wheels churning in both Larry and Brent. Which one of you wants to go first?

Lawrence Lepard:

I'll go. Look, Peter and I aren't that far apart in our view on Austrian economics and how fiat is doomed. I think where we differ greatly is on what money is, what it can be. I think if you study the Austrian economists, including Menger, what they've said is that money is always what's accepted by mankind is the most liquid good. Historically, Peter's right, 5,000 years, the physical properties of gold made it the best money known to man, but money is and always has been a ledger. You don't have dollars in your bank account, you just have digital entries on a computer. We live in a digital world, and ever since the telegraph got invented, gold hasn't really been used in day-to-day transactions. You don't take a gold coin and purchase something, although it preserves purchasing power.

This ledger nature to money, I think, and we live in a digital world, I think money is going to increasingly become more of a ledger. And I think that what Bitcoin did was it cracked the mathematical problem of making a ledger in something that's digital, immutable. And that when it did that, now people are beginning to accept that it has monetary properties. And Peter can argue that gold is better and in some ways gold is better. But what I would say is the adoption continues to increase. And unless that reverses itself, I don't see how it doesn't increasingly "become money" because it has money-like characteristics.

Let me just add one other point. Peter thinks that digital gold or that gold attached, a gold token, is the future. A blockchain-backed gold token. To me, that's tits on a bull. You have gold or you have a Bitcoin because there is no third party involved. It's a bearer asset. You don't have to worry about anybody else. The minute you say, "I'm going to sell you a token backed by gold," well, who are you? And how do I know the gold is really there? And so to me that's a non-starter.

Peter Schiff:

Yeah. Well, the same applies though to stablecoins.

Lawrence Lepard:

Completely. No disagreement at all, Peter. I have issues with stablecoins.

Peter Schiff:

But the issue is though, nobody's using Bitcoin as money. They use it to trade. People aren't transacting in it, they're just gambling it.

Brent Johnson:

Nobody's using gold as money either though. Nobody's using gold as money either.

Peter Schiff:

Well, they could, but they have in the past, but they're not. But they will.

Lawrence Lepard:

There are two attributes of money. One is store of value and one is medium of exchange. I mean, let's face it, fiat has won the medium of exchange game overwhelmingly right? And gold and Bitcoin are these two alternative things that are trying to grab the store of value case because the fiat store of value case is a piece of shit, right?

Peter Schiff:

But to store a value, you have to have value. You can't store what you don't have. Bitcoin doesn't have that.

Lawrence Lepard:

But what is value, Peter? It's perception. It's what people perceive to have value. I mean gold is a shiny rock. And people have perceived it to have value because of it, because of-

Peter Schiff:

It's metal.

Lawrence Lepard:

Metal, fine, because of its qualities. It's the qualities that give it the value. And an immutable ledger has a different set of qualities that if people believe that it has value, then it has value and a couple hundred million-

Peter Schiff:

That's why fiat currency has value, because people believe in it.

Lawrence Lepard:

No, fiat currency has value because the government tells you it has value and it's legal tender. One of the problems we have here with both of these assets, and this should be changed, is that they should both be made legal tender. We should not be paying capital gains taxes on gold or silver or Bitcoin, and that's one of the recommendations of my book is that the government should make all of these forms of money legal tender and let the best one win. And maybe it'll be gold, maybe it'll be Bitcoin. We all have different opinions.

Adam Taggart:

Brent, I'm sure you've got your thoughts on this, but real quick before you chime in, you have said many times that money really is just, it's a means of control.

And at the end of the day, what determines money is whoever is in control states what's money. So to Larry and Peter's point or debate of, hey, what might be the best money in the future, who will determine that and what would actually dislodge the current dominant monetary system which the current control system embraces, which is the dollar?

Brent Johnson:

Yeah, I mean I think if we're talking about the future of what's the best asset, then Larry and Peter are making good cases for both gold and Bitcoin. If we're talking about what the future of money is or what people use as money, not what we want money to be, but what it actually is used as in the real world, I think fiat is the future of money. I don't like saying that, I don't prefer that, but I think that's what the future is. I'll prove this by saying how many people believe taxation is theft? Show of hands, okay, how many people pay their taxes anyway? Until all of you stop paying your taxes, fiat is going to be money.

Lawrence Lepard:

Or, I would add, until fiat completely and utterly fails, and hyperinflates.

Brent Johnson:

Yes.

Lawrence Lepard:

Okay, well.

Peter Schiff:

It's already failed.

Lawrence Lepard:

Fair enough.

Peter Schiff:

We just use it anyway.

Brent Johnson:

But it hasn't, it perhaps failed-

Lawrence Lepard:

It's failing slowly.

Brent Johnson:

This is another thing. When you read the definition of money, it's a store of value and a medium of exchange. Nowhere in there does it say it's a perfect store of

value. Nowhere does it say it has to hold 100% of its value over an immeasurable amount of time. We want that to be the case. I would love that to be the case.

Peter Schiff:

Well, the dollar's lost over 99% of its value, that's kind of a lot.

Brent Johnson:

But it is designed to lose money. When people say that the money is broken, the money is working exactly how the government wants it to work. They issue the money, it works exactly how they want it to. We don't like it, but until we push back, that's what it is.

Peter Schiff:

Yeah. Well, eventually they lose control and they destroy the value completely.

Lawrence Lepard:

I completely agree with you on that.

Peter Schiff:

There's no precedent in history for fiat currency surviving for that long a period of time.

Brent Johnson:

Totally. And that's why when the euro fails and the yen fails and the yuan fails, the dollar will rise.

Peter Schiff:

Why?

Brent Johnson:

Because it's a zero-sum game.

Lawrence Lepard:

Right, but after all of those fail, then the dollar will ultimately fail.

Brent Johnson:

That's right.

Russell Gray:

That's down the road.

Brent Johnson:

You don't need to worry about that today.

Russell Gray:

Guys, isn't part of the failure there being an alternative? Isn't that the point of failure? You're going to keep using it as flawed as it is until there's a viable alternative. Once there's a viable alternative. And viable means not just immutable, not just physical, but all of the infrastructure, all the plumbing, what Brent is always making the argument, whether you have all the dollar denominated debt in the world, you got to pay your taxes in the currency, you've got the petrodollar still hanging on. I mean when all of that infrastructure is, when an alternative is in place that has everything or enough of everything that makes the dollar the dominant, or else the dollar would be vulnerable.

Peter Schiff:

You're describing gold. Gold is the alternative to the dollar.

Adam Taggart:

Russ, why don't you elaborate on that a little bit? Because I think you're going in the BRICS direction of a competing alternative.

Russell Gray:

Well, I'm just saying, yeah. I mean 2013, I came here and I gave a talk, and it's no secret, I say this all the time because there's so many lessons in failure and I got wiped out in 2008 because I didn't understand any of this macro stuff. I'm a Main Street guy, and everything imploded on me. I'm like, "I don't get it. I work hard, I'm honest, I'm pretty smart. I don't understand it." Well, because I didn't think the way these guys think. And we started encouraging everybody at the real estate guys, please come to this conference, learn this stuff.

And over the course of that period of time, I tried to understand what makes this stuff happen? And then I'd listen and some people would talk about it in a bubble like the United States, but there's globalization. And when I went back and I started looking at the history of when we came off the gold standard and the inflation and the gold price went way up, and then we had the oil crisis and the existential climate crisis and the existential pandemic that happened back then and now I'm old enough, I'm like, "Oh, same playbook."

I've seen this thing before. And then you realize that the European Union came along and tried to come up with an alternative. It was really Europe recognizing the dollar had been mismanaged, and so that's all history. And if you study the history, you're like, "Okay, I can see the history."

And they say that history doesn't always repeat, but it rhymes. Well, I'm old enough now that I've seen some of the rhyming and now I see some of the same things going on. Gold rising, the interest rates had to come up. The dramatic change in the interest rate that we just experienced as a percentage change, was way worse than what happened in the early '80s. I mean Volcker started at, I don't know, 8%, 9%. It went up to 18, 20, 21. This Fed, Powell went from 0.25 to 5.2, again 20X. In the real estate space, that caused a lot of drama.

But after the financial crisis, China came over here and publicly scolded Barack Obama for mishandling the dollar. The Fed's balance sheet went from 800 billion to four and a half trillion or it was on its way to doing that during the crisis. And I mean to come over and publicly scold the US president, and I've got the article, that was kind of a big deal. It was embarrassing for the United States, but we didn't do anything about it. We kept doing what we were doing. The balance sheet kept growing, and I watched what China did and China went and made a bilateral trade agreement with Russia. And that was the beginning of this long-term move to de-dollarize, which was exactly the same thing that the Europeans did.

We came off the gold standard because Charles de Gaulle did a meeting in 1965, go on YouTube, look it up. He says, "Hey everybody, the United States has printed too many dollars." And so he sent a boat over here to pick up their gold and everybody started picking up the gold, gold reserves went from 20,000, which was money back then, drained down to eight.

Nixon said, "Whoa, we're not going to do this anymore. We're going to go broke," and so they defaulted. And so they had to create a whole new money system. And you guys, most of you are familiar with all of this. You know we created a whole new money system. We did a reset, we jacked the interest rates way up. We created the petrodollar, we opened up trade relationships with China so we could export our labor.

We sold the United States citizens. It would be great for the woman to need to work too and not stay home and take care of the kids, women's lib and I'm pro-women, but that was propaganda to convince you that it was a good thing that you had to go to work, right? All of that was because of the inflation that was caused when the dollar collapsed. The world now is looking at this now, all the triggers come along, and one of the triggers that came along was the weaponization of the dollar and the financial system against Russia with Ukraine. And that really woke the world up. So I pay a lot of attention.

And when I saw Donald Trump, when he got elected, not inaugurated, elected in November of 2024, threatening BRICS with 100% tariff, I said, okay, well it's got to be serious, right? It's not like normal for, of course he doesn't do anything that's normal, but it's not normal for a president to come out and threaten and almost make foreign policy before he's even been inaugurated. Trade policy. But he

did. And he did it not once, but he did it twice. So I think it's the height of foolishness as a nation and certainly as a Main Street investor, speaking from experience to say, "Oh, what's happening over there doesn't matter to me. Oh, that's not really going to happen."

I've been watching this thing for 13 years now and it is a slow motion and you can say a lot of things about the Chinese, but one thing they're great at is copying technology. And I think that they looked at what it took for the United States to become the dominant economy and they are just copying it. They're stealing as much as they can, and all the plumbing that is necessary to begin to upend the dollar system to create a viable alternative on the global stage. I think they're putting that infrastructure in place. But you don't do it overnight.

I'm doing start-ups right now, and during start-ups, you know I left The Real Estate Guys a year and a half ago and it was like, "What's Russ doing? What's he doing? What's he doing?"

Well, I'm spending a year and a half getting all my infrastructure in place so I can finally launch. You do real estate development, the land just sits there and you look at it like there's nothing happening. Well yeah, there is. There's architecture drawings, there's permitting, there's bidding contractors, and all of a sudden you break ground, it goes up.

I feel like the world has been working to de-dollarize and they're busy putting the plumbing in place. Main Street has been trying to figure it out. And that's why you see gold at Costco. You see the next generation, something's going to change, something's broken. They've embraced Bitcoin. Last year, I said the central theme is decentralization. And I think that's what the main thing that's driving a lot of things that are going on in the world. I stand by that thesis. I think we do need to pay attention to BRICS and I don't have any problem with either. These guys might be on opposite sides, but the one thing they have in common is they both believe in sound money. And that really is the answer. Until we get to sound money, we will never, ever be free. We'll always be talking about in the weeds. We really just need to get to a sound money system so the government can't steal from us through inflation.

Peter Schiff:

We may agree, we may like sound money, but we disagree as to what is sound money.

Russell Gray:

Well, I mean you look at Trump administration and hang on, this is my conspiracy theory hat, I brought it. I wear it whenever I do a video and I'm going to go down a rabbit trail a little bit. But in Trump 1.0, he had a picture of Andrew Jackson in his office, and Andrew Jackson was the last president that paid off the debt and he took out the last Central Bank. I think that picture was on his wall for a

reason. He nominated Judy Shelton, a gold bug, to the Fed. Couldn't get her in, but it showed something. He gets into office, he goes, "We're going to audit the gold," and then crickets.

Well, there's a lot of people in the gold community who think maybe that gold's not there. Well, if you wanted to give the guys that took it time to put it back, what would you do? You tell them, "I'm going to come check," and then you'd give them time to put it back. Now I'm not saying that's happening, but it wouldn't surprise me.

And then you say, "Okay, we've got to get the sound money people on the same page," so we're going to be pro-Bitcoin and we're going to be pro-gold. And I agree with Brent. We got a dollar infrastructure system that works globally and as long as it works, people are going to use the dollar. So if we don't change the dollar, and we don't change the dollar system, but we bring the dollar to some kind of backing to try to preempt perhaps the Chinese doing the same thing, I don't know. We'll see.

Peter Schiff:

The current system though doesn't actually work. I mean it works for the United States because we get to live beyond our means, but it doesn't work for the rest of the world that has to support us. And the global imbalances keep getting bigger and bigger and bigger because as long as the dollar is a reserve currency, America will abuse that privilege to live beyond its means and consume without producing and borrow without savings. And these imbalances get worse and worse, and we do all sorts of damage to the global economy as long as this system is maintained.

Russell Gray:

All the more motivation-

Peter Schiff:

Yes.

Russell Gray:

... for the rest of the players to join the cause to de-dollarize.

Peter Schiff:

Yes, it is inevitable that it-

Russell Gray:

But it's not an easy task.

Brent Johnson:

One thing I would point out is everything that the United States does to the rest of the world with regard to abusing the system, the rest of the world does to their own citizens using the exact same methods. And if they could do it to the rest of the world, they would. The sins of the United States government are too long to list. The number of mistakes we have made would fill up this entire room. But that doesn't dispel intelligence and genius on the behalf of China and Russia and Afghanistan and Egypt and Turkey and Libya and all of these other countries. I think there's oftentimes a belief that our leaders are a bunch of idiots, which I'm not going to argue with you when you say that, but I don't think that the leadership on the other side of the planet is fair and treats their citizens better and is a paragon of virtue.

Most governments are in place because they want to control the situation, whether that be the resources, the people, the region, and the idea that the rest of the world is going to offer this new system that is more fair and more altruistic than the one that the United States is offering, I think is completely misplaced. I agree that the alternative already exists. Gold, it's been around for thousands of years, and it's been used and it works, but that's not what the world has chosen. The governments have chosen something else, and until the people push back hard enough and demand its use, we are going to use the money that the government tells us that we need to use.

Adam Taggart:

All right folks, let me chime in here. A couple things, and the thing I'm having the most trouble wrapping my brain around is that Peter and Lawrence have given the most concise answers on this panel so far. I want to build on what you just said there, Brent, but real quick, Larry, I want to toss it to you. We haven't talked about Bitcoin all that much yet, so I want to ask you two joined questions for you to react to.

Lawrence Lepard:

Sure.

Adam Taggart:

Where do you think the Bitcoin critics, where do they have validity in their concerns? And then secondly, where do you think most people are missing the boat on Bitcoin right now?

Lawrence Lepard:

Great questions. I think the validity, the only concern that I have, and it's a concern that actually Michael Saylor has, because I asked him in a small group private conversation, is that the Bitcoin software and code is controlled by a group called the core developers. And the code is open source. Everyone can see it, it's not very, so there's nothing secret about it. Improvements and changes are proposed and voted on and then accepted, and if somebody really wants to change

it, they'll try a hard fork, and of course nobody will follow them. But upgrades and changes, small things generally, are made by this group of people over time. And as with any group of people, they don't always agree.

There's a debate going on right now over something called opreturn, which is something to do with the space on each block and what can be in it. And there's a very strong argument on one side and a strong argument on the other side. I have a view on it, I'm not going to state it here because it's not the point. The point is that Bitcoin, the software will have to evolve over some period of time to deal with various threats, one of which is quantum computing, which I think doesn't really become a threat for at least 10 years and maybe 20 based on the scientists and the things I've read, and I read a lot about it, so I'm not terribly worried about it.

But the point is that it could become a threat, and quantum computing would allow people to hack the coins, hack the passwords on the coins, which is what makes the coins secure. So as Brent and I were talking about, the whole notion that it's completely immutable. There's some very small percentage chance that someday it's not unless it's upgraded. And that upgrade would have to take place as a result of the core developers.

And so as Saylor said to me, he said, "Look, Larry, the problem with human beings is they want to fix stuff and they want to tinker with stuff. And this thing is working perfectly and beautifully. And the only thing that concerns me is that some group of rogue core developers would mess with it."

Now, as I say, they're safeguards because it would have to be approved, voted on, accepted, forked, et cetera. I rate this as all extremely low stuff, but it's not zero. The second criticism, I think, well, that's really the major one. That's really the only one I can think of. I've said to other people though, if for some reason adoption were to slow down and people were to just, and this is why when I argue with Peter on this, Peter's like, "Well, okay, it's going to blow up here, Larry. It's eventually going to die."

And I'm like, "Okay, fine." What's the proximal event that's going to cause it to blow up? Because it's been 16 years and it hasn't blown up. It's retreated. It's had big drawdowns, we all know that. But every time it comes back, because the underlying properties are what they are, and as long as adoption continues, as long as more people, I call it, in my book, I call it dogs eating the food. One of the great old venture capitalists at Sequoia said, when I'm looking at companies to invest in, "I want to see situations where the dogs are eating the food and more dogs and more food over time," and so implying increased demand. And so if you look at addresses, if you look at hash rate, if you look at usage, if you look at anything, transactions, et cetera, in Bitcoin land, it's growing consistently.

Peter Schiff:

But when you talk about adoption, I don't like people keep saying Bitcoin adoption, what are they adopting it for? They're not adopting it as money. People aren't buying Bitcoin, the vast majority, for the reasons that we're discussing. They're not looking for an alternative to the dollar. They're looking for Bitcoin as a way to amass more dollars. They're buying Bitcoin because they think the price is going to go up and they'll be able to sell it and get more dollars than they started.

Yes, it's succeeded for 15 or 16 years because we haven't run out of greater fools to buy Bitcoin at a higher price. And what's happened recently to propel it higher is some of the early adopters, the big OGs who bought Bitcoin a long time ago, amassed so much money in this pyramid that they were able to entice Wall Street to get into it with the prospects of making money, booking bets on Bitcoin with ETFs and getting underwriting fees on Bitcoin treasury companies.

And then they had so much money that they bought off politicians, they bought off Trump and they put him in office. And now they're using the power of the government to try to extend this scheme and get more people into it, not adopting it as a medium of exchange or a unit of account or any kind of money, but as a get rich quick scheme, as they ride the Bitcoin rocket ship to the moon and it goes to a million or 10 million dollars of Bitcoin, and that's what's going on.

Lawrence Lepard:

First of all, it's not a scheme, it's a protocol. It's being adopted. And you say, what are they buying it for? They're buying it as a form of money that stores value because it has a limited supply, full stop. The medium of exchange, means of exchange, sure, that's nascent. There's something called the Lightning Network, which I have a Lightning Network wallet on my phone when I go to any Bitcoin conference. I can buy everything I want with a QR code and immediately transact in Bitcoin. The cost is about a penny or less as opposed to paying 3% or 4% for MasterCard.

Peter Schiff:

What percent of Bitcoin transactions are that, versus trades?

Lawrence Lepard:

Oh, it's trivial right now because we're just getting going.

Peter Schiff:

Yes, and it's been 16 or 17 years and it's still trivial.

Lawrence Lepard:

Well, but it takes time for the medium of exchange piece of it to come in.

Peter Schiff:

It's never going to be a medium. In fact, even the Bitcoin community admits it'll never be a medium of exchange.

Lawrence Lepard:

That's not true.

Peter Schiff:

There are other-

Lawrence Lepard:

Peter, that is not-

Peter Schiff:

They claim it's digital gold.

Lawrence Lepard:

It is digital gold. That is not true at all, it will become a medium of exchange.

Peter Schiff:

When?

Lawrence Lepard:

In the next couple of decades.

Brent Johnson:

When will gold become a medium of exchange.

Peter Schiff:

Well, it's already been a medium of exchange.

Brent Johnson:

It has been. But when will it become that way again?

Peter Schiff:

I don't know. But it could be used as a medium of exchange right now. Better than Bitcoin. Bitcoin is too slow and too expensive to use for anything other than trading.

Brent Johnson:

Bitcoin is slower than gold? Is it slower than gold?

Lawrence Lepard:

Better than Bitcoin, I can send a billion dollars from one end of the world to the other in 10 minutes and have it fully verified.

Peter Schiff:

Yeah. And I can send a billion dollars worth of gold faster and cheaper-

Lawrence Lepard:

On a 747.

Peter Schiff:

No, with a token, I can transfer the ownership. You don't have to-

Lawrence Lepard:

And I have to trust you issuing the token?

Peter Schiff:

I'd rather-

Lawrence Lepard:

I think you know, I think you fucking know, I don't trust you as far as I can throw you.

Peter Schiff:

I'd rather trust a reputable custodian with something than to trust the collective delusions of a bunch of people that nothing is something. All you're trusting is that the people that own Bitcoin don't wake up and realize they got nothing.

Brent Johnson:

I just want to.

Adam Taggart:

There we go.

Brent Johnson:

Hey, I just want to point out that the reason that Peter's wearing a green tie rather than a gold tie is he knows the dollar's not dead yet.

Peter Schiff:

I wore my gold tie on the first day.

Lawrence Lepard:

I don't think the average Bitcoin owner believes that they've got something that is nothing. They know that they've got the most secure, sound, form of money in the world, and they know that the stock to flow ratio is much higher than gold

and going down every four years. And ultimately, Bitcoin is going to demonetize gold in the same way that gold demonetized silver.

Peter Schiff:

Well then, if that's the case, why has Bitcoin lost a third of its value priced in gold since its peak? In fact, Bitcoin is worth less in terms of gold now than it was four years ago, despite all this so-called adoption.

Lawrence Lepard:

If you take-

Peter Schiff:

The Bitcoin president, all the Bitcoin ETFs, all the Bitcoin strategy companies, Bitcoin has lost a third of its value relative to a rock.

Brent Johnson:

A metal. I thought it was a metal.

Lawrence Lepard:

If you take a look at that chart, and the chart was in my presentation yesterday, the chart is the number of ounces of gold against Bitcoin. It has been up and to the right since Bitcoin has been formed. Right now it is on a draw-down, it's roughly at 24, it's been as high as 40. It's going to 60, then it's going to 80, then it's going to 100, then it's going to 120. I mean Bitcoin is going to demonetize gold. It's just that simple. It's a better form of money.

Peter Schiff:

No, it's not. It's not any form of money-

Adam Taggart:

All right, so I'm going to wrest it back here for a second. So Brent.

Brent Johnson:

Yes, sir.

Adam Taggart:

What I'm summarizing from the three other gentlemen here is that over the foreseeable future, the US dollar, the fiat US dollar is going to continue to lose purchasing power.

Lawrence Lepard:

That's true.

Adam Taggart:

True. I think you would agree with that.

Brent Johnson:

Yep.

Adam Taggart:

They also seem to think that that trend will push the rest of the world to de-dollarize, and over time de-dollarize in favor of sound money. That might be Bitcoin. Larry's arguing that. Might be gold, Peter's arguing that. It might be some sort of hard asset backed BRICS currency. That's what Russ was just arguing there. I think that you might think differently and I think stablecoins may play a role in your answer. Can you explain that as much as you can in the remaining nine minutes we have?

Russell Gray:

Define stablecoins too.

Brent Johnson:

Sure. So I'll give a, yeah. My speech later today, I think I'm on at noon or 12:30 or something, will go over this in detail, but essentially what I think is happening is that the technology that was developed in the private market by the Bitcoin and the digital assets and crypto, I think woke the United States and other countries up to the fact that they could no longer just rest on their laurels and use the fact that they could enforce legal tender laws to keep their money as the medium of exchange. And in many ways, I would argue that the whole rollout of digital assets and the rise of Bitcoin was maybe the greatest beta test in history to see whether it would be adopted, whether it would work, how fast it would work, how tough it would be to regulate. But I think they have now started to adopt that private technology on a regulated and official state sponsored basis.

You've heard Scott Bessent talk about it, you've heard some other government leaders talk about it. They passed a GENIUS Act earlier this year, which is a way to regulate stablecoins and it talks about what they can and can't do. And essentially a stablecoin is a digital token that can be passed around the world instantaneously, settles instantly, and then that token is tied to some other asset. So you don't buy a stablecoin thinking it's going to increase a lot in value like some of the- it's not like a Dogecoin or a Bitcoin where you're expecting it to rise in value. What it is, is it's tied to some other asset and it should say stable versus that asset. You could have a gold stablecoin is I think what Peter was talking about, or a gold token, and that token will stay stable versus the price of gold.

It may not stay stable versus the dollar or Bitcoin or something else, but that token will track gold. 99% of the stablecoins already in existence are already

tied to the United States dollars, and the reason that's important is because that was the private market entrepreneurs meeting demand that people wanted to hold dollars. It's not 99% US dollars because the market wanted 99% gold, and they said, "No, we're giving you dollars anyway," that was driven by the free market.

I think the United States now realizes that it can adopt that technology and use it as a way to not only help fund itself going forward, we all know about the challenges the United States has in funding itself, but more than that, they can use it as a digital weapon, for lack of a better way of saying it, to dollarize the rest of the world rather than de-dollarize the rest of the world, because as much as we, as Americans, sit here and talk about how bad the dollar is, for many other citizens around the world, the dollar is much better than their local currency. And all you have to do is next time you travel, just talk to them, ask them whether they would rather hold their local currency or a US dollar.

Most times they will say a US dollar, especially if you're traveling to an emerging country or a developing country. For them, they look at the US dollar as stability. Now we in this room may think that's ridiculous. We may not like it, but the market says that is the case. That's not me saying that, that's the market telling me that's what they're saying. And so I think the future is going to be some kind of a combination of government issued fiat as well as the digitized technology and innovation that's been developed over the last 10, 15 years.

Peter Schiff:

I think the main reason though that the majority of stablecoins are denominated in dollars, is Bitcoin is generally expressed in dollars, just the way gold is expressed in dollars. People around the world think of gold in a dollar price. And so they thought that with Bitcoin, they promote Bitcoin that way. But the demand, the vast majority of the demand for stablecoins is for people who want to trade Bitcoin and they need something to trade in and out of. And so when they want to sell Bitcoin, they can move into a Tether or a USD token and then they can go back and forth. And so that's the main use case for stablecoins is to facilitate trading in Bitcoin or other tokens.

And so it's like an on-and-off ramp in and out of crypto, but I don't see it being widely adopted by people who say they want dollars because why would you hold dollars in a non-interest-bearing stablecoin. If you have dollars that you want to hold, at least get interest on them, at least put them in a money market. Why buy a stablecoin and let the stablecoin issuer keep all your interest while the dollar depreciates?

Brent Johnson:

As an American-

Lawrence Lepard:

Peter's right that part of the use case for stablecoins is an on ramp and off ramp for dollars. And just so I don't know if everyone here knows what stablecoins are. Stablecoins are coins, they're like crypto that you can trade through a crypto account, but Tether and Circle are the two biggest issuers. They're about \$200 billion total in size and they buy treasury bills behind it. They take in your cash, buy a treasury bill and then issue you a token that represents a dollar. But let me say Peter's right, one of the main use cases, not the only main use case for stablecoins, is an on-ramp and off-ramp for crypto trading. But what really drove stablecoin adoption is I view the stablecoins as an alternative to the SWIFT network.

So what happened is when the US decided to sanction Russia and sanction Iran and say to all the business people there, and I was in Prague recently earlier this year, and I met with a lot of Russian business people, suddenly they had no way to pay anybody or move money or receive money or whatever it might be. But they quickly, smart entrepreneurial work around, they get a Kraken account and the dollar is the universal unit of measure so they just say, fine, pay me stablecoin dollars into my Kraken account.

Peter Schiff:

Doesn't the US government still have the ability to go after those tokens? They know who owns them, they-

Lawrence Lepard:

Not if Kraken-

Peter Schiff:

Put them in a wallet or.

Lawrence Lepard:

Kraken's-

Peter Schiff:

Not yet.

Lawrence Lepard:

Yeah, not yet. I mean-

Peter Schiff:

I'd say look, if you really want to get out, then just go to gold. Why stay in the dollar, right? I mean why not just take dollar?

Lawrence Lepard:

But we're talking about means of exchange, not, I mean, this-

Peter Schiff:

But a gold-backed stablecoin is just as easy to exchange as a dollar-backed stablecoin. You have the same thing where you have to trust a third party, but at least it's a third party that the US government can't intervene if the gold is stored in a custodian that's not in the United States. Unless we're going to invade that custodian with troops, we can't get the gold.

Brent Johnson:

But you don't store money, you store assets. Investing and using money on a day-to-day basis-

Peter Schiff:

You can store money, that's what banks were supposed to do. They store your money, at least when we had money.

Brent Johnson:

Okay, so you asked why would somebody hold a coin that doesn't pay interest instead of get a money market fund at a minimum? As an American, you're totally right. That makes a lot of sense. But if you live in Argentina or you live in Egypt or you live in Turkey or you live in Bangladesh and you don't want to hold the local currency, what you end up doing is you end up holding US dollar physical cash. And that's why if you go to any bazaar or little market in anywhere in the world, you can exchange local currency for dollars, because everywhere in the world uses dollars on the black market.

Peter Schiff:

Right, but if you're going to go to a token-

Brent Johnson:

This allows citizens of those countries who don't have a bank account, and even if they do have a bank account, their bank will not allow them to hold a US dollar balance. And even if they do have a bank that allows them to hold a US dollar balance, they won't let them take it out in times of crisis. This solves all those problems.

Peter Schiff:

But that's because it would be not as convenient for them to transact in gold coins. But once they're going to move onto a token and they're going to have it in their smartphone, in their wallet, and they're going to exchange, once you're choosing tokens at that point, dollars lose their advantage over gold.

Brent Johnson:

But they don't-

Peter Schiff:

Gold has an advantage over the dollar in the form of a token because-

Brent Johnson:

Then why hasn't all the money, there is a digital gold token right now and there's digital US dollars. Why hasn't it migrated from Tether and to the gold token?

Peter Schiff:

The reason right now, the demand for tokens is primary as a get-rich-quick scheme. It's speculative money trying to get rich and therefore they're not interested in a gold token.

Brent Johnson:

We're not talking about gold mining companies, we're talking about money.

Peter Schiff:

Let me finish. When the demand for tokens becomes to use them in the real world as a substitute for money, as a medium of exchange, as a unit of account, that's when demand for gold tokens is going to grow. But right now, it's just a speculative frenzy, and so people don't want to buy gold because they don't think there's enough upside. They want to buy what's going to go to the moon. That's what they want and that's where the demand is. There are a lot of gold-backed tokens. But it's interesting, you're talking about Tether. What has Tether been buying? They're buying gold. They're taking the money that they're getting and they're buying gold. They're buying gold royalty companies. They must know something. They're buying all this gold with the dollars they got.

Russell Gray:

I'm going to chime in because I think we're almost done, yeah?

Adam Taggart:

17 seconds.

Russell Gray:

All right, I want to bring it home for a minute. Here's the thing, what I've learned is that you have to set your preferences aside, to Brent's point, and look at what's actually happening and you can be blind. That's why we do panels like this, differing opinions, right? And if you come away confused, just understand that this is all just technology. Gold was a technology. Financial systems are technology. Bitcoin's a technology, Tether, they're all technologies. I was in Silicon Valley during the 1990s, the internet boom, every company had a dot-com. Not all of them were

going to survive. You had to watch and see which ones were going to make it. There was a time when there was, nobody was demanding cell phones because they all wanted phones with wires.

But after a while, the infrastructure to support cell phones took over because you didn't get dropped calls. I'm watching and I suggest, watch what the players in the markets are doing from the central banks all the way down to Main Street, look around the world at what the global economies are doing, not just the United States. And then watch as the technology and adoption evolves. And there's no reason why you have to pick one or the other, right? There's no law that says you can't hold some gold, you can't hold some Bitcoin. And then just put yourself in a position where you're ready to move when it breaks, because it's slowly then suddenly.

Peter Schiff:

Yeah. And I wanted to just throw one more point in as to why there aren't more gold-backed-tokens.

Adam Taggart:

Real quick, Peter, real quick.

Peter Schiff:

There's no money in that.

Russell Gray:

I was trying to get the last word.

Peter Schiff:

The way you make money is you create a token out of nothing, a meme coin, and you get some fool to buy it from you because it costs you nothing to create it, so all the money is flowing now into just token, into just creating tokens out of thin air so that the issuers can get rich. There's not a lot of money tokenizing gold because you have to actually get the gold right? And so there's a huge cost there. But when there is demand, a true demand for alternatives to fiat currencies to be used as a medium of exchange, you're going to see an explosion in demand for gold-backed tokens.

Adam Taggart:

All right, and we're going to end it there. Ladies and gentlemen, a big hand for our excellent panel. Thanks for a clean fight today, guys.

Lawrence Lepard:

Well done. Yeah, all good. Thanks, bye-bye.

Adam Taggart:

Take care.

Peter Schiff:

All right.

Brent Johnson:

I like that hat.

George Gammon

“Everything You've Been Told About The US Debt Is Wrong”

Guys, how's it going this morning?

Everybody awake?

All right, guys. One more time. How's everybody doing today? [cheering]

All right, let's go through this. I'm going to tell you exactly why you should sell your gold and buy treasuries. So, you guys all open to that? I'm kidding. I'm kidding. I'm kidding. I'm kidding.

Okay. So, let's go through this. So, what I want to do is kind of this debate style thing where I get a show of hands and then I'm going to do it again at the end of the presentation and then we'll go ahead and see if more people have their hand raised or fewer people have their hand raised.

So, how many of you own treasuries like two years as an example? Couple people. How many of you are planning on buying more? Nobody. Okay. Good. Good. Good. Good. So, a couple people in the audience.

All right. So, let me know if you guys have heard this argument or this narrative before or maybe I don't know, maybe even at this conference.

So deficits, nothing stops this train, baby, like my good friend Lyn Alden says. So the deficits are going to continue to explode higher. The debt, therefore, is going to go higher. This increases the supply of treasuries. Demand at the same time is going down. Domestic savings is being depleted. And the foreigners, as we all know, are dumping treasuries. Right? You guys heard this so far?

We on, okay. supply therefore there will be a demand and supply imbalance and this is the key because if you have an imbalance then you all know what happens to bonds or treasuries, the price is going to go down and the rates are going to go up.

But you see this is very problematic for the US government because our debt is so high that if interest rates go up this is going to further constrain the economy and going to possibly put us into a recession. The Fed can't have that.

So what's going to happen is the Fed is going to have to come in and do yield curve control because there's going to be such an imbalance because demand is going down at the same time supply is going up and going up at a very very fast rate. So the Fed's going to have to come in and do yield curve control which means they're buying bonds to keep the price high, the rates low and they're going to do that with money printer go brrr.

And the release valve is going to be the dollar. And if you need any proof whatsoever, just look at this chart of the United States debt, this is getting very close to what we would call an exponential growth curve.

So what you have to do as a result — this is an inevitability. So what you have to do is you have to buy gold, Bitcoin, real estate, you have to buy a hard asset. So have you guys heard that narrative?

Okay, cool. So what I want to encourage everyone to do is to set the narrative aside and say, "Well, maybe that's not true." I mean, this thing is said over and over and over again. I've noticed since I've started doing videos in finance and economics is there's so many things, kind of sacred cows, that are said over and over and over and over and over and over again so often that we just assume that they are true and we never question them.

But we should because at the end of the day we're investors. We want to make money. We want to increase our purchasing power. And you can't do that if you have a bias. We have to understand there's nuance involved. We got to use that critical thinking.

So let's go over to the next slide here. And this is- I see this a lot with retail investors. So you guys have seen this meme, right? So we look at charts, data, facts. And we don't want to look at that. We don't want to look at that because that contradicts our narrative. What we want is just something really super simple. Fed prints money, buy gold.

And I'm not saying you shouldn't buy gold. It's not what I'm saying here, right? But I am saying that the monetary system, there's a lot of nuance. It's pretty complex. And if you just make it so simple that you take it down to just the Fed prints money, therefore buy gold, you're going to lose a lot of accuracy and that could negatively impact your performance, your portfolio.

So let's go through the facts here. Let's go through the data. Let's go through the charts and see where this actually leads us.

So what we have to understand is that narrative, the entire argument, depends on one thing and that's that debt and deficits impact interest rates, therefore the price of treasuries, more than growth and inflation expectations or another way I like to look at that is nominal GDP.

Okay. So let's go ahead and put this to the test. Remember debt and deficits impact interest rates more than growth and inflation.

So here, the top chart, is the 10-year Treasury versus the debt in the United States. So the 10-year Treasury yield is the dark blue line and the debt in the United States is that red line we showed earlier. Now, can you see any correlation here between the amount of debt or the supply of treasuries and the interest rates for the 10-year Treasury?

Ah, inverse correlation.

That's right. Let's keep going here.

So, on the lower left, we have the debt to GDP ratio. So this has gone up to the point now where we're over 100%. Do you see any correlation there between interest rates? Inverse correlation.

Now let's look at the one on the lower right and you'll see this is the deficit. Now I should have kind of flipped it but I couldn't do that on the Fred chart. So the red line is the deficit. So when that goes down it's going negative. The deficit is actually increasing. So here we would also see the exact same phenomenon where you see an inverse correlation.

So, what I'm going to do throughout this presentation is I'm going to go ahead and give you an argument. Then I'm going to give you a counterargument that I typically hear from people and just kind of go back and forth. And hopefully with that we can find the signal through all of the noise.

So what I hear all the time, we got the domestic savings, we have- or the reason why you saw interest rates go down there, you know, let's say from 1980 is because we had more domestic savings. We had foreign central banks that were buying and we had all of these countries like China that were running trade surpluses or the petrodollar or something like that. So basically, they're just taking and they're recycling these dollars and they just...have all these dollars they don't know what to do with them. So they're going to go ahead and buy treasuries.

But at the end of the day that's going to run its course. And we're seeing that now with the demand going down, all these foreign central banks dumping treasuries. So it's just a matter of time before interest rates start to go up.

See, we're just going back and forth there. Back and forth.

So now I want to show you another slide where you might see a little bit more correlation than the ones that we saw before.

This is a chart of 10-year Treasury yields and nominal GDP in the United States. So the nominal GDP is the red line and the 10-year Treasury yield, again, the blue line. So you can see this lines up a lot better, doesn't it? In fact, the 10-year Treasury, which you would expect because it's interest rates for 10 years, is just kind of a smoothed out curve of, it's almost like a moving average, of nominal GDP.

So then the question becomes why? Why is this? Why is it that it just seems like the more supply of treasuries that we dump onto the market, it doesn't even matter. In fact, the more supply we dump on the market, it seems like the higher the prices go. What's going on here? This isn't basic economics. It's not it's not jiving, right?

And there's a very good reason why you see this phenomenon where the 10-year Treasury yield, I'm just using that as a proxy for interest rates, typically follow growth and inflation expectations instead of deficit and debt expectations.

And here's the reason why. And it's very very very predictable. In fact, it's probably, I always say there are no certainties. There are only probabilities. But this I can say with 100% certainty.

The global banking cartel likes money.

Who would have thought, right? Presentation over. There you go. You got your money's worth.

So the global banking cartel likes money. So how does this work? Let's do a thought experiment here and we're going to have some fun with this.

So, let's assume for a moment that all of you in the audience right now can borrow an unlimited amount of dollars USD at 2%. So, that's what you're being charged, 2% for two years.

What do you buy?

You buy gold, you buy Bitcoin, you buy commodities, you buy stocks? How many of you would buy gold and silver?

Okay, a few people. How many would you buy Bitcoin?
All right, commodities, stocks?

Few people here. How many of you would buy two-year treasuries yielding 4%.

Why? Why would you buy two-year treasuries yielding 4%?

Audience:

You're guaranteed 2% on somebody else's money.

That's right.

That's right. So what are you saying? Basically, you're pocketing a spread because you're not taking your own money and buying the treasuries. You're taking someone else's money or actually money that was being created out of thin air and then you're buying those treasuries. So you're pocketing a spread.

So what we have to think about as a bank is the only way that we're actually going to be able to make money on this is if we stay in business. There's a catch, right?

So what happens at the end, let's say you borrow 10 billion dollars. At the end of the two years, let's say you have a balloon payment. You're going to have to pay back that \$10 billion.

But if you buy gold, and if for whatever reason the price of gold goes down, you got a big problem, don't you? You got a real big problem.

But...there's only one thing on that list where it can't go down in value because you're getting your principal plus interest, and that would be a two-year Treasury.

Okay. So from a risk-management standpoint, the banks, if they want to stay in business, if the global banking cartel likes money, which they do, then there's only one option up here for them.

Now, some of the push back that I get is, well, I'd prefer gold and silver because, oh my gosh, there's all this upside. It's going to go to 10,000 and you know, if I just take this 2% spread, then I'm missing out on all this upside. You could argue that for Bitcoin, commodities, stocks, etc.

But that's missing a very crucial point here. And that is that I said you could borrow...unlimited amounts of money because remember who creates the money in the monetary system.

Is it the Federal Reserve?

No. No. It's the commercial banks. The commercial banks create probably 95% plus of the amount of dollars, we're calling them commercial bank deposit liabilities, that circulate in the global economy. This \$120 trillion economy we have.

So the banks...they don't really have a constraint. I'm talking about the banks in the Eurodollar system. I'm not talking about your community bank on your local street corner.

So in the Eurodollar system, they don't really have anything that's constraining their balance sheet. A lot of people say it's Basel 3—that's nonsense. I'll save that for a completely separate presentation.

But there's nothing that constrains their balance sheet. So remember, you could borrow unlimited...amount of dollar credit that could be created to buy these treasuries. So if you needed to make an extra billion dollars, well fine, just borrow the money and buy the treasuries. And then you still don't have to take the risk of the price of Bitcoin or whatever it is you're buying on the asset side of your balance sheet fluctuating in price.

So now let's think this through. Assume that you do this. You pocket this spread like this smart gentleman right here. And I think his son is even smarter because I recognize them.

But let's say that you make \$100 million by pocketing this 2% spread. But the push back I get there and we're going to play devil's advocate is George, whoa, whoa, whoa, whoa. Time out here. Sure, you might have pocketed a 2% spread, but what if the CPI goes up by 10%. Now, all of a sudden, you've lost purchasing power because you were buying and you're getting this 2%. But if inflation is 10%, then you actually lost 8% of purchasing power.

But you guys know where I'm going with this, right?

Who cares? Who cares? You just made \$100 million and...you had zero dollars to begin with. It wasn't your \$100 million that you took to begin with. It was someone else's. So you just made \$100 million.

Now, if the CPI goes up to 10%. Oh, darn. Now, you only have about \$90 million of purchasing power. How many of you would accept that for free? I think all of us, right?

Then the push back I get, "well, George, what if the deficits explode?"

Remember, money printer go brrr, the nothing stops this train, the deficits are going to completely blow up. That means it's all this supply of the deluge, this flood of treasuries is going to rain down on us from above, which by the way, I think is true. I would not be surprised if by 2030 the United States debt was at 50 trillion.

But unfortunately, it won't impact treasury prices. It won't impact interest rates.

So, let's keep going here. What if the deficit explodes? Who cares if the deficit explodes? You have \$100 million.

And whoa whoa whoa but what if rates go up? It doesn't matter because you're holding to maturity. And by the way, if rates go up, what would all of you do?

Buy more because now your spread goes from 2% up to 3% up to 4% up to 5%.
You see how this works?

And I mean, as a little example here, assume right now that I mean, the CPI is at 3%. We all know that it's higher than that. But let's assume that it's whatever 5%, 6%. Okay? And let's also assume that the 10-year Treasury right now, or the 2-year Treasury right now was paying 15%. How many of you would buy it?

Nobody?

I think a lot of people in here would buy it. In fact, I know Rick Rule is right in the back in the green room and he hates treasuries. But I think even Rick Rule, even Peter Schiff would buy the 2-year Treasury at 15%. And then what's that going to do? It's going to bring the interest rates back down to where it's close to nominal GDP. Growth and inflation expectations.

Okay. So now let's go through another quick thought experiment here because there is one alternative asset class that I didn't show you on that list and that would be lending. Imagine that a bank does that. Lending into the real economy.

We go through this. Remember we've got two-year Treasury trading at 4%. But we could also borrow at that 2% for two years. And we could lend that into the real economy and get 7%.

Same two-year loan. So we're not taking that risk. It's denominated in USD. So now all of a sudden 7%. So how many would take the lending into the real economy as opposed to basically lending to the US government and buying two-year treasuries? How many of you would prefer to lend into the real economy and get that 7% interest rate?

Now your spread is way up at 5%.

Okay, but this depends, doesn't it?

Because it depends on your counterparty because all of a sudden you got counterparty risk. If you lend to the government, as much as I hate it, there really isn't any counterparty risk at the end of the day as far as you getting your principle back plus interest. But if you lend to XYZ corporation, all of a sudden a little bit different dynamic.

So what goes into this equation is it's all about risk-reward. So if you look out into the economy and you see nominal GDP really humming along, right, and you see my gosh, there's all this growth, we've got the stimie checks, you got all this stuff that we saw in 2022, then you're going to prefer to lend into the real economy because the risk-reward makes sense, right?

But if you look out into the economy and you see all these economic storm clouds and you see First Brands blowing up, you see Tricolor blowing up, you see the the Fed's repo facility being used and you're like, I know what that means. This is the no bueno zone. What are you going to do?

Then the risk-reward skews in favor of treasuries.

So if everything is rainbows and sunshine, then it skews in favor of lending into the real economy. I mean, we get this meme.

Woohoo. [laughter]

Everyone loves this meme, right?

...if you're choosing to lend into the real economy, you're selling those treasuries or you're not buying as much. What's going to happen to the interest rate on the treasuries?

They're going to go up. They're going to go up.

All right. So, here's the punchline. Got to get through this. The debt, unfortunately, is very sustainable.

So I say this unfortunately because is it a free lunch? Absolutely not. Because what happens is we all have to pay the price by a lower standard of living because remember that treasury debt equals or is a result of government spending.

That's where the rubber meets the road. So the government spending distorts the economy. It creates malinvestment. It creates a misallocation of resources which lowers the standard of living over time.

So the price has to be paid by all of us. I would say disproportionately to the poor and middle class. That's where the price has to be paid. But it's in the real economy. It's by a lower standard of living. It isn't necessarily in the bond market.

And I wish it was because if it was, there would actually be a constraint on government spending. And right now there's not. And that's why I think that the US debt will be at least 50 trillion by 2030.

...But a lot of people think that I have this view because it's just always been like this in the past. And I want to make sure that that is not what I am saying here. That is not what I am saying.

The reason that growth and inflation expectations are greater than the deficits and debt expectations is because at the end of the day, the banks are the marginal buyer and seller. That's what I was saying with trying to be funny with Jamie Diamond there.

The banks are the marginal buyer and seller. And notice I said seller because a lot of people think that, "oh my gosh, we have all these stable coins so it's going to create all of this demand for treasuries and that's going to keep interest rates low."

No, I don't think so. It's not just that I'm a bond bull. I think that the stable coins, that won't decrease yields. Why? Because then you got nominal GDP at 4% and yield at 2%. So, what are the banks going to do?

They're going to sell treasuries because now the risk-reward doesn't make sense. They got to do something else with that balance sheet capacity and the interest rates are going to go right back to where they otherwise would have been.

Commercial banks are the marginal buyer and seller of treasuries.

So that's why you get the chart on the left, growth and inflation expectations greater than the chart on the right.

So I know maybe some of you are saying, "Okay, old George, well, there's just not enough money that exists." But remember, I'm not going to spend too much time on this chart, but this is a chart of the debt versus the money supply as measured by M2, which is a terrible measurement of money supply. But you guys get what I'm saying here.

Why is this? Well, a large part of this consistency of this correlation is because the treasuries that are being created are the collateral to create the money to buy the treasuries.

So, as long as we're cranking out all these treasuries, unfortunately, I can assure you there's going to be plenty of money to buy them.

But a lot of people are saying right now, "[laughter] George, oh, you're pretty slick. But there's one thing you have not thought of. That debt and deficits are going to lead to more inflation. And then you can do your stupid little formula with growth and inflation expectations. that's going to go up and therefore yields are still going to go up. On net, we get to the exact same point."

Okay, let's go ahead and put that one to the test. Here is a chart. The green line is the deficits, which again going down that's the deficit increasing...The blue line is...the CPI. Excuse me. That's the CPI, which I totally agree is understated, but we just got to look at the trend, right?

And what you can see once again is that debt and deficits don't necessarily lead to inflation getting out of control. In fact, you could argue it's the opposite, especially when you consider Japan, right?

Did the debt and deficits there lead to inflation, hyperinflation? Absolutely not. They actually led to deflation and disinflation.

Now, I know a lot of people are going to push back and say, "Well, okay, George, you got me there." But but but once it crosses 100% of debt to GDP, then everything changes." As though there's this magic line in the sand.

Okay, great. Well, let's look at these charts. We start with Japan. On the left, we've got debt to GDP. On the right, we've got interest rates. Then, we go to the United States.

So you can see Japan is at what, 216%? the US at 114, Australia at 58% debt to GDP. And you notice...and this these are the sovereign the 10-year sovereign bonds for each country. You notice they all look the same.

Well, how's that possible that they all look almost identical when you have 200% debt to GDP, you have 100% debt to GDP, and then 58% debt to GDP?

Why? Goes right back to growth and inflation expectations and a globally synchronized economy.

Okay, the next push back I'm going to get is, "but but but but there's stagflation. There's stagflation. and everyone know. I mean, the CPI is sticky. It's above the 2% Fed target and it's going to be just like the 1970s."

Okay, we'll just go ahead and put that one to the test because the red line is the rate of inflation in the 1970s and you can see that from 1974–75, we had two years where we had disinflation. The rate of inflation was going down. What happened then?

That was a recession.

So you had growth and inflation expectations going down, right? Same thing in 1980. We had another recession. We all know that. And we had more disinflation.

So my point here is even in the 1970s, even in the 1970s, the decade of inflation in the United States, when you had an economic slowdown, you still had disinflation. You did not have a continuous acceleration through the entire decade, which of course is the narrative.

So then I always hear unprecedented debasement. Well, we have all this unprecedented debasement. So that's how we're going to get inflation.

Well, let's look at a log chart of M2 money supply and you can see where we are right now. Look at it compared to the 1960s, the 1970s, the 1980s. It's lower, isn't it?

And to take this or add another layer to this, I want you to look at the chart on the lower left. This is the increase in M2 money supply in the United States from 2020 to 2025. And you'll notice it's right around 40%. 40%.

Okay? And a lot of people think, well, this is unprecedented money supply growth. It's unprecedented debasement of the US dollar, and this is just going to continue into the future. So, we got to buy hard assets. If we were only on a gold standard, this would just fix all of our problems and we wouldn't have this unconstrained fiat system where it's just money printer go brrr and this continuous debasement of the currency.

The chart on the lower right is the increase in M2 money supply from 1880 to 1885. Can you guys see what that number is?

It's 70%. 70%.

When from 2020 to 2025 it was 40%.

So is the United States dollar being debased? Are we creating more? Yes. Is it unprecedented? Absolutely not. In fact, if it's unprecedented, it's unprecedentedly low.

In the 1980s with Volcker, M2 money supply from 1980 to 1985 went up by 65%. So the point there is if you have the rate of change is decreasing then this also leads to the disinflationary pressures.

But how many of you think that the US economy is most likely going to slow down over the next year and we would potentially even have a recession? If you believe this is true and if you believe me now that rates are a product of growth and inflation expectations — if you believe that we're going to have a recession or an economic slowdown, the labor market's going to deteriorate further, therefore growth and inflation expectations are going to go down or be lower — then you have to believe, you have to believe that interest rates will actually be lower, not higher.

And you layer on top of that that we have unprecedentedly low M2 money supply growth or quote unquote money printing. And this leads you to one conclusion.

But you got to be bullish on at least the two-year Treasury.

I'd show you one more chart here. I got to get going. The chart at the bottom is, excuse me, the yield curve, the 2-year 10-year. You notice that every single time this goes inverted, we come out of the inversion, we get uninverted, and the stuff hits the fan, right? That shadowed area, that's a recession.

Look where we are right now. Right? If this chart holds true, we're very close. That means growth and inflation expectations go down. That means treasury prices go up, yields go down.

How many of you now are going to go out and buy two-year treasuries? Did I change anybody's mind?

Not one person.

There you go. There you go. And then that's the retail bias.

Okay. All right. If you guys want to find more out more about what I do or my contrarian crazy ideas that I'd be obnoxious enough to present to a crowd at a gold conference, you can check out Rebel Capitalist Pro. This is the private investment group. I have my good friends Chris Macintosh, Lyn Alden, Jason Hartman, Patrick Sesna, and a tall guy back there in the green room named Brent Johnson.

If you guys want to check it out, you can do this QR code here and on that bombshell. Enjoy the rest of your afternoon, guys. Thank you very much.

Russell Gray

“The Real Culture War To Decide America's Future — Charlie Kirk, Capitalism And The Next Generation”

All right, you guys are doing great. So, I'm going to get right into it because I got 20 minutes. So, this talk is the real culture war. You guys hear me?

Good. So, this year's been a crazy year with this whole thing with Charlie Kirk and I wanted to pivot off that because it's a bigger deal than maybe some of us realize.

Most of you know me, or some of you know me. For 20 years, I was Robert's sidekick on the Real Estate Guys Radio Show. So, this is my second New Orleans Investment Conference after probably 15 of them, where I'm not that guy anymore. So, I'm not here to talk about real estate. I'm going to be talking about something different.

Robert and I are still partners along with Ken McElroy, George Gammon, who if you don't know who he is, you're going to meet him here shortly, and Jason Hartman in the Collective Inner Circle mastermind. So, I believe there's a booth in the exhibit hall and if you see Robert or Kenny or George or me, we're happy to talk with you about that.

One of our members is that guy right there, Robert Kiyosaki. We're doing the mile high book study there on McElroy's jet. So, that was pretty fun. But I'm here to talk about culture wars.

You've probably heard the term culture wars. I am wanting to bring it up because it's a term that really was coined by this guy James Hunter in 1992. And his book called *Culture War* says the struggle to define America. Culture defines a country. And he says making sense of the battles over the family, art, education, law, and politics.

What he doesn't talk about is the financial system or the economy. And I think that's probably one of the most important parts of a culture. Humanity is organized largely around economics and the policies that affect economics affect life on Main Street.

He defines culture wars as having four major components. One is polarization. Issues become symbolic battlegrounds with very little middle ground. Have we experienced some of that?

It's been pretty intense these last five years.

Moral framing. Debates are no longer about difference of opinion. It's right versus wrong, good versus evil. It's really, really bifurcated.

Institutional involvement. Governments get involved, schools get involved, corporations get involved, NFL teams get involved, social media and they all amplify the divisions.

So, if you're feeling like it's been a bit divisive out there, it has. And that's what a culture war is all about.

And these culture wars have long-term impact. They reshape laws. We all live under these laws. And so when culture wars culminate, they change the rules that we play the game by.

We're all here trying to figure out how to make more money. But we have to play by the rules. And the rules sometimes change not in our favor. And we have to be aware of that as investors because if you make a bunch of money, but you aren't able to enjoy it, just ask Jack Ma in China. If you live in the wrong system, even if you're a billionaire, you're not free.

So, it's really important that we understand that our financial freedom is based on our political freedom. And we have to have good policies if we want to have good economics.

There are a lot of fronts in the culture war. You might be familiar with some of these. You might be on one side of the issue, the other side of the issue. I use the word front because in a battle, you've got these different fronts, but a front is also a facade. And I think that perhaps some of these things are distractions from the main thing.

I think the main thing is the financial system. I think the main thing is the currency. We got away from a sound money system. We lost control of our financial system. Every other kind of diversion that will distract us from looking at the main thing allows the people that run the main thing to stay in power. And when you get over the target, that's when the knives come out. And I think there's a little bit of that going on right now.

Now the idea of what's going on in the world is not new. This is a book from 1962. It's called *And Not a Shot is Fired*. It's a communist strategy for subverting a representative government. It's very interesting. And the technique is to create a pinch. And the pinch looks like this.

From the top you get co-opted government representatives in media. Have we had some of that? Have we had just a little bit of that?

We got our representatives there maybe not representing us, maybe representing other people or representing other interests. We've got the media with their talking points and their narratives.

And then on the bottom, you've got these grassroots protests to amplify the reality, somehow convince you that what you've seen and heard from the leaders and on media is actually mainstream. And that pinch creates an attack on your constitutional right to privacy, to own property, to travel, to decide what you're going to put in your body or

what you're not going to put in your body, or what you're going to put in your child's mind or what you're not going to put in your child's mind.

This is what a culture war is all about. It trickles down to the rules that we live by, policy.

And ideas matter. It all starts with ideas. Ideas become actions. Actions become results. What people think and believe is what they do in the marketplace, in political office, in the voting booth, in the classroom. What people believe turns into actions. Actions turn into results. The results that we live with started with ideas.

And here's the problem. A lot of us are in the mind-your-own-business crowd. We're the kind of people that's like, "Look, I don't want to argue with people. I want to build my business. I want to build my portfolio. That's what I want to focus on. I don't want to get involved with all this cultural stuff. It's just noise."

And while the mind-your-own-business crowd and I'm in that group, is busy taking care of business, things are going on in the culture, especially in the minds of our children, that we're not paying attention to.

So, we fiddle while Rome burns. If you're not familiar with that story, if you're younger, you may not know what that means, but that's what that's a picture of.

Here's an example. Here is one of our representatives. Remember, starting at the top, an elected representative, a young lady who decided it would be cool to put on a dress and go to a party that says, "Tax the rich." That's an idea. That's an ideal being espoused by one of our political leaders.

And so, this is a website called Redbubble. You can go check it out at redbubble.com. And I just put in "tax the rich" to see how much merchandise there was. And one of the ideas they're putting forth in their merchandising is a concept that billionaires shouldn't exist. Maybe you've heard that.

I'm guessing some of you would aspire to be a billionaire. We might even have one or two in the room. But according to these people, you don't have a right to exist.

Now, notice the physiques of some of the models down there. Do those look like mature adults? Who are they targeting? Children.

Look at this one. “The only dangerous minority is the rich.” These are ideas being put forth in the marketplace right now. I got this off the internet this morning.

Look at this one. See at the top there’s a little graphic of AOC in her tax the rich dress. Now, I didn’t organize the way these came out, but look what’s right underneath it.

Tax the rich with a guillotine. Or is it guillotine? Right? That’s pretty intense. This is intense stuff. There are people out there who think that rich people are the devil. It’s polarized.

So ideas become actions, votes and sometimes violence as we have found out. And votes become policy, and policy becomes your reality.

This is an influencer on social media named Darth Powell, a millennial I believe. I follow this guy. I think it’s a guy. And he says, “America has a bunch of socialists begging to lower interest rates to inflate their asset prices.” He hates boomers because he thinks boomers have gamed the system because he doesn’t understand that in 1971 we were — well, probably 1982 or ’81 — we were handed a 40-year bond bubble, and the result of that was going to be asset price appreciation, and a lot of us rode a big equity wave.

They hate us for it. They think we cheated. Of course, they don’t understand that our parents let Nixon take us off the gold standard. And our parents didn’t understand that they let their parents create the New Deal and welfare. And they don’t get it because their parents let FDR confiscate gold. And they don’t get it because their parents let the Federal Reserve and the income tax and IRS get formed in the first place in 1913.

So, we’re at the endgame. And I think, as one of the other speakers said, we’re at the endgame where this system has a shelf life. You can only run this kind of a system that requires perpetual debt until it implodes. And so there’s been desperation for a great reset. It’s not even a secret.

Whether it’s central bank digital currency, going back to a gold standard, a currency backed by gold and bitcoin — whatever it’s going to be — it might be good, might be bad. Who’s going to decide? People. Based on what they believe and who influences them.

So this guy says — and we wonder why Gen Z — go back on the bottom — we wonder why Gen Z likes socialism. So one of the comments on this was a person who said, “Gen Z can easily be persuaded and experience

that the American version of capitalism has largely stopped working for them.”

And so they feel like the system is rigged. And so they will vote for somebody to change the system. What are they going to change it to? Well, right now it's leaning toward socialism.

Notice here at the bottom, a Gen Z'er chimes in and says, “I'm Gen Z and I refuse to live in a communist or socialist country.” All right. So, there's a young person out there saying, “I don't want that.”

But notice the avatar. Do you know who that is? Charlie Kirk.

That's Charlie Kirk's avatar. This young person is probably influenced by Charlie Kirk. I think there's a reason Charlie Kirk is hated by people that are in a position of power. Because the next generation is the secret to the future.

Charlie Kirk was the most effective person in actually reaching the next generation. So the battle is for the future. Charlie Kirk said the next generation will decide if freedom will continue.

“Freedom is never more than one generation away from extinction,” said Ronald Reagan. The next generation is everything.

Think about this. There are kids, freshman high school right now that are going to vote for your next president, your next congressman, your next senator. What do they know about the productive economy? They haven't been in the productive economy. What do they know about capitalism? They're being taught that it's evil, that we cheated.

So whether you have children or not, your future is going to be determined by what they believe and who influences them. And whatever policies they decide are best when you're in your sunset years. And guess what? They outnumber you.

So, we had a chance — and I don't know if Robert's in the room — but I had dinner with him last night, and we were talking because he went into Arizona State University a couple years ago with Dennis Prager and Charlie Kirk, and almost 50 college professors just had a conniption fit about it. There were all kinds of threats of protest. It was really quite bad.

So, Robert called a bunch of his friends and said, “Hey, will you guys all come out and support me?” So we all went and I got a chance to meet Charlie...

And I told him about this vision I had for reaching the next generation with the Raising Capitalist project. The reason I'm here today and doing it is because he encouraged me.

And then I had a dinner with another man named Mark Victor Hansen who encouraged me, and I said, "You know what? I'm going to go for it. I'm getting too old to die with this undone. I'm going to go for it."

But this — this was a panel Kiyosaki and Prager were on called Health, Wealth, and Happiness. Who's got a problem with health, wealth, and happiness? It's just ideas. They were just getting on stage to share some ideas.

This thing became such a hot button — the businessman, the capitalist that was funding the program at ASU, withdrew all his funding and shut the whole program down. T.W. Lewis, a real estate guy in Arizona. Crazy.

Kiyosaki shows up at that panel with a copy of his latest book at the time, Capitalist Manifesto, and his theme is entrepreneurs can save capitalism. He's been going to the heart — if you've ever listened to Robert Kiyosaki speak, he has been talking forever about how the school teachers are communists. And I'm sorry if you're a school teacher, but just as a group of people, they tend to lean very much toward big government control — take from the rich and give to the poor. And so he has been just attacking them.

Charlie went directly to the kids. He went out on campuses and engaged the kids. I got a chance to go to a breakout session Charlie led last December at America Fest in Phoenix. And in his breakout session, he explained that the difference in the seven swing states — the margin of victory for Trump in those seven swing states — was exactly equal to the get-out-the-vote effort of Turning Point USA. Very powerful guy.

And he wrote a book called College is a Scam, going directly after the brainwashing mechanisms of college. American universities are bankrupting and brainwashing away the future of America's youth. He was very effective. Nobody has been more effective at getting to the next generation than Charlie Kirk.

So there's a battle raging for the hearts, minds and money of the next generation. It's been going on for a while.

Check this out. This is where people go for financial advice. This was a survey done by Charles Schwab, and it says at the bottom, you can see

social media and the internet is one on the far right — and so the bottom bar on each of those.

So the boomers, obviously least, Gen X a little bit more, millennials even more, Gen Z — it's their number one source. Social media influencers. This is where their ideas are being shaped.

So why do we focus on financial? If some of you are old enough to remember these guys — Bill Clinton, 1992, and his campaign manager James Carville famously said, “Look, don't talk about anything except the economy. It's the economy. People vote with their pocketbook.” And he's right. They do.

And when all these cultural extremes go away and these young people get out of college and they have to go to work, they're going to be focused on making money. And so if we meet them in the marketplace of making money and we teach them how to make money by teaching them how to be entrepreneurs, by teaching them how to be investors, it's going to change their politics, it's going to change the policies that they embrace.

They're going to embrace things that help them be productive and invest, which helps all of us. Otherwise, they're going to think they need to tax the rich and take from you to level the playing field, right?

So I had a chance — I was launching a new show. I have a new show called The Christian Capitalist. I have two shows. I have Main Street Capitalist and Christian Capitalist. My very first show was supposed to be with Paul Hutchinson, the guy behind the movie Sound of Freedom. But then this thing happened with Charlie Kirk.

So I made episode 0000 — my very first episode — on Charlie Kirk. And if you scan that code, you can go listen to that episode. It's just me talking, but I got—

Recording:

“Political radicalism needs a catalyst. Political radicalism does not come out of peace, prosperity, rising wages, stable families, church attendance, and happy people. Happy people, grateful people do not get behind Vladimir Lenin, and they certainly don't get behind Chavez or Castro.”

“People that own nothing, that feel like their property is diminishing — they start to look for alternatives.”

“And so the political project in front of us as conservatives should be, how do we actually de-radicalize the country in the next couple of

years? That's my obsession. And that's why I say I try not to think of all this other stuff because there's only so much brain space. My number one obsession is I know what is coming next."

We don't have 20 years. We've got to move fast.

Main Street Capitalism rewired this college student's thinking. So this is me — I sat in for Robert Kiyosaki on his Rich Dad Radio show about a year ago, and I interviewed this young lady who does videography for me, but she's an entrepreneur. But she started out as a political science major at a fufu college who went to work in the Beltway because she wanted to get a job in the State Department. It didn't work out.

She became a capitalist — a Main Street capitalist. Totally flipped her thinking. So scan that, watch this video. It's about a 30-minute interview. It proves that if you can help these kids make money and become capitalists, it changes the kind of policies that they believe in.

So that's one of the reasons I formed Main Street Media Network. Because I was going to start a new show and I wanted to reach the youth, and I hired a YouTube coach and I did a consultation with him. He goes, "Everything you want to do is great, but you can't do it. You're too old. You've got to get some young faces." I said, "Okay, sold. I'll do it."

And so I created Main Street Media Network. You know, we've got two of our young show hosts here — Nathan Barcosi, Nathan right here, 26 years old. He's here launching his podcast. And then Michael Rebello right here, 19 years old; he's already done, I think, two or three interviews since he's been here. So we're down at the end of the hall. Come check them out.

If you think you've got something to say to Main Street, you want to give these guys a boost, be on their show, promote it to your social media — you guys can make each other famous.

All right. The mission is purpose-driven Main Street capitalism. Main Street empowering Main Street. Main Street voices encouraging Main Street people. If you have business wisdom, experience, and you believe in sound money and Main Street capitalism, come talk to us. We'd love to help you start a podcast.

Main Street investing in Main Street and Main Street prosperity and liberty. Adam Taggart and I — you guys, most of you know Adam — we started a mastermind. If you're a podcaster, a financial podcaster today or want to be and you want to play the game at a high level like Adam does, we have a mentoring program for that.

Just email me at fountainhead@russellgray.com. Happy to talk with you about that.

This is the Raising Capitalist Foundation. One of the things I did after I left The Real Estate Guys is I took some time to get all this figured out. I launched the foundation and so I'm going to be talking about that tonight. And I got a chance many years ago, in 2015, to get my picture taken with this guy — and he wrote a book called Think Like a Billionaire. He says if you're going to be thinking anyway, you might as well think big, right?

And so I'm thinking big. I'm trying to reach hundreds of thousands of young people. I think if Charlie Kirk by 31 could do what he did, I ought to be able to do a little bit. And with guys like this helping me, we're going to get there.

So, I've got a workshop tonight upstairs in B1 called Turning the Tide of the Culture War: How to Protect Your Wealth, Preserve Your Liberty and Fortify Your Future by helping us reach this next generation fast. And so I'll lay out what the whole plan is. I won't be so rushed. I would really appreciate it if you guys can show up there and show some support.

So I'll be up there, and the church will be B1 at 8:20 tonight. Thank you so much.

Alexander Green

"How To Achieve The American Dream ... In 20 Minutes"

Hello. It's great to be back in New Orleans, my second favorite city in the country. My motto is come for the music and stay for the food. I was down in the French Quarter today walking around, and between the perfect weather and the people and the art and the music and the food, it reminded me why Arthur Miller said that there's only three great American cities: New York, San Francisco, and New Orleans. Everywhere else, he said, is Cleveland. So, you're one of the great cities.

I did say it was my second favorite city. My favorite city is still New York, but that may change after Tuesday. It looks like they're set to elect Mamdani, and I'm actually pulling for him to win. Number one, because I don't live in New York City, and number two, because I think that every once in a while Americans need a little refresher about what happens when socialist policies are instituted — how easy it is to catch the bus when all the rides are free, and why the Soviet Union had empty shelves and bread lines when the government ran the grocery stores, and what happens to housing

availability when you freeze the rents, and who pays all the taxes when the rich people flee because you're taking over half of what they make in federal, state and local taxes.

So I'd just like to say to all those Mamdani voters what Jack Reacher used to say when a challenger would challenge him to a fist fight: "Remember, you wanted this."

So, I've written several books, five previous books and I can't tell you the inspiration for when I wrote them, but I have written a new book, a brand new book. It's on Amazon now. It is the number one bestseller in wealth management. If you go to Amazon, you're presumably here to learn something about wealth management, so you might want to take a look at it.

Why did I write about the American dream? A year ago, a little over a year ago, I was sitting on my brother-in-law's porch and it was like I was thunderstruck. I could not believe it when I read the article that said the overwhelming majority of Americans no longer believe in the American dream. And that stunned me. It stunned me in part because the most skeptical people of all are the young people. And when I was young, I had no money, no skills, no prospects, no network, no health insurance, no savings. But I had an utter conviction that I would somehow live the dream. I didn't know how I was going to do it, but I was convinced that I would.

And it's no longer the case that people believe in the American dream. In fact, two months ago, the Wall Street Journal did a new poll and it was an all-time record low. Only 30% of Americans even believe that the dream is attainable. And I just thought that was a terrible tragic thing. And so I wrote this book as a sort of optimistic counterargument to all these people. I'm happy to say it's actually available for pre-sale now. The actual hard copy of the book comes out a week from Tuesday, but you can download it if you have a Kindle.

Overwhelmingly the people who have read the book said, "I've got to give this book to my kids and my grandkids. They're so bummed out. They don't know what to do or where to go." And so I do hope that if you have your own kids that are stuck and don't know what to do, you might consider this book as a Christmas present for them.

It's not a political book. It has nothing to do with how the country needs to change. We need to reform the public education monopoly and flatten the tax code and get rid of the occupational licensing laws and all that — I agree

with all that — but it's no part of the book. It's about what the reader can do, not what the country needs to do, given the country that we live in.

I wrote it for three groups of people. Ordinarily, an author has an idealized reader in mind. But I wrote this for three different groups of people: the dream deniers — the 70% of Americans that don't believe the American dream is attainable; the second group I call frustrated dreamers — they believe it's possible, but they're not getting there, they don't know what to do; and then the rest are the dream achievers, which is most of the people in this room. Most of you have lived some version of the American dream already. I'd love to hear your stories while I'm here at the conference — the short version, not the long versions.

Today, in the short time I'm going to be together with you, I'm going to talk about four things: one, why the American dream is still alive; two, why the United States is still an exceptional nation; three, the single best thing that you can do with your money, which is probably why you came here in the first place; and then I also have a warning for you — five simple words that might be the most impactful thing you hear here at the conference. So again, 30% of the polls show that Americans don't believe that the dream even exists anymore. What is the dream? I say there's a traditional view and a contemporary view. The traditional view is that everyone has a chance to rise as far as their talents and persistence and ambition will take them. The contemporary view has more of a financial tilt: I can afford to buy a home, raise a family, attain some work-life balance and then retire comfortably — which is certainly possible for anybody willing to work and save and invest.

Who believes in the dream and who doesn't? Conservatives tend to believe in the dream. They believe in personal responsibility and self-reliance. Whereas progressives tend to be more likely to believe it's all about race and color and gender and orientation and whether you're born with a high IQ or a low IQ or a good family or a poor family. And that's true — those are factors.

White people are more likely to believe in the dream than black people, which probably reflects our long history of racial discrimination in this country. Immigrants are more likely to believe in the American dream than native-born Americans. In fact immigrant black people are more likely to believe in the dream. They came here often because they wanted to live it. As I said, young people are far more skeptical than older people because older people have probably seen the dream play out even if imperfectly.

High-income people are more likely to believe in the dream than low-income people. And there's a lot of overlap. Young people tend to be low-income people — but what they don't understand a lot of times is it's temporary. I was completely broke as a young person. I'm not broke at all now. And a lot of the inequality they talk about is going to solve itself as they grow and work and save and invest and compound.

The first thing people who don't believe in the dream have to do is upgrade their perspective. For 99.9% of human history, life was — in Thomas Hobbes' famous phrase — nasty, brutish, and short. People hunted and scavenged to survive. They wanted to stay warm, they wanted to stay safe, they wanted to stay fed. Human life was mainly about the four Fs: feeding, fighting, fleeing and reproduction. I'm trying to keep it PG-13 here.

Even after the advent of agriculture and civilization, people still lived in fear and were exploited by strong men and kings and priests, and progress was too slow to even be witnessed in a single lifetime.

What if Cicero in the year one in Rome could magically visit Thomas Jefferson at his mountaintop home Monticello in Virginia? What would he do? Well, what he would do is first of all, he'd get on a horse and ride to the port just like Thomas Jefferson would, 1,800 years later. He'd trust his fate to a windblown ship just like Jefferson would. And when he arrived at Monticello, he'd find that the doors were open. The doors and windows were open in the summer just like in Rome, heated by fire in the winter just like in ancient Rome.

Jefferson reading by candlelight just like in ancient Rome, attended by his slaves just like in ancient Rome, using an outhouse just like ancient Rome. Most of his kids died either in childbirth or infancy just like ancient Rome. In other words, 1,800 years had gone by and there was virtually no change in the way that people lived. Yes, there was gun powder and a compass and a printing press and a few other things, but for the most part, people didn't see any progress in a typical human lifetime. And this was 1,800 years, 18 centuries.

Today, we have political, economic and religious freedoms tied to billions around the world today and throughout history. Unlimited food at affordable prices. Plagues that killed millions have been eradicated. We have low cost global communications, same day travel to distant cities, mass home ownership and central heat and air. Even people living below the poverty line have indoor plumbing, electricity, flat panel TV, smartphones, Netflix.

The richest robber barons 150 years ago couldn't have dreamed of such wealth. No longer any institutionalized discrimination based on race or color or gender or orientation. Senior citizens are financially and medically cared for, ending the fear of impoverished old age, and we have faster communications and safer transportation and all kinds of life-saving medicines and medical devices that are saving and enhancing our lives.

And so, our ancestors would look at our lives today as the realization of some utopia. And yet, the people who don't believe in the dream just think we live in a horrible world at a terrible time, and the country's going to hell in a hand basket. Well, that's not true.

The United States is still an exceptional nation. We are just 4.2% of the world's population and we are responsible for a quarter of the world's annual output. Our economy is number one by a huge margin, bigger than two and three China and Japan combined. We're the world leader in technology. The internet, television, telephone, airplane — all invented in the United States. Along with blood transfusions, heart transplants, so on.

The US leads the world in science, engineering, medicine, entertainment and the arts. The nation attracts more immigrants, more students, more foreign investment capital than any other nation on earth. We also lead in the technologies of the future, biotechnology, AI, nanotechnology, quantum computing.

And if we are no different than all the other western democracies out there, some would argue, then why are all the transformative companies in the world based in the United States? Apple, Amazon, Facebook, Microsoft, Twitter, Netflix, Snapchat, Instagram, Tesla, Uber, Crispr, Nvidia, just to name a few, they were all founded here. Why? Because we incentivize and reward the behavior that leads to success.

Since 1950, 40% of all Nobel prizes have gone to Americans. Again, we're just 4% of the population. The US accounts for 22% of all the patents enforced worldwide. The US dollar is the world's reserve currency. It's used in 90% of all international transactions.

The American military is the primary defender of the free world. See World War I and World War II for details. Air and water quality have been improving for decades. Violent crime, despite what you see on TV, is in a long-term cycle of decline, it has been coming down for decades.

Educational attainment in the United States has never been greater. We have more high school graduates, more people with some college, college

graduates, people with advanced degrees than ever before. American lifespans have never been longer. Our standards of living have never been higher. US income and net worth is at all-time record levels.

And Americans are the most charitable people on earth, both in the aggregate and per capita. We gave 592 billion dollars away last year. So apparently the problem with living in a golden age is that everybody walks around muttering about how yellow everything looks.

So how do you avoid poverty in the United States? All you have to do is follow the sequence, the success sequence. There's three steps. One, finish high school. Two, work a job, any full-time job. And three, get married before you have children or you could say in today's world, don't have children till you can afford them.

Only three percent of the people who do that — who finish high school, work a full-time job and get married before having kids — are living below the poverty line. So that solves a lot of the problems. But you don't get rich just by not being poor.

The problem is a lot of young people don't understand capitalism — the greatest wealth creator and anti-poverty program of all time. And capitalism essentially says you can have anything you want if you just provide enough other people with what they want.

Instead, professors at college tell kids that capitalism is all about greed and selfishness and exploitation. And it's such a mischaracterization. Anybody who thinks about it for even one minute will recognize this.

Greed. I could be the greediest person on earth. No one is going to pay me a dime until I provide them with a product or a service or labor that they're voluntarily willing to pay for.

Selfishness. Well, we're all self-interested, but you don't get rich thinking about yourself. You get rich thinking about other people. What do they want? What do they need? How can I get it to them faster, cheaper, make it longer lasting? That's how you get rich.

So the whole image of capitalism is so skewed among the young. And of course the rap against capitalism: "Oh, it's great if you have the capital." Well, we are living in a golden age for investors. Anyone can invest with just a few dollars.

Investment minimums have never been lower. You can get started with mutual funds and brokerage companies with \$1 — one dollar. Investment costs have never been lower. Zero commissions at most places. Investment information has never been more widely accessible with the internet.

Monitoring your portfolio has never been easier. You can do it in real time. Trade executions have never been faster. They're instantaneous. When I go on E*trade and buy a stock at market, it's actually in my portfolio when I click on the portfolio one second later, bid-ask spreads have never been thinner.

And yet I hear people say, "The little guy doesn't stand a chance." The little guy has got a perfect opportunity to get ahead.

So with all this opportunity, if someone doesn't or isn't able to retire comfortably, I say it's one of these. Either they haven't worked, or they worked but they didn't save, or they saved but they didn't invest, or they invested but they didn't do it successfully, or they invested successfully but they couldn't resist spending the money. They wouldn't leave it alone to compound.

So if you want to achieve the dream, you have to take responsibility for your life. You have to work. You have to live within your means. You have to save regularly. You have to invest smartly. And you have to let the money compound. It's that simple. It's that straightforward.

I'm kind of giving you the cliff notes version of the book. But this is essentially how people achieve great wealth in a country that gives ordinary people an extraordinary opportunity to get ahead.

All right. Now, I told you I would give you a suggestion for the best thing you can do with your money today. You've probably seen this death cross before. The death cross is a technical pattern. If the 50-day moving average breaks below the 200-day moving average, that means the short-term trend has turned negative. It's a very bearish signal. And so people often look out for the death cross pattern. You're not going to see it now because the market's near an all-time high.

But there's also something I call life's death cross. If you look at this chart over here, the top left is the day you were born, that yellow line. The bottom right for that yellow line is the day they pull the shroud over your nose. And no one knows exactly when that day is. That's the line going down. The line going up is your net worth. As you work and save and invest and compound, your money is growing.

There comes a time where your net worth keeps growing, yet the sand is still running through the hourglass. And the reality is, when I was a money manager, I had a lot of people that were at the bottom right-hand corner of that chart. They realized that they were not spending their money nearly fast enough given that they had been successful as workers and investors.

And so there was a fellow by the name of Bill Perkins who's a hedge fund manager who wrote a book called *Die with Zero*. And he reports that of people with \$500,000 or more in assets when they retired, 88% of it remained unspent by the time they died. Even if they had \$200,000, they'd only spent a quarter of their net worth by the time they died.

Why? Well, one is they'd lived frugal lives and they just couldn't break out of this frugality mindset. But another reason is no one knows how long they're going to live or what it's going to cost, and so they are overly cautious.

But Perkins says in *Die with Zero* — and I say in my book — that maybe the best thing you should do with your money is not some gold stock or some crypto or some trading strategy. Maybe what you need to do is get out there and start experiencing things while you're still healthy enough to do it, because there are essentially three stages of retirement.

You have the go-go years, where you're still healthy to go and see and do. You have the slow-go years, where you take the cruises but you're slowing down. And then you have the no-go years. My parents are 95 and 96, and if you plunk \$10 million in their bank account, it would change nothing about their lives whatsoever. They're not going anywhere.

So again, this is just sort of a synopsis of what I say in the book. I'm happy to report again that it's the number one bestseller in wealth management on Amazon. You can download the book now on your Kindle. The official publication date is November 11th, which is a week from Tuesday.

If you want to give the book to your kids, I suggest that you pre-order it. My publisher only printed 13,000 copies. There's 165,000 Oxford Club members, and they'll print — this is just the first printing — there'll be a second printing and a third printing, but there won't be a second or third printing before Christmas. So if you're interested in the book as a gift, then you probably should act sooner rather than later.

All right. So to wrap up: The American dream is alive and well. Please spread the word. The United States remains an exceptional nation. You can increase

your wealth instantly by adopting this attitude of gratitude about the country we live in and the time that we live in.

And if you want to achieve the dream, the secret is to live your life, to make choices that minimize future regrets. This is something that young people — you know, Fidelity did a money mindset survey that showed that 71% of people between 18 and 44 said they would not make any lifestyle change now in order to save for the future. Well, that's almost exactly the percentage that don't believe in the American dream. They're not willing to save.

So what you should do with your money today — the number one thing you should be doing — is you should spend it. You should heed the death cross. And I want you to remember these five simple words, the ones I said that may be the most important thing you hear while you're here at the conference:

It's later than you think.

Thanks so much.

Mary Katharine Ham

"Who's The Most Normie? The Battle For 2026"

Hello guys. Long time no see. How's it going? I have been in the past 24 hoursish from Washington DC. Maybe 36 hours. I can't keep track anymore. From Washington DC up to Boston where I gave a speech in the Cheers Bar last night.

I do like to give a speech in a bar. I'm funnier in a bar because y'all are drunker. But we are in New Orleans, so there's a chance that like 60% of you are drunk right now.

So from Boston to the bayou by way of Washington DC, I have seen a fair amount of America this week and I come to report to you on what exactly we're going to be doing from now until the midterms next year, what things look like for us.

I actually gave that speech last night at 700 p.m. on election night, which is the best time to give a speech because we know nothing, which means I can be held accountable for nothing. We can live in a space of delusions or sober analysis, and no one can even fact check me because it would be rude to look at their phones while I'm speaking.

So, I enjoyed that and my beer very much while I was up there.

But now unfortunately we have information so I can sort of be held accountable for my musings on this.

There was actually a tweet I saw from the Kentucky Secretary of State Michael Adams yesterday that really encapsulated an inspiring message of election day 2025. "We're getting calls about polls being closed. They are closed because we do not have elections today. Kentucky votes next year. You cannot vote today in Kentucky for the mayor of New York City or the governor of Virginia. I am sorry."

[laughter]

He followed up with this: "Have I mentioned my repeated calls for civic education?"

[laughter]

Same, Mr. Secretary. Same.

I think that sort of gives us an idea of where we are in an off-year midterm election, right? The most engaged people are the ones who are coming out. And then there are people who are confused about whether an election is happening at all.

And as I always tell folks who attend conferences such as this, even if we can pretend to be, we are not the normies. If you're engaged in this kind of thing, if you're deeply following politics or policy, you are different from your neighbors.

Now, the value of us is being normie translators, normie adjacent. That's something I attempt to be even though I live inside the beltway. And it's noble work because people have lives to live and things to do. And if this is your special interest and you're able to communicate it to those people who are living their lives, I think all of us these days in these modern media times sort of need a trusted editor to get your stories from. And that's what I try to operate as on a regular basis for many people around me.

I've made the comparison in the past that if you're a political junkie or a news junkie, it's like you're a really really big Bravo — whichever show — fan, Real Housewives, whichever franchise, and you're telling everyone that something super important is happening every day in the Real Housewives universe. And those people quite logically are saying, "I'm not sure that's true. I feel like I don't have to pay attention every day. I feel like I could check in every four years and figure it out and things would be basically the same." And they have a point.

But it is our function to be the weirdos who watch all of the Real Housewife function to stay in tune with the regular daily politics of everything and try to steer policy and try to translate it for everyone else.

So, I appreciate all of you guys for being engaged and doing some of that.

If you want my top lines on last night, I can give you the too long didn't listen. But you should listen anyway. Don't leave. But here's the short short version.

An undeniably extremely good night for Democrats, a backlash to Trump policies and lack of economic progress that I think was bigger than expected and happened in some of the most important swing areas of the most important swing states.

Bucks County, Pennsylvania, for example, which is a place where, notably, right before the 2024 election, this was something that popped up for me that I thought, "Oh, like this thing's done. Trump's got it in the bag." Is that in Bucks County, Pennsylvania, which is outside Philadelphia, Republicans surpassed Democrats in registration for the first time ever, I think in August of that year.

So, seeing it swing back the other way this year — very interesting.

A lot of those local races were nationalized about immigration and affordability.

Demographics Trump had hoped to move from Democrat to Republican either didn't show or didn't vote for Republicans.

And a focus on affordability won the day almost no matter who was presenting it.

So you've got two very different models. In the New Jersey, Virginia model, normie-coded veteran Intel community mom legislators — Mikie Cheryl, Abigail Spanberger — versus the out-and-out charming democratic socialist in Mamdani.

But they both talked about — both models talked about — affordability and for the most part did not get bogged down in cultural or more incendiary issues, kind of sidestepping them.

Mamdani I think is was less likely to do this than the Spanberger Cheryl model and Spanberger in fact avoided it to the extent that there were three or four separate gender-related large controversies in large Northern Virginia school districts.

I'll give you just one example.

In Arlington County schools, in Arlington County there's a man named Richard Cox who, identifying as trans, had found his way into several school system dressing

rooms and accosted and/or violated several young women. He was arrested repeatedly, had been arrested repeatedly in another county nearby as well in the past, was a registered sex offender, but was supported by the school board and school support staff to remain in these locker rooms and dressing rooms because these were simply the rules under Arlington County school policy.

And it created this very dangerous situation which the school board didn't tell anyone about and it later broke in the news. And when parents got real mad about it, it suddenly finally became a news story.

There were three or four such stories in Northern Virginia.

And Spanberger, who is the normie savior of the Democratic party, she had nothing to say about them. And I thought that might be a problem for her. But it turns out what happened is that she just sidestepped that stuff, whereas her opponent talked almost exclusively about that stuff and looked like she was not focused on affordability.

Spanberger sidestepped issues so much that she sidestepped asking her Democratic ticket mate Jay Jones, the attorney general nominee — she sidestepped asking him to step off the ticket after he was involved in a somewhat now famous murder text controversy.

Are you guys familiar with the murder texts?

So, it's real fun for me because in the murder texts, which Jay Jones, the now AG-elect of my state, sent a couple of years ago to his Republican female colleague, he expresses a desire to shoot the Speaker of the House. Two bullets for him. And that it would be useful for children of Republican mothers to die in their mom's arms such that they would feel pain and then change their views.

And I know it's a real bummer. I'm like bringing down the room to say that, but I'm not exaggerating. That was the actual story.

It lost him a couple of points. But he is now the AG-elect in the state of Virginia. And part of that, I do think, was that Spanberger was just like, "I'm not talking about it. I'm not talking about it. I'm not talking about it. I'm not talking about it."

She was allowed to basically not talk about it.

She and Obama and the rest of the ticket took the stage with him this past weekend, which should have been a tell to me that he was going to pull it across the line because they were like, "Let's get him out here. Do the hits, Jay." I mean not the one with the gun, but like the other hits.

My friend Emily Jashinsky — I don't know if any of you guys listen to her — but she has a great show called Afterparty, said of the election results:

“Tonight is good evidence that some of what felt like the future during peak woke won't work without being tethered to Mamdani-style affordability obsessions after the vibe shift. Want to talk about girls sports? — another controversy we had in Northern Virginia? Great. Frame it as an elite fixation and tie it right back to your message about jobs, taxes, or corporate power, etc. It needs to be related to the kitchen table, even if it's a separate issue.”

In other words, when voters turned away from a lefty cultural dominance and lefty culture wars, they were not telling the right that they just wanted the opposite flavor of culture war.

Things like bathroom and locker room policies are signifiers of elites being out of touch but cannot be most of the message — I think is probably a lesson to take from this.

Let me tell you a little bit about myself so that we can get into a little history about politics as well and the way I've watched it over the years.

I am from North Carolina originally. I went to the University of Georgia. I know that probably for some of you Southerners or SEC fellows out there that might be objectionable.

In fact, at breakfast this morning, he said it's, you know, 20 bucks, but it's a hundred bucks with the Georgia hat on, so I paid him \$100. Just kidding. You can't take the hat off, obviously.

I grew up in North Carolina. I am — don't hold it against me — a fourth-generation newspaper journalist.

And it turns out that newspapers will die out before my family line does. So I think we're probably done with that streak.

But my great-grandfather started the newspaper in beautiful Pitts, Georgia. His son, my grandfather, was a reporter for him. My dad was a career newspaper man in Durham, North Carolina.

And then me, where I worked at a rural North Carolina newspaper in Rockingham, North Carolina when I was right out of college because that was a job you could get back then.

And can I say as an aside about media and being out of touch and elites and all of that — being at a rural daily newspaper or even a medium-sized city newspaper or as an on-air reporter at a local TV station used to be a requirement for journalists. That's how you moved up. You cut your teeth somewhere that was smaller.

And I do think that in a new era where we have fewer of those local sources — first of all, those are the most trusted sources when you look at media surveys — but the journalists themselves lose a picture of America when they do not go through places like Rockingham, North Carolina, when they go straight from Columbia to the New York Times. You don't meet a lot of people you disagree with. You don't meet a lot of people who've lived a different lifestyle than you have. And I think that's one of our issues.

So when I was in North Carolina, we had one day — I was a sports and features reporter, so I covered NASCAR. Anybody a fan? Don't all jump at once.

So I covered NASCAR and Friday Night Football for the most part. It was a blast. And one day they had a media day out at the racetrack.

Now at media day at the racetrack — I'm going to date myself — but this was back in the day when at the Winston Cup you'd walk in as a journalist and they'd hand you your carton of like Camels or Marlboros. It's like smoke them if you got them. It was a different time. It's early 2000s.

And it was the height of Dale Jr.'s celebrity. So Dale Earnhardt Jr. comes to do a media day at the track and I'm out there and the thing that you get to do at a media day is that you get to do a ride-along in a stock car with Dale Junior for one lap around the track.

And everybody's very excited and they have fire suits for us and there's an actual seat in an actual stock car. This is not a pace car, guys. This is real deal stuff. And they have us all put on our fire suits that they had for us. And I happen to be the only 23-year-old woman who was writing sports in rural North Carolina at this point.

And so I go up to get in the car after a couple of people have taken their rides and Dale Junior's crew guy helps me into the car. I get buckled up. He leans over me and he goes, "All right, Dale. No parking with her on the backstretch."

And I, being a young professional woman, probably should have been offended by this in my professional capacity. However, I was like, someone just insinuated that Dale Jr. would make out with me.

And that makes me the queen of North Carolina.

[laughter]

So we — by the way, Dale Junior, very nice person, blushed and was like, “Ew Quit it, man.” We did the one lap — that’s not a euphemism [laughter] came back, never saw Dale again.

So those are my real credentials and perhaps the pinnacle of my career. But I never got too big for my britches. And that is the thing that I think political parties are very bad at — is that they’re always getting too big for their britches. And I want to run through a little history lessons about the lessons taken from various elections and then we’ll end with this one.

So 2012 — what was the lesson for Democrats after 2008 and 2012? Demography is destiny. The job is done. Obama is it. We’ve finished the American project. We are a more perfect union.

The number of young people and minorities and different groups that were enthused about Obama cannot ever be taken by Republicans. They can’t be convinced by Republicans. This is it.

A New Republic article at the time is characteristic: “Obama’s election is the culmination of a Democratic realignment that began in the 1990s, was delayed by September 11th, and resumed with the 2006 election. This realignment is predicated on a change in political demography and geography. Groups that had been disproportionately Republican have become disproportionately Democratic and red states have turned blue.” End of story.

But that wasn’t the end of the story.

By the way, the lesson Republicans took from 2012 was the RNC autopsy report. Do you guys remember this? It said in part, “The party is perceived as narrow-minded, out of touch, and unwelcoming to young people and minorities.” And Republicans were like, “Yeah, we should be nicer. We’re going to be nicer specifically to these groups.”

Well, what was the lesson in 2016 for Democrats?

It was: we must un-president Trump and use every tool to wrest power from this usurper who has stolen the presidency by being duly elected to it by dumb people that we do not like.

That didn’t go great for them. It also didn’t go great for the country because some of the ways in which they abused power to make the un-presidential or the attempt at it happen were very very unhealthy for everyone and for the body politic

and for the institutions that people used to sort of trust. Matt Taibbi I'm sure will have much to say about that later.

In 2016 for Republicans, what was the lesson? So in 2012 it was like "we totally just need to be nicer," and then Republicans were like, "What just happened? Do we just be meaner?"

[laughter]

"Like, he seemed pretty mean, but this is working." So sort of confused trying to get their heads wrapped around it.

Then we come to 2020.

2020 is, everyone go absolutely insane and violate as many civil liberties as possible, riot in every American city. Republicans maybe go slightly less insane until that day in early January when they went totally insane.

And then Democrats were like, we're going to go insane going after the people who went insane, to the point of dragnetting phone numbers from anyone who was in the area and sitting US senators. Oh, and by the way, keeping American schools in major metros closed for two years, thereby opening a generational opportunity for Republicans to take the issue of education from Democrats, which had never been a possibility in 25 to 30 years.

They closed a 20-point gap during those COVID years. And by the way, that was much of the reason for the Youngkin win in Virginia in 2021, which I think we can perhaps agree now was a bit of an anomaly.

And I think one of the reasons it's an anomaly in a blue-purple state was Youngkin was an extremely good candidate. People were very mad about schools being closed.

Military families in particular were very mad about schools being closed and knew other people in other states because they're close to their friends at the base in Georgia. They're close to their friends at the base in Texas. They know those kids are going to school. And that community in particular was invigorated to vote and send a message in a way that they are not always in an off-year election, because often military families are only in a place for two years and maybe they don't get involved in the state politics.

2024 — what are we learning?

Republicans: vibe shift. The vibe shift is so large, and Trump's lesson is: use executive power while you have it.

Now, we'll get to the consequences of this and how he might get too big for his britches in that assumption.

And for Democrats — I mentioned on the panel earlier — the question is: moderate or Mamdani? Which one are we going to do?

Let's talk about Trump first.

Look, many people have very different takes on tariffs, but let's deal with the basic fact that coming into a somewhat fragile economy in 2025 and immediately doing a very loud and obvious disruptive thing like adding negotiations for 160-plus countries to your plate, which inevitably would add some prices to imported consumer goods in an inflationary environment — and doing it in such a way that it can only be attributed to you, the president, no one can make a mistake about that — I think that was not destined to be helpful.

There are certainly areas where unfair trade practices can be adjusted, and I think Trump did some of that and is still doing some of that in a targeted and interesting way, but did it in a targeted and disciplined way in his first term.

He also did it under a different statute, which is very interesting because right now the tariffs are facing a giant legal challenge because Trump enacted them under this emergency statute. The Supreme Court just heard arguments on this today. And I don't think I'm wrong to assume that the current tariff structure is in some pretty serious peril from the court's decision on this. We will find that out in the future. Now, Trump surrogates will say, "The court can't knock this down because we've made so much progress and we've gotten all this money and what are we going to do?" And that's not the court's problem. It is either constitutional or it is not. And that's something you have to figure out before you enact the tariffs.

Now the problem with this is if the economy is the number one issue for people, if affordability is the thing that's connecting with them, if grocery prices are continuing to go up — although gas is down — other things, you know, there's been some leveling off.

If people are feeling those pressures in their lives and then they're seeing imported goods prices go up somewhat — bananas and coffee, an interesting thing that comes up in surveys and questions when you talk to voters — those are things that have been more difficult to get and have been more expensive.

If those things are happening in their real lives, and even someone like Mamdani is coming with some crazy ideas but he's saying, "I want to help you on affordability," a lot of people are going to listen.

And Mamdani is — he's an interesting figure, to put it mildly. He has a lot of talent, and I don't want to discount that. I often tell people also don't discount AOC. She can communicate to specific modern audiences in specific ways. She's an attractive candidate. She has done interesting things in the Trump era to position herself as still sort of working-class populist plus the best fundraiser in the Democratic party, or close to it — one of the top three.

Mamdani is similar. He should not have been underestimated because a person who can talk and be charming and talk about things people care about is a weapon on the campaign trail.

And I think an interesting lesson perhaps to learn for both parties is to look at the up-and-comers, and if a party establishment or whomever thinks they are not as electable as they would like them to be or that they are too extreme on various issues — look at Andrew Cuomo and do the opposite.

Because what the Democratic party did, much like it did with Hillary Clinton, is see an outsider, interesting, entertaining, magnetic politician, and they were like, "I know — entitled establishment, scandal-ridden nepo baby. Will that work for you guys?"

And the Democrats were like, "No, that's not going to work for us." Much like in 2016 when Republican voters were yearning for a different suite of ideas and Trump came with it, Mamdani is the guy who came with it.

And what's been interesting to me is to watch his shift from affordability almost exclusively in what we were seeing coming out of that campaign to much more identity-focused, which I think is his roots. He is a woke guy. I don't think he would be upset if I said that.

In fact, he said on his very aggressive victory speech that he doesn't apologize for any of that. He doesn't apologize for being a democratic socialist. That's what makes him so wonderful, he said.

He explicitly wants to be the foil to Trump. I think Trump is excited for him to be that foil.

And he said at one point, "I know you're watching, Trump. I have four words for you: Turn up the volume."

Which is not the most badass of fight lines, but your mileage may vary. He set his expectations really high. He said we are going to set expectations high in this city and we're going to meet them. And the expectations — the things he's going to do — were number one: freeze the rent; two: make buses fast and free; three: universal healthcare.

Now, I'm sure that you guys, being sort of economically literate people, can recognize that these things might not hit the mark. That perhaps making a bus system free will not also make it fast and safe. It's like that old adage where you can have cheap, fast, good — and you have to choose two. Choose two. You can't have buses that are safe, free, and fast.

If he by some miracle proves me wrong, I'll be back here next year and I'll admit it. But I don't think he's going to.

So the question is, I think in the future, it does feel like even though he was talking about affordability, he is pivoting back to luxury beliefs. He is pivoting back to things that the overeducated transplant community, higher-income folks care about in New York City. And that doesn't usually lead to great governance, particularly on the crime front.

So, we will see where that heads. There may indeed be a price to pay, which I don't want New York City residents to pay, but there may be a price to pay politically for the Democratic party for him being the face of it.

Let's talk about the other model — Abigail Spanberger and Mikie Cheryl. Are they also luxury-belief candidates? Frankly, I watched Spanberger in Virginia and she didn't moderate on anything. She just wears a boring suit and avoids issues.

So I'm not sure what we're going to see in governance, particularly since she couldn't even moderate to kick the guy off her ticket who threatened to kill actual members of the Republican House.

By the way, while that was happening, there were three other threats on Republican lawmakers that were subject to arrests — it was serious enough that people were tracked down and arrested for it. So it's in that environment that she was like, "Jay Jones, stay on the stage."

Nonetheless, large margins of victories — and margins matter — because Democrats were already supposed to do well. This was an uphill battle for Republicans, but they're supposed to make it look a little closer than this. Spanberger got a double-digit win. This is Jake Sherman reporting on this, Punchbowl guy. That hasn't happened in a Virginia governor race since 2009.

Democrats gained seats in the Virginia House of Delegates, strengthening their majority. Spanberger won Loudoun County — that's one of those big Northern Virginia counties — by 29 points, a year after former Vice President Kamala Harris won by just 17, which was one of the tells that things were not going well for her. The other big question is the young men or Latino voters.

One of the interesting things about the Harris campaign is that she lost the most from Biden's totals or shares from an interlocking group of voters. They were male voters, young voters, voters of color and irregular voters. If you put all four of those things together, all four of those characteristics together, she lost 17 points.

But the question was always: can you keep young male Latino infrequent voters — who are probably UFC fans, by the way — can you keep them coming out, particularly in an off-year?

What has happened with the great realignment is that Republicans used to be the high-propensity party. All the moms would put it on the calendar — "We're all going to come out and do the voting. We got it." Everybody would show up every off year, every time, every local election. No problem.

Republicans are now not the high-propensity party. Democrats are.

So you see a situation where without Trump on the ballot, pulling those voters is really really tough. And you see evidence of this in two heavily Latino counties in New Jersey that Trump won in 2024 — they swung back to the left.

Mikie Cheryl flipped Passaic and Cumberland counties and improved Harris's margin in Hudson County by a double-digit advantage.

That is an early sign for Democrats that Trump's inroads with Latino voters may not last in the face of his various policies, whether they're economic or immigration. And that has huge implications moving forward. Slightly better news for Republicans is that these two states are Democrat +6 states. Harris won them by six points. All the flippable House seats are at best D+2.

But if I were a Republican and I were looking around at the deep stats in Virginia and New Jersey and various counties, Pennsylvania, I'd be worried about anything that was not strongly Republican.

There is much work to be done and I think it needs to be done on the economic front.

So who's the future?

Mamdani is the most charming face for the party. I think he's going to position himself that way. There are also a handful of other youngest Democrats profiled by New York Magazine this week.

And let me read you Becket Adams's description of them. And this is important because like I said, Mamdani is charming. He's a little different. He's running in a very blue city.

The normie-coded CIA-moms Mikie Cheryl and Spanberger — different beast than the one that is described here in New York Magazine as the up-and-comers in the Democratic party.

And the Democrats from this win are of course liable to be too big for their britches and think they can go super far left like Mamdani in any situation.

Here's the description:

"In a glossy spread published this week by New York Magazine's Intelligencer, the publication gushed over the 25 youngest Democrats to watch. Among those listed as the most promising politicians of the next generation are: a trans person who believes he's a woman; a mayor who threw a coloreds-only Christmas party; a self-proclaimed Gen Z influencer indicted for obstructing federal officers; an oyster man who until a few weeks ago sported a sizable Nazi tattoo on his chest; and an eco-radical former congressional chief of staff known best for buying his position within campaign donations, accusing centrist Democrats of being Jim Crow-style racists, and producing the dead-on-arrival \$53–\$93 trillion Green New Deal."

So I would submit: if they get too big for their britches and this is the offering for regular Americans, they're going to get in trouble. Because everything as everyone's swinging back and forth is like, "Are you talking about stuff that I care about? And can you be semi-normal?"

And the answer with politicians is often no.

I'm going to tell one more story to close us out.

I have four kids. The two littles are four and two. They're in the same room. And let me tell you, this room — when they were babies — it was designed so beautifully. It had art on the walls. It had the perfect dresser that I had hand-painted. It had the perfect lamp, canvases on the walls, the perfect sheets, crib sheets matched, the perfect carpet.

And as they grew, alas, what happened? They got crazier and crazier and more mobile and more mobile. And it reminds me somewhat of the political parties and their coalitions and the struggle they have to act like humans.

Because, as you know, it is my job to teach these young beings to be humans. But the thing is, I like to sleep in a little bit. And so what happens is I don't teach them to be human beings in the morning after they get up. In fact, I lock them in their room and let them have what my husband calls a prison riot.

[laughter]

And then we just deal with the consequences afterwards.

As a result, there are now no cribs in the room. There are no sheets in the room. There is not a clock in the room, which had to go immediately into the trash can. It was hung really high on the walls, guys. I don't know how they got what they got onto it, but they got it up there. It's a real biohazard situation.

[laughter]

At any rate, there is no longer a lamp. I in fact replaced the lamp with an aluminum lamp thinking like this one's indestructible. This will be fine. And I walked in and it was crushed into a tiny sliver of what it had once been.

At one point my son, at about two — maybe a little bit less than two — we heard him making noise upstairs and I was like, I guess I should go check on him instead of letting them have it out in there.

So I went to check on him, or my husband went to check on him, and he comes down carrying a six-foot-long section of chair rail that my baby had pried off the walls with his bare hands.

So we're down to basically padded rooms.

[laughter]

And I think you see where I'm going with the analogy to your party and your coalition, which is that if you leave them to their own devices too too much, you will not be able to have nice things.

[laughter]

And in my case, it's strategic, right? But it's not strategic for the party. So I think that's something that both parties and both coalitions and ideologically whichever one you fall into have to watch out for.

And let me close with this, which is that on my way to give this speech, I thought, “It’s been a while since they’ve destroyed something in there.” And I never should have thought that.

“It’s been a while since they’ve destroyed something in there.”

And my husband texted me.

“Every time I’ve gone in to check on Cal,” the little boy, “after nap or bedtime, he walks up to me and hands me a loose screw”

And he’s like, “I don’t know where they’re coming from.”

[laughter]

So someday the entire structure is just going to collapse.

And so when it comes to politics, I would suggest that we guard against such things and be a better parent than I — because we’ve all got a lot of freaking screws loose.

Thank you very much.

Nick Hodge

“The Senior Way To Invest In Juniors”

Thank you, sir. Hello and thank you. Bit bigger audience than last year. \$4,000 gold will do that.

A big thank you to Mr. Brien Lundin for hosting, for having me here for the 13th year in a row. which means I've been here for 25% of the 51 New Orleans Investment Conferences that have occurred.

I'm going to put some of that knowledge that I gained in those last 13 years into this talk. And I'm not going to talk about the markets or trends or anything like that. I'm going to talk about a specific way to invest in junior gold mining companies or junior resource companies in general. And that's the name of the talk, The Senior Way To Invest In Juniors.

...As seen on the internet, that's me. You just heard the bio. I run Digest Publishing and co-own Resource Stock Digest. There's a couple of books there. I took over unknowingly for Mr. James Dines when he passed away in 2022, providing service to all the readers of the Dines Letter and the Interim Morning Bulletin.

And then there in the center is what I'm going to talk about today. Private placements. I do that through a letter called Private Placement Intel.

Before I get into it, let me see a show of hands, informal surveys as they were to commence this conference. How many people are Americans or are US citizens here in the audience?

Okay. And how many people have done a private placement or know what they are?

Oh, good. So, we're going to have to get more of those hands up in the next year. That'll be good.

So, 11,025%. That's the best return we've ever got from a private placement. That turns every \$20,000 into \$2.2 million. And we did that.

We did that from 2020 or 2021 to 2023 in one single company. And if you include the warrants, which often come with private placements, that same \$20,000 would have turned into over \$4.4 million.

And you can see the breakdown there at the bottom. We originally invested at 16 cents. We had full warrants at 25 cents and those shares went to \$17 in the course of two years.

That's what we're all looking for. That's what we're here to do. And I want to tell you a little bit about why private placements can help give you an advantage while doing that.

That's Patriot Battery Metals. That was the company that did that. You can see where we first bought shares in Patriot Battery Metals at 16 cents a share before anybody knew what it was.

It wasn't even called Patriot Battery Metals then. It was called Gaia Metals. They weren't looking for lithium in Quebec. They were looking for gold in Idaho.

And so things change in this business. We talked about that a little bit on the 101 panel about how mining and management teams can pivot and do things successfully when things don't go well. And this is certainly an example of that.

We also wrote checks at 34 cents a couple of months after the 16 cents that came with 75 cent warrants and those all got exercised as well over the course of that run.

That was in the 2020 to 2022 lithium boom when the price of lithicarbonate went from \$10,000 a ton to \$80,000 a ton.

So what is a private placement? Well, the AI will tell us, and excuse me for reading, that a private placement is a transaction where a company sells shares of stock, bonds, or other company interest and assets to a select group of investors rather than selling them on the open market.

These securities are exempt from requirement to file a registration statement under the US Securities Act, which is why I asked about US investors. And if you were from the US, this is a US-centric talk.

And those shares come from issuers which then have fewer disclosure requirements than they would to do a full prospectus offering. Which is why junior mining companies like to do private placements.

They don't need to pay the lawyers and file the documents necessary to do a full prospectus offering and that's why these securities are exempt. But they're regulated by the SEC and under regulation D you can invest in them.

A select group of folks can invest in them. So you'll see some highlights on that slide. Those are important terms. I'm going to break some of them down in the next couple of minutes.

What these deals aren't, these aren't Reg A deals. These aren't crowdfunding deals. We're not trying to make the next video game. We're not trying to start up a restaurant. We don't want a gift if they get their first product to market.

That's not what we're doing here. This isn't crowdfunding. And these companies aren't private forever. These are public companies.

You're just doing a private placement in a public company or it's IPOing as a result of the private placement. It's doing a direct listing or it's coming to market in some other way.

In the US, you get to buy these securities under regulation D or S. and it essentially makes it venture capital, right? You hear a lot about venture capital and unicorns and that's essentially what this is.

These are early stage mining exploration and development companies that aren't generating revenue so they need capital.

You hear a lot at this conference about the cost of capital and how companies need to raise capital. Private placements are one of the ways they raise it from investors without having to file a prospectus.

The companies that we do this in, as I said, they're already public or they're going public primarily on the TSX, the TSXV, or the Canadian Securities Exchange.

They're already public or they're going public through an RTO, a reverse takeover, or they're a capital pool corp., a CPC that's doing a qualifying transaction and will list after the qualifying transaction, or there's some strategic shift happening in the company. They're going to roll back or consolidate their shares. They're going to target something new. They're going to go after a new project or property, etc. And they need capital to do that.

And that's when they would do a private placement. Again, these are early stage pre-revenue companies mostly in natural resources and other sectors that don't generate revenue early on or that need to do extensive R&D that requires capital.

One of the highlights was a select group gets to buy these. Well, who's the select group in the US? It's accredited investors.

I'm not going to go through all the three bullets on the left, but those are just three of some 20 categories by which you could be considered an accredited investor.

These primarily apply to retail investors, which I think you are. So, 200 grand of income individually or or 300 grand with a spouse or a net worth over one million are the typical categories, but there's lots of categories, friends and families, exemptions, etc. Total net worth over 5 million. You can Google that on your own time.

Examples of people we do this with. Mr. Doug Casey is currently a member of Private Placement Intel. Mr. Robert Bishop is currently a member of Private Placement Intel.

Some of you may know who those gentlemen are. The other clients are typically small business owners, spaay insulation owner, dentists, medical professionals, plumbers that have a couple of vans or fleets or teams, and they've got the cash, they meet the accredited investor definition, but they're looking for a better or a different way to invest.

Company executives do this a lot. A lot of suite mining company executives on the private placement intel group and a lot of advisers that are looking for deals that we sourced to pass on to their clients.

And then we do, not a lot, but we've done several deals over the past couple of years with Rick (Rule) and I'll go over a couple of those in a second.

So these are the the people and and also the the the speakers that you'll hear on this stage are often buying shares this way. I think Brien just mentioned Kincora and the the one-year hold he had on these this is the way that the the quote unquote smart money invests in the junior resource space.

That's because they have these benefits. So one is timing. If a company is doing a private placement, if Rick is coming in to do a private placement or they're raising a large amount of money, it's likely because the company is approaching some sort of catalyst or going after something new.

They're going to drill something new or they're going to put together a preliminary economic assessment or something. And by that very nature, they're bringing in new investors and people that you like, admire, and follow are investing this way.

You can also get a discount. So on the TSXV, when you do a private placement, you can offer shares 25% less than they're trading if your stock is 50 cents or less. A 20% discount if it's 51 cents to \$2 and a 15% discount if it's trading at \$2 or above.

So you can start at the 15 or 20 yard line ahead of everybody else if you can buy shares at a discount to what they closed that day in the market.

These deals also come with leverage in the form of warrants, half warrants or full warrants over some duration, 12, 24, 36 months, whatever it is that allow you but don't require you to buy more shares at a lower price in the future. Sort of like an option.

And then there's the counterparty issue, which I thought about while I was doing this talk and I hadn't really thought about before, but you hear a lot about counterparty risk. That's why we like gold. That's why we like Bitcoin. There's no counterparty.

Well, when you're on an exchange, you're on Schwab or Robinhood or E*Trade or but you're buying shares, you're buying them from someone else. There's a counterparty, and there's a reason that other party is selling the shares.

When you buy them right from the issuer in a private placement, they're the only counterparty. You're buying them right from the company. Again, likely at strategic timing, i.e. the first bullet there.

So, I'm going to run through three examples of companies we've done private placements in, in the past year or so.

One is Kingsman Resources that just before this conference commenced last year, 2024, we helped raise them a million dollars, October 2024 there.

The shares closed that day at 31 cents and they announced a private placement at 25 cents that came with a full warrant at 40 cents for two years.

A couple of months later, they identified significant new silver gold mineralization at their project called Las Coloradas in Chihuahua, Mexico. the Parral Mining District.

And then a couple of months later, they announced continued high-grade silver and sampling. So they're doing their early stage exploration here. Shares start to ascend.

Silver price, gold prices are going up. They take the opportunity to raise \$1.5 million at 72 cents. So this goes back to structure. Now they have enough money to drill.

And the shares are still structured in an advantageous way to everybody. The company still has less than 30 million shares outstanding.

Time passes as summer goes on. They drill at the Las Coloradas project. And then in August or September, they announced the initial results, right? 1,028 grams a ton of silver equivalent over marginal widths, 1.45 m, but relatively shadow at 190 meters.

And the shares took the opportunity to go to highs at \$1.75 or \$180 as you can see there. That's pretty good work from the 25 cent placement that we did just a year ago.

And oh by the way, our warrants are now significantly in the money and they don't expire for a whole 'nother year.

So that's the outcome. Shares up 600% in a year from the financing price. We have warrants that we haven't exercised yet that are 330% in the money and they've only put out one set of drill results with more to come and additional drilling to do. And they have another property. That's a win. And they're over in the exhibit hall, by the way. All these examples come from companies that are over in the exhibit hall that have much more to do and you can go talk to them.

Another company we financed is Dauro Gold. They did a 6 cent private placement with a full warrant at 10 cents for two years. They did that just in January of this year.

Closed it, expanded their land position. This is a company in Peru in the Ancash Mining District. neighbors to Highlander Silver's Bonita project which has a \$500 million market cap.

At the time we financed Daura, it had like a five or sub \$5 million market cap. Right next door, a trend likely continues onto their property. They announce an exploration program. They expand their land position. They announced the discovery of a new high-grade epithermal silver and gold vein. Silver and gold prices moving up. Shares rise to 25 cents.

They take the opportunity to fill the coffers. \$7 million raised, this is just recently now, at 25 cents a share. So, we're up four to 5x on our shares. Our warrants are now over 200% in the money. We haven't even drilled yet. That's the outcome. 650% in 10 months. And our warrants are 400% to 500% in the money, and we can hold them until 2027.

It leaves Daura with \$7 million cash in the bank, an eight or nine or \$10 million market cap, and a \$500 million neighbor that they can see from where they're going to drill.

The last example is Kincora. This is a company we helped raise \$4 million at 30 cents contingent upon them rolling back their shares 10 for one. Came with a 50-cent warrant for three years.

And this is a deal that's already been mentioned a couple of times on stage. We locked up our paper, our shares, for 12 months instead of the typical four months, showing that we believe not only in the company, but in the copper market. Jeff Phillips and Rick Rule were the lead orders for that financing.

Financing closes, shares consolidate, stock comes unhalting and climbs, as you see there, \$1.60 just two or three months after the financing closes.

When the shareholders approved that consolidation deal was allowed to go through and now it's consolidating there around a dollar. It was actually a little bit higher than that on Friday.

This is still very early days. They still have a lot of exploration to do, a lot of partner-funded drilling. They're a hybrid prospect generator wherein they have commitments to drill their projects totaling over \$100 million.

This is a company that's less than a \$15 million market cap. something like that. And also have projects that they're going to drill themselves.

And our shares are up 300% from the financing, just four months. 300%+ in four months. And the warrants are 150% in the money and we can hold them for another three years.

So those are three examples just that we did in the past year. We probably do 8 to 12 deals a year. We vet them. We invest in them personally and we pass them along to our group.

I have five minutes left even though we're a little bit behind. And so I'll try to get us back on schedule, but just some additional points to consider.

You might have heard of brokered or non-brokered financings. We're typically doing non-brokered financings because the group of us, in addition to other folks like Brien said, he participated in Kincora, are raising all the money.

So we don't need a broker. We can do a non-brokered financing. You know, if you're a, you have an account at Haywood or Canacort or some of these other groups, they'll take they'll do a brokered financing wherein they take the entire thing. Company's raising five bucks or five million bucks, the brokerage house will take all five million and then they're passing it out to the people that have brokerage accounts at that brokerage.

Not to say those are bad deals. It's just to say that the brokerage house wins kind of no matter what because they're getting fees, right, to do the brokered financing. Whereas in a non-brokered, the only way we profit is if the stock goes up.

But you still need a broker, which is the second point there, because these are exempt securities. And this is what I get the most customer service questions from. Somebody new comes in, they want to invest this way, they hear that it's advantageous, they want to do the warrants, but they have no idea how to do it.

They think they can do it on Schwab or E*Trade. That's not the case because these are exempt securities that come with a legend.

And that legend means you have to hold them for four months and then you have to get the legend removed, which means dealing with the company's transfer agent and the back office of the brokerage and the company itself and their legal team to get the legend off if you're a US citizen. So you can then sell the shares which is a bit onerous but given the results is totally worth the little bit of extra time it takes for you to invest this way.

The other thing you get with these sorts of deals is a higher level of access because if you're buying shares right from the company you're in the deal. You might have heard the saying in the room in the deal.

It's good to be closer to these companies, to buy the shares directly from the companies and to then have a direct line of communication to communicate with these companies to learn what's going on, not to go across the line, not to become an insider, but just that they know that you're buying shares directly from them. You're not just some random shareholder buying in the open market.

And then liquidity is a concern, right? Because some of these companies are so small that if you were to go in the market and buy the size position you want, you're going to end up bidding the shares up yourself because the bid ask is so thin.

When you do private placements, you don't have to worry about liquidity because you're buying the shares right from the company. You can buy as many shares as you want. It doesn't matter what's on the bid ask.

And in that way, this is how I do it and many of the people in our group use private placements to buy their core position. So if you say, I want to buy company X, do a private placement and then do what's called trade around that position. Use your regular brokerage account to buy and sell shares of that same company to trade around your core position.

And then I would invite you to learn more about private placement intel and our track record there. I'm not going to go through it here, but happy to talk to you.

It's been quite impressive over the past, well, really since inception in 2015, but I think 12 of the last 18 deals we've done since the beginning of 2024 are already up 200% or more.

So, it's been really good for us to invest this way. We do the diligence ourselves. We eat our own cooking, which some people don't like and some people love, and then we pass deals along to folks who want to invest this way with us.

And that's what I do there at Private Placement Intel.

You can Google that, you can go to private placement intel, you can come up and ask me more about this style of investing, but I encourage you to learn more about private placements because well, I guess it's the senior way to invest in juniors.

With that, I appreciate your time. I look forward to spending some more time with you over the next couple of days. Have a good night. I appreciate it.

Robert Helms

“What Comes Next For Real Estate”

Well, welcome and I am so thrilled that you're here. Raise your hand if you saw our pre-conference session on real estate. Awesome. Thanks for coming to that. We had a record crowd, so appreciate that.

We're going to talk about real estate, but because we're at a mining and resource conference, we're only going to talk about it for 20 minutes. But I talk fast, so we're going to get a lot in.

My premise today is, what's next for real estate? The real estate market, like the mining market, like a lot of sectors, has changed a bunch. Some of that is new administration. And when that happens, there's tax changes and there's the perception people have.

People are traveling less. People are hanging on to their money. But at the same time, I don't know if you noticed this, but gold is up. Did you notice? Right? Gold is up now. People think that's great, especially gold bugs. They love that.

But it also could mean that I don't know, maybe the dollar is headed down.

So, real estate, like gold, can be an incredible hedge and protection. But it also provides something that gold doesn't, and that's cash flow.

So, I want to take you through just a couple of things. Then I'm going to bring up a couple of smart friends of mine.

So, if you get my slides up, I think there's just first some shameless promotions. So, let's see. If you haven't learned anything about me, well then blah blah blah blah. So, thank you for that, Brien. Appreciate it.

You can find our free podcast on all your favorite podcast outlets and you should do that.

So, real estate is different than other asset classes and the primary reason is it is not discretionary. If you want to invest in uranium or gold or silver or oil or the stock market or bonds, that's 100% discretionary. You don't ever *have* to do that.

But you cannot sit out the real estate market economically. You don't have to buy property, but you are going to have to interact financially with real estate like you are here at the Hilton Riverside tonight. There's always a financial transaction.

And because of that, it behaves some different ways that makes it a little bit harder to watch.

So, what do we watch for? Well, that depends on whether you're an active investor or a passive investor. Most people think real estate investment is only active, "I have to deal with tenants, toilets, and termites." And that is true for active real estate investors, but there also is an awesome world of passive investing in real estate.

I covered some of that in the pre-conference, but things like investing in real estate investment trusts. You could even buy a homebuilder stock to get exposure to real estate. But my favorite is private placements. You can come together to do bigger deals. That's something we've taught for a long, long time.

But whether you're active or passive, getting some exposure to real estate makes sense. And like the rest of what you've seen this week, we want to focus on where we think the puck is going.

So there's lots of different places and sizes and kinds and markets that you can deal with in real estate. It isn't just one thing. You know, gold is kind of one thing. Now, yeah, there's the numismatic guys and there's collectibles and there's fun ways to make it pretty, but at the end of the day it's just kind of one thing. And silver is a different but related thing.

Real estate's all over the map and that makes it a little difficult to try to figure out what to buy, where to buy, when to buy.

If we have time at the end, I'll give you two real shortcuts. If we don't have time at the end, then catch me at the booth and I'll tell you the two shortcuts to investing in real estate if you never have before.

So, I unfortunately do not have a crystal ball. I wish I had a real estate crystal ball so I would know when to get in and out of the markets. Who wishes they had an investment crystal ball of some kind?

We call it be the Biff. Do you remember Back to the Future? Biff Henderson was the guy that found the Almanac and then used the car to get back to the future and then bet on all the teams and he became uber wealthy in that fabulous penthouse of his. Well, we don't have that.

But I have the next best thing. What I do when I want to find out what's happening in the market is I just ask my super smart, super rich, super real estate savvy friends.

And it just so happens that I have a couple of them here today. They are two of the five partners of the collective inner circle. Maybe you've been to the booth, but I'd like to welcome them both for the first time at the New Orleans Investment Conference. It only took 51 years to get them here.

Please welcome Ken McElroy and Jason Hartman. Come on up.

Ken McElroy:

Thank you.

Jason Hartman:

Thanks, buddy.

Robert Helms:

So, I'll tell you a little bit about them while they're taking their seats. Ken McElroy is a best-selling author when it comes to real estate. His book, *The ABCs of Real Estate Investing*, one of the bestselling books ever on real estate. He has a whole bunch of amazing other books, but even more so, incredible podcast. And he's just a heck of a nice guy.

Jason Hartman:

and by the way, what Ken invests in is a lot of stuff, but his focus, multifamily, 200, 300, 500, 600 unit apartment buildings.

Jason Hartman is more of a single family guy. He hosts the *Creating Wealth* podcast. We've been friends for 20 years and we're a little bit ahead of him in terms of our broadcasting length and I don't think he's going to catch up. So he makes up for that by doing a whole bunch of podcasts.

But so my single family guru, my multifamily guru, and we're going to have fun here. We're going to — we only have a few minutes.

So I'm going to give them 10 areas that I think we should be watching and where real estate is going and we'll get their input.

So first gentlemen, interest rates. What do you have to say about that?

Jason Hartman:

They're going down. Thankfully,

Robert Helms:

They're going down. Who thinks that's good for real estate? Yes, that's good for real estate.

Now do understand that the Fed rate doesn't really mean the mortgage rate. It does inform as they say, but we are seeing in the real world rates are down. Do we expect that to continue? Do we know?

Ken McElroy:

I do. Well, I think all you got to do is look at Trump's playbook from the first presidency and you know, he's obviously been pretty vocal about it. So, I think he's going to get his way.

Jason Hartman:

Trump gets his way. That's good.

Robert Helms:

And that's going to affect interest rates.

Okay. So interest rates — experts predict will either rise or decline in the future.

Okay. Pent-up demand. So we've been talking about on our podcast the lock-in effect. The fact that folks that have a 2.75% mortgage rate aren't wanting to sell their house, but there's pent-up demand. People that otherwise would have moved with rates coming down.

How do we see that affecting real estate?

Jason Hartman:

Yeah, I mean the pent-up demand issue is huge. You know, sales volume reached well over 6 million during the good times when there were a lot of transactions. Talking about single family, of course. And then we went down to about 4 million. We've been hovering around that for about three years. So, all of those would-be home buyers will enter the market as housing becomes more affordable through lower rates, and that's going to push up demand for sure.

Ken McElroy:

Yeah. And by the way, this is trillions of dollars. This is a big number. And so what was different this time around other than 2008 which we both went through is there wasn't any. So what will happen as rates come down is you'll start to see people harvesting their property, whatever it is — single family home, multifamily — with the lower rate. They're going to do cash-out refis or maybe sell and buy new ones. But it's going to unlock all this money that's going to start to flow.

Jason Hartman:

Homeowners have a record amount. We have the most historically — the highest amount of equity. How do I want to say that? About \$34 trillion with a T. So trillion dollars compared to what the GDP of the country is — just over about \$30 trillion. So that's a lot of equity that will be unlocking as rates decline and a lot of transactions that will be happening. We have only about 850,000 homes for sale in the country and at every half-point rate decline in mortgage rates, millions of new people qualify for the median price home. So it's just pretty obvious what's going to happen unless we can reduce the demand — reduce the population somehow. They tried that with a vaccine, didn't quite work. [laughter] Okay, YouTube would definitely censor that remark. And so would everybody else. But — or just increase supply. And it's very hard to increase supply.

Robert Helms:

So a couple things there is that when we look at single family homes we look at owner occupants, but then there are those of us that invest in single family homes. We're watching interest rates. And then there are people who are going to refinance and not necessarily buy or sell their house, but that is also a lot of volume.

All right, number next is — this is for you, Kenny — apartments are on sale and banks need help. Tell us about that.

Ken McElroy:

Yeah. So when inflation hit 9.1% — I guess it was June of '22 — the Fed reacted late as we know. They started jacking rates. What that did was it put a lot of people in bad situations that had construction loans or floating rate debt or whatever it might be. So you have a lot of real estate right now on the commercial side — mostly multifamily, retail, office — that are struggling with higher rates when they thought they were going to be lower. That's all because they were floaters. So that's all construction — it's a floater rate. So what you have is — first you have the rates go up to try to tackle inflation. Then that drove up cap rates or capitalization rates. So

as rates go up, mortgage payments go up, buyers are going to pay less for properties.

So what happened was the apartment values and a lot of commercial real estate went down by 30–40% in some cases. So if you bought something for, you know, \$40 million, it's now worth \$30 million, which is basically the loan, which means there's no equity.

So a lot of these lenders are sitting there right now with apartment buildings that are basically worth the loans or less.

So that's actually what's happening right now. We've had a very active year. We bought almost \$600 million this year and we have another one in escrow in Vegas right now. And it's a tremendous time. You got to know what you're doing, but it's a tremendous time to be buying these because oddly enough, rents have not really adjusted too much.

This is very different than 2008. So the operations — yes, expenses are up a little bit and rents are flat, that's for sure. But the operations aren't really reflective of the value change. It's almost entirely because of the interest rate.

So it's a very, very good time.

Robert Helms:

And of course with apartments, most of us can't afford to buy a 200-unit apartment complex ourselves, which is why we use the tool of private placements or syndication — group deals — to get exposure to those.

In the interest of time, let's move to this one — insurance and other costs. Kenny, you talked about all costs being up, but insurance has gone up a lot. Do you want to talk about that, Jason?

Jason Hartman:

Yeah, it has gone up a lot, but it depends. That's very uneven. So Florida and California are the two big states that are affected by the insurance problem. And I'll take Florida as an example. The insurance rates on newer single family homes really haven't gone up that much in dollar amount.

In percentage, yes. I'll give you an example. I've got a few single family homes that I own in Florida and rates went from like \$1300 to, you know, \$1800. That's a big deal, you know, that's not a lot. Percentage-wise it is a lot. But these are newer properties.

But if you had an older property in Florida, your rates skyrocketed in some cases. And that's what you read about. You know, the media loves bad news — if it bleeds, it leads. That's the old saying from the media.

So that's what you're seeing a lot of the reporting on. It's not really quite that simple. And that's one of the things you got to look at.

But you've got to remember also that real estate, just like any corporation, is a pass-through entity. It takes a little time to pass it through, but all of those costs end up becoming higher rent. Because when any actor is in the marketplace, they either buy, they rent, or they're homeless, right? And so, you know, less supply, fewer landlords going into a market if the deals aren't as good, right?

Or fewer tenants moving out of the tenant market into the ownership market. So that puts more demand and rents go up.

What's interesting though is what Ken was talking about in his business — the famous quote by Wayne Gretzky: you've got to skate to where the puck is going. And that's what Ken is doing right now, right? You know, most people would say the apartment market is still bad, but the fundamentals are so obvious, right?

There's a housing shortage. There's a lot of distress deals right now. And rents — there's been a record amount of new supply come on the market in the last two years. And so those are starting to be absorbed and those rents are going to start going up.

So skate to where the puck is going.

Robert Helms:

And it's getting early, right? Part of what I use is what I just call the Ken McElroy barometer, which is if Kenny and his partner Ross are buying, then it's a good time to buy. And if they're not, it's not.

They went three years without buying anything when the rest of the world was bidding everything up. And then at the last time we had the fund in 2008 — between the end of 2008 and two and a half years later — you guys deployed like \$300 million when everybody else said it was a terrible time to buy.

You don't want to catch a falling knife, but you want to think on the other side.

All right, let's talk about — this brings up something — the affordability, the homelessness — is this new area of co-living or shared housing. Maybe Jason, you talk about that.

Jason Hartman:

Yeah, you know, we have been looking at this for about five or six years. I avoided it and we just started doing co-living properties recently.

And the reason I was avoiding it is I knew there'd be a lot of growing pains as neighbors might complain that there are too many people living next door in this single family house.

But first of all, what is co-living? It's where you — the model, the best model seems to be — you take a single family house with three or four bedrooms. You convert it to an eight-bedroom house.

Now, this is not in an HOA, okay? Usually, right? It's a non-HOA house. You convert the garage into two bedrooms. You do this all legally with permits. It's totally legit — proper HVAC, everything.

And it turns out to be an eight-bedroom, three-bathroom house. And rent is collected weekly. These people will pay like \$250 a week. And you can just do the math on that — it's very good.

We have properties, for example, in a couple of different markets that are between \$450 and \$550 that will generate \$7000 to \$7500 a month in income. That's phenomenal.

Robert Helms:

And because these are often membership-based, tenant-landlord law looks different. We'll leave it at that for now, but this is an area to watch. Big changes in this.

Okay. How about build-to-rent?

Build-to-rent is where a developer says rather than build something to sell to an occupant, we know there's demand — we're going to build townhouses or single family houses or condominiums to rent.

So what do you say there, Jason? Then we'll see if Ken has something to add.

Jason Hartman:

Well, Ken has a lot to add to this of course because being an apartment builder — which you are — is basically build-to-rent, right? But this — what you're talking about is with single family homes.

So, you know, we see the institutional investors — Invitation Homes, American Homes for Rent, and all the rest of them — owning tens of thousands of single family homes. That was never really done before in any significant way until after the Great Recession.

And so this is a different thing and it is by no means as big a deal as some say because even though they have a record amount of participation in the market, it's still a drop in the bucket.

There are about 20 million single family homes owned by mom-and-pop owners in the country and a much smaller number in the institutions — I don't have it offhand — but it is an interesting trend.

And one of the things mom-and-pop landlords are really bad about — I'm sure you'll agree with this — is they're not very good at raising rents. And institutions are very good at raising rents. They use the kind of software you use, like yield-management software, and they are very good at raising rents.

So they're setting higher comps that are going to bring more income to mom-and-pop owners and allow mom-and-pop owners to be better at raising rents. None of your tenants will love this, but I'm just telling you that's the dynamic of the market.

Robert Helms:

When you decide you want to build an apartment complex, it takes some time. So, Ken, I know when it comes to building stuff, you're looking ahead at supply. We just went through a period — kind of through the end of last year — where there was a bunch of new supply coming on. That short-term affected the rental rates.

What are you seeing now in terms of new construction in apartments?

Ken McElroy:

So, well, build-to-rent has been around for a little while and the reason it's successful is because of the client. We build two, three stories and you don't have a traditional yard or garage or those kinds of things. So they're basically building neighborhoods.

And the other thing is the big boys are getting in — like, and by the way, not just BlackRock — but Lennar, D.R. Horton...they're in this space. So imagine you had a home, single family home plat, but you can't sell them — they're actually building out neighborhoods now, renting them.

I wouldn't be surprised if you start to see some of those converted later back into homeownership when rates come down.

But the build-to-rent thing only really works on the outside of town because there's only a few things that make up the cost of a home. One is land. Two is construction. So land is typically cheaper on the outside of town. So you're seeing these.

But as the town grows in, you're starting to see these.

It really is the middle between, let's say a rental home and an apartment building. So it's been a super successful run for everyone who's doing them.

We looked at them. We haven't done them yet because we do mostly infill properties. We try to build inside of already a developed pocket — the neighborhood or a retail area or something like that — instead of trying to be a pioneer and be on the edge of town.

But we're building 1,500 units during this cycle for only one reason. One is there's 506,000 units that hit the U.S. this year — which is a lot — in the last 12 months actually.

So what that does — what that did — is it put a lot of stress on the landlords and it's good for the tenants. That's what's happening right now. Rents are soft, lots of concessions, lots of supply. It's a really good time for the renter.

Now when rates went up, construction rates went up, the people that are building — they're freaking out. They're like, "Uh-oh, this is not good." And so they pulled back on anything else that they were going to build.

So what you saw was all the — you can follow permits pretty easily — it went almost hockey-stick straight down. And so all the units that are here today and hitting the U.S. right now are moving through and they should be all the way absorbed by the end of '26, early '27.

After that, you're going to start to see rent growth again.

Jason Hartman:

To where the puck is going.

Ken McElroy:

Yeah, that's where it's going. Yeah.

So that's why we're building now because the properties — it takes me a good probably 10–11 months to open the clubhouse in a couple buildings and then a good year, year and a half depending on how big the property is to finish it.

So call it a two-year build before it even is really brand new and done. And so if we start today, of course, we're looking at late '27, early '28, which is exactly when we want to open.

And so that's essentially what we're trying to do. We're trying to time the market. When there's no new construction entering the market, that's when you want to enter the market.

Who knows what interest rates will be during that period of time. But certainly we'll have the newest product in the best areas.

Robert Helms:

Let's give them a hand. That's Ken McElroy and Jason Harman. Thank you, gentlemen.

Appreciate you a bunch.

They'll be hanging out in the collective inner circle booth, which is down there around 3:29 if you want to learn more about that. And be back on stage in our final closing tomorrow.

Just a couple more. Developers are catering to investors. There's some pretty new incentives. I'll talk about that in just a second.

Workforce housing — something to keep an eye on.

Agriculture — if you haven't been to Freedom Farms, check out their booth. It's awesome there.

And then a big, big story in real estate is the tokenization of real estate. We'll leave it at that, but be watching because it's finally really happening. And there's pros and there cons.

This is a brand-new beautiful duplex that is a build-to-rent property. So to give you an idea of what they look like — they aren't crappy little properties nobody wants to be...

It just so happens that in about a week we're doing a webinar on this type of property. If you're interested in that, you just send an email to my friend Christine at realestateguysradio.com. This is Christine or you can talk to her at our booth.

We're doing a webinar to talk about not only the cost involved, but one of the cool things that developers do is they offer 3.5% financing because they can. So, if you're interested in that, awesome.

Hey, if you're interested in the Real Estate Guys, you can learn all about us in one easy email to noic@realestateguysradio.com and you'll get all our propaganda.

And that's how you reach Kenny. Kenny has a great podcast, the Ken McElroy Show. You can check that out wherever fine podcasts are available.

Jason Hartman for nearly 20 years has been doing his Creating Wealth podcast at jasonhartman.com.

Another round of applause for my friends Kenny and Jason. Appreciate having help.

[applause]

Kenny and Jason have both been on our investor summit. So has Peter Schiff and Robert Kiyosaki and Mark Skousen and all kinds of cool people. You can too. Come and join us. Learn about that in our booth.

And tonight it's the Real Estate Guys listener party, which I don't normally promote to the entire room, but they changed the location. We were going to be out there in the beautiful outdoors facing the river and it's going to be 60° and windy. So the hotel said, "Can you move?"

So, if you were given an invitation card, it's now in the Jefferson Ballroom, which is right upstairs here. This part above the exhibit area on floor 3.

We'll start at 7:30 or if dinner, come on after that. It'd be fun to hang out. And yes, you're all invited.

All right. Thank you so much. There's where real estate is headed. We have an incredible, incredible afternoon and evening of programming and speakers. And so, I will now switch hats and become your master of ceremonies...

Jim Iuorio

“Hard Money With An Easy Fed...Protecting Purchasing Power As The Dollar

Crate”

Thank you so much. Dollar craters might have been a little overdramatic, but it's not too far gone from that.

There's a couple things I wanted to say. First is that this is the sixth year I've been speaking at this conference and the tenth year that I've been vigorously accused of being a gold bug. Not without some credibility because I guess I am.

But six years ago, let's say even two years ago, people looked at us here who were talking about gold and silver and owning it and owning it in the physical form. They looked at us like we were crazy tinfoil hat-wearing conspiracy theorists and chicken littles.

And now obviously that's changed. The speaker before us just said Morgan Stanley all of a sudden comes out with their 60-20-20 model portfolio. That's a huge deal. Which by the way, is it a tailwind for gold? Absolutely it is.

But one of the things we've seen over the last couple months is in September when they came out with that, gold has gone parabolic. When something goes parabolic and retail hands are getting in, that creates volatility. And guess what happened? We saw that.

Do I think we're still in a massive bull market? Yes, I do.

Here's one thing I would say though about the speeches I've given here is that for six years we've all been talking about where to invest our wealth and where to go to build that big retirement home on the beach. Things have changed. Now we are really talking about protecting our purchasing power and if we don't do that by holding the right assets I think we could be in for a world of hurt.

Jim Bianco talked about — does this have a laser pointer? Because I want you guys to look at the last part of this...I have zero interest in politics. I have a ton of interest in policy.

When I was forming who I was to vote for before this election, my thought was one candidate I thought was going to be awful for spending but great for gold. That was the Harris campaign. And one I thought was going to be slightly less awful spending and really good for gold. And that was the Trump administration.

The one hope I had was that the promises of cutting spending and the promises of, you know, deregulation to get the economy going again, which would boost the tax

base — I hoped that that would happen. What did we get? Look at the very last part of that chart. What we got is the national debt continuing to explode.

So, let's talk about the purchasing power of the dollar. We just talked about this and how we're going to protect our wealth.

Okay, does anyone in this room by show of hands know why I started this chart on 1913?

All right, everyone knows — advent of the Fed. If you haven't read *The Creature from Jekyll Island*, please do.

Since 1913, we have lost 96% of the purchasing power of the dollar. In the last five years alone, we have lost approximately 25% of the purchasing power of the dollar. This chart says 21% which I think is nonsense.

So first, before we go into anything else, let's consider the ramifications of what that means.

Okay, if the dollar's purchasing power has lost 25%, that means in a vacuum, every asset across the board that's denominated in dollars would be not 25% higher, but 33% higher because that's the amount you would need to compensate for the 25% less value of the dollar.

So everything I was arguing two years ago — we're sitting in the boom/bust panel here — saying there's no bubble. Everything is just reflecting this weakness in the dollar. So all our assets have shot higher.

But what happens now is very, very interesting. So that 33% of everything that should be higher — well, that doesn't happen across every asset class consistently and efficiently like that. Some assets do better than others. Tech stocks I've heard are doing very, very well. Just kidding. I'm in tech stocks as well. That's been part of my thesis as well.

So what is driving all this? And that is this absolutely drunken sailor government spending that boosted M2 money supply up probably \$3 trillion above trend. And when you look at that trend line I draw in, that's the ridiculous highly sloped trend line that started in response to the great financial crisis. So where we are today is way above where we were in the great financial crisis.

There's a little thing I like to say, I hate following Jim Bianco because he's way, way too smart. But there is one thing that I mildly disagree with him on. He said, "Should the Fed be cutting rates?" And he said, "The answer to that is no." And I agree with that. I say the answer to that is absolutely no.

There's so much liquidity in the system. It's starting to show up in stupid things. You guys all saw Beyond Meat, some fake meat stock, rally 250% in one day the other day. That to me is anecdotal evidence that we are in kind of a bubbly time.

Are...tech stocks in a bubble? I believe that. I believe that they are in a bubble. But I will say this: believing they're in a bubble means very little because bubbles can go on for two years.

So what do we know? "Inflation is always and everywhere a monetary phenomenon." Friedman.

Okay. So they've thrown this in there. We see inflation. The Fed — this is — M2 money supply. By the way, I love the way these Bloomberg charts look. Aren't they really stylish with all the fun colors?

So this is a chart. The real story that's happening here is not as fun as the colors on the chart. That's M2 money supply in the white line and that's gold, silver, real estate, which is in my portfolio that I've been talking about here for years is the poor stewardship of the fiat currency hedge which has been gold, silver, real estate, Bitcoin, platinum, palladium.

And Bitcoin, I know everyone here thinks we have to pick a team. You're either team Bitcoin or you're team gold. I've never subscribed to that. I think the game has changed. We're not trying to win anything. When you're trying to protect yourself, you actually have to do some blending of many of these assets.

That's the chart of gold, silver.

So what has been the case — the Fed balance sheet, Jim showed this chart so I'm not going to. The Fed has been buying bonds for quite some time. They started selling bonds, letting them roll off, draining their balance sheet.

I believe that is ending now. My base case for gold over the last several years has been this: the government spends too much damn money. Okay? The government is not stopping spending money, which by the way, Republicans — and this is just from data I've collected — seem to talk about cutting spending when they don't have the power to do so. As soon as they do have the power to do so, they conveniently forget.

And I understand — money is captivating. That's why we're all here. They tend to spend a lot.

I do have a hope here. That chart I showed about...about the national debt exploding—I said at the beginning of 2025, no matter what the new administration

was going to do as far as any sort of austerity measures, they weren't going to happen until 2026. We needed to run large deficits in 2025 just because the movement from one system to another financially was going to be a rough road.

So I'm hoping — hope is not a good strategy though, I don't think — but I'm hoping that there'll be a come-to-Jesus moment within the government and they will stop spending money like drunken sailors.

So here's our debt-to-GDP ratio. Jim Bianco showed a couple other metrics of this and what has happened is this: it bounced up to 130. There have been 53 different countries over the last 80 years that debt-to-GDP went to 130. Of those 53 countries, 52 of them had some sort of hyperinflation-type event. The only one that did not was Japan, who just has been effectively kicking the can down the road for 20 years. But either way, it is not a good sign.

Now before we get into the charts here — does anyone by show of hands real quick — do people here use technical analysis on broad-term charts to construct their portfolio and to invest? How many people do?

Okay, so very little.

Can I ask another question? Two years ago, how many people in this room had exposure to gold or silver?

Oh, wow. I did not expect that part.

Today, how many people have exposure to gold and silver?

Everybody. Okay. So I guess this is going to be a talk about why to not get out of it at all.

Jim Bianco said “no” is the answer to the Fed — of course they shouldn't be cutting. I say the answer is no, of course they shouldn't be cutting.

I also said, when you look at the K-shaped economy that we've had and the fact that 10% of the asset holders drive 50% of the retail sales of the consumption in this country, the bottom 60% — the essentially non-asset holders — all they have is living paycheck to paycheck and inflation that's exploded.

I think that Jerome Powell is so fully painted into a corner that he is 100% wrong to cut and 100% wrong not to cut.

And it doesn't make sense to me either. But I think he feels that-

[applause]

Thank you very much. Because I feel that he sees what we see too. And when Jim showed that consumer sentiment versus S&P and said it's because of what I just said, I think there's an additional element of it too. I think the buoyancy and the one-way direction of the stock market is actually pissing the 60% off and that's actually in itself affecting their sentiment to the downside, which I think is a really strange time to be in.

I told all, you know, these people who were like...when the stimulus, the CARES Act, and all those things — and I say, and I'm not trying to say that I'm John Paul Getty—but I would tell people, okay, you're getting a \$1,500 check, I'm getting another 150 to 200 grand on the assets I hold.

This was the biggest transfer of wealth in history — what we saw in 2020 and 2021 with just throwing money into the system — because throwing money in the system always ends up in rich people's pockets. That's been the way forever. It's just — it's like a magnet.

So, is the gold run over? No, the gold run's not over. That's gold. Those are weekly bars. Not even close to me now.

To expect some volatility in this trade — there's going to be huge volatility in this trade. I think the market could trade back down to that 3500 level quite easily. And that's still in the context of a bull market.

So I absolutely think that the case for owning gold exists. And if anything, it's getting stronger.

Which, by the way, I want to add something. The fundamental case could be getting stronger and stronger and gathering steam, but that doesn't mean the market continues to move up because that part of it is so much more about market positioning, about mania, about the fervor with which we buy these stocks.

Little side note, by the way, is those AI stocks — like I said before, I think I expect about a 30% haircut of those names sometime within the next year and a half. And I don't think that it's any value to try to pinpoint when the bubble implodes. But what is important to do is to stay nimble. Don't try to load the boat on things and don't try to become the next billionaire because you had the next, you know, AMD or the next Micron.

I think you're supposed to — we have a saying in the trading world that bulls can make money, bears can make money, pigs get slaughtered. And what that means is

that the second you get too greedy and start really not thinking about risk anymore is the time when it gets nasty.

Okay, let's talk about the other forces that are lifting gold up besides the fact that we have moronic government spending with a small hope that it changes.

The other thing has been — the other gentleman mentioned central bank buying. So what's fueling that?

So first some statistics on it.

Twenty-five years ago, the world's reserve currencies were held — the world's reserves were held in the US dollar to the tune of about 75% of them. Even as recently as 2017, 65% of global reserves were held in the dollar and US Treasuries. Now it's down to 57%.

So what changed?

Well, the world started to think — again, not political, this is just what the data suggests — the world started to think that the US, as the arbiter of the world's reserve currency, was getting a little heavy-handed with the way they made decisions.

An excellent example of that was 2022. I would ask if people think that it was right that we froze Russian assets when they attacked Ukraine, or people think it was wrong, but none of that matters.

We did in fact freeze Russia out of the SWIFT payment system and froze up all their dollar-denominated assets.

Well, if you're China, what are you thinking about that? It's like, you know, we think we're the dog too. Are we really going to let the US dictate everything on global trade and dictate geopolitical concerns?

Well, the answer to that is probably yes, because there's still really — at this moment in time — in the currency world, there is certainly no alternative to the dollar.

And everyone, these guys talking about — if Brent Johnson was up here he'd say that there's no de-dollarization going on. I think there is a small amount of de-dollarization going on that could accelerate.

Everybody who gets up on the stage starts to talk about eventualities that are like 100% one way or 100% the other. That's not us as investors. That's not what we're trying to do. We're trying to position ourselves for probabilities and try to make the most out of this thing.

So, central banks have been buying gold. Are they going to stop buying gold?

Well, here's one thing. I will give you a bear case for gold real quick. Next week, let's say that Xi and Trump are photographed holding hands and the Chinese somehow make some implicit suggestion that they're going to start buying Treasuries again. That could hurt the gold trade in the short term. That could be the thing, the impetus that sends it down to 3500.

Do I still believe in it? Absolutely I still believe in it, because I believe the Chinese promises and those sort of things oftentimes don't pan out.

Shoot, the clock is going way too fast.

But anyway, so then the other question to the gold traders too is that have our relationships with the rest of the world in 2025 gotten better or worse? I think the answer to that is obviously worse. Trump trying to rework global trade, whether you think that's the right thing to do long-term or not, is obviously going to have some hiccups along the way.

So that's the argument for gold on the broad global level. The domestic level is the Fed's easing.

The Fed even on October 29th — huge thing happened. Jim Bianco mentioned quantitative tightening, quantitative easing. Just by show of hands, do you guys know what those things are?

Most people do right now, but at this point in time — remember in 2011 where we didn't have any idea what quantitative easing was. And then five minutes before it happened — by the way, every Goldman desk on the trading floor I was on started buying every call in US 10-years for about five straight minutes before we all found out what quantitative easing was. I don't like it.

But anyway, so why is he easing?

I think there's one more element of it as well. Did you guys see Danielle DiMartino Booth yesterday? I assume some of you did. I thought she was great.

I do believe that the labor market is quite, quite soft and I think that he's looking at the labor market — Jerome Powell — and he's saying, "Okay, this could get ugly."

And one thing that's not being said is I fully believe — and maybe I'm crazy — that the boom in AI is causing companies to hire a lot less with the assumption that AI is going to replace everything.

And I think AI is a few years further along than we think it is, because it's one thing for B of A to say proudly that we are getting rid of our HR department and replacing them with AI. But it's another thing when small law firms, accounting firms, when individuals are replacing themselves somehow with using AI to make themselves more efficient. I don't think they say it very loudly because I don't think they want anyone to know that that's what they're doing.

So I think Jerome Powell is concerned about the job destruction there.

So, what is he going to do? He's going to ease. He already did. What else is he going to do? I believe he's going to start quantitative easing again.

On October 29th, he ended the quantitative tightening program and said they were going to start reinvesting into bonds again.

Jim talked about the problems in the repo market. I think they're enormous and they're amazing.

Silver market as well. Silver dipped into what we call the rotation zone at unfilteredinvestor.com.

Would you guys do me a favor? Would you guys write that down real quick? That's Mike Arnold and Bob Iaccino, who are two of the best technical analysts I know, and they talk about the long-term technical analysis of all this stuff. unfilteredinvestor.com.

Silver bounced into that rotation zone, bounced right out of it real quick.

What's the case for silver? We use 1.2 million tons of silver per year and we only mine a thousand. It's a pretty simple equation. We need a lot more silver if we're going to build data centers.

The thing with electric cars — I don't care if nobody buys another electric car forever. These data centers are a bigger deal than that.

Copper — same thing. We need electricity.

Cattle and chicken prices. I just — this so frustrates me. The cattle price. I own a restaurant that sells a lot of cattle and chicken and our expenses have gone through the roof. And I just put this in here mostly to remind myself how mad I am about that.

Okay. So this is — we've got two and a half minutes left. So I'm going to talk about now what I believe is actually the next trade.

I think that owning — okay here's my next question. Of the people who have exposure to gold or silver, how many people own physical gold or silver?

These are my hard-money people. By the way, they looked at us like we were crazy and now all of them are like, "Yeah, you guys were kind of right."

Hell yes, we were kind of right. That spending was unbelievably accelerated and nothing was happening to stop that.

So here's what I believe is the case now. I think that gold could easily be volatile, easily trade down to 3500. But I think the case now for owning physical gold and physical silver has gotten so much higher than it was even before.

So I think the paper trade — I'm moving from the paper trade, that's buying futures, buying GLD. That's great. But now I'm moving all my positions to physical gold and silver.

And guess what? You can still use the paper markets to hedge the hell out of that stuff if you are believing on the short term or the next six months there's going to be volatility and weakness. That's what I'm doing.

People say you can't get yield on gold. Of course you can get yield on gold. You just, you know, sell calls against it, call spreads against it, because if gold explodes from 4,000 to 8,000 in the span of a couple months because we're in some sort of hyperinflation situation — not what I'm predicting, by the way — then having sold those call spreads will be of little concern to you when your physical gold has gone through the roof.

So, we partnered up with — again, anyone who follows me on Twitter or watches our podcast The Futures Edge — I'm in this game to make money. I partnered up with Dana at American Gold Exchange. There's the website right here, because I believe they are reputable and they will deliver gold right to your door, gold and silver, because I think the gains to be made in the paper markets are nothing.

Because remember, in the paper markets, you don't even know if you really own gold. I mean, supposedly those Sprott funds are backed everything by gold. But again, the whole point of this trade is to have it in your hands.

And so far, we haven't done that. Most of us haven't — and I have — but then you might need guard dogs and guns too. I know that's what you guys are thinking. And that part I can't help you with. You might need to worry about owning gold and silver, which by the way, people who've had any sort of assets for the last thousands of years have had to worry about what they do and how to store their gold and silver.

So, that thing will certainly exist. I got two dogs, Charlie and Payton. They're nasty — well, actually they're really sweet, but everyone on the block thinks that they're nasty because they're about 100 pounds each and they bark, bark, bark. Except for the little kids on the block. They know.

I would love nothing more than to have taken a bunch of questions. I will be here on the boom/bust panel with Bianco, Peter St. Onge, and Dave Collum at about — I think it's about 11:30 — and then after that I think we usually go into that room, and if any questions — because again, I hope it comes out that I love to talk about, I love to trade this stuff, and I love to talk about it.

I don't think the end of the world is coming, but I think the probabilities of the end of the world coming have gotten much higher.

Thank you guys for listening very much.

Brent Johnson

“Our Currency, Your Problem”

Hi everyone. How's everybody doing?

Good. Good. I know I'm the one keeping you from lunch, so I'll try not to take up too much time. But first I want to thank Brien and his team for inviting me here. This has become my favorite conference to come to each year. And I've seen many of you here before. So I appreciate you guys coming back.

Our currency, your problem, I think is a very appropo title for what I want to talk about today. As everybody knows, 2025 has been a year characterized by very large moves in both gold and the dollar. One of them lower and the other one much higher. As I'm sure there's many gold proponents in the audience, I think that you probably think that that's exactly the way it should be.

Now those of you who have never heard me speak before should know that I carry a somewhat controversial view regarding these two assets and that is that dedollarization is largely a myth. And I also think that despite all the dollar's faults, that it's not going to lose the global reserve currency status for a very long time.

And perhaps more controversial than that is I don't think that that's necessarily bad for gold. And in fact, I can make a pretty good argument for why it's very good for gold. And in many ways I see gold and dollars as complementary rather than as adversarial.

But having said that I do believe at times each one can be a headwind for the other. And as such I think it's kind of unwise to underestimate the power of each. And it's my opinion that people in the traditional financial world vastly underestimate the power and potential that gold could play in the years ahead.

And simultaneously, I believe many in the gold world, vastly underestimate the staying power of fiat currency and instead year after year predict the dollar's imminent demise.

These arguments are not new. The same arguments of its inevitable demise have been around for 50 years since the United States first left the gold standard and broke the Breton Woods system.

At the time, much of the rest of the world was very upset with the US for doing this, which prompted then Secretary of the Treasury John Connelly to say, "The dollar may be our currency, but it's your problem." And it's my argument that those words have never been more true than they are today.

I believe that not only is the dollar not on the verge of its imminent demise, but that a combination of technological innovation and legislation are the precursors to the reinforcement of the dollar as the global reserve currency.

In other words, while the rest of the world may be discussing plans on how they're going to leave the system and storm the castle, the United States is actively increasing the size of the moat and building the tower walls higher than they ever have before.

And we just wrote a 30-page paper titled Empire by Code which lays this all out in more detail. But that's what this presentation today is going to be based on.

This is all related to the Genius Act. And if you haven't heard of it, this was signed into law a few months ago. And typically when I see the name of a new law that has been passed, my first reaction is to laugh because it's usually the exact opposite of what the name of the law implies.

But not this time. Having thought about it for a long time, I think in this case, the name is actually appropriate. Because once you understand the possibilities that are laid out as a result, it really is genius.

Now, after I tell you about how it works, you may think it's evil genius or Machievellian genius, but I'll leave it to you guys to decide which is which. But I do think it is a very big deal.

Famed military strategist Carl von Clausewitz once wrote, "I shall proceed from the simple to the complex. But in war, more than in any other subject, we must begin by looking at the nature of the whole. For here, more than anywhere else, the part and the whole must always be thought of together."

And I think that's a perfect way to start this conversation and this presentation. Because I don't think that this only applies to war. I think it also applies to money and to understand either one must study the whole not just its fragments.

In the slides that follow, I'm going to talk about several different parts. The nature of money, the Euro-dollar system, the Swift network, the Genius Act and the subsequent rise of stable coins.

And while each of those sections, I could probably do an hour presentation on each. We just don't have time to do that today. But what is more important than each of those sections is how it is considered as an expression of the overall system.

The details matter, but the overall structure matters even more because what is emerging is not just a new currency system, but in my opinion, a new form of control.

And make no mistake, something seriously profound is shifting in the architecture of the global monetary system. Code and ledgers are no longer just symbols of rebellion against the state. They are now being co-opted by the state and becoming extensions of the state.

And the very tools that were once imagined to escape central authority are now being absorbed by the most powerful monetary authority that's ever existed.

And through these digital tokens that settle in real time and travel across borders without friction, the United States may be transforming the architecture of the monetary system itself.

And from a financial perspective anyway, much of the story of the past century has been one of tension between state power and individual rights and individual choice, especially when it comes to monetary architecture.

The Euro dollar system, which is a system of dollars that trades outside the United States, demonstrated that private markets can create money beyond the reach of US national regulators.

And Bitcoin proved that software alone could issue and verify value without the need for a central authority to do so.

However, we believe that this private innovation and state power are converging into a single monetary system. US dollar stable coins have the potential to fuse the borderless efficiency of crypto with the enforcability of state power.

In other words, rather than the US being disrupted, we think the US is in the process of disrupting itself and subjugating everyone else.

Where the Swift system gave partial control to the United States, a US dollar stable coin system could give full design level control to the United States.

To put it bluntly, we believe state sponsored US dollar stable coins could be as transformational to the global monetary system as leaving Bretton Woods and abandoning the gold standard was 50 years ago.

So, as a little bit of background, stable coins are a type of cryptocurrency. The difference is that these currencies are not trying to...provide a value of their own. They're linking the coin to something else that has value.

In this case, we're talking about a US dollar stable coin, but you could have a gold stable coin, you could have a copper stable coin, you could theoretically have a real estate stable coin, but the stable coins are a digital representation of another asset.

And some are collateralized by currencies themselves. That's what we're talking about today, about US dollar. But many things could be done this way.

You know, Peter earlier was talking about a gold stable coin. you could have...a stable coin that's also linked to another currency or another commodity.

But with regard to US dollar stable coins, some have highlighted the need for reserves by these issuers to create a new steady bid for short-term treasuries and that this demand will help the Treasury fund its persistent deficits and...at the short end of the curve while waiting for interest rates on the long end of the curve to fall lower.

And while we agree that this is probably true at the margin, we think this is a rather small benefit to this new stable coin system. And I think the focus of US fiscal

funding completely misses the real strategic value that the official US dollar stable coin could give to the United States.

Beyond funding, we see that the real importance lies in extending US monetary reach globally via digital code.

To put it more clearly, the true significance of this system lies not in the marginal cost of funding for the government, but in the quiet transformation of money itself into a system of soft control on a global basis.

One that is capable of extending the privileges of dollar sovereignty into every corner of the globe that has an internet connection and chooses to adopt this token rather than their local currency as money.

But that then brings into a widely debated question, specifically, what is money?

Now if you guys were here last year I gave an entire presentation on what is money. Many of us agreed that the definition that we liked the most was, "the most marketable commodity which extinguishes debt and that has been chosen by free market forces." Who likes this definition of money?

Okay, a handful of people. But then we also said in the real world governments do exist. So, while we would like it to be kind of this libertarian utopian free market chosen token, governments are going to throw their weight around.

And since we don't actually live in this free market, money is ultimately what the government tells us it is. Or perhaps it is some combination of the two.

And I have long argued that it's fine to have one's personal beliefs and what we would like to see, but that it's extremely important to temper these personal beliefs with situational awareness.

And if you're in an environment with a dominant local power, let's just use prison as an example, the biggest toughest guy tells you that cigarettes are money. Who here is going to go up and lecture him on the powers of efficiencies and free market dynamics?

Any takers?

Yeah. Last year I said my favorite idea for a reality show was to have Peter Schiff go into prison and explain this to them.

I don't think Peter would like that. I certainly wouldn't want to do it either. But regardless of which camp you're in, I think money and power are inseparable.

Napoleon, who knows a thing or two about power, had this to say about it. He said, "There's only one thing in this world, and that is to keep acquiring money and more money, power, and more power. All the rest is meaningless."

Now, even if you or I happen to disagree with Napoleon on this, Napoleon was a pretty successful guy in his own right and he knew a thing or two about power. And I would argue that governments do agree with him, even if you and I do not.

In any case, I think money has this duality to it that reflects these two forces, the sovereign's claim for tribute and the market's choice of liquidity.

But regardless of whether money initially emerged as an expression of the free market or if it was created as a tool of the king, it's important to understand that in our world today, money has been co-opted by the powers that be into a form of control, the original matrix as I refer to it.

And it is this form of control that is extremely important to understand especially as we move forward in time and as technology increases because the power of seigniorage is the greatest weapon that is handed to a sovereign and seigniorage is, for lack of a better word, is the power to print money.

It's like holding the ring of power if you're a JRR Tolken fan. And to have that ability on a global basis is the dream of every power-hungry politician that has ever walked the earth.

Because global seigniorage grants the power and influence over the entire world. Maybe not perfect control, but strong control. And while states may define units of account, markets will ultimately decide what instruments that they trust.

And if local markets start to adopt a private or foreign form of money, the local state's authority begins to erode very quickly.

Stable coins have the potential to merge these two definitions, marrying market preference with sovereign backing and sovereign control. And this is where understanding of sovereignty comes into place.

To be sovereign is ultimately to have ultimate power and to be beholden to no one. It's about absolute control, free of any influence whatsoever.

Now what this means is you cannot be sovereign if you are beholden to a money that you cannot control because then you are subjugated to that form of money.

Sovereignty in monetary terms is the capacity of a local government to issue, manage and enforce a unit of account without being subject to an external force. Dependence on a money one cannot control equals at least partial subjugation.

And as such, a globally adopted US dollar stable coin would lead to a loss of credibility and local currencies and thus into a loss of absolute sovereignty for local domestic governments.

We've seen this play out before. This is actually not new. And with the rise of the Euro dollar market post-World War II, these Euro dollars originated as offshore holdings of US dollar balances that were outside of US regulatory reach.

But despite being outside of US regulatory reach, the rise of the market has allowed US policy to at least partially influence the global liquidity associated with the Euro dollar market, albeit not direct control.

And as such, it has provided the US both a weapon that it can use but also exposed a vulnerability to the United States because this market is in essence leverage without supervision and regulation.

In 2022, the Bank of International Settlements put out a report detailing the explosion of the US dollar credit on a global basis that had been extended through this Euro dollar market while highlighting an \$80 trillion, 80 trillion, *trillion* dollar blind spot due to off balance sheet swaps.

And this is 80 trillion that the rest of the world owes to each other in US dollars. They do not owe it to the United States. This is credit that has been extended outside the United States by an outside entity to another outside entity.

And while these numbers are astronomical, the important thing to take away is that this is a non-US issue. It affects the United States, but this is again amongst the rest of the world.

In other words, their monetary sovereignty, because this is all based on US dollars, is already in question.

Furthermore, the United States has been making efforts to bring this Euro dollar monster which nobody can currently control, to the extent possible, back under US control.

For example, *libor*, which stands for the London interbank offered rate, began back in the '60s as a way for London banks to standardize the interest rate for the loans and the credit that was extended in this Euro dollar market.

It provided a common benchmark to price trillions of global loans, bonds and derivatives. And over time, libor became the global heartbeat of global finance. But it was based in London.

And after decades of reliance on libor, US regulators finally moved to replace it and move it back under direct US control.

They introduced SOFR. Which stands for secured overnight financing rate based on actual transactions in the US Treasury repo market rather than a group of bankers in London.

And by shifting the global benchmark for dollar credit from London back to the United States, the US effectively brought dollar rate setting back under its own regulatory and sovereign control.

This libor to SOFR transition symbolizes Washington's effort to reclaim control over this large Euro dollar market.

In order to understand the traditional Euro dollar's rails or plumbing through which all of these Euro dollar transactions would take place, we first need to understand the Swift system.

Swift was created in the 1970s by a consortium of these European banks that were extending US dollar credit to each other as a way to replace slow and errorprone telex messages with a secure standardized global settlement system that could be done on a daily basis and across borders.

It doesn't actually move the money itself. What it does is it helps these banks come to a standardized way to settle the trillions of dollars of transactions in US dollars that take place outside the United States on a daily basis.

And over time, this Swift system kind of became the central nervous system of global finance, giving regulators, especially those in the United States, unmatched visibility and leverage over international money flows.

Now, again, they had some control and some leverage, but not perfect control and not perfect leverage. And as anybody who ever has had a position of control knows, you want to have perfect control. You don't like having the ability for things to go out of your control.

And so post-911, the US leveraged this Swiss system via the terrorist finance tracking program. And this is a great book. If anybody's interested in this topic, I would recommend reading this book. This is written by a guy named Juan Zarate who was a Treasury employee and worked in this terrorist finance tracking program.

But in this system the US Treasury weaponized compliance and sanctions to help achieve US geopolitical objectives.

But Swift still remains a European system. And while the US can influence it, it does not fully control it. And again to be truly sovereign, one must be in full control.

US dollar stable coins could potentially replace US dependence on Swift with the development of a new programmable and very transparent American system of monetary rails or plumbing, however you would like to categorize that.

A US dollar stable coin has the ability to extend the dollar's reach invisibly, replacing Euro dollar plumbing with newly developed code.

The possibility that a widely adopted US dollar stable coin could be used to accelerate dollarization of non-US economies raises existential questions about what that non-US country's national monetary autonomy really is.

And with the ability to take aim at various dimensions of financial sovereignty, we do not believe it would be hyperbole to name a dollar stable coin as a stealth weapon of empire.

As adoption of US dollar stable coin spreads, domestic control weakens where these US dollar stable coins circulate.

And using money as a weapon is not some hypothetical concept that I just made up in my office one day. The United States military and wider governmental apparatus have long recognized money as an operational instrument in conflict and stabilization operations.

Doctrinal handbooks and commanders guides produced for operations in Iraq and Afghanistan formalize the idea of money as a tool to shape local economies, influence populations and achieve tactical and strategic objectives.

Stable coins have the potential to become the digital heirs of that doctrine — projection through liquidity rather than military force.

If a local economy comes to price goods, pay wages and denominate contracts in a foreign-pegged token, the practical authority of that domestic state is vastly diminished.

The process by which a stable coin steals that control is incremental and market driven. It's not necessarily violent or overt.

First, the token gains traction because it offers lower friction, faster settlement, cheaper cross border transfers and easier access to global markets.

Firms that export or import or hire and find commercial logic in aligning with the most conventional settlement medium. Payrolls become denominated in the token. Reserves are maintained in that token and private contracts start to get denominated in that token.

As a result, the domestic central bank then faces a stark choice. It can try to restore confidence in the local currency either by new regulations or painful fiscal policies or even capital controls.

Or it can accept the slow erosion of monetary sovereignty as private foreign denominated stable coins become the new practical means of exchange.

And the military lineage of money as a weapon matters because it demonstrates the conceptual continuity between on the ground financial operations and the broader idea of money use as a leverage in geopolitics.

And that brings us back to the Genius Act. In 2023, members of the US Congress introduced the quarantine reserves of uniquely issued stable coins act as a concept.

To many observers, even me at the time, I totally missed it at the time. It's only subsequently when I did a bunch of research on it that it started to become more clear, but initially it looked like a technical regulatory effort meant to protect consumers and strengthen oversight.

In reality, we believe it to be something much more ambitious. We think it's an attempt to fold the digital dollar frontier into a formal structure of US monetary power.

We believe the Genius Act is Washington's preemptive move to make sure that a second Euro dollar system that would develop in the crypto cyberspace would fall under their jurisdiction and their control.

And to that end, the Genius Act requires stable coins hold full reserves in cash or short-term treasuries which fall under the US supervision.

It prevents a second Euro dollar problem by keeping digital dollars under US financial control and jurisdiction. And it transforms private software innovation into a state sanctioned monetary system. And it codifies monetary hegemony through regulation and private consent rather than through military conquest.

By drawing digital dollars back within the perimeter of US jurisdiction, the act ensures that even as technology evolves, the fundamental architecture of monetary hierarchy remains intact and favors the US dollar versus other fiat.

And this is where the debate over stable coin is not merely technical or regulatory. It's about the future of monetary sovereignty and the distribution of economic power on a global basis.

The end user does not need to understand monetary authority to use this. They only need to see that their digital dollar that they can hold on their phone maintains better value and does not lose value overnight the way their local currency does.

And despite the popular dedollarization myth that is often put out as popular narrative, evidence clearly shows a world still very hungry to hold US dollar balances.

Stable coins can also provide dollar access to globally unbanked and inflation-scarred populations. Dollars already circulate widely in nations like Argentina, Turkey, Nigeria, etc., etc.

And 99% of stable coins that are already in issuance are already tied to the United States dollar.

And history shows currencies that begin to fail often precede the political failure of the government in those jurisdictions as well.

So digital stable coins give populations in these other foreign jurisdictions that have unstable currencies an instant escape valve from these local currencies.

In the old days, they had to take their physical domestic currency and go down to some local market or money changer and find US dollars on the black market.

And when they would have to do that, not only would they be selling their dramatically devalued local currencies, but the spread they would have to pay to get dollars was pretty wide.

Now they can just use their phone if they have an internet connection, push a button and hold a US dollar balance. And there's very little that their government can do to stop them.

This has the potential to accelerate the loss of local sovereignty if and when these currency crises break out.

Essentially this is why the geopolitical implications of US dollar stable coins exceed their financial ones and this is why I don't think funding of the US government is the primary benefit from these existing.

The rise of programmable dollar-based tokens is not a question of technology or convenience. It's the creation of a parallel monetary order that extends American influence through voluntary adoption.

By meeting the world's hunger for a more stable value than their local currency, the United States can project power more effectively than they could through sanctions or military deployment.

Now, there are of course going to be arguments against this view and they will say it will never work. And the reality is though is every strategic innovation has faced a chorus of doubt.

The same has been true for every major transformation in the global monetary order of the past.

And critics of a US dollar stable coin framework argue that such a system cannot endure — the dedollarization, foreign competition and investor apathy will prevent this from spreading.

And I think these arguments are worth addressing directly, not because they're without merit, but because they misunderstand what kind of contest this really is.

This is not a struggle between fiat and hard money. It's not a competition between dollars and gold. It's a competition between fiat and fiat.

And one of them has already won this battle. Much has been written about dedollarization. From oil contracts settled in yuan to regional payments promoted by the BRICS countries.

The narrative suggests that the world is moving away from the dollar. And while the efforts do exist, these efforts have largely fallen short of any meaningful substitution on any kind of scale.

Trade and reserves remain overwhelmingly denominated in dollars because no other fiat offers comparable liquidity, depth and legal clarity.

Even those nations seeking independence from the system still continue to price their wealth in it.

And the US dollar stable coin does not weaken this US dollar structure. It reinforces it.

Another objection is that the stable coins will not be able to attract sustained demand because by law they pay no interest. Why would you hold on to something that doesn't give you a dividend?

This argument mistakes the nature of the instrument. Stable coins are not investments. They're liquidity tools.

Most of the world's money does not earn yield. Most of it sits in cash or checking accounts or even some kind of a mobile form of money.

Their function is utility. Their function is not return.

And more importantly, stable coins exist within the current fiat hierarchy. Their users are not choosing between a stable coin and a treasury bond or a piece of gold. They're choosing between a stable coin and a local currency that often loses double digits of value every year.

In that comparison, a zero yield dollar token to many foreigners is seen as a high yield asset and stable coins offer efficiency that regular dollars do not.

Another argument against stable coins centers around gold and that central banks, I mean they have indeed been buying gold right? And the share of reserves sitting in gold have risen, while the amount of reserves sitting in fixed income and treasuries has fallen.

Now we're strong believers in gold and we believe the cornerstone of every portfolio, whether you're an individual or your institution, should be in gold. But that's a completely different argument.

Again, US dollar stable coins are not competing against perfection. They're competing against other fiat that is dramatically flawed.

And a final critique offers that other nations will issue their own stable coins and thereby erode US dominance.

China's digital yuan, the European euro, digital euro, and numerous smaller CBD projects have all been announced to varying degrees over the last five or 10 years.

Yet the emergence of a competitor does not equal parity. The global currency hierarchy is not flat. It is gravitational and it strongly favors the US dollar.

And a currency's digital form cannot transcend the strength or weakness of the economy or fiat currency that is behind it. This remains a fiat versus fiat contest and most fiat systems outside the United States still rely on dollar denominated assets for credibility.

A digital yuan is still a yuan subject to Beijing's capital controls. A digital euro is still a euro bound by the political compromise of the European Union.

A US dollar stable coin, by contrast, would be anchored to the deepest collateral market in the world and the most credible legal framework in finance.

It is also already directly linked to the Euro dollar market through which many of these countries already have exposure, which the world chose as its international form of money decades ago, much to many people's chagrin.

Competing stable coins may circle regionally. I would expect them to, and I would expect countries to fight back, but they will orbit the same dominant center of the US dollar as the current fiat world does.

Not to mention the fact that 99% of all stable coins are already anchored to the US dollar.

In summary, all four of the objections against the US dollar stable coin's success share the same blind spot. They assume that stable coins must compete against perfection rather than against other weakness.

The US dollar is not strong because it never depreciates. It's strong because every other fiat falls even more. And this is the real foundation of fiat hierarchy — a system where power is relative, it's not absolute. And stable coins extend that relatively into the digital form which is quicker, faster, cheaper, and more efficient.

And finally, where we Americans see the dollar as flawed and inflationary, much of the rest of the world sees it as strong and stable.

In summary, stable coins are a technological innovation with profound economic uses. They fuse the logic of the Euro dollar market with the precision of software.

The Euro dollar network extended America's influence by allowing offshore banks to create US dollar liabilities while still anchoring global finance to the dollar's foundation.

As stable coins are adopted, foreign governments can set domestic interest rates and put up new policies in order to try to keep their local currency from losing traction. But as this happens, the demand will flow elsewhere. Tax collection,

seigniorage and liquidity provisions, all the levers of modern statecraft, begin to slip away.

And history has shown that any transitions are rarely reversible once the public abandons the national unit of account.

And this is the quiet genius of the new system. Like the Euro dollar system, it is spread voluntarily. No army demanded its use. No fleet protects it.

And yet it advances faster than any physical empire in history could. And the best weapon that any country has is the one that never has to be physically deployed.

And we think that could actually be exactly what a US dollar stable coin provides.

So, if you like what I've talked about today, or if you don't like what I've talked about today and you want to find out why I'm wrong on all this stuff, you can subscribe to our research on Substack.

If you go to research.santiagocapital.com, we write and talk about this stuff quite often.

And here is a QR code for the written report that goes with the speech that I gave today.

So, if you want if you're not interested in a full subscription, but you want just the report, you can scan that and you can take it to our website.

And I'll be around all afternoon if anybody wants to discuss or ask questions.

Thank you for listening.Thanks.

Junior Mining 101 Boot Camp - Pre-Conference

MC: Brien Lundin, Nick Hodge, Jeff Phillips, Jordan Roy-Byrne

Brien Lundin:

...We've had this mining share boot camp kind of a thing every few years. Usually we have Brent Cook here as a geologist. He wasn't able to come this year, but in thinking about it, I thought it would be great not to have a geologist on this panel because you can get buried into the details too much really. And sometimes knowing too much about why a deposit can't work is a hindrance. It's not

necessarily an advantage. So, we have gathered, and with that as a prequel, I decided to, I looked down our list of speakers and presenters and tried to find really a dynamic panel, and I've really done it here.

We've got Nick Hodge, longtime friend of mine, runs Digest Publishing, with have a number of publications under that. Really great on mining stocks, great on macro and in other markets as well. We have Jeff Phillips, still trying to figure out what he does. No, Jeff finds great companies and he's a man of action. He finds a great company and he finances them. He brings together a group of smart people to take advantage of an opportunity that he's found in the market, and I'm very happy to say that he's done that a number of times for me, and I'm one of the people that he has on speed dial, as it were. I'm not sure where I am on that list, Jeff, but I am on the list. So he's steered me to a number of great opportunities, kind of what I call my network of spies in the industry, trying to find good companies to recommend.

And then we have Jordan Roy-Byrne, who I have tremendous respect for, I've known him for a number of years. I have a lot of respect for his acumen in evaluating NFL football as part of a...

Jordan Roy-Byrne...:

More so college.

Brien Lundin:

And he's... I'm still talking guys. He's also, I believe, the best technical analyst for metals and mining out there, and I highly, highly recommend his service, The Daily Gold as well. Really great analysis. Jordan has great analog charts, you've been putting out there, how this bull market compares to other ones in history and where we might be going in this market. So with that as a preface, we are here in a market that has taken off like gangbusters, and I don't think anyone has really predicted it would take off to this degree. The easy money has been made, we're getting into a market where everything's going to or will have a high likelihood of working.

But what you need to do, the challenge now is to find what are going to be the outperformers. So, we're going to have to work a bit, we're going to have to roll up our sleeves, take advantage of the fact that this is an inefficient market, and those

of us that have that baseline of knowledge and are willing to go to the best conferences, subscribe to the best newsletters, meet management teams, do your research online, can outperform and can find these great opportunities that the market quite often overlooks. So we've got a little, we're trying to get everybody up to speed. So whether you're a newbie, whether you're experienced, I think you're going to take something from this. I've got a rough outline of topics, but we're going to go wherever it goes and just go down the list of things you need to look for.

If you ask anybody who's been in the market, what makes a good mining prospect, junior mining prospect, they're going to answer it almost always depends. The bad news is now, in this market, it has evolved and it depends on even more factors. So, it just takes some experience, we're going to try and get you up to speed. Factors to consider. I've shared an outline with you guys about some of the things we want to talk about. One of the things I think is really important is the size of the prize. So let's start with you Nick, and we'll go down. What should we be looking for? What should a junior mining company be looking for, and what kind of a prospect should these investors be looking at as something that's really viable that's going to make some waves in the market?

Nick Hodge:

Well, you want to look for a property that's large enough to host a mine and host upside in terms of exploration. There's a famous saying that says, "Small mines have the same problems as big mines." So you're looking for district-scale land packages, thousands of acres or hectares that could turn into a potential district, and you're looking for that in a jurisdiction that is open to mining where it's relatively easy to permit or a situation is changing where it's becoming easier to permit.

And then from there, as you said, the answer always depends, right? Are you looking for a brownfield asset or a greenfield asset? And maybe I should define those terms considering it's one-on-one. Brownfield is an asset that produced in the past that likely still has some mineralization in the ground that modern techniques can make economic to extract. And then greenfields are raw exploration, no discovery has been made, so much earlier stage. You need to do much more early stage prospecting, fly geophysics, and do grab samples and that sort of thing. But really in terms of the size of the prize, you're looking at the jurisdiction and then the size of the land package. I think that's a pretty good place to start.

Brien Lundin:

Jeff, what's the target? Historically, we said that a junior mining company needs to find a million-ounce deposit, because that's the minimum that a major mining

company or mid-tier will be interested in a takeout. But does \$4,000 gold change that? I mean, a 500,000 ounce project is equivalent to a million-ounce project in terms of economics at \$2,000 gold. Would you be interested, would you call up your network and say, I've found a great company if they're looking at a 500,000 ounce target in gold, or what would be the minimum that would really get you excited?

Jeff Phillips:

No.

Brien Lundin:

Okay. It wasn't a yes or no question, but-

Jeff Phillips:

No. Yeah, I think I follow the same model, whether it's a bull market or a bear market or a slow market. I like to call it a lazy river, most of the time, until you get to these bull markets, which you get a lot of companies coming out, it makes it... And one of my favorite sayings is "In a strong wind, all the turkeys fly." And we're starting to get into that kind of market. I like to stick with what I do year in and year out, which is look for something that's meaningful. A colleague of mine was pointing out to one of our geologists who runs a company. He's a quiet person that, you're a big game hunter. You're looking for a copper gold porphyry, you're looking for an asset that's \$10 billion or more. I want to see people looking for something real.

And I also want to see that those people have done it before. So they've actually made a discovery and advanced something. So I guess to answer your question, if someone had a 500,000 ounce gold deposit at current gold prices, if they've in the past made a 500,000 ounce gold deposit work and sold it for shareholders, I'd be interested. But it's really about what they've done in the past. And again, and a lot of companies, unfortunately in the junior space, aren't looking for something new and big. They're taking things, I like to liken it to, I don't know if this is politically correct, but roadkill Brien, they're taking something to try to make a meal out of because the markets are good, because gold's up \$4,000, or copper is at five bucks or uranium, you know. But again, it's still, every once in a while you'll get lucky, especially with higher prices. I still want to focus on something that's meaningful and big.

Brien Lundin:

Yeah, one of the things I say repeatedly is that a lot of the biggest and best and most profitable and rewarding discoveries in the junior mining space weren't really discoveries, they were rediscoveries. Some of the largest projects or best projects out there were already discovered, quite frequently by majors who, for bureaucratic reasons, dropped the project. Jordan, what are your thoughts on this, at \$4,000 gold, does that change things? Are there projects or companies out there that are taking advantage of something that's been found already and therefore it may be a smaller price now, but they have the potential to really grow it?

Jordan Roy-Byrn....:

I don't think it changes as everyone has been saying. But I come to the question from a different perspective. As you know, I do less work on exploration, more work on producers and developers, but I think, I look at size and the importance of it with respect to investors. You want to own what the big money investors in the industry and what the industry itself wants to buy. You want to buy the things that they're interested in. And in a bull market where you have leverage, the bigger companies, and I'm not talking about the majors, but bigger juniors that are producing a hundred thousand or 200 or 250,000 ounces when they grow from there, that's so much more leverage than if someone's going from zero to 50 or 50 to a 100.

It's the same thing with ounces in the ground. If they're economic, obviously the larger projects, they have more leverage, and so they get a wider audience. And we are in a correction now, and you'll see this, during a correction, the things that are bigger, in some cases, they'll hold up better. I think that smaller things where it's just retail that are chasing them and they can be very volatile in both directions, I think yes, you can make a lot of money on those things, but I just think the importance of size, you're aligning yourself with the smarter and better investors in the industry and also the bigger investors when it comes to money.

Brien Lundin:

Good point. In real estate, when you're judging a property, they say the first three things you need to look for is location, location, location. And that's important in junior mining as well. But if you ask any experienced hand in the industry, what's the most important factor in judging a junior mining company? They'll say it's management, management, management. That's going to be a particular challenge going forward because the mining industry collapsed in this long malaise, and now with prices where they are, new companies are going to start popping up like

mushrooms after a rainstorm. So that potential management pool is going to be diluted. Let's start back with you, Jordan, and work our way back. What are your thoughts on not just the historical value of management teams, but in this market, as it evolves, are there any other factors we need to look at?

Jordan Roy-Byrn...:

Well, for me, I might disagree. And again, these gentlemen and many others, they have more expertise than me when it comes to the exploration side and pre-discovery and even post-discovery. But for me, I think the quality of the project, the quality of the asset, for me, that's the first thing that I look for. And then the other fact, I think what some investors with respect to jurisdiction, I think, a problem that retail investors make is they immediately like, "oh, I'm only going to look at the jurisdiction first. I'm just going to go to Nevada and Canada" and they'll forget about everything else. I think for me, look for the best assets in the best projects first, and then from there you can drill down. If you don't like management or maybe it's in a jurisdiction that's not so great or has major problems, then you can remove those companies from your list. But for me, it's really about, look at the quality of the asset, look at the quality of the project first.

Brien Lundin:

That's an important point. There are a number of topics here, and while management is important to find any particular success, to find a big winner, it takes a gumbo of ingredients, and sometimes one aspect takes precedence. A mediocre management team, if they have one of the best prospects or discoveries ever seen, well, that's still going to go up. It's hard for a management team to really... Well, actually, it isn't that hard for them to screw up a project, it's happened many times before, but it does depend. A lot of ingredients go into the gumbo. Jeff, what are your thoughts on that? I know you pay particular attention to people who've done it before who've been sincerely successful in the industry.

Jeff Phillips:

Yeah, 80% of the time, it's about what people have done before. There are different situations when you meet somebody, I think I spoke last time here two years ago and mentioned a company that's here again today that no one had ever heard of, and he'd sort of come out of retirement, so to speak. So, it wasn't something that was well known but, what's important to me, and if you're business people, you've dealt with this in your different businesses, whether you're in the resource sector, it really comes down to people.

When you're out here this week, you've got an excellent chance to meet a bunch of companies and talk to their management teams, their employees there, figure out if you like the people, figure out what type of... Ask them about their family, ask them what they do that they enjoy. Figure out if you really like the person, because these are small companies, you're investing in a person. So yes, I do like to see that they've done it before and 80% of my companies have someone who has built something and sold it before. But I'm sure the question will come up later because it's my favorite question, but the most important thing to me along with management is share structure.

Brien Lundin:

We'll get to that in a minute. I know I couldn't hold you back from that, but we'll get to that very shortly. But Jeff brings up a good point. Yeah, it is important for you to be able to relate to someone because if you can't relate to someone, it's very likely that other investors will not be able to and they won't be a success at telling the company's story. To be a CEO of a junior mining company or a mining company virtually anywhere along the spectrum, you have to be a multi-talented individual. You have to be able to do run management, you have to run teams, run a company, you have to be able to run the finances, you have to have some legal knowledge to stay within the bounds of the regulation.

You have to have some geological knowledge. You have to be a marketer/promoter because you have to get that story out there. There are not a lot of people that have that array of talents. So when you find them, it's good to see what they're doing, but also important to understand whether you can relate to them and therefore they can relate to the broader market. We are getting to another point here that's really important and that is structure. That's vitally important in these junior mining companies. So, what is that? Well, we're very fortunate to have one of the leading experts in the market on structure...Nick Hodge. Jeff hates that. That's all he wants to talk about is structure. But we're going to have Nick start it off here. Nick, explain to us too, not just how important it is, but when we say structure, what are we talking about?

Nick Hodge:

Yeah, and I'll segue from management that way Jeff has plenty of things to talk about in terms of structure. So, just some questions to ask management. They're obviously hugely important, which the past two gentlemen said but, what's the commodity they're working in? Have they worked in that commodity before? What were they doing before this deal? What was their last deal? Did they have a successful exit? Have they changed industries? We've been through cycles now from

cannabis to crypto to copper to gold. Are they industry jumpers? Are they managing multiple deals, spinning multiple plates, or is their attention just on the deal you're investing in? What does their advisory board, strategic advisors look like? Who's the chairman of the company? How many deals does he have? Is it a part of a broader group like the Discovery Group or some other group that has had good success?

Those are real good questions to ask management. And ultimately, they've got to be good stewards of your capital, which is what we're talking about when we talk about structure. So, how was the company formed? How many shares were sold to whom? At what price? How are those shares held? Are they registered? Are all the outsiders registered in their name? So they have to be reporting. How many warrants were sold, half warrant, full-warrant, at what price? When does it expire? Those are things that create overhangs or potentially bring in more cash down the road. I'll probably stop there so Jeff can get a word in/

Those are the basic questions you need to be asking about the capitalization table and what it looks like and who it's put together to benefit. The folks that we're in at the foundation or the earlier part of the company, or is it structured in a way that all investors can have success?

Brien Lundin:

Yeah, Jeff will get up and leave if we don't leave him something to talk about here. But Jeff, when I first started in the business, a really tight share structure was 10 million shares outstanding, and then it's 20, then it's 30, and now I would argue it's 40.

Jordan Roy-Byrn....:

Was that in the '20s, Brien? 1920s.

Brien Lundin:

It was a long time ago, young man. So it's changed, it's changed over the years, and part of that is there's just a lot more money out there, a lot more currency, rather, out there. So share structure has... A tight company today, would've been a not so tight company 20, 30 years ago in this sector. So tee off on what we were just talking about, what Nick was talking about, expand on that, but let me know too, what in your mind, what is a tight share structure today?...

Jeff Phillips:

...Well, first off, what Nick said was very correct. Looking again, get to know the management teams, get to know the people. You're talking about, most of these companies, and if you're familiar with the junior resource sector, you know that you probably know this, but if you're not, most of these companies have less full-time employees than your local 7-Eleven. So, make sure who's running those companies. These are small companies on the exploration side. Jordan does production and things like that. I'm more development and exploration so they're very small companies using contractors. Ask all the questions Nick just told you, but when I look at share structure, Brien, which I'll try to keep this short, which isn't my specialty, but anyway, share structure, a lot of people will say it's how many shares are outstanding. And that's not exactly what share structure is. Yes, often when there's less shares outstanding, it's a tighter share structure.

But a value investor will say, it doesn't matter how many shares are outstanding, especially if it's a producing or development asset, it's the asset's undervalued. But my argument's more than that, it goes back to the management and knowing who... You're on a team. The investors are part of that team, management's part of that team, the board of directors is part of that team, who they know in the industry, again, you want to make sure and I approach all these things, that it's a team effort. So, I want to know that management has what many people call skin in the game, which is they're invested in the company and they have a sizable position in the company. It doesn't always have to be that way, but 80% of my companies or 30% or more reporting insiders. Usually management is a large chunk of that, but some of my companies go to 50 or 70% reporting insiders.

That's because the other's big shareholders, even though they're not management, they're people that are looking for a real prize. The only way someone like BlackRock's going to make money in a development company like a Bravo Mining is if they have a billion dollar exit, they're not there to flip their stock for some warrants. So I want to see that 30% of that company is fully reporting, management and other shareholders. And when I go into a deal, I often have people come in with me that I know are like-minded. The last two deals I've done this year, I put a year hold on the stock myself. If you're familiar with the junior resource stock, people try to sell the stock before the financing is even closed. I actually put a year hold on my own financings because I want like-minded investors, I want to support management in developing an asset that could be a billion dollar asset, otherwise I'm just playing a game of when the next bull market happens.

Brien Lundin:

Yeah, that's an important point there as well, that there's a bit of crossover between share structure and management. It's not just how many shares are out, but who owns the shares and does management have those shares. And as you look forward, and this gets more into what Jordan looks at in the developing and producing

companies, to develop a project, you've got to pay the piper. You've got to pay to develop a project. So, you have to look forward and determine what kind of dilution is going to be necessary to bring a project into production or even advance it to the point where a major is going to want to buy it. Jordan, your thoughts on that, on the structure for companies that you cover?

Jordan Roy-Byrn...:

Yeah, I think looking at the numbers as we all do, I mean as Jeff and you mentioned, the qualitative aspect of it is very important. And just a side note, what Jeff is talking about, getting to know the companies, I mean, this is probably an answer to a different question, but Brien, that I'm kind of, I have a growing disdain for macro analysis, and I think most people, most investors or I sense they spend way too much time worrying about the macro and not enough about the companies they invest in, they need to reverse that and really spend 90 to 95% of their time worrying about individual companies and less on macro and share structure, that's one example of something to consider. And yes, I think the higher or the larger the company is, the bigger you go, the higher up the food chain, the share structure matters less.

But, obviously on the exploration side and smaller pre-discovery companies or even post-discovery in some cases, very important because you need to know what it is, you need to know where it could be going in the next year or two, and so therefore, you need to evaluate the potential of your companies based on where the share structure is going to be in two years or 18 months versus where it is now because it can change. Are they undervalued so much or can they add so much value that it doesn't matter if there will be 30 or 40% dilution in a couple years? So those are the things that I would look at.

Brien Lundin:

Yeah, and I mentioned earlier about the ingredients in a gumbo. Management is important, location is important as Jordan said, Nick, what are the other important ingredients in that recipe? I mean, infrastructure, where it's at. Would you, for instance, in this day and age, take country risk? Is that necessary and how do you prioritize those ingredients?

Nick Hodge:

Yeah, I mean I think it depends on which commodity you're investing in, but jurisdiction is obviously hugely important, right? We've seen a lot of coups and things in Africa in the past year. I've said from the stage multiple times that I don't

go into Africa for uranium, for example, for that very reason. I mentioned the permitting regime earlier, that's very important. What sort of land is this project on? If it's in the United States, is it BLM land? Is it forest service land, et cetera. What does the permitting regime look like for that? Infrastructure is hugely important. You need water to mine, right? Where's the water going to come from? Do they have water rights? Are they going to truck it in? All those sorts of questions. Where's the power going to come from? Is it clean power? Is it cheap power? Do you have to build power lines infrastructure?

You're going to run diesel generators, which is dirty and expensive? Those are all real questions to ask. And then the commodity specific ones, where am I in the cycle for this specific commodity? Does this project make sense given that answer, where I am in the cycle? And then where is this project or where is this company in the Lassonde Curve, which many people are familiar with? Is it exploration and making a discovery and building up, or have they just done a PEA or a PFS and now they've got to look for debt financing and equity financing where it's going to go into that orphan period? So, knowing where you're at in the macrocycle, knowing where you're at in the commodity cycle, and then all the other stuff I just mentioned about jurisdiction and access to infrastructure are hugely important. But just to reiterate, the most important things from my seat are the things we've previously discussed in the first couple of questions.

Brien Lundin:

And a lot of this comes with experience. How to value various projects. I tell people, you don't have to accept country risk or jurisdictional risk, but if you do take some of that risk, then the target, the prize has to be worthy of that. A really exceptional project is worth speculating in and taking a bit more jurisdictional risk if it's really that exceptional. And you have to remember as well that as a junior mining investor, your horizon, time horizon is probably only about a couple of years or so.

So, a country may have some risks to it, but it only really has to hold together for a couple of years if you get in at the right point, and you have that predetermination to get out at a certain time and not ride along until it actually gets into production. So there's a lot of, again, a lot of ingredients to the mix. Jeff, from a practical standpoint, taking all of this into account, everyone here I hope is going to be talking to our exhibitors across the hall at some point in this show. What kinds of questions should they be asking these companies, these management teams, to try and see if there are people they can relate to, but also what's the potential of their project and can that team take it to the finish line?

Jeff Phillips:

I think the most important thing to ask them is what's their definable competitive advantage, which should come down to something about their share structure or the people involved. You want to find a company that, again, as Nick pointed out earlier, has management, the board, have done something before meaningful. And if you don't know what that is, come up and ask me, I'll be happy to... I don't have a service that I sell, but I'm here at the conference the whole time.

But yeah, really, what's their definable competitive advantage? Why are they going to be successful with so many other companies? And they'll tell you about their deposit, but I really want to know about the share structure and the people. So, why are we going to be different than the company next to us? So, take a lot of time and go to each company, maybe kind of like, I don't know, rushing a fraternity or sorority. Go and talk to every company the first day and narrow it down to the ones you like best and visit those again over the next couple of days. But really get to know management, because that's who you're investing with, and that's where you're putting your money.

Brien Lundin:

And one of the things I would ask is something that Rick Rule has said over the years that I think is a particularly important piece of advice. They're going to tell you what their plans are and where they're going to be taking that, what their drill program is, what their goals are, everything else. A key question to ask management teams is what's your fallback plan? What's your plan B? What if things go wrong because you're going to have everything right in a play, but there's still a good bit of luck involved in this sector.

So, if bad luck strikes, what's your fallback plan? How are you going to protect the value of your share capital for me, as a shareholder? They should have thought this out beforehand. So that's another thing, see if their eyes get really wide when you ask that question and they start stammering. Jordan, this is a different market than when this crowd or much of this crowd gathered last year. We have a gold price that, I don't know what the exact numbers are, but it's roughly doubled in price. Everything has happened much more quickly. The valuation changes have happened also in the mining market all across the spectrum from the seniors down to the juniors. What should we know right now about relative valuations? Are there real values out there after everything that's happened?

Jordan Roy-Byrn...:

Absolutely. I think there still are. I think with respect to valuations of producers, and in my book I mentioned, I think historically miners have traded anywhere from about 5x to 24x cash flow going back to the '70s, although most of the time I think it's around 6x to maybe 13x or something like that. I haven't seen anything recently, but we're probably fairly close to fair value. But even if you look at the junior producers and developers and you look at where they are right now, these margins that we have right now as an industry, if these margins hold for two or three years, a lot of these companies, many of them, maybe even most of them, they don't even need margins to change. They could still double, triple, or quadruple in the next two years if margins just stay where they are.

...And that's how I'm looking at my own investments, and I think everybody should look at as far as what you're asking these companies. Just remove gold and silver metals price, take that out of it. Look at something because if something's undervalued right now just based on the prices and you think it can double or triple, well, then when prices of those metals rise or then the margins rise, you can make 3x, 5x, 7x. That's how you're going to make really big winners. Just take the metals prices out of it. But yeah, circling back to valuations, you just have to, as Rick Rule says, "Do your homework." Just do your homework. Look at a lot of these stocks, you are going to find good valuations across the spectrum.

It's not just smaller stocks, it's in exploration, it's in production and development. And I think that'll be the next phase. When this correction ends, this intermediate correction as I call it, I think that'll be the next phase when we see those legs higher, you'll see valuations move from slightly below fair value from fair value to then you get above fair value, then you start to get overvalued. But that could take a couple of years for that to happen. So I think...what's really important with respect to gold and silver where we are, I mean the longer this correction goes...

That's going to be a really good thing for all of us because once the next leg gets going and you see silver breaks above 50 for good, and then you see gold makes another new high, and I don't think it's imminent, I think it's going to take a number of months, but when that happens, then it's going to be too late to buy in some respects. This is the time when we have a correction. This is going to be one of the last good buying opportunities in gold and silver. And then after that, you'll probably see better buying opportunities, and you may even have them right now in the other commodities.

Brien Lundin:

Nick, in terms of valuations, how far this market has come, and this is going to combine a couple of questions here. We've seen that companies that could not raise money over the year, two years previous to say mid-summer, they can now,

and it hasn't just been a market... For a long time, it was a market of the haves and have-nots, and if you were one of the haves, you could raise money, but not necessarily on the terms that you wanted. So you had to take on excess dilution and the have-nots couldn't get their phone calls returned.

Today the haves can get a financing done, not only at terms that they want, but at levels that they never imagined before. The new ten-million-dollar financing for a pre-resourced company is like a hundred-million-dollar financing today. It's gotten that extreme and the have-nots, the companies that used to have no chance, can still raise money. Nick, what are the implications of this? What do they have to be worried about if everybody is well-financed? If everybody's got money coming in, are the turkeys flying now, as Jeff said, is the wind blowing, the turkeys flying? Is there real danger in just going at it willy-nilly?

Nick Hodge:

The amount of financings and the value of those financings has definitely increased. As you said, I feel like it's Oprah giving out cars sometimes when I look at my news release and it's life financing, life financing, life financing, you get a life financing. So, I think one of the things you have to worry about is where's that money coming from? And some of this stuff goes back to our earlier discussion, but is that long-term paper that's coming in? Are those sticky shareholders? Or are these people who are coming in because they're more generalist or they've been waiting for a bull market or those turkeys to fly and they're coming in to do those financings that don't have hold times, or they're just trying to flip their paper to get warrants? So, that's one of the things that could be a negative. The other thing it does is it creates a lot more noise for you as an investor and someone doing research.

So, if all these companies have money, not just to explore, but also to market, they're going to be in your feeds and on your browsers and in front of your eyeballs a lot more, which psychological studies say that once you look past the seventh deodorant, your brain can't really make a decision anymore, right, because you forgot what the first three deodorants were. So, it becomes more things to evaluate, more things in front of you, and then you've got to become better or sharpen your edge at discerning who the true quality is, and I guess that's the point of everything we discussed here today. Some of the upsides are that there is more opportunity, there are more financings, and I don't know if you guys participate in private placements or not, I'll be talking about that a little bit later this afternoon, but there's more opportunities for you to get involved at that financing level as opposed to just buying in the market. So, there's negatives and positives as there are strikes and gutters with most things in life.

Brien Lundin:

Expanding on that a bit, because Nick mentioned life financings, and Jeff, you were talking about one-year holds. I think we need an explanation of the difference in that and while you're touching on that, what's different about this market? I've noticed that there's less joint ventures, there's major companies coming in, taking 9.9% ownership of companies instead. What's changed now that money is relatively easy to get for almost any company? And in terms of financings and what should we be looking for?

Jeff Phillips:

Is that a question for me?

Brien Lundin:

That's a question for you, Jeff.

Jeff Phillips:

All right. That's a lot in that, that's a big one.

Brien Lundin:

I know, I'm trying to stump you here. I told you I would.

Jeff Phillips:

Well, on the financing front, again, it comes down to the whole thing about structure. You want to see companies, if you're investing in a company, you want them to be able to raise money at higher prices, that's why you're investing in the company. You obviously don't want to be investing more money at lower prices, so you want to know what their plan is to raise money. Nick talks about life financings. That's a financing that doesn't have a hold, a lot of times it's associated with people in the industry, professionals, institutions that just want to sell their stock as quickly as they can and collect the half or full warrant.

If you are in this market and you're still giving full warrants away, you definitely have problems. But anyway, so a life financing isn't the best financing. A typical Canadian financing is a private placement with a four-month hold. How long is four months? Not very long for these companies to develop their programs. So, I like to see again that there's insiders that are going to be reporting in these financings, there's like-minded people that are going to hold their stock. But there's a lot of stuff going on in the junior space and that's just financing, and what was the second part of your question, Brien?

Brien Lundin:

That's a good question for me.

Jeff Phillips:

There you go. I think I'll ad-lib here.

Brien Lundin:

I think the fact that this market has changed a good bit because really it's not just companies being able to get money, but it's also the gold price. So, that makes projects, even mediocre projects... For years we talked about and really promoted a lot. Brent hated these, has always hated these plays, but the optionality plays, the companies that had big resources that were out of the money, but if you were a real gold bug or silver bug, you wanted these because as the price of the metal went up, all of a sudden these companies would get economic, their projects would become economic. Well, one of the things the market is yet to recognize is that optionality plays have gone extinct. There are no longer any optionality plays. Every one of those projects is not only economic, but wildly economic at these gold prices, at these silver prices.

So, the market has yet to recognize that. So, that's one of these changes, these evolutions that we've had in the market, and at some point it's going to have to reprice those projects. So that's an area of opportunity. We're getting close to our time limit. So I want to adjust the future here for the metals. And this really touches Jordan on one of your areas of expertise and technical analysis. We look at the gold price. You say we're in a correction right now. You've looked at analog charts, averages of past bull markets just to try and get an idea of how long this would last. But what are you looking at for the various metals and perhaps even the equities? What are your charts looking for? What is your crystal ball saying right now?

Jordan Roy-Byrn....:

Well, historically, gold is comparable to, it's most comparable to the breakout in 1972, which I like to call the greatest breakout of all time in the history of capital markets because it was, but the breakout that we had last year out of that 13-year cup and handle pattern, that's the second-biggest breakout in gold's history. The other big breakout that gold had was in 2005, although that was not to a new all-time high so it was a little different. So those are the three biggest breakouts. Now, if we take an average of how gold performed after the '05 and the '72 breakout and put that on the current scale as I do in my analog charts, I think that brings us up to, I think \$6,700 somewhere in February or March of 2027. So after this correction, I mean we could have another, that even makes me a little uneasy,

as I'm saying and telling people we will just look at things at the current metals prices, but it's not out of whack with history that we're correcting here.

And after this correction, we could have another dramatic leg higher and it could go higher than many people think. And with respect to silver, silver's basically broken out to a new all-time high three times in its history. And after those three breakouts, it basically doubled, I think within six to 12 months. Now it's six to 12 months after it breaks out and keeps moving. But it looks like now we're correcting and we're not sustaining the breakout. But I do think with silver, it could be similar to what happened in 2010, 2011, where after the GFC it rallied up to \$20 and that major resistance area, then it corrected 25% for two months, then it consolidated for six months before exploding. So, I think that's a possibility for silver, but once it's able to break \$50 for good, it is going to a 100 pretty easily.

And I think the equities will continue higher. It's just the question is how much do the other commodities rise and how much are the margins impacted? I mean, it's great for the industry that the cost of energy is so low right now, but that's something to keep in mind. I mean, the move from 4,000 gold, we would just say to 6,700 or 6,500. I would guess, I don't think we're going to capture all of that upside with respect to margins. It'll probably be worse than what we've had in the last 18 months because the move in the last 18 months, I mean it's been nominal, but the move in margins has been really close to the nominal move. I just think that the next move, we're going to see more cost inflation. So that's something that people have to keep in mind.

Brien Lundin:

And this time is in some ways different. I know that's a very dangerous thing to say in investing, but every bull cycle has its own peculiarities and this one does as well, and there are ways to take advantage of that. And in this kind of a session, we can't touch on everything, we can't go over all of the basics, some of the basics that I wanted to touch on, we didn't get a chance to cover. But the important thing is, is that this is, and I'll be talking about this in my opening remarks, in my presentation a little bit later. This is a very special time and opportunity. It's a very special place that you're at right now.

Go over there, talk to those exhibitors, spend some time. Like no time else, this will benefit you, this will be rewarding. And all of my speakers, I picked my speakers because they have a lot of expertise but they're also willing to share their expertise. So, if you get a chance to button hole them and ask them a question, please do so. I don't think they're going to object, I think they'll be eager to share their views. So, look forward to the next few days, and thank you so much. Thank you panel.

Lawrence Lepard

"Fix The Money, Fix The World"

...It's always a pleasure to be here because I feel like it's my home in terms of like-minded sound money people. I know you all are.

So I got a lot to cover. So, let's just get going here. The title of this is Fix the Money, Fix the World. I think sound money is the biggest problem we face in the world today. I think it's why we're going through a fourth turning. I think it's why a lot of the bad stuff that's happening in our system is happening.

Our monetary system is fubar. Those of you who've been in the military know what that means. I think only sound money can fix it. I think we're clearly at the point where the great Keynesian experiment is ending. And the question to you is, are you prepared? And I'm going to talk about that, and we can discuss how to prepare.

I wrote a book as he mentioned. The book was out early this year in February, and so far it's done reasonably well. I had a hundred of them shipped here. The FedEx people screwed up and sent them back after 10 days even though they said they'd store them. So I don't have books to sign unfortunately. Sold a bunch of copies. Got some good ratings. You can buy it on Amazon.

The reason I wrote the book is I wanted to describe what I see going on, and that is...I was looking out at the world and I saw that a lot of people don't understand how and why America's broken. They don't understand what inflation has done to them. They don't understand inflation. They don't understand the economic system.

I tried to write something that the average person could read and go, "Oh, I get it. I know why they're screwing me. I know why I'm getting f-ed over. This is how I'm going to solve it." And so I walk through what I call the problem, which makes me look like a doomer, and then what I call the solution, which makes me look like an optimist.

America's broken. Inflation's the cause. Sound money, I believe, is a moral issue. It's cheating to print money. It's unfair for — as Jack Muller says — it's unfair one man should be able to print what another man has to work for.

How we got here is a long story, but the book goes through that. I talk about why Keynes was wrong and the Keynesian model is wrong. The Austrian model is right. Deflation is effectively good. Then I talk about Stein's law, how nothing stops this

train. And then I talk about how we can solve it through embracing deflation, returning to sound money.

There are two forms of sound money: analog sound money — gold and silver, the best money ever created — and there's an emerging form of sound money — digital sound money, Bitcoin. We'll talk about that.

America's broken. This is just a quick look. The promise of America was that it would be a fair society. That we would all have an equal chance to succeed. And...no guarantees for anybody, but if you worked hard, you could succeed. They tilted the playing board when they created the Federal Reserve, when they took us off the sound money standard in '71.

And what you can see is the top 1% now own most of the wealth in this country. They have 51 trillion and growing. The bottom 50% have 4 trillion. It's absurd. And that's why this society is broken.

What Keynes did was wrong. What Keynes said is wrong. Deflation is fundamentally good. You do not need continued inflation. The Fed and the banks got together on their own and they hijacked the monetary system for their own benefit. And it was a self-serving deal.

The Fed got — the government got its wars paid for, like World War I, and the banks made a lot of profit off of doing that as they did in the First World War. They were selling Liberty Bonds at 3.5%, they were borrowing from the Fed at 3%, they were getting a 50 basis-point spread for free, and that's all great for them, but it ended up doubling the price level in four years and caused a lot of trouble at the time.

They established a cartel which sets the most important rate in capitalism, which is interest rates. Interest rates should be set by the free market. It should be the balance of supply and demand. Everyone knows price fixing doesn't work. And yet we have the most important price in capitalism set by a committee of 12 people in D.C. It's absurd. Our kids will think we were nuts.

Governments have benefited as well. They got their wars funded. And since 1913, we've not really had constitutional money because the banking system is set up so that they can print money at our expense. And if they screw up, they get bailed out as we've all seen.

So, as I say, interest rates should be set by the free market.

Stein's law says that if something cannot go on forever, it will end. And this is a classic example of compounding. And the top line is...debt — all sector debt. And the bottom line is GDP. And so you cannot continue. This is like taking out credit

cards, getting larger and larger credit cards to pay the minimum. The GDP is what's used to pay the interest on the debt. If the debt grows faster than GDP, at some point it's going to collapse. And we're close.

Another look at Stein's law. This is a stunning chart. This is U.S. debt from the beginning of the republic basically. And it took us 220 years to grow \$11 trillion of debt. We added \$11 trillion just since 2020. And this is old — we're now at \$38 trillion. So we've actually added even more.

Here's long-term federal debt interest on the public debt — same story. Or — no — that's total debt. You can see how the line just gets steeper and steeper. You can see the COVID example. It went straight up in 2020. Slowed off a bit, leveled off, now about to go up again.

Interest expense — I mean, look at this. Basically, we're running at almost \$1.2 trillion a year in interest. The deficit's about \$1.8 trillion a year. This is why Trump and others are saying, "We got to get the interest rates down," which they'll do — but in turn, we'll have a lot of inflation when they do that. We'll go back to ZIRP.

Another way of looking at it is this great chart by Lyn Alden. The top line is total debt. The bottom line is base money. And what you can see is that as the debt grows, eventually something gives. And the base money has to grow too.

The first thing to give — the first big print — was 2008. The second thing to give was COVID in 2020. They've managed to reduce the base money supply a little bit, but it's now growing again and it's going to have to grow a lot.

That's why I titled the book *The Big Print*. It's only a matter of time. It's coming. The Fed balance sheet is going to go over \$20 trillion on this next round. And we're close to it. We're seeing SOFR blow out. We're seeing the standing repo facility get used. We're right on the edge right now.

In fact, the markets are down. Bitcoin's down. Everything's down. Gold's down. Powell is hoping he can get out of here by May of next year. Karma's gonna get him. He's F-ed. I mean — [laughter] — this thing's gonna blow up before he gets out of here with his reputation intact. And there's nobody who's more excited to see it than me.

Okay, so here's the good news. We have been right all along. The world is waking up to the monetary debasement trade. And JP Morgan used to call us gold bugs. Now they are recommending an allocation to gold — or actually Morgan Stanley's recommending an allocation to gold. The elites like Mohammed El-Erian have embraced what we've known for decades. They act like they knew it all along. Jesus, it just pisses me off.

Gold's at record high, silver's record high. Bitcoin hit a record high — not today, but very recently. Bitcoin was at that high three weeks ago.

Get used to this headline: Sound money hits record high in fiat terms. You're going to hear that a lot. Gold, silver and Bitcoin have no top because fiat has no bottom.

So, the sovereign debt crisis has started. Take a look at this. I didn't update this to the most recent — it's actually now 200. This is since 2020 when COVID broke out. This is the price of gold measured in bond terms. So, bonds have gone down, gold has gone up. So, in this 5-year period, the price of gold is up — this chart shows 199. I read the numbers — it's actually 277 right now.

So gold in this 5-year period compared to bonds is up 277%. If you'd sold bonds in 2020 and bought gold, that's how much you'd have made.

Check this next one out. Same set of numbers. Bitcoin up 2,000% in that 5-year period. Okay, interesting, right?

Total available market analysis. We know sound money is better than fiat money. We know fiat money is dying. Let's just talk about how much money is available.

There are people who say, "Well, gold's at record highs. Bitcoin's at record high. This can't go further." I love all these Toronto gold stock analysts. A couple years ago they were saying, "2,000 is the top, and if it hits 2,000 it's going back to 1500." Well, no.

Here are the actual numbers. This is the total available market. There's about a trillion dollars of global investment wealth out there. 370 in real estate, 318 in bonds, 129 in money, 135 in equities, 27 in cars and art, 22 in gold — that should be a little higher. This is a couple months old — that should be 25ish, 27ish — and two in Bitcoin.

Okay, what happens when all those other big buckets go, "I'm getting screwed in my bonds. I know I'm not going to get paid back in real terms. Maybe I need to buy some of that Bitcoin or gold," right?

I mean, think about it. If 10% of the bond market said, "This sucks. I don't want to be here," and they come chasing gold and Bitcoin — I mean, that's \$31 billion. And that's just one market.

I mean, real estate, equities, money — all of them. They're all going to come after these things. So, these are the assets to hold. Assets that the government can't print.

So let's talk about money and what makes money. Because I know there's some people here who probably don't like Bitcoin. And I get it. I didn't like Bitcoin initially either, but I do now. Let me explain to you why you should consider it, even if you hate it.

And I understand some people hate it and I understand, some people hate it because they associate it with crypto and I understand. I got to tell you — everything associated with crypto is f-ing fraud. Okay? Everything that's not Bitcoin is a shitcoin. All of them. You don't want to own any Ethereum, XRP, Monero, any of that crap. Just get rid of it. Sell it. F-ing sell it. Buy Bitcoin. It's the only cryptocurrency with any value whatsoever. And all the people — all the clowns in that other shit — ignore them and don't listen to them. Don't miss the signal that is Bitcoin because all the other crypto stuff is crap.

So let's talk about what money has to be. Money has to be usable as a medium of exchange. Money must maintain its value through time and space. Menger said money is the most liquid good. It's what everyone agrees is the most easy to transact in.

Money is also a ledger. It's debits and credits. Lyn Alden's book shows how before gold was even mined, the Sumerians were keeping track of things and they were basically doing transactions — eggs, wheat, whatever — they were writing them down. And money doesn't have to be physical.

Gold happens to be physical. It's a great property. But let's face it — your bank account doesn't have anything physical about it. You look at those digits on a screen on your computer. Fiat money is nothing close to being physical. Money is and has always been a ledger. It can be physical — gold is — doesn't have to be.

Money types are defined by their qualities.

Today's money — there are three kinds. Gold and silver are geologically constrained physical sound money. Fiat money is a government-controlled ledger money. The government controls that ledger and of course we know they inflate it and cheat. And Bitcoin is a mathematically constrained ledger money. Big difference. Fully distributed, open-source software. Everyone can see it. Nobody has an advantage. It's fair. It's fair. That's the big difference.

Analog sound money — gold and silver. You guys all know about it. You probably all own it. I own a ton of it. I love it. It's great. I will never denigrate it. Any Bitcoin guy who goes after gold and silver — I get pissed as shit and I attack them back.

But in turn, gold and silver guys who go after Bitcoin — I say, "Hang on a second. Open up your mind." There's enormous Lindy effect. The supply growth is small.

Central banks support it at scale — that's really important. It's going to make it the first go-to asset. It's why it's rising now and others aren't.

Let me just keep going here.

Bitcoin. Okay, this is important. First of all, I'd just like to ask — I do this every year — would everyone here who owns some Bitcoin please raise their hand?

I'd say it's probably a little less than half. Maybe we're going backwards. It used to be about half. I'd say that's a little less than half.

When they invented Bitcoin, Satoshi invented something. He invented digital scarcity. It never existed until they created this system. And it had been attempted many many times with eCash and other attempts prior. He got it to work and it's been working flawlessly for 16 years.

There's a supply cap of 21 million and that makes it different than other cryptocurrencies. All the others are not supply capped. It's a commodity and it has a perfectly inelastic supply.

What does that mean? If people want more of it, every other commodity in the world — if the price goes up, you make more of it. You can't make more of this. There's only 21 million. That's why the price is going up forever.

History shows that the strongest money always wins. Gold demonetized silver. Gold and silver used to trade at a 15 ratio. Now they trade close to 100. That'll come back some, but it's never going back to 15. That's because the monetary properties of silver aren't as good as the monetary properties of gold. India and China learned that the hard way.

The stock-to-flow ratio — which is the amount outstanding compared to the amount that gets added every year — of gold used to be the hardest money. It's now at 58. Silver's much lower at 11. Bitcoin's at 125 and it's going up because every four years the supply gets cut in half.

Okay, we talked about Bitcoin not crypto. By the way, all these slides are going to be available on my website. They're also available on my Twitter feed. And there's a long list of reasons why Bitcoin not crypto. Let's not go there — I'm running out of time.

Bitcoin fixes it. It's an invention in my view. It has immutable digital scarcity and it's a form of digital gold, and it benefits versus gold because it's on an adoption curve. Gold is fully distributed. Everyone knows it's money worldwide. It's great. You walk

into any place, you use a gold coin, it'll be accepted. Nobody knows Bitcoin's money yet, but they're learning.

Okay, here's the negative on Bitcoin. Bitcoin has significant volatility, as would anything that's being adopted. I mean, if you look at Amazon — Amazon was, you know, started off selling books. They had multiple 70 to 50 to 90 to 70% drawdowns over the years. And yet Amazon's up 212,000%.

Notice this. Bitcoin has multiple times gone down 50, 60, 70, 80%. But it's always come back and formed a new higher high. And I'll show you the overall price in a minute.

One of the things that's very interesting here — and you got to get used to this, and this is why you got to buy it and hold it and not trade it — from 2017 to 2024, Bitcoin is up 847%. Get this: if you had missed the best 10 days, you'd be down 23. If you had missed the best 20 days, you'd be down 67. If you had missed the best 30 days, you'd be down 84%.

Isn't that stunning? And the reason is because when it runs, it runs really hard. Stocks generally go up in a staircase and fall in an elevator. Bitcoin goes down in a staircase and goes up on an elevator.

Let me show you why.

The numbers are compelling. These are the rates of return. And in all but the four-year case, Bitcoin has beat the other two alternatives, sometimes substantially. That's just rate of return, compound annual growth rate. One year — as much as gold's up this year, still on a year-on-year basis Bitcoin's up more. And on a five-year basis — for example... Bitcoin's up 53, gold's up 16. So it's kicking butt.

Here it is as a return on investment — compound annual growth rate over time. If you bought it in the beginning, you'd be up 3.66 million%, which is ridiculous because that was when people were buying for pennies. But just look at the last five years — the only time when it's underperformed gold is in the four-year window, and that's when it went into the Sam Bankman-Fried crash.

Okay, this is a ratio of Bitcoin in gold terms, and it's pretty interesting. It's up — notice it's up and to the right. This is the number of ounces of gold necessary to buy one Bitcoin — or what Bitcoin will buy in terms of gold ounces.

And some would say, "Okay look, maybe it's broken the uptrend here. Maybe it's over." I mean, I know Peter (Schiff) would say that. But I don't believe it's over.

There again — there's another look at the same thing. You can see how it's right on that uptrend. And maybe it's all over. I personally think this is going to 60, 80, 100, 120 as Bitcoin demonetizes gold.

This is a very interesting chart. What this shows is Bitcoin and gold from 2018. Orange is Bitcoin, yellow is gold. Notice how when COVID hit, notice how gold moved first. It smelled it. It moved first. Notice how Bitcoin sat there flat.

The scales by the way are different here. The gold scale is from 1,000 to 3,500 — I didn't update it to the 4,000s. The Bitcoin scale here is in 0.1. So 0.1 is 10,000 and 1.0 is 100,000.

So COVID hits, gold takes off, Bitcoin lays flat, and then one day in 2020, Bitcoin goes up and goes from 10,000 to 60,000 in three months. It's like — holy shit. Then it corrects way back.

Then Powell starts raising rates. Gold kind of hangs in there — it doesn't react very much to it. Bitcoin gets annihilated — totally annihilated. This is a very volatile asset.

So I'm not saying that anybody in here should take all their money and put it in Bitcoin. But what I'm saying is it's outperforming by so much — it's got so much more alpha than gold — that the only wrong allocation of Bitcoin is 0%.

People say, "Well, I don't want to own an asset that's that volatile." And I say, "No — you want to own assets that asymmetrically are going to go up." And if you own 2% and it goes up 10x, that's a 20% rate of return. If you lose the 2%, is your life going to change? Probably not. Everybody needs to own some Bitcoin in my opinion.

The other thing you notice — you take that same chart and you lag it. There tends to be about a 100-day lag. And this one I have updated. This shows the run in gold. And gold just took off and left Bitcoin in the dust. And it's got a lot of gold guys crowing about "We're crushing Bitcoin." And today you are — no doubt about it.

But guess what? If this correlation holds, Bitcoin's about to rip. And I think that's going to happen when the big print occurs.

So let's model the Bitcoin price — because everyone says, "Well, what's a fair value?" And this is really fascinating stuff.

Fred Krueger and Giovanni Santostasi figured out that if you take Bitcoin's price going back to its inception and you model it on a log-log basis, there's a 95% R-squared correlation. Anyone who knows statistics knows that if you can correlate something 95% back-testing, that's a useful model.

And so with that back-testing model, you can say, "Okay, assuming this relationship holds — and it could change over time, it could break — but if this relationship holds, what does that mean on a go-forward basis?" Well, let's have a look.

Here's the model — present...where we are right now — the trend line is 110. So we're a little below trend line. Bitcoin tends to go one standard deviation down or one to one and a half standard deviations up.

So that would imply that a year from now Bitcoin would be 154,000 — or if it goes on a real tear it could go up to 300 or 400. Won't stay there. Or if it has a big setback, it could go down to 77.

But look at where it should be in five years — 478. Look at where it should be in 10 years — 1.45 million.

I said at my last conference — at this conference last year — Bitcoin's going to a million. A bunch of people gasped and scoffed at me and literally laughed and thought I was an idiot. I'm telling you folks — Bitcoin's going to a million.

And everyone who looks at it now and says, "Well, it's 100,000. I wish I bought it at 10. It's not going to keep going up." When it's a million, you're going to think, "Shit, I knew about it at 100,000. I didn't buy it." Because this is what's going to happen — in 20 years it's going to be 8 million. Using this model.

Krueger — same story. This is an interesting look at what — and the little numbers are a little hard to read, so I'll read them for you.

Started at a dollar in the 2011 time frame. It then went to \$10 — that took a year. It went to \$100 — that took 1.6 years. It went to \$1,000 — that took 2.49 years. It went to \$10,000 — that took 3.75 years. It went to \$100,000 — that took 5.86 years.

So there's a decay as the return comes down. What this suggests is that we will go to a million dollars in 2034 — just on the power law. Now we may get there earlier if we standard deviate above it for a while. And then it will take eight years for it to do another 10x. But I think this model has validity and I think everybody should consider it.

So where are we headed? I'm literally running out of time as we speak. I think gold goes to 6,000 next year. I think silver is \$75. I think Bitcoin goes over 200,000. I think the GDXJ is up another 100%.

I think the Fed is going to be forced to capitulate. We're going to have QE, yield curve control, ZIRP or similar. We know Powell's out of there in May and we know that whoever comes in new is going to be a massive dove.

I think we're going to see double-digit inflation in the next three years. I think as a result of that, blue team — like Mamdani — they're going to promise all kinds of stuff to stupid people and the stupid people are going to vote for them, and sadly red team's going to lose.

I think at that point in time America's almost lost. We go full socialism — UBI, deficits, stimies — all the things that happened in COVID on steroids. And we get very very high double-digit inflation — like north of 10, 15, 20%. We have massive social unrest and pain. Basically we almost approach a currency failure.

And at that point in time, I think the only hope is that Michael Saylor — who at that point in time, with Bitcoin at \$5 million, is the richest man in the world, and is also a very intelligent MIT engineer and understands how the world works, understands how we got here, and has the receipts — comes in and says, "I know what the problem is, guys. I know how we've got to fix it." And he engineers the solution.

We elect him as president. We reset the currency. The fourth turning ends. And our kids live in a much better world.

So that's where I think we're going.

Brien Lundin

"What Gold's Telling Us, And Why You Should Listen"

Thank you, sir. Well, long time no see.

...I promise we're going to have other speakers at this event and some good ones as well. So yeah — this market's evolving. I'll just jump right into it because somebody in their welcome remarks went five minutes over. So they just cut five minutes of my speech time. You'd think I had some pull around here, but apparently not.

The next stage of the gold bull market, waves and a rising tide. This is one of the things I was talking about — how this market is evolving. We're getting finally the western investors involved in this sector. And like Mencken said, "be careful what you ask for. You'll get it good and hard."

We are getting the Western investors — all of their money. They propelled the gold price well over \$4,000. And then they got spooked and they left. So we're going to

get more wiggles in the line as we go forward. That's part and parcel of what we're going to have to get used to.

So let's take a look at where we've been. Gold one month. That's a heck of a decline there, isn't it? That in fact is a 10% correction in the gold price. Now, that doesn't sound like a lot and it was pretty shocking to us. It is the second 10% drawdown in this 19-month-old gold bull market. That really is not normal. It is really abnormal.

We would and should have had bigger corrections and more of them during this bull market. It's been a fairly steady rise. The corrections that we've had have been more pauses in the ascent and range trading than they've been really significant corrections because central banks have been driving this bus — and they don't buy because of the emotional swings that investors do. They buy for strategic reasons. They're in fact probably dollar cost averaging, devoting a certain amount of money every month, every quarter, to gold. And therefore, as the gold price goes up, they're buying a little less. And we've actually seen that in the numbers.

But that results in a very steady rise in the gold price that's fairly uninterrupted. Again, only two drawdowns.

This drawdown was a bit jolting though to investors because we went down 5% one day. In one day the gold price lost 5%. That's not unknown — that's happened before in other gold bull markets — but we've never before lost \$250 on the gold price in a day. And that's what happens when you start dealing with large numbers like this. You have to take a step back and see what they mean.

Still in all, this was a pretty serious correction. You can see that on the one-month chart. Well, let's pull back and see how meaningful it is. It's still meaningful. It's still pretty significant if you go back three months. If you go back even a year, that's a significant wiggle in that line. And where we go from here — we'll talk a little bit about that. But generally speaking, I think we're probably, after that jolt, going to trade sideways a bit and then take off again in the next big rally. I think the market needs to conserve its energy, rebuild, and then take off again.

But this is the characterization of this market I was talking about. We've had four big thrusts and then we've range traded. We haven't had that much of — or those kind of typical corrections. And when we have corrected — and this is a question I wanted to ask Jordan in the boot camp earlier — when we have corrected, it hasn't been to the depth or duration that typical technical analysis would have indicated. You see the predictions — we're correcting, we're going to go back down to X dollars, it's going to be a real big decline — and gold's refused to drop to those levels that it should have in a more typical correction. It's traded sideways and gone up again.

The only other 10% drawdown we had was in November of last year after Trump won the presidential election and there was talk that it was going to be a Bitcoin reserve replacing gold etc. None of that materialized and gold got right back on the uptrend.

Another important thing, obviously, is that silver broke out. Now that's one of the reasons why I've hinted at before that this market is evolving. This time is different. The rules of investor sentiment still apply. But every bull market has its own characteristics, its own unique characteristics.

This one — because it was driven by central bank demand and central banks don't buy silver and they don't buy mining stocks — these traditional levers to the gold price, silver and mining equities, lagged. They didn't really move, not to the degree that they should have given the corresponding moves in gold.

Silver finally broke out and its big resistance level was that \$35 level that you see in the blue line. When silver crossed that line pretty decisively, I and a number of other pundits out there said, "Well, it's going straight to 50. There's really nothing to prevent that." And as you can see, that happened.

What was really impressive was that it went right up to about \$54 and didn't have that hesitation that I expected at the 50-yard line, as it were. But it has — again — subsequently dropped below that, and this is part and parcel of what we typically see. These big numbers the metals get to and it takes them a few tries to get through decisively. So I think silver is trying to get right back above that again. We'll see if it holds this time, but I'm very bullish on silver generally.

This is an indication of why or how or when the generalist investors have gotten into the sector and how they came in. Now, they've been investing a bit over time, but we didn't get these big hedge funds, institutions and Western speculators — they're more speculators than they are investors. We didn't get them involved because they didn't really understand what was driving gold. There wasn't a fundamental rationale that they really understood.

You didn't see a lot of talk on CNBC about how everybody's fleeing the dollar and BRICS and all that. But that happened when Russia invaded Ukraine. Central banks started buying gold, the price went up, and when the big institutional investors — the western investors — finally got around to thinking, "well, maybe we ought to get involved in this debasement trade," they saw how far the gold price had gone, so they decided to enter in through mining stocks.

That started — really started — with a vengeance on August 1st. Almost literally August came around like a starting gun and you'll see that this chart, GDX index

divided by gold — in other words, gold mining stock index divided by gold itself. When that line is going up, mining stocks are outperforming the metal itself.

That took off on August 1st and then took us to that high over \$4,000 and took the mining stocks finally along with them. So they really performed on the upside and they really leveraged gold — as you can see — on the downside as well. That's a two-sided coin there. It hurts you on the downside as well. Silver will leverage gold on the downside as well.

They're going down the food chain too. This is a bit of a complicated chart, but I thought it was really interesting. This was in the In Gold We Trust chartbook recently — great book, it's free and annual and now they're doing quarterly updates and even monthly updates.

But the bottom line, the gold line...is GDX divided by GLD, the mining stocks divided by the physical gold ETF. Mining stocks over gold. That trend was trending lower since 2010. In other words, gold was outperforming the mining stocks other than a few brief periods over that time span.

If you look at the end, that line is heading up. So now the mining stocks are starting to outperform gold.

The top line is the large-cap gold miners divided by the junior-cap gold miners. When that line is going down, then the juniors are outperforming the majors. That means investors are going down the food chain toward the stocks that have more torque to them, more upside potential.

So this market again is evolving. Now we're seeing what we've been waiting for — it's happening in front of us right now. Investors are coming into the sector. They're coming into mining stocks and they're going down and trying to find the more speculative, more high-powered, higher potential equities.

Yet money's flowing out of GDX. This seems to be an anomaly — how can this happen that the GDX is rising in value? The index is rising, the mining stocks are rising, really taking off, but money's flowing out of GDX?

So it's obvious that somebody's buying these stocks, but they're not buying through the GDX. These investors are being more active, more proactive. They are buying the individual names rather than just doing allocations into the big index. That's a good sign.

So where are we now? The Fed launched a new easing cycle in the US — that came with Powell's Jackson Hole speech — and it's going to continue because the market tried to price in, not one rate cut that Powell conceded, but another two or three

from Powell. Then they're looking ahead and seeing that come May, Trump will have his man in. And if you don't think he's going to start cutting rates, you have not been following the headlines.

And at the same time, central banks continue to buy gold as protection from dollar hegemony. Now...we've seen that buying moderate a bit, but it's still very strong. And that's what gives me the indication that — well two things — that they're dollar cost averaging, but there's also been some buying that's not being tracked.

Welcome to cheaper money. This is Jerome Powell's Jackson Hole speech. We see what happened to the gold price right afterwards — again, western investors pricing in this new era of easier monetary policy.

It's been going on around the world already. This is a chart of the number of global rate cuts over the past 24 months. And this was actually done before...the Fed's latest rate cut. So now we are tied with the Great Financial Crisis total of 313 rate cuts around the world — and more to come.

So no matter what they're saying in front of the microphones, they're cutting rates. So they see something happening, and they're also buying gold.

Central banks are bidding big. This is gold share. This is done by Jan Nieuwenhuijs on X. He's @JanGold. Jan is, I believe, the best analyst of global gold flows. He shows that the line — the gold share of international reserves — is quickly catching up to the dollar share, which is dropping. Dollars dropping in favor of gold as far as international reserves.

Another friend of mine, Tavi Costa, shows that those lines have already crossed in terms of just US Treasuries held. So the central banks are favoring gold over the dollar. At least that's the trend right now. We have to recognize that trend.

Who else is buying? Now this is something that you won't see everywhere. It hit me in that furious run that we had after August in the gold price that it would take monumental buying of gold to move the price that much. We've seen that.

Jan recently came out, by analyzing the gold flows into China, that the People's Bank of China probably bought about 109 tons of gold in September unreported.

But just anecdotally, I get the feeling that that kind of buying that it would take to send gold well over \$4,000 — it had to be somebody else buying. And so I went back and I asked Grok on X to track the number of mentions from the administration of a Fort Knox gold audit. And it peaked in February — and then went silent. No talk about a Fort Knox gold audit. And as soon as they went quiet, look what happened to the gold price.

So — coincidence maybe, but I think that one of the big buyers out there might be the US itself.

We don't know, but they're not talking about a gold audit any longer. The gold price has taken off. And if you've tracked any of the work that we've reported on going back to the mid-90s or Frank Veneroso's work, you know that a lot of central bank gold was loaned into the market and replaced by IOUs. We don't know if that gold has ever been replaced.

And I think that a big part of what we've been seeing over the last 19 months is an indication of gold trying to get where it was supposed to be all along. And that may even be in the US.

Where are we now? Western investors are buying gold as well as mining stocks and silver. This is a chart of the gold ETF — GLD. You can see that over the last year they've been buying, they went quite a bit over the summer and then even in GLD over the end of the summer into early fall, buying accelerated.

ETF buying surged. This is a chart from the World Gold Council. The quarterly demand was, I believe, the second strongest we've ever seen in the gold ETF. That's been a big driver obviously.

The bottom line — and this is the point I've been trying to make really the past few years — is that we have entered a long-term monetarily based gold bull market like the 1970s and the 2000s. The volatility is going to increase going forward. It's not going to be as easy as it was over the last 18 months. And that's thanks to the involvement of these western investors.

They, however, are going to drive up the values of the leveraged sectors — silver and mining stocks — and that's why that room across the hall will be so important for you during this conference.

We need to remember though, that when we have drawdowns like this, that what we've seen so far has yet to address the long-term issue. The factors behind this bull market remain firmly in place. And this is the one chart — you'll notice that this is the same chart I've featured and updated over the last five, six, seven years or so — but this is the chart of the federal funds effective rate. This is the interest rate the Fed sets.

That's the blue line. And you can see going back to 1980, it's gone progressively lower. And in fact in those shaded areas denoting recessions, the Fed has had one prescription always — that is to ease monetary policy, drop interest rates. Yet when they've tried to raise rates again, they can't get it back even to the midpoint of the previous range.

The result is those red lines that mark the bottom of the interest rate cycles, which are a stair-step down to zero. The Great Financial Crisis. 2020 post-COVID. And then they were successful in raising rates a bit, but another thing happened when they were able to do that — and granted, they only had to get rates above 2.5% to get above the past peak, so it wasn't a monumental achievement — but it did have a monumental effect.

Now, as we had that interest rate policy, as we had rates going ever lower, ever lower over 45 years — lower rates, and not just lower rates, but the prospect that money is always getting cheaper — encourages debt accumulation. And nowhere more so than the federal debt.

And that red line is the federal debt. This comes from the Federal Reserve's own website. And yet they barely have the federal debt at \$32 trillion — so they're way behind the times.

If you constantly accumulate greater and greater debts, you put yourself in a bind. Here we see the gross federal debt again in red. And you can see the steady growth in the federal debt over time.

That blue line is federal government expenditures on interest on the federal debt. That's the blue line. And you can see in that zeroed-interest-rate environment after the Great Financial Crisis going into COVID that blue line — yes, it rose but not that significantly. It was kind of in a range.

Then the Fed started raising rates at the furious rate of a quarter point a year and you can see the effect that that had on the bottom-line interest payments in the federal government.

This is the brick wall that the Fed — this is the trap that they're in. This is why we can no longer have interest rates above the rate of inflation going forward. And that is what the gold price is recognizing. This is the debasement trade, as it were.

National debt just crossed \$38 trillion. Now the important number here is that the bottom numbers here — the ones I've circled in blue. In 1980, the federal debt-to-GDP ratio — this is when Paul Volcker was in charge — was 34%. Today, it's 120%.

Jerome Powell and whomever Trump puts in next May — they do not have the same toolbox that Paul Volcker had. They cannot raise rates ever again with the debt burden this high.

Again — lower rates, negative real rates going forward for as long as we're in this current monetary regime.

This is a representation of that brick wall. This is just federal government current interest payments. You can see what happens when you try to raise rates when debt has grown so large.

The bottom line is that we've entered the endgame of a four-decade-plus process of ever-easier money. This debasement trade we've talked about for years has now gone mainstream.

Let's see where it could lead. Here's a chart of long-term gold. The first bull market in the first half of the 1970s — gold went up 5.6 times. Second bull market, later half of the 1970s — 8.2 times. The 2000s — it went from trough to peak seven and a half times.

If you mark the bottom around \$1,050 like I do, that implies a \$6,000 to \$8,000 gold price at the end of the cycle — whenever that may occur.

If you count, however, the '70s as one cohesive bull market, the gold price went up 24 times. That of course gets you into the mid-\$20,000s for a gold price at the end of the cycle. That, I think, would need some sort of a financial reset — some kind of reattachment of gold to the dollar or gold to fiat currencies — to occur. But right now, the gold price is pointing in that direction.

If you back monetary aggregates of M2 even 40%, you're talking about a \$20,000 gold price. So any kind of official backing gets you to those levels.

Now — that exhibit hall across the way. Again, I think that's much more relevant for you now. I think there's tremendous opportunities there. Junior mining stocks are starting — even though most of them have gone up two times, many three times — they're still long-term values relative to the gold price. Junior mining stocks can get you tremendous returns, real torque on this trend.

Great Bear Resources was one of our best calls in Gold Newsletter — 87 times from first recommendation. Recently — and last year at this conference — I recommended Prospector Metals before they drilled. That stock quadrupled in one day on one drill hole.

That's the kind of thing that can happen. I can guarantee you — in fact I *do* guarantee you — if you're dissatisfied from this conference you get your money back.

But stocks like this are sitting across the hall. Companies like this are over there. Next year, some of those will perform like this.

Let's get an idea of some of them that might. These are the companies that are in my Gold Newsletter portfolio that happen to be exhibiting here. It's a long list because I'm very enthusiastic about this market. So I've fallen in love — or at least very much in like — with a lot of stories here.

So, there are a lot of companies to go through, but these are the companies that are across the hall and in our Gold Newsletter portfolio:

1911 Gold Corp, a restart of a historic mine, huge land position, great story.

Almadex Minerals, great share structure, we talked about that earlier, a lot of money in the bank, don't need to dilute. And they've spent the malaise of the market going out and found some great porphyry targets, joint venture model, but they can also drill some themselves.

Amarc Resources, great discovery in the Toodoggone district of British Columbia, high gold grades for that area for porphyry discovery, emerging story, a lot of drill results coming out over the next weeks.

Atha Energy is one of the uranium plays in our portfolio starting off with a resource around 40 million pounds. They're finding a lot more. It's a big discovery play right now with a lot of great projects.

Avino Silver and Gold, a longtime exhibitor here. Great growth potential. The high-powered silver growth play in the market today.

Aya Gold and Silver. I guess they would contend for the other high-powered silver growth play in the market. Extraordinarily profitable mine in Morocco and a remarkable project that they're developing right now, coming right behind it.

Banyan Gold, one of those companies with a very large resource — seven or eight million ounces right now, I think headed for ten — going to be at the top of many major companies' list for acquisitions.

Cassiar Gold Corp, two-million-ounce deposit in British Columbia, has not moved like some of the other companies yet, so that I think is an undervalued company right now.

Cerra De Pasco, a rehabilitation of one of the world's largest mines. Tremendous metals value there.

Contango Ore, remarkable share structure, yields a relatively high share price, but their growth potential — the free cash flow they're generating right now — and

they have one high-grade open-pit project and a hub-and-spoke strategy to bring a couple of other projects to fruition in the years ahead. A real growth opportunity.

Delta Resources, a company nobody else has recommended. They have a very large resource in the Thunder Bay region, tremendous infrastructure, have not defined that resource yet. So that's an opportunity.

Dryden Gold has a district-size exploration package in a known district, a legendary mining district. They are starting to figure out the geology — they have figured out the geology, in fact — and that's why I recommended them a while back.

Emperor Metals is a company that's using AI to define and develop resources. Has a million-plus-ounce deposit that is heading toward production.

Empress Royalty is one of the relatively few still-undervalued royalty companies with a great management team, great expertise and I think a much steeper growth curve ahead.

Erdene Resource Development Corp is becoming a producer as we speak at a very rich project in Mongolia. The market has yet to re-rate it according to its production and future prospects.

Exploits Discovery Corp has three great projects, but it has money in the bank that's just about equal to its market cap. I don't know how a deal gets any better than that from a value standpoint.

Getchell Gold Nevada, is a company I just added to the portfolio. Released economics on a million-plus-ounce gold deposit in Nevada and a market cap of say 60 million, and an NPV on that project that dwarfs that by a very large measure, especially at current gold prices.

Gold Mining Inc., gold, gold, gold. If you like gold, Gold Mining Inc. has about more gold than anybody else. And they are one of those companies that has not been revalued — their optionality plays are now economic.

Group Eleven Resources, a major discovery in zinc in Ireland, and now they've discovered another zone that's rich in silver and copper below that zone. Huge numbers involved here. I urge you to talk to them about that.

Headwater Gold, prospect generator model in Nevada. Great partners. A lot of drilling being done with no dilution.

Heliostar Metals, with an aim of being a new mid-tier producer, well on their way — projects lined up plus cash flow right now. A great growth story.

Horizon Copper Corp — I don't know why they're on here. They were just taken out. That's a winner in our portfolio. It was a 2x or 3x. I forget what it is, but I think they're just coming down to enjoy New Orleans now.

Kincora Copper, that's one of the companies that Jeff Phillips alluded to with the one-year hold. I'm in that at a one-year hold. Jeff's in it at a one-year hold. Rick Rule's in it at a one-year hold because we like this. The prospects are extraordinary. The management team has discovered some of the largest projects in the world. This is their junior exploration play.

Meridian Mining, project in Brazil. Extraordinary economics. This company will either be taken over or they're going to make a whole lot of money developing it.

Newcore Gold, growing project, growing resource in Ghana. It's been a winner for us for a while, but they're just now — because they have the money — going to really be able to build this resource.

Power Metallic Mines, a polymetallic play that has gotten some extraordinary grades, has an identified trend and a lot of upside to it and is a real value at current levels.

Prospector Metals — interesting. They had a big hit. We're waiting for the only other hole they drilled on that target to come out. That will be indicative. I really like this management team. I think they understand this prospect. I think it's a major new discovery. I urge you to talk to them. It is an exciting discovery story, rediscovery story really.

Relevant Gold, I like this team as well. I own this one personally as well. They are operating on a theory that the Abitibi Gold District was essentially moved south or a portion of it was duplicated in Wyoming. And they own a significant portion of the entire district. Great story there.

San Lorenzo Gold Corp, a discovery story in Chile. They have essentially three discoveries on one property position. I really like that story as well.

Scorpio Gold, million-plus deposit or resource and growing in Nevada in the Manhattan District. I really like their potential.

Scottie Resources — this market has changed so much at \$4,000 gold. Scottie has found a way to just take their ore out of the ground and ship it off to a smelter because the grades are so high. The economics I think are going to be surprising to a lot of people.

Seabridge Gold has been the ultimate optionality play for 20–25 years. Simply put, the world’s largest gold resource undeveloped. It’s enormous. And now, with big money coming into the sector — generous money coming into the sector — the capital expense to build this project has come within reach. The market has yet to rerate this in line with current gold prices or financing prospects.

Silver Tiger Metals, large silver and gold projects in Mexico lying on top of each other. Essentially two deposits — open pit and underground — lying on top of each other. Big resource and growing.

Sun Summit Minerals, a company that had a remarkable drill hole a month and a half ago, had a spike in the share price, and came right back down. I think it’s a remarkable value at these levels. One of those companies that the market has temporarily overlooked.

And I think that’s the list. Yeah, that’s the list.

Okay, that’s where you can reach me. I am overtime as usual. Thank you so much and enjoy the show.

Mike Maloney

“Gold, Silver And The Next Big Thing”

Ah, bright lights. So, I wish I could see you all. But... so how is everybody doing?

So, you know, normally I barricade myself in my room for 3 days before I go on stage and I put together some big educational presentation. And this time it's going to be a little bit more off the cuff. And I've got basically one chart, but it's animated a little.

So, you know what has happened with gold recently, but what that also is, is the dollar plunging in value as measured by gold. And so everything is going to respond to this. Gold is just leading right now, but you're going to see the rest of your investments, the prices in the economy, everything else is going to be following this trajectory as the dollar loses value against everything.

...I think I'm going to answer some questions. So, are there any questions right up here where I can hear it? Does anybody have a question about this or about what's going to be happening with precious metals?

No.?

[inaudible question]

Yeah, the silver rush that's happening around the world is quite amazing, and it's not happening in the United States, and that says that the top is nowhere near being in yet. I think that we probably have another couple of years here and this is going to be going very, very big. There will come a day where people are lining up.

How many people have read my book, *The Great Gold and Silver Rush of the 21st Century*? Okay. In that book I've got some excerpts from Time magazine back in '79 and '80 showing just how massive what was — you know, I said on the panel yesterday that there's 18 times more people with 55 times more currency. And that has changed since I wrote the book back in 2022. Summer of 2022 is where the data comes from.

And so now we've got 70, 80 times more currency on the planet and only twice as much more gold. And back in the '70s, until '75, the only populations on the planet that could buy was Western Europe and Canada basically. The US was excluded, the USSR, Maoist China. And there were no markets and no commodities exchanges in any of these places.

So I think we are in for something very, very historic right now. Personally I do believe that we are going through a monetary reset, and I wrote about it in my first book back in 2007 and '08 when I was writing that, and I wrote about it in my most recent book. And the previous steps... we had the classical gold standard before World War I, and then the gold exchange standard between the wars, and then the Bretton Woods system from '44 to '71, and now the global dollar standard, which is the most poorly designed. It's an accident, basically — all of these floating exchange rates making international trade so difficult. You have to wonder what level of prosperity mankind would be on if we had stayed with honest money that balances global economies and doesn't allow all of the trade deficits and budget deficits.

You know, when we used gold there was something called crowding out, where if the government tried to borrow too much — to do too much deficit spending — they're borrowing gold out of the economy and that causes interest rates to rise and slows the economy and that reduces the amount of tax revenues that come in.

So it was an automatic balancing system that kept government from getting out of control.

And now we've got governments around the world that are just completely out of control. It's like everybody has gone insane. And so we've had these baby steps off of gold and now we're going to go from nothing back to something in one giant leap.

And I believe that there's no way... I believe everybody will participate in this. If you do it intentionally and you make plans, you can have wealth transferred toward you. But if you don't, wealth is going to be transferred away from you. There's no way to stand on the sidelines.

So, you know, somebody asked could we go into a big inflation without real estate and stocks going through a big deflation because they are in hyperbubbles right now. And the answer is yes. It's called a melt-up. And the thing that'll be melting up the fastest is the prices of gold and silver.

Years ago I sort of coined the terms — they become unaffordium and unobtanium. First they become unaffordium. Back in the global financial crisis of 2008, there was a period of time — my first book had just come out — GoldSilver.com was a fairly small dealer back then. But I was trying to source gold and silver from anywhere that I could and there was about 10 days where the only product that I had was kilo bars of gold.

All the dealers end up going on allocation. The US Mint can only produce so much and so I couldn't get gold and silver eagles. And then there were actually three days where I couldn't find any gold or silver. I was basically out of business. But before that happens, the price of physical diverges from the spot price and gold and silver start to become unaffordium and then finally unobtanium.

And it's all part of... gold and silver are Giffen goods. Anybody that doesn't have my book *The Great Gold and Silver Rush of the 21st Century*, if you're really interested in this stuff, you should buy it. There are copies at my booth. But I discuss things like Giffen goods, where as the price rises instead of causing less demand, it causes more demand. And gold and silver are the perfect examples of that. And there's just so much evidence there. Basically almost every question that you want to ask about gold and silver is answered in that book. It's four years of research and writing.

So anyway, are there any other questions? We had one statement there.

Okay, I'm doing a work — oh yes?

Audience Member:

So, I've been hearing Alasdair Macleod talk a lot about this potentially being a short squeeze versus a rush into gold and silver from speculators. I'm trying to find out as much as I can about that. If you can comment a little bit more on what's happened. Do you see it as more as a short squeeze versus a speculation into gold and silver.

So I'm curious about that, which makes me realize the importance of actually getting gold and silver not [inaudible] SLV.

Right.

Well okay, so the question is, he's interested in whether or not this is a short squeeze or just... what's happening right now is... yes there is a short squeeze because all of the big bullion banks were heavily net short — some of the very big players — and the public is waking up. And so it's the public that's causing the short squeeze. It's the physical market, not the paper market.

And the paper market is just another huge fractional-reserve scam where there can be up to like 300 ounces traded for every real ounce that's deliverable in the vault. And so as that unwinds... you know, back in January and February, March, Trump was talking about auditing Fort Knox. "We've got to go see if the gold is there." And then everything went quiet, but the price of gold has been going up.

Now, central banks lease gold and almost all — it's like 99.7% — of all the US's gold has been pledged to the Federal Reserve from the Treasury, and the Federal Reserve has the gold. Central banks do lease gold — this is just a fact. And when they lease it, it can be rehypothecated. It can be basically sold on paper over and over again.

So to unwind those leases so that they can return the gold without any claims on the gold — so that Fort Knox could be...

Okay, "please ask the audience to use the microphone when asking questions."

[laughter]

So this price rise — I think we are going through this monetary reset and we are going to be using the gold that is the American people's gold. The government acts like they own it. They don't. It's yours.

So, are there any other questions? Yes, we are going through a short squeeze, but this time the short squeeze is being created by physical demand and it's not just in the United States.

Audience member:

Question. Can you hear me?

So during COVID it was very difficult to get any metals at all. It really was unobtainium. But during the recent surge, I didn't have any difficulties. Is that what your experience is also?

In the United States, you don't have any difficulties. Around the rest of the world, there were some difficulties. Did you see the videos of the lines developing in Australia? And this was also happening in Southeast Asia and in India.

So, there will come a day — and it's probably not that far away — where there is a rush in the United States. And when that happens, you're going to see some real fireworks. It's going to be quite amazing. And you're going to be so glad that you are invested in precious metals.

Okay.

So I guess I've—

Audience Member:

Hey Mike.

Yeah.

Hey bud, over here.

Ah, okay.

How's it going?

I feel like I know you. I've seen so many of your videos.

Question about the gold-to-silver ratio. When that actually — we all anticipate that equaling out, right? Do you see any problems with actually trading the silver in for gold when that ratio comes down?

I don't see that many problems because that's when everybody will want it. In late '79 the public changed their preference from gold to silver, and you know, the Hunt brothers were used as scapegoats basically. They had such a concentrated position in silver that it was easy — and they got charmed by the leverage of margin toward the end.

At first there was a great article in Playboy magazine called Silverfinger, where they had this shootout at the Circle K Ranch and the Circle K cowboys — the best marksmen that the Hunt brothers had — went with them to New York and three 737s, or 727s back then, were used. And this was like midnight, in the middle of the night, with these cowboys guarding all the silver that they were taking delivery from the COMEX, and then they flew it to Switzerland.

So they took delivery of physical bars. They honestly thought that the dollar was doomed because it had only been a fiat currency for just a few years at that point. And throughout history, all fiat currencies have failed except for the ones that exist right now. And this experiment started in 1971. All the world's currencies used to be connected to gold through the US dollar under the Bretton Woods system.

But to get back to your question — the gold/silver ratio — I don't think there's going to be any problem selling silver to buy gold. You may end up having to buy kilo bars instead of... there will be shortages on certain products, but you'll be able to- There will be so many people wanting the silver because of the performance of silver. You just — you have to be early, not late. I'd rather be years early than a day too late.

So — ah yes.

Audience member:

If I'm correct — I hope I'm correct on this — but I've read that the best-performing currency last year was the Russian ruble. And you see the graph of the ruble and gold almost parallel. And the Russian ruble has — as I understand it — Russia has almost full gold reserves for their M1 currency. And it seems like as gold goes up, the ruble goes up. It's gone up 40% against the American dollar last year. What do you see in the future with the price of gold probably going up?

Well, I think that — you know, it's a shame that Canada sold all their gold. They have none. And then Great Britain sold half their gold right at the very bottom.

But yeah, it has been amazing that we put in all of these economic barriers against Russia and right away their currency starts taking off and gaining against the US dollar. I don't know if that has to do with their gold reserves or not — that is very enlightening data and I'm going to have to confirm that, the backing for their M1 currency supply, that could be the reason, because central bank reserves — central banks have been buying — but one of the reasons that gold has now become a larger percentage of reserves than the euro — it's the second largest percentage after the dollar — is because of the price rise of gold.

How many ounces they already have times the price — and so measured in all of these idiotic fiat currencies it's become a larger and larger percentage. And this isn't going to stop. And we will be on some sort of monetary system that is connected with gold. That's the reason.

And you know it is interesting that no central bank is buying Bitcoin, for instance. And Scott Bessent basically... I analyzed some of the videos that he had made and he basically said gold gold gold gold gold gold gold gold — not Bitcoin. That's what he said about reserves.

Yes.

Audience Member:

Yeah, hi Mike. You've touched on pegging the US dollar to gold in a lot of your videos and all kinds of that stuff. Do you have any thoughts on how that might mechanically happen, given the extreme political resistance to being on a gold standard, and what we as investors might be able to kind of look forward to see how and when that's going to happen?

Yeah, this is a really, really tough question. And I do think that there will be some settlement between central banks. Gold will be involved there. As far as pegging the US dollar to some sort of price of gold — I think Allen and I did an analysis on that, and to pay off the national debt required more than \$140,000 an ounce.

Well, that will upset the entire economy, and suddenly every gold mining company that's here — you want to own all of their stocks because they are going to be extremely wealthy companies if that happened. I just don't see how that could happen without a shock to the global economy that would be just absolutely devastating — because everything... one asset being worth more than all the other assets on the planet basically — it would put everything out of balance.

So, any other questions? No, I guess not.

So, I'm just about out of time. But I've got a workshop — I believe it's tomorrow night. How many people came here because of my videos? Could everybody stand up that came here because of the...?

Okay, so yes, I promised you some time together if we... oh, by the way, the people that are from overseas — remain standing for a second. If you came here from somewhere else in the world... so interesting. That is awesome.

So, we'll get together during my workshop tomorrow evening and spend as much time as you want.

Audience member:

Could I ask one quick question?

With regard to Bitcoin which you just mentioned — it is a fixed value whereas gold continues to be mined which is kind of a nebulous value.

How do you think that fares as far as an investment vehicle comparison?

Well, the stock-to-flow ratio — we mine gold at about the same rate that we make babies. So the amount of gold per person on the planet remains about the same. And then mankind gets better at everything that we do every single year. And so the natural order of things is we should be going through a steady, mild deflation. Everything should be getting cheaper.

In fact, if you take a look at how much time is required for you to... you know, we used to spend 100% of our time trying to find the food that we were going to eat that day. Now that just requires a few minutes of your time and you're surrounded by all of these things. You've got a big house, you've got cell phones, you've got TVs, you've got cars and so on. The time value in stuff — the stuff that we all buy and need to survive — has been falling and falling and falling.

Yet the price measured in fiat currency goes up and up and up. Why is that? It's because fiat currency is dishonest money — where gold and silver are honest money. Fiat currency isn't money. It's—

Audience member:

So do you feel cryptos are dead money?

I think that 98% of the cryptos that exist right now aren't going to exist in 10 years. I think there's going to be some big winners. I'm invested in something that I consider to be the number one distributed ledger. I don't consider it a crypto as much as one of the most useful accounting tools on the planet that can secure everything because it's a distributed ledger.

Audience member:

Real quick — do you think the United States is going to revalue its gold reserve? And will Trump put it in a strategic reserve?

Yeah, I have a feeling that that's what's going on right now. But first they have to unwind all of this rehypothecation that is happening. All the gold leases that the Federal Reserve has done have to be unwound. And that is probably what is the partial cause for this tremendous price rise that we've seen.

Anyway, I am out of time and I don't want to step on the next speaker's time. So I thank you very much and I'll see you at the workshop. Stop by my booth back in the far corner of the hall and we've got a schedule there. It might be tonight is the workshop and then tomorrow I'm speaking in the conference hall. So thank you. See you.

Geopolitical Panel

MC: Brien Lundin, Viva Frei, Mary Katharine Ham Matt Taibbi

Robert Helms:

And on that note, I would like to have a virtual toast for our good friend Gary Alexander, who stood here for many, many, many years. I know he is watching at home, just a heck of a great, smart, brilliant and music-loving guy. And Gary was always the person to host the next panel. So it's a little bittersweet for us, but we're going to make up for it by having an amazing panel.

And the good news is three of our four panelists are here. That's the good news. And we're tracking down the other one, including two folks you haven't heard from yet who are both journalists. You're going to love them both. And a new favorite here at the New Orleans Investment Conference, plus a new moderator. So it is the brand new and improved Geopolitical Panel, which always happens on the last day.

We are now closed in the Exhibit Hall next door, so this next break will be different. I'll explain that when it's time. Also, two of our panelists are going to have their complete sessions after this, so I'll give their full introductions now, but we'll start on the panel with a gentleman you already met once. Please welcome back, Mr. Viva Frei. Viva, come on up.

Viva Frei:

Thank you very much.

Robert Helms:

Now, please welcome back a woman we met last year right here. You've seen her on CNN and you've seen her on Fox. Can't say that about too many people. She's also an amazing author. You'll hear from her later, she'll be on this panel. Please welcome Mary Katharine Ham. Welcome back.

Mary Katharine ...:

Thank you.

Robert Helms:

Our third mystery panelist will be with us as soon as he can be. So instead, our new moderator for this panel and old friend. Please welcome Brien Lundin.

Brien Lundin:

Okay, our final panelist is on his way hurriedly from his room, preparing his speech, rewriting his speech because of everything that happened last night. So we look forward to that.

Mary Katharine ...:

I can just debate him. Matt?

Brien Lundin:

Yeah, well, he certainly won't be able to defend himself. I'm taking over this Geopolitical Panel and I have to say it's big shoes to fill from Gary Alexander, who did it for literally decades for us. And again, Gary, thank you, I'm pretty sure he's watching virtually, for all you've done for us over the years. I hope I can measure up to what he did.

We've had some incredible panelists over the years, but I'm very excited for who we have today. I picked all three of these panelists personally. I know we have official bios that are read from the podium, but I'd like to read to you my descriptions of why I chose these panelists. Mary Katharine Ham... over and above her appeal to me as an SEC football fan and exemplar of the best of Southern culture, MK has demonstrated an ability to frankly and humorously highlight the absurdity of ill-conceived political positions in statements. Because such absurdities haven't become so frequent these days, her work is cut out for her.

Mary Katharine ...:

There's so little to work with.

Brien Lundin:

Yes, well, you'll never run out of material. Viva Frei is a man who found the socialist and collectivist ideals becoming so widespread and powerful, that he adopted the persona of a rhetorical superhero to combat them. Like our other panelists, he has found no shortage of work in this area.

And I'm going to go ahead with Matt, because he'll be coming up and this will probably make him blush if he was up here. In my view, Matt is the most important journalist of our generation, most especially after his exposure of the many wannabe tyrants that self-identified during the COVID crisis.

Matt's razor sharp prose and wit bring admiration from all readers, and hopes that his talents will never be turned on oneself. So Matt's coming up shortly and he's going to have lots to contribute, but I'd like to begin this panel by playing a clip from a distinguished speaker at one of our previous conferences.

Milton Friedman (recording):

In terms of rhetoric, in terms of what people said, "Everybody's in favor of free markets, everybody's in favor of competition." 25, 30, 40, 50 years ago, that was not the case. People then were talking about the virtues of central planning and centralized control. In terms of rhetoric. We have won the battle, as it were.

Brien Lundin:

So Milton Friedman was right many more times than he was ever wrong, but never was he more wrong, I believe, than in what he just said. He was talking about free markets. I would think personal liberty, I would think free speech would similarly apply.

So for my panelists, is this a linear progression toward greater freedoms, greater freedom of speech, more classically liberal systems, or was, say, the fall of the Berlin Wall a one step forward, two steps back kind of a thing? Is there any hope? And to put it more succinctly, what the hell happened? MK, why don't you start?

Mary Katharine ...:

Yeah, first of all, I would love to somehow somehow make Milton Friedman into an Instagram star in our modern age, because so many of the people consuming that media need to hear Milton Friedman basics. And I think that you're correct, we've gone a long way from the idea that rhetorically we've won the day on free markets and freedom and what that brings to people.

We actually haven't won the day, particularly with younger generations. And I think one of the reasons is because when communism was defeated, it was done quite decisively and quite quickly, and before a lot of these people were even born. So I have some living memory of it, but many people younger than I have none, and

certainly school systems have not been invested in teaching what was dangerous about that ideology.

And I, raised by my parents, and my dad went to the Soviet Union during the glasnost period to sort of exchange ideas on a free press 'cause he was a newspaper man, and he came back explaining to me very explicitly what this looked like and why freedom was better. And so I got a nice dose of that as a kid, but I think many, many, many people have gotten in fact the opposite of that. And so, bringing the curve back up is a real challenge.

Brien Lundin:

So, memory doesn't span generations, essentially. And are we forced then, Viva, to relearn the hard lessons of the past? Do we have to have a Mamdani come in and prove this to us again?

Viva Frei:

Well, there is the expression, what is it? "Rice patty to rice patty in three generations." It's, "The grandfather works, the father sells, and the grandchildren beg." Something along those lines. There's a natural arc back towards not just tyranny, but I would even say the idea that freedom is the freedom to follow the rules of the government.

Now, first of all, by the way, there's a big difference between Milton Friedman and Milton Berle. I learned that a while back. He's got amazing, amazing insights. The question is though, at some point, and we're learning this and seeing it in real time, freedom means the freedom to make mistakes. And some of those mistakes, you don't just walk back from.

Some of those mistakes, as they say, and I'm reluctant to use the analogy, you can't vote your way out of tyranny because of what it implies, but it's a reality. And especially when you're dealing with the generations born into what looks normal, but what to the prior generation is an affront to human dignity and human freedom.

I've got three kids whose conscious memory is all going to be post-COVID. And I have conscious memory pre-9/11 and I've got nephews who don't have conscious memory pre 9/11. And so what they grow up with is an expectation of normalcy in terms of freedom is actually a restriction, which when I look back on my childhood, if we had these restrictions, my life would've been different. I'd probably be in jail. But we actually had what I thought was freedom when I was a kid, which probably to the older generation was not freedom to what they had as a kid.

Brien Lundin:

The most important journalists of our generation. There he is. Not that I'm killing the time until Matt got here. No, Matt, nice to see you.

Matt Taibbi:

Good to see you.

Viva Frei:

So that's it. You're born into what you expect and you expect what you're born into. And some people don't understand what freedom was to have even lost it in the first place. And that's where we're at right now.

Brien Lundin:

So Matt, what we're talking about here is really generational memory. Are we forced to repeat the mistakes of the past? Are we doing that right now? One of the pivots off of this, I'd like to talk about, Viva and I were talking about this earlier, is in Reagan's time it seemed like we still had idealism. We still had parties that represented ideals and not just pursuit of political power, to some degree at least.

And now, it seems like the political parties in the US, the two parties, want to always split the electorate as close as they can in the middle and they're fighting over power. They're changing the ideals to fit whatever segment they need to get under their tent. We have a Republican, per se, administration, taking stakes in publicly traded companies right and left

Mary Katharine ...:

Proudly.

Brien Lundin:

Proudly so, proudly so. Golden shares and the like, management not just of the economy through a Federal Reserve, but management of also companies, state-controlled companies to some degree. What's different from the worst goals, the Republicans, from the worst previous goals of the Democratic Party? Can you take that, Matt? Is there a difference?

Matt Taibbi:

Well, I think there's a difference. Well, first of all, thank you for having me here, and I apologize for being late. The results last night in New York, I think were striking in the sense that I covered the presidential election in 2016 for Rolling Stone, and I remember all the reporters who were on the campaign trail saying, "Trump's never going to win. It's totally impossible. This will never happen."

And yet, I had been talking to people on the trail for years and had noticed this rising discontent with what was going on, and that they were not pleased with the two choices that they were seeing, and that it was inevitable that one of the major

parties at least was going to suffer a major intramural defeat. And now, I think we've seen both parties suffer that kind of intramural defeat.

So yeah, what's ended up happening is that what used to be the Republican Party is now really a populist party that has entirely different features than the old-school Republican Party. It has different views on everything from war to the Federal Reserve, to how to fight inflation, and all these different things.

But the same thing's going on on the democratic side. I mean, I think that started with the Democratic Party way back in the '90s when it used to be overtly a Labor Party, or at least claimed to be, and it depended heavily on labor money. And then when Clinton was elected, they voted for NAFTA, which they never would've done previously. So I think the parties have been in a state of flux for three decades now, but we're now just seeing a complete dissolution of what the old ideals of each party used to be.

Mary Katharine ...:

Yeah, this is somewhat flippant, but I also think a little bit reflective of it, is when people ask me about it, I'm like, "Well, if you give me a choice between a 1999 Democrat, which is a sort of center-rightish populist, economically more liberal than I candidate, and a 2025 Democrat, which is over Ivy educated, far left Democrat, I'll choose the 1999 Democrat." Now, my libertarian friends will tell me, "You don't need to choose." And sometimes I don't. But I do think that, to me, reflects the huge arc that we've been on.

Brien Lundin:

Would you choose the 1999 Democrat over the most MAGA Republican today? I'm sorry, maybe I should have warned you for that question.

Mary Katharine ...:

Is this for me or for-

Viva Frei:

Is it for you?

Brien Lundin:

I was asking MK because she was on a roll.

Mary Katharine ...:

What I'm saying is that sort of the JD Vance model is a much more protectionist, much more populist version akin to a 1999 Democrat, socially conservative, like those 1999 Democrats were. And it's not my preferred model of Republican, but it's preferred over what I've been offered on the left.

Brien Lundin:

Well put.

Viva Frei:

See, I have no living memory of Reagan. I remember he was president. I was born in '79 so I was a child at the time. My only conscious memory of politicians is one, which in retrospect now, I don't ever look back at any politician in my living time, up until Trump 2016, saying that these were politicians that had any true core principles.

And it might be too cynical, and it might not be because I paid enough attention to Clinton the first time, George Bush One. But in looking back, I just think they were always pandering to whatever was the most politically popular position at the time, while trying to keep in what was radical at the time without going too far overboard one way or the other. And it just so happens that as time goes along, the extreme gets more extreme. The center has to get, not more center, but rather reposition in line with the extremes and pander more, on the one hand to the extremes, and then to the votes in the middle that they think they can get. But in so doing, I think they ruin everything in terms of the party.

Where Trump came in in 2016, and I do think he's got to get back to that sooner than later in the results of the election yesterday, and the midterms coming up are going to reflect whether or not he gets back to that sooner than later, is what were true principles that whether you agree with him or not, the American people, at least in large part, wanted to put him in office in the first place.

And then when he gets in office the first time, hand tied as he was, gets in office the second time. And now, if people don't think that he's sticking true to the ideals that he espoused, and if people feel like they just got used like political pawns yet again, there will be a backlash to that, even if it means resorting to the alternative, which is the Mamdanis of the world and the Democrats and the Kamala Harris's of the world.

So, I think it's the warning shot to the future, but in my lifetime, Trump was the only one who actually espoused true principles that reflected the will of the people, and he's got to adhere to that through term one and through term two.

Brien Lundin:

Yeah, I think what's most disturbing to me is people can disagree, but some of what I used to think were the widely held cherished beliefs of the Republican Party/conservative/libertarian, classical liberal beliefs are now becoming ridiculed, not just by the Democratic side but by the Republican side. Thomas Massie is perhaps the most hated man in Congress because he's hated by both sides 'cause he's not voting in key voting blocks. We almost got him, or actually we invited him to be on this panel, but he couldn't make it. But that, to me, is really disturbing.

MK, I'm going to you because you're really in tune with the political end of this. Where are we going from here with the Republicans, and even into the midterm elections, where the Democrats are running for cover, instead of taking the lessons that they took from the last election, they seem to be running for the most fringe elements of their party and going further left? Is this dichotomy, this even split of the electorate that we were just talking about, is that a thing of the past? Have the Democrats gone too far left that the Republicans are going to take some of the independents?

Mary Katharine ...:

Well, we will see. I think people are figuring out what lessons to learn post-2024. And this information is new and beneficial to everyone trying to learn those lessons, and I'm going to talk about it in my upcoming speech. But I think there is a question whether Democrats are going to moderate or Mamdani, or whether even their moderates are moderate, because Abigail Spanberger who ran in Virginia sort of was normie-coded, but in fact didn't moderate on a ton of positions at all. But she had the right feel and the right vibe.

And that's kind of my question moving forward, is that are all elections just vibes elections at this point and that they aren't very much about ideology or policy? And that's the thing I think I missed in 2016 by virtue of being too ideological myself. You can project that onto voters and say, "Well, this is the package of issues that we care about." And therefore, they come along with that package of issues.

And I looked at that field of candidates in 2016 for Republicans and I thought, "They're very talented. They speak well, they have policy ideas." And then Trump comes in there and bashes all of them and I go, "Well, why is that working?" And it was working, because yes, they were talented and could speak to the issues that the party cared about then, and voters didn't want that package of ideas.

So there's a different package of ideas now, and sort of learning to marry those two without going off the deep end for either party is difficult. I would say Marco Rubio is an interesting arc to watch for learning how to marry, from little Marco with the little hands insults to where he is now with his 17 jobs is a very interesting arc. And by the way, mentioned by the president every time the president is asked about his successor.

Brien Lundin:

Isn't it amazing that how little that these politicians hold grudges, that if they did, Trump would never talk to anybody again, 'cause he's pretty much attacked every one of them. Matt, here's an area that I think you are perhaps a leading expert in the world today. We used to think of the quote, unquote, "deep state" as some kind of fringe conspiracy. And I think, as we've seen, well, post-COVID and successive

administrations from Biden and what Trump is battling now, that it has become kind of an accepted reality now.

And I'll ask everyone else to comment on this after Matt. On the spectrum of a loose affiliation of like-minded bureaucrats at one end, to a ritualistic, secret handshake, devil-worshiping secret society at the other end of the spectrum, where does this deep state lie in your opinion? And just if you could comment a bit on your discovery of this deep state in your work.

Matt Taibbi:

Sure. That's a great question. If you had asked me that 10 years ago, I would've said some are more in this direction.

Brien Lundin:

Exactly.

Matt Taibbi:

But after a lot of the stories that I've done in the last five years, especially, I would say it's much more in this direction. The last decade and a half have been marked by a... And I think this is just a feature of the internet age. There's a former CIA analyst named Martin Gurri who wrote a book about the rise of populism. And his whole premise was that the internet was making information so widely available to people that states could no longer adequately control what the public saw anymore, including about things that were really ugly and unseemly, like how the intelligence agencies operated.

And he predicted, actually, the rise of people like Donald Trump. He published his book before Trump came around, but this whole period has been marked by whistle-blowers, disclosures, document dumps. I was obviously part of one of those with the Twitter files, but way before that, there was Edward Snowden, there was WikiLeaks who was publishing everything from the manuals of Guantanamo Bay, like how to treat the prisoners, to the secret cables that were going back and forth. So the public was able, for the first time, to go to these primary sources in a way that they hadn't been able to see this stuff since the Church Committee in the mid-'70s.

And on the whole, I think they were horrified, especially when they found out things like that their phone calls and emails were being collected en masse without their permission, without a law being passed. And that it was incredibly easy for people to access this information and look at it without a warrant or anything like that. So the quote, unquote, "Deep state," people forget this, but before Trump was elected, it was I think a nadir of popularity maybe in the history of the United States because of those disclosures. After he was elected, it marketed itself as an anti-Trump force and won back some-

Mary Katharine ...:

Strange new respect for the deep state.

Matt Taibbi:

Yeah.

Mary Katharine ...:

Yes.

Matt Taibbi:

It was a really weird thing to see Democrats suddenly cheering on the FBI and the CIA. But now, I think they've lost even with that audience, they're no longer popular. So it's a fascinating question, but clearly it's a big electoral issue in a way that it never was before.

Mary Katharine ...:

Well, and I think the swing you see in general annoyance with both parties comes from this, like, "Ugh, I don't know who to trust. You're both annoying me. I don't like what you're talking about right now, or that you're in power, swing the other way." And so we've seen that in repeated elections.

By the way, one of my favorite things to do when I was at CNN was to parenthetically note every time I mentioned Brennan or Clapper who lied under oath about spying on the Senate and the American people, which they loved. But if you can't question the DNI while you're on TV news, then that's a problem. Right?

Viva Frei:

Yeah.

Mary Katharine ...:

And I thought that it was important that we mentioned that. My question in these days is, in the Trump administration when they're sort of trying to address some of these issues, how do you do it without politically making people go, "Well, this just looks like chaos and vengeance and what have you," because that doesn't play well and then you don't get to actually clean house.

Viva Frei:

I want to say one thing. When you talked about holding grudges in politics, it seems that nobody does. It's an interesting thing. The difference between holding a grudge and having principles is a matter of perspective. And when Kamala Harris calls Joe Biden a racist, or at least suggests he's a racist during debates, and then they-

Mary Katharine ...:

Strongly suggests.

Viva Frei:

Strongly. And then they go on to work together. And some will say, "Well, how did he not hold a grudge?" My question would be, "How the hell do you not have principles when someone calls you among the worst things on earth to then go and work hand in hand?" And then you say, "Well, it was a debate. It's politics." If politics involves compromising your core identity issues and things that matter, then you have no principles.

When it comes to why everybody, I think, and I say bilaterally or mutually seems to politically dislike Thomas Massie, I think it's 'cause he is a man who has principles that he won't compromise for politics. And in politics, that's not very popular when it holds the party back. And so Thomas Massie has principles and doesn't compromise on them. And people say that that's holding a grudge where, when it's true to what he's espoused by way of beliefs, it might be annoying and it might look stubborn, but I certainly think that that accounts a lot for the bipartisan disdain for Thomas Massie right now.

Brien Lundin:

Well, on the topic of holding grudges, it's a perfect segue to my next topic, Donald Trump. He's reversed a lot of progressive initiatives. And even not just domestically but internationally, hopefully peace in the Middle East, et cetera, et cetera.

Could all of this have been accomplished by a more mainstream, perhaps normal politician, someone who was less forthright, as it were? We, or a lot of people, critique his character, but was that what was necessary?

Mary Katharine ...:

I think this is one of the tricks of democracy is that we don't exactly hire for the things that make perfect detail-oriented governance. In the case of Mamdani or Trump, who of course, has managed much bigger things than Mamdani has up until this point, but if there's a person who is entertaining, can talk, and talks about things you care about, that person is a weapon on a campaign trail. That person does not necessarily know how to govern.

So I think you lose some in there and you wonder about who's going to staff and all that kind of stuff. Obviously, in the first Trump term, there was this big gap between the old establishment mainstays and Trump's philosophy, and how that would work together. This time, I think he's got a team that feels more like they know what he wants to do, but I do think his personality and the, I don't know, the Kid Rock and Hulkamania of it all was sort of necessary to get into office.

And I'm not sure, and I think we can see that a little bit in these returns from last night, I'm not sure how you put that coalition together without him. Now, the weakness might be that, again, when you're dealing with the deep state or any of

these reforms like DOGE, that it feels haphazard, it feels like it's not coming together, it feels like it's not being done carefully. And voters react to that badly, even if they wanted the corrective.

Viva Frei:

Who does it? I'll say this with Trump, could any other politician have done it? I'd say it has nothing to do with the brashness of his character. The answer would be no, because no other politician ever wanted to do it. And it's the George Orwell, "The war was not meant to be won. It was meant to be permanent."

And you're dealing with other politicians who don't want to resolve international conflict 'cause it's very profitable for the Halliburtons of the world or for whomever.

And where I think Trump is walking a very, very risky line in terms of the future of the MAGA movement and the Trump movement, is he came in as an outsider, wanted to end wars 'cause he just wants to stop seeing people die.

When people start getting the impression that he's either listening to or being pressured by the forces that want endless wars for money laundering, for aid, for foreign aid, for whatever, that's when people are going to lose support not just in Trump, but in the MAGA movement and the Republican Party at large, where they're going to say, "It's no different than the old Republican Party, no different than the Democrat party, no different than the Union Party, just a bunch of war whores who want war for the sake of war 'cause it's good for their friends."

So Trump is single-handedly the one who can do it, not because of the brashness of his character, but because of the true outsider aspect of his personality, which, if people start to fear he's losing, is going to be a big problem.

Brien Lundin:

So, he wanted to do these things, whereas the typical political animal doesn't necessarily want to do these things because it may not get them reelected. Is that one way to put that?

Viva Frei:

Yeah, or the, we'll call it the deep state military industrial complex says, "You're getting in the way of our honey pot, or not our honey pot, our money pot, and be careful and things happen."

Brien Lundin:

You didn't answer where you were on the deep state spectrum, but I think you were a far on that end.

Viva Frei:

I think they are guilty of things that we can only imagine that would be the most evil things on earth.

Brien Lundin:

Well, let me ask this, bring this to Matt. If we talk about the will to govern, the will to achieve objectives and strong will to get them done, if you look at Ronald Reagan, he certainly had objectives. You look at Margaret Thatcher, she had objectors, but they were much more, let's say, genteel than Donald Trump. So, do we need a Donald Trump in this day and age to really get things done? Do we need a bull in the China shop?

Matt Taibbi:

I think to a degree we do. One of the reasons that he got elected-

Brien Lundin:

So your political transformation has really come a long way then?

Matt Taibbi:

Well, I think it has to be somebody like Trump, a true outsider, right? That's why he got elected. The Democrats that year, very stupidly, bet on the idea that somebody who campaigned on her experience and her ability to navigate Washington, that that would be popular at a time when people had all this fatigue about a crashed economy.

To go to your point about war, at the beginning of the campaign, Trump was, he was almost like a stand-up comic. At every appearance, he would try out something new to see if it worked, and then he would ditch it or keep it depending on how the reaction was. And he started talking more and more about how, "These stupid wars we have overseas, they're so useless." And every time he said that, he got applause.

And by the end of the campaign, I noticed there were people in desert fatigues at every one of his speeches. And only a person whose entire power base came from voters and not from major corporate donors, and from the party, which is deeply tied to the Pentagon, no one else could have run that kind of campaign. And I think some of the stuff he's done has been reckless and not thought out terribly well, but an insider would never have done it.

Mary Katharine ...:

Right.

Brien Lundin:

Well, that begs the question, if it took a Donald Trump to do these things, what does it take to keep these things? I saw Rich Lowry in the National Review, under the question of how much of what Donald Trump has done will stick, address that

question. And if you pardon me, I'm going to quote from what he wrote because I thought it was really well put.

He said that, "Trump has broken the progressive ratchet. How does the ratchet work? It begins with small, unobjectionable, or perhaps even salutary steps, coupled with assurances that potential downsides or extreme outcomes will never come about. Then over time, incremental moves are made in the same direction until the unreasonable policy that we've been assured would never happen is entrenched in reality. To wit, first, women flying in combat roles, then women in ground combat roles, with the proviso that training and standards will stay the same. Then, gender-normed physical fitness tests and lower standards for everyone."

So we've seen similar liberal policy standards, ratchets broken, with DEI in education, employment, the trans agenda and more. How much of that is going to stick around after Trump is gone?

Viva Frei:

Well, it depends how firmly entrenched he gets the policy. But just to go back to the analogy, because people use it all the time with Trump, that he's a bull in a China shop, and there's two responses to that. On the one hand, that means he's sort of reckless and sort of haphazard, when I don't think it's quite the case. I would refer to him more like an expert whack-a-mole at the county fair. And the deep state, the politicians stick their heads up, they need a precision whack-a-mole on the head, and that's what people wanted and expected from Trump.

The flip side, if you want to go with that analogy, well, it's nice to talk about the China shop and preserving the China in the China shop. When people don't have food on their own tables, they don't care about the dishes off of which the wealthy are eating, and so they want to see the bull in the China shop.

But in terms of what he's going to leave by way of legacy, it depends on how firmly entrenched he gets policy done. It depends on how many judges, these corrupt judges, activist judges off the bench before he leaves office. At least the threat of getting them off the bench, which we're now seeing with at least articles of impeachment against Boasberg.

So if he doesn't get enough done, they'll reverse course the day another Democrat gets in office, and reverse with executive orders, and then you'll have an open border again and you'll undo all of the work that he's done over the last four years. So he's got to get it firmly entrenched and weed out the bad players while he has the reins of power.

Brien Lundin:

MK, are we going to have a reversion to the mean here after Trump leaves?

Mary Katharine ...:

I think it's tricky because so much of it is executive order-based, so then it becomes harder to entrench. That being said, I think that there was a, I'm just going to use the term vibe shift 'cause there was a vibe shift. And that vibe shift meant that the spell was sort of broken on the super-woke DEI stuff. It was like, "Oh, we don't have to do that game anymore." And people were relieved not to do that game. I think frankly, some of the higher education stuff is them going, "Yes, you be the bad cop to these people that we cannot handle on our campuses." Right?

Brien Lundin:

Mm-hmm.

Mary Katharine ...:

And a lot of places where people cooperate with the Trump administration, they're like, "Yeah, yeah, yeah, no, you take care of that because we were gentle parenting and that was not working." So I think there's an incentive to shift with the culture.

I think people feel free of this, to some extent. And free to punish people for being insane, which is something that was missing in the COVID era where people did not feel free to even speak up about this, or were literally stopped by the government from speaking up about it.

My favorite thing he does is just sort of bully institutions into neutrality, into some form of neutrality. And the extent to which the culture appreciates that, which I think is a big deal, can help that stick around.

Brien Lundin:

So that's policy. And you bring up a good point, a lot of what happened post-COVID, we are now, what was institutionalized, accepted fact, in COVID we've certainly learned since then is precisely opposite of what they were telling us in COVID. So moving beyond policies like Trump has been instituting, are we going to revert back to these totalitarian tendencies, Matt, that we saw erupt during COVID?

One of the best things that came out of COVID, it's kind of strange to say that, isn't it? Was that a lot of wannabe tyrants self-identified themselves. We figured out who they were and we were reacquainted with human nature's worse side, that there are these people out there. So these people are out there. Matt, are we going to get back to that or are these tools still going to be put into place by someone else?

Matt Taibbi:

I think that's a good question. I think to your point, culturally, there have already been some victories, right? I think cancel culture reached its peak in 2020. DEI, also,

that's been unmasked. The thing that people forget about Trump is that in addition to being a politician, he's always been a great salesman. He has a great ear for where what people want, what the bulk of people want.

Brien Lundin:

The applause lines.

Matt Taibbi:

The applause lines. And the reality is, that on campuses, which are a very rarefied slice of the population where you get an unrepresentative cross-section of people with too much power and too much influence, or an outsized amount of influence over the public discussion, I think some of the crazier ideas that have come out of academia and the media, he's broken them.

Last year, he probably wouldn't have won Pennsylvania and some other swing states if it wasn't for that one commercial about how, "Kamala's for they/them, Trump is for you." I think that helped kill some of the crazier excesses of the trans movement. The question is, there are some other things, like the belief in free speech continues to go down every year, and I worry about that a lot. So yeah, it remains to be seen.

Mary Katharine ...:

That's another 1999 Democrat position I appreciated.

Matt Taibbi:

Right, exactly.

Viva Frei:

Who's old enough to remember when it was I think Bush's wife complaining about the Simpsons and that being a risk to children? But when you ask, are we going to revert back to tyranny of COVID? My observation is that not only have we not moved away from it, some of those tyrants who exposed themselves got re-elected and got re-elected with more seats.

I'm from Quebec, Francois Legault, the Premier, got re-elected with more seats, the liberal government got re-elected. What's her name? Hochul. These tyrants got re-elected. And the problem is they got re-elected because, and I say this with a degree of judgmentalism, that the weak need a tyrant to lead them. The weak would rather have someone direct them into a mistake than make that mistake of their free will, because A, at least they got told what to do and they didn't do it on their own, they can blame someone else for that, and they need the direction of a proverbial God, which they don't have in their lives, so they turn to the government.

And so, my bottom line is people need to move away from this reliance on governments to dictate and micromanage their lives and assume some of their

God-given rights and freedoms to make their own mistakes. But too many people who've been disenfranchised and disillusioned don't think that they can do that on their own, and they're turning to the government to basically feed them and/or let them starve.

[APPLAUSE]

Mary Katharine ...:

I think it's been a little disconcerting, I think, how little backlash or how little people remember how bad those COVID policies were in the broad scheme of things. But I think the backlash has been a slow build of backlash. And I wanted to note a bright spot is that I saw Caleb Hammer, are you guys familiar with him? He's like Dave Ramsey for a younger generation. Every generation needs somebody who scowls at them and says, "You're spending your money badly." And Caleb Hammer does it, and he's a very famous TikTok and Instagram programmer.

At any rate, he had Gretchen Whitmer sit down with him. And he, being a voice of a younger generation and reaching all these younger people, said, "Let's talk about the COVID regulations." And she did her try to hide and say, "Well, we had imperfect information." And he pushed her on it 'cause he pushes everybody on everything. And that seemed like a sign of life for that age group and for him to be willing to engage that online, in those spaces this far from COVID, and that she wasn't expecting it, I enjoyed very much.

Brien Lundin:

Yeah. So a sign of hope perhaps?

Mary Katharine ...:

Yeah.

Brien Lundin:

Well, moving from a sign of hope, we're running out of time, but I'd like each of you to give our audience over the past year or so your greatest absurdity that you've noticed in the world today and your most frightening trend that you've noticed. Viva, we'll start with you and work our way back.

Viva Frei:

Now, I'm not going to lie, I had to use AI just to remind myself of all of the absurdities of the last year. It was coconut Kamala, that is the most egregious political absurdity. When you had asked earlier on, "Are politicians packaged?" That was the case in point about how you could put a dog on the banner, and if people don't know it's a dog, they'll vote for it if it's packaged properly. And they might even vote for the dog if it's packaged as the world's smartest dog. So the old coconut Kamala swapping in for Joe Biden, and everyone just went on with the

script like nothing had happened, was the most politically absurd thing I've ever seen in my life.

The most terrifying trend, and not to get too dark, is not just the tolerance, but the promotion of political violence. The Luigi Mangione glorification of extrajudicial assassinations, if people believe that they're just and righteous behind the cause. It started with Luigi beforehand, it led to Charlie Kirk, and celebrities promoting it, celebrities gleefully rejoicing in it. And now you have Jay Jones, the Attorney General in Virginia getting elected despite that. He should have been out of the race, not even been there to get elected. And the people have spoken, and I'm scared of what they said.

Mary Katharine ...:

Yeah.

Brien Lundin:

Good. MK?

Mary Katharine ...:

Sure. I will preview an absurdity, but it technically counts 'cause it's been announced that the White House will be, it's a fun absurdity, that the White House will be hosting a UFC fight on the South Lawn.

Viva Frei:

That is awesome.

Mary Katharine ...:

That there will be a weigh-in at the Lincoln Memorial. That's where they'll do that. That there will be a walkout from the Oval Office. This is what they're saying, many people are saying. And I just want to say if we're taking the Trump ride, I am so here for this part of it, and it's going to be a great show. Do I want Jon Bones Jones on the White House lawn? Yes, I do.

Viva Frei:

Is it going to be Jon Jones fighting?

Mary Katharine ...:

They haven't figured out who the fighters are.

Viva Frei:

That would be the most glorious.

Mary Katharine ...:

Yes. So, that's a preview for a fun absurdity coming soon to a White House near you. And then I think that on the disturbing trend, I'm still concerned about learning loss from the COVID years, and how it means that so many of our citizens are incapable of reading and thinking. And there are bright spots in Mississippi and sort of relearning how to learn to read and teach that to children.

And you've seen significant upticks in Mississippi, Tennessee, Alabama, in places where old-school phonics and accountability have been adopted. And I hope that that spreads. And perhaps, it can spread by us trolling the blue states and just saying, "Did you guys know that you're worse than Mississippi?" And maybe we're so polarized at this point that that would work. But yeah, I am concerned about generations being able to read.

Brien Lundin:

Matt, bring us home.

Matt Taibbi:

Yeah, I think the biggest absurdity to me was the law that was passed in Colorado. I'm blanking on the name of it now. It was a trans rights law that essentially made it illegal to identify a person by their biological sex.

It's one thing for the First Amendment to be battered a little bit and bruised, but it's another thing entirely to make it illegal to tell the truth, and we actually reached that place in the United States.

And I have a friend, Graham Linehan, who was arrested in Britain for something similar. You have a couple of similar laws that are on the books. Well, there's one that's not passed yet, right? It's still,-

Viva Frei:

Yeah, that's amending to make it punishable by life in prison if you will deny genocide, but also if you misgender. But Bill C16, I think it's on there, to misgender someone.

Matt Taibbi:

But 63 hasn't been passed yet?

Viva Frei:

Not yet.

Matt Taibbi:

Not yet. 63 is a great one, and they have the same concept in Europe also. It's one where you can be punished by house arrest, not even for a speech offense, but for the probability that you'll commit a speech offense. So we-

Mary Katharine ...:

Good. Good.

Matt Taibbi:

We have gone so far, not just in the United States, but in New Zealand, Australia, all of Europe. Most of Europe now has redundant speech laws. In other words, there are European regulations against certain kinds of speech on top of laws like the Online Safety Act in the UK. So, we're in the worst place for free speech in the West in my lifetime anyway.

In terms of the scariest thing, I'm going to agree with Viva here and just say that the trend toward political violence, it's not even unusual anymore. Nobody even thinks it's controversial for people to support violent rhetoric at certain crowds. Once upon a time, this would've been fatal for politicians to even be seen in the company of people who had done that. That's just no longer the case, and that's terrifying to me.

Mary Katharine ...:

I very much enjoyed Obama's civility spiel on the same stage as Jay Jones, the top law enforcement officer in my state who thinks that my children dying in my arms would be a helpful corrective to my beliefs, which is a thing he actually put in writing and was elected in my state. So it's going to be a joy to endure that four years.

Brien Lundin:

I think what we take from this is that the world today is both absurd and frightening, and a lot of crossover there.

Mary Katharine ...:

But there's that UFC fight, that's going to be fun.

Brien Lundin:

That could be fun. I might think that's a little frightening, but we shall see. Thank you panelists for putting this crazy world of ours somewhat in perspective. I really appreciate your contributions. Thank you so much.

Mary Katharine ...:

Of course.

Matt Taibbi:

Thank you.

Robert Helms:

Let's give ahead to this amazing panel. Nicely done. Great stuff.

The Economy Panel

MC: Adrian Day, Peter Boockvar, Danielle Dimartino Booth, Daniel Oliver, Mark Skousen

Adrian Day:

Thank you. Thank you very much. We've got a great panel this afternoon on the economy. You've already heard from Peter Boockvar on your left, so we'll kick off with the others first. We'll just start with a very general question before we get into the specifics and the fisticuffs. But the first question really is just let us know, set the framework. How are you seeing the US economy and the world economy right now, and what are the particular things you are looking for? Let's start with Danielle.

Danielle Dimartino Booth:

I think the backdrop is really important. We've been following, at QI research, the revisions to payrolls data. And when you wash all of those through, and bear in mind these come 12, 18, 24 months after the original payrolls have been reported, but what the data reveal is that net job destruction began in the second quarter of 2024. That's when job losses actually commenced. And according to economics 101, when job losses begin, that means that you've already been in recession prior to that moment. The data go on to suggest, and I'll have slides on this later when I give my presentation, but the data go on to suggest that we kind of came out of it right around the US election and then went right back in. In fact, for the month of October, we had the highest number of job cuts announced. It was a 25-month-high. I want to say warn notices are where they were in September of 2009.

So it looks very much like the question that we should be asking about the US economy is, what's going to take it out of recession? And that's kind of my basic premise right now, which makes the commentary from Federal Reserve officials, I don't know, amusing at best. Or delusional, one or the other. I think Lisa Cooke just came out and made her first comments as fed governor since becoming embroiled in the mortgage scandal that she has, even though it looks like Supreme Court may rule in her favor, neither here nor there, but she's clearly been under a rock for a while because she came right out saying that the job market was still solid. So, God help us if Fed officials are actually believing what they're saying. So I'll leave it at that.

Adrian Day:

Can I just come back on that a second because you raise a really interesting question there. I mean, forget Lisa Cooke, if I may, she's not the best economist out there, but Powell, I mean, Powell has been saying the jobs market is solid up until a couple of months ago. Were they missing something? Was he trying to mislead us? Was it... I mean, how could they miss it so obviously?

Danielle Dimartino Booth:

Well, the truth is, most of the individuals are fairly intelligent, which means that if they're missing it, then they're missing it on purpose. And that is what brings the whole idea of politicking together with Federal Reserve officials and it seems to me at least to be patently obvious that they're doing what they can to keep monetary policy tighter than it would otherwise be. They get to hide behind artificial intelligence, they get to hide behind the stock market, but they cannot hide behind the real economy, but they appear to still be doing just that.

The ISM report came out this morning and the commentary that came alongside it said, "All of the effects of the tariffs have washed through the manufacturing sector. That's no longer an influence. In fact, right now we've got more inventories than we need and so do our customers." And yet, almost without exception, Federal Reserve officials will tell you that they're imminently waiting for inflation to pass through from tariffs. So again, these are not unintelligent people and so if they're ignoring the data, you should just simply ask why they're doing so.

Adrian Day:

Okay. Daniel, let me ask you the same question. The first one, how you're seeing the economy right now in broad terms. Do you want to tell the audience a little bit about yourself? Because I think some people don't know you, as well.

Daniel Oliver:

Sure. I run an investment fund in the gold mining space. I've doing it since 2008. At the time I thought that the great credit cycle we've been in for a hundred years was over. I told my wife that this would be a one or two year trade. I'm still here 16, 17 years later. But I think the timing is a little better now than it was back then.

In terms of the economy, I approach it from the Austrian economic perspective, and as I'm sure many of you here know, under that perspective, to keep a boom alive, rates have to keep going down. When they go up, you get all kinds of trouble. If you look at the chart of the Fed funds rate since 1980, every time it's gone down, whenever they've tried to put it back up again to the previous peak, something's blown up. Real estate in the late eighties, commercial real estate, the internet, housing, whatever it might be. And so one of the great challenges to this viewpoint, which I still think is correct, is that we have had rising and high rates for a couple of years now and nothing bad has gone wrong. And so we had to re-examine our theories or the data.

And I think what's happening is, when I look at the world, is what's different in this cycle is that, for example, something like 93% of mortgages are now 30 years fixed rate. Well, that was very different in the past when raising rates tipped over the consumer immediately. You have a situation where more and more of the economy is run by private equity funds. Well, they have 10-year funds that they can extend to

12 years. They have continuation funds, so they have mechanisms to delay the time of reckoning.

Same thing with the regional banks. They lend to these commercial real estate buildings which are underwater, but as long as the loan doesn't mature, they can make their payments. And so again, the crisis gets pushed off. You have a situation where Janet Yellen at the Treasury, figure it out, that the Treasury could do its own QE by draining the reverse repo facility. So she drained about \$2.5 trillion into the money markets. That kept the bubble going. And I'm sure it wasn't entirely a coincidence that she ran that thing down to zero the day Trump took office.

You have the QT from the Fed, which normally, again, a shrinking balance sheet, you think it'd be chaos in the market, but if you look at it critically, the Fed let bonds roll off. That means that all the short-term bonds have been rolling off and they've been keeping the long-term bonds. Now, if the Fed goes and buys a four-week treasury it has almost no effect on the economy. When they buy a 30-year bond is a huge effect. And so the QT has been somewhat of a mirage in that yes, the balance sheet has come down, but in the most liquid items it has the least amount of effect.

And then on top of that, commodity prices are incredibly well-behaved. I think probably to do with the Chinese slowdown. So businesses have been bailed out by lower costs, that's probably temporary. So we have all these different factors that have conspired to keep the economy going for the last few years when it should have been rolling over. We see already today, just on Friday, last Friday, the Fed was forced to put 80 billion dollars of capital into the banking system through the repo, not the reverse, but the repo facility and the SOFR rate, which is the rate banks borrow from each other also spiked on Friday. So it looks like these temporary factors that kept the economy going for so long are running out.

But I wanted, before I close, to point out one thing which is that Alan Greenspan, before he became Fed, was an economic forecaster. So that was his job. And when he became Fed chairman, one of his early meetings, we have on record him saying, "I don't think that we're at a recession. In fact, I'm sure we're not." And about six months later, the start of that recession was predated to the moment he was talking. So he was a man whose profession was to project the economy, who had all the tools of the government at his disposal and he couldn't identify a recession when he was inside of one. So I don't know that these mandarins at the central planning...what we call the Fed, really have an idea what they're doing.

Adrian Day:

Mark, you don't need to tell us about yourself, we already know.

Mark Skousen:

About what?

Adrian Day:

Yourself.

Mark Skousen:

Yes. True.

Adrian Day:

But tell us how you're seeing the economy and tell us about your forecasting tool.

Mark Skousen:

So I think for the first time in a long time, GDP statistics are highly misleading. If you break it down, consumer spending is really the only thing that's going up. And that may continue because the government seems to be willing to lend out money. I think there will be some difficulties with this lockdown, so people aren't getting their food stamps and Medicaid and stuff like that. So we may see a slowdown in consumer spending, which is the only thing that's propping up GDP.

I find it very interesting that there's a major difference right now between the St. Louis Fed, which also does a prediction model of the third quarter GDP statistics, and the Atlanta now statistic, which everybody quotes. And it shows 3.9% increase for the third quarter, but the St. Louis Fed says 0.6% and that's more in keeping with my own statistic gross output, which measures spending at all stages of production.

And gross output, it includes this B2B spending. Business to business spending has been virtually stagnating for over a year now. And in fact, I did a Wall Street Journal column just a couple of weeks ago showing that B2B spending actually declined in real terms by 5.6% in the second quarter. Unfortunately, GEO comes out two months later after GDP. So it's not very helpful and it's kind of buried in the data, but it's an important statistic to look at.

So stagflation is a very real possibility here, and especially with these tariffs, the trade war, I'm going to be giving a very important speech tomorrow morning at eight o'clock that I hope you'll all be in attendance, I know it's early, but I'm going to be speaking about the Fortress America. It's not really America first, it's Fortress America, and the implications on that is going to be pretty significant. So we're basically moving away from the world of globalization, which America led, and now we're going into a defensive mode and I think that's recessionary. So I think there's a lot of problems that Trump is artificially creating that is not good for the economy. If you want a real robust economy, you need free trade and we're not getting that.

Adrian Day:

Okay. Peter?

Peter Boockvar:

So parts of the economy are doing well, such as anybody involved in the building of data centers, from the chip makers to software providers, to those that are making steel and cement and other things that physically build the building. As I said earlier this morning in my presentation, the spending numbers over there are tremendous. If you're an upper income consumer, you're doing fine, but the rest of the economy is in a recession.

Housing is in a recession, manufacturing is in a recession, capital spending, XAI is flatlining, global trade is very muted, and as Danielle said, the labor market is softening. So you can't just look at a GDP number and come out with a blanket say for how the economy is, it's extraordinarily split in two and you have to really slice and dice it to really get a full sense of what's going on.

Adrian Day:

Okay...

Danielle Dimartino Booth:

So I would just add a little something to what Peter just said, and that's just to kind of put a punctuation point on how extraordinary the contribution has been of a few small sectors. If you look at... This is the first year I think in recorded history that the consumer spending is falling, but yet the offset from artificial intelligence is so great that it's contributing more to the US economy than consumer spending is and we're still a 66% consumption economy. And just to put his note on data centers into perspective, data centers are only two and a half percent of the US construction sector, and yet they're doing that much heavy lifting such that we don't feel what we're not spending on the commercial side, we don't feel what we're not spending on the residential side because the data center is so overwhelming, even though as a piece of the pie, it's minuscule...And again, I would put a punctuation point on that punctuation point and say it's no longer being financed by cash flows. Now we're actually seeing a lot of this being financed by debt.

Adrian Day:

Yeah. Mark?

Mark Skousen:

Yeah, I want to follow up also on what you talked about about the job market because I teach at Chapman University out in California and my seniors are terrified. I mean, Goldman Sachs comes there every year to hire a bunch of my students. This time they're interviewing only 1% of students. So, while there's lots going on with data centers and so forth, it's not being translated into job creation. Job creation is at a standstill in this country, if not declining. And that is clearly a danger sign in the marketplace that we need to be well aware of. So I think it's going to be a very tough year in 2026 as we enter that time period.

Daniel Oliver:

Well, Mark, I find it a hopeful sign of Goldman Sachs isn't hiring people. I mean, the reality is that-

Mark Skousen:

That's a good idea?

Daniel Oliver:

I mean, the reality is that we've been in a...bubble growing since 1980 and more and more money has been trapped in the financial system. And finance is a lubricant. It moves capital one place to another. It shouldn't be a main source of activity. Technology should make finance a smaller part of the economy, not a larger part of the economy. And so the most talented, hardworking people for the last 40 years have gone into moving paper, shuffling paper around New York City when they should be going into inventing things and creating companies. So if Goldman Sachs isn't hiring, that's wonderful. But of course whenever an economy transitions from one orientation or difference, you're going to have a lot of unhappiness. And that is, I think, partially what's happening as these financial centers get defunded, hopefully those people will go and find something more productive to do.

Adrian Day:

Yeah. Well, one of the things I find really interesting about... It's a theme that all four of you have said, and that is that the reality of the economy, whether it's consumer spending or employment or what it is, but the reality is quite a lot different from how the aggregate appears on the surface and certainly what the narrative, political and media narrative is.

But let's look... And that's where we are now. Now, notwithstanding what you said, Dan, about forecasters, let's try to look ahead. Obviously there's a sort of a clash between fighting inflation, when I say obviously maybe that's not true, between fighting inflation and fighting unemployment. So I'd like you to, maybe Daniel can start, tell us how you think that's going to play out and is the Federal Reserve's interest rate policy the prime determinant of whether unemployment or inflation wins as it were?

Daniel Oliver:

Yeah, I think it's clear that the Trump administration wants to do QE for manufacturing. 2008 was QE for the banks. 2020 was QE for consumers with tons of inflation. And now they want to build out re-shore critical minerals from a national defense perspective, but also manufacturing for cultural and other reasons. And so the Department of Energy, for example, has a \$200 billion fund that they want to use to help finance the construction of new facilities in the US and Besson is a Wall Street guy. He's clever. You don't just take the \$200 billion and spend it. What you do is you use it to guarantee loans to lever it up. So \$200 billion may not sound like a lot of money, but you can translate that into a large amount of money. And the

rumors are, and I don't know if they'll pull this off or not, but the Trump administration, Besson seems to want to revalue the Treasury's gold holding at the Fed, which would give a huge cash infusion to the Fed, which again, they could lever up through SBVs.

This is what the Fed did in all the crises. Said, "We'll put in 10 cents to the Treasury, we'll put in 10 cents, Fed will back their 90 cents." That's why they're so desperate to capture the Fed politically and they may have to wait till Powell's term runs out. But that's the focus. And I think that, I mean, obviously if they succeed, and it's an if, you're going to see upward pressure on the components that go into construction like data centers, but everything else. What I would say is, I mean, obviously I'm a free market guy. I hate when the government gets involved with anything. I will say that at least the end of a manufacturing QE will have manufacturing capacity as opposed to a bunch of Obama phones or bank bonuses or whatever else that the previous QEs did, i.e. nothing. So it's not the worst thing in the world.

Danielle Dimartino Booth:

Can I pop in with a tiny bit of trivia here?

Adrian Day:

Yes.

Danielle Dimartino Booth:

Just for fun. I mentioned this at a client dinner last week in New York because there's this rolling assumption that Jay Powell's going to be stepping down in May. Well, he's definitely going to be losing his position as chair of the Federal Reserve Board in May, but there is nothing in the 1913 Act that precludes the 19 members of the Federal Open Market Committee from electing a chair of the Federal Open Market Committee, which is a different entity than the Federal Reserve Board.

Jay Powell's term as a governor ends in January of 2028, and if you think he's a thorn in Trump's side right now, wait and see if, and this is an extreme scenario, I'm not suggesting it's going to happen, but the guy whose name's on the Fed's building Eccles, Eccles stayed in 1948 when Truman pushed him aside...of the Federal Reserve Board so that he could make sure that the Treasury could not basically do a leverage buyout of the Fed and maintain the Fed's independence. But Powell can stay on until January of 2028. And furthermore, the Federal Open Market Committee, the 19 members, as long as there's a majority voting, can vote to keep him on as chair of the FOMC, such that our president would have to look at the same man behind the podium every single Fed Day through the end of January, 2028. I just want to plant that seed because it's fascinating and no law would be broken.

Adrian Day:

Anyone else or next? Yeah, go on Mark.

Mark Skousen:

I did want to get back to this inflation issue because I think we're being sold a bill of goods on the CPI Consumer Inflation Index. I don't think any of these people who put together these indexes ever go to a grocery store. And my wife and I go to the grocery store quite frequently and beef prices, ground beef has doubled in the last year. Steaks have gone through the roof, \$19 a pound for certain kinds of steaks and stuff like that. I mean, for the CPI people to say that beef prices have gone up only 10% in the last year, it's just a flat out lie. It's kind of like President Trump, who's been doing this lately, where he got up and said food prices have declined, "declined a lot." I mean, he actually says this with a straight face. Now, yes, gasoline prices have dropped a little bit, but certainly food prices have not, and I'm sure everyone in this room who spends time in a grocery store would agree, we have entered an era of permanent inflation.

So as far as fighting inflation is concerned, that's false. No. If anything, they fight deflation. That's what the Fed does, is fight deflation, not inflation, and inflation is stubborn. I think gold is doing a better job of predicting inflation as an inflation hedge, silver and so forth, and we need to stop abusing ourselves on this whole issue. We have entered an era of permanent inflation and it's not going away and you better get used to it. You need at least a 10% annual return after tax just to keep up your standard of living.

Peter Boockvar:

We haven't entered it since 1950. The CPI index goes like this. It's just the rate of change that we always debate.

Adrian Day:

So I wasn't going to ask this now, but since you brought that up, Mark, if we've entered an era of stubborn inflation, I mean, do you think we're going to start, and Peter mentioned the rate of change, are we going to see an accelerating rate of inflation, do you think?

Mark Skousen:

Well, it depends on Trump's policy, which he has made this decision to engage in protective measures. And I mean, I think he fell asleep at the Wharton School when it came to economics because for example, the steel tariffs. Okay, 50% steel tariffs to encourage domestic production of steel. Now that sounds really good, "Oh, we're bringing manufacturing back to the United States." But these are inputs. Steel is not a consumer product, and so anything that uses steel is going to see their cost going up and they're going to go up pretty significantly and that's going to hurt jobs.

Yes, the steel industries in the US will hire new workers for their steel production. And the last time he did this in 2018, he created over 1,000 jobs. Whoopee, 1,000 jobs were newly created in domestic steel production, but 90,000 jobs were lost

because steel was an input in so many other industries including automobiles and manufacturing and so forth. So it's really... I think inflation is going to be stubborn. I don't know if it's going to accelerate or not. It's already accelerated, whether it does that or not in the future is a good question.

Adrian Day:

Okay. Peter, can I change the subject and turn to you? In your truly excellent talk this morning... Did everybody listen to Peter this morning? Yeah, it was a really great talk. And I can't say that about anyone else because no one else has spoken yet, but don't-

Peter Boockvar:

You'll do just as well.

Adrian Day:

One of the things you did mention, I won't say almost offhand, but one of the things you mentioned that could be, in my view, critically important was private equity. So can you maybe expound a little bit on what you think is happening in private equity and what the ramifications for that for the economy might be?

Peter Boockvar:

I think it's important to understand that private equity is essentially just a levered long. They buy a stock, they buy a company, they tack on some leverage. That's all it is at the end of the day. And when we had 15 years of zero interest rates, what better environment was there than that for a levered long? Of course now it's a different story for a few different reasons. Number one, during their last 20, 30 years, the ideal investor in a private equity fund would be an endowment, a pension fund, an insurance company, that had a very similar time horizon. But as we've seen is that flow of money has begun to slow down because private equity is stuck with thousands of businesses they can't sell. So a lot of these limited partners aren't getting money back. So what have the geniuses of private equity come up with? "Well, let's tap into this other pool of capital, that being retail."

So I believe that there is a mismatch of time horizons that are now being created. Private equity that wants 10-year money, for example, seven to 10-year money and retail that says, "Oh yeah, I'll give you my money for seven to 10 years," but you can be sure the next recession, the next downturn, they're going to want their money back ASAP. And that's why there is gates and everything. So I think there's just this natural mismatch.

Then private equity decided, "Hey, well the banks aren't lending as much. Let's now become a non-financial bank and let's raise a lot of money and we will be the lender." Now keep in mind with private credit, there's sort of two loans that a typical private credit fund can give. One is the private equity firm buys a business,

they sell debt to finance it, and who do they call? They call the private credit guys and say, "Hey, can you buy the debt so we can finance our LBL?"

Danielle Dimartino Booth:

Yeah, and sometimes they can call across the hallway.

Peter Boockvar:

Yes, exactly. Because both sides are under the same roof. Then you have direct lending, which sometimes falls under the private equity debt purchases, but also private credit that legitimately tries to be a bank and says, "Okay, you're a business. You need a loan. I will give you that loan. You will post some collateral." Boom, boom, boom, a deal is done, one party to one party. That to me is, okay, that's a legitimate loan where a bank doesn't do anymore. But I think the point is that there's an enormous amount of money that is piling into a sector where you can be sure, for every dollar of money that's coming into the private credit, there's not a dollar of opportunity there. There's probably half that, which means that there's a lot of bad loans that are being created, and we are now just beginning to see some of those bad loans sort of rise to the surface.

It will take time to play itself out. And if we're right and the economy does slow it down further, you will see a lot more of those bodies floating to the surface, which means that it's no coincidence that private equity stocks have been falling, business development company stocks have been falling, partly due to the Fed rate cuts, but this is an area that I think is of concern because there's just an enormous amount of money that has piled into it and again, there is to me, this natural uneven mismatch between private credit and equity and now tapping into that retail.

And one last thing. You can be sure, in the next couple of years there will be hearings in Congress with all the private equity people and credit people lined up, and then the Congress people saying, "Why did you tap the retail customer to raise money to make your loans?"

Adrian Day:

Another aspect of this that I find really disturbing is you sometimes get different banks, different PE firms, different whatever, they will put different marks on precisely the same loan. Have you noticed that?

Peter Boockvar:

That's been going on for a while.

Adrian Day:

Yeah.

Peter Boockvar:

And also keep in mind, by not properly valuing that loan and artificially keeping it inflated, the fees that they collect is on that mark. So if you mark it higher, you collect more fees.

Adrian Day:

Right.

Danielle Dimartino Booth:

Yeah. There was a very large car wash company that all of the limited partners had on their books somewhere north of 90 cents on the dollar, and it filed to liquidate within 24 hours and look at where they were holding it on their books.

Adrian Day:

Oh yeah, no, absolutely.

Daniel Oliver:

I think it's actually worse than Peter describes. And that is because we have an asset bank banking system. The more assets you post, the lower your cost of capital is, and this is in the Federal Reserve data, you can see the larger loan size and lower the interest rate. What that means is that the bigger the company gets, the lower its cost of capital becomes. And so it's able to either under price its rivals or acquire them. And so when you see great credit inflations like during the Civil War or the 1920s or the last 40 years, you see massive concentration of economic power because of this phenomenon.

And when you think about the stock market, the indices are usually capitalized, weighted. So they have the biggest companies, the most weighted. Well, if the system is rigged so that the biggest companies get the lowest cost of capital because they're big, then obviously the indices are going to do the best and the small caps will do the worst. And that's in fact what we've seen.

But the reason I say it's worse than Peter suggests is that when you have equity, you can invest in innovation because you never know when the cash flows from innovation are going to come. When you find yourself with debt, you've got to make those debt payments. So you can only pursue efficiency. It's your only option. And the way you pursue efficiency is you make things radically simpler. You become Amazon where first you have minimum wage workers putting stuff in boxes and now robots, but you don't have the cash flow to innovate. And I think the clearest example, not the most destructive, was Heinz. A private equity company bought Heinz. Everyone needs Heinz ketchup. You don't need to innovate, you don't need to advertise. You just made the bottle stick on the shelf. Well, one day consumers decided they didn't want to eat factory food as much, with the chemicals, they wanted fresh food. And the company had no capital to innovate or switch the product offering. And that's how it's been a disaster.

But that's a microcosm of what's happened to this country. What's interesting is when I grew up seeing commercials making fun of the Soviet Union, it was always because they had only one product. And what's happened in our banking system is because it's become so centralized, you wind up with one product, Cisco provides food for 60% of the restaurants in the United States. The other 40% are chain stores. So wherever you go, the food tastes exactly the same. The clothes you buy, it's all exactly, it's all exactly the same. We are literally living in what happened to the Soviet Union. We don't realize it, but more and more.

And so when you turn off the credit spigot that supports this artificial structure that consumers don't actually like when you call on the phone and you get an AI bot and not a person. Consumers don't support that model, so you turn the credit spigot off and the whole thing collapses and that's what's starting to happen. So the Fed's going to be faced with a choice that every central bank has always faced, which is do we print tons and tons of money to keep this zombie alive or do we let it go? And let it go is way too scary, so they'll print.

Adrian Day:

Mark?

Mark Skousen:

So this private credit market that Peter's talking about, I mean, it's supposed to be a \$2 trillion market from what I've been reading, and it could be one of those weak spots that unravels and creates a financial crisis like the real estate market did in 2008. So both Adrian and I recommend business development companies, BDCs, they're like REITs in that you avoid the corporate income tax if you pay out 90% or more of your earnings in dividends.

And I've been very careful in selecting what I regard as a quality business development company. In my case, Main Street Capital, symbol MAIN, and Adrian, you recommend some others as well, but they were hit hard short term, they dropped 10% in a month because of this fear the private credit markets would start falling apart. And even Goldman Sachs dropped pretty significantly during that time, even though Goldman Sachs is far more than just a private credit market and playing the yield curve and that sort of thing, their M&A activity is really robust right now and I think that's positive and why Goldman Sachs is up 40% this year, which is pretty impressive.

So I do think that there's a weak spot right there due to this 15 years of easy credit. So you have to stay with companies that are quality business development companies like Main Street Capital, that does equity and loan financing, debt financing, but mainly debt financing and some equity position. And they have a long-standing record since 2007 of increasing their dividend. It's a monthly dividend program. I'll be talking about that tomorrow in my talk at eight.

Adrian Day:

Okay. Well, I'm glad you said that. I'm the moderator so I don't give my views.

Mark Skousen:

Yeah, but you should talk about... This is an area you know about.

Adrian Day:

Sure. Well, I mean to me a BDC is a structure, so there's good BDCs, there's bad BDCs, there's aggressive BDCs, there's conservative BDCs.

Mark Skousen:

Stay with the conservative.

Adrian Day:

I have a workshop actually on Wednesday at 6:35, good opportunity for me to advertise it, and I will talk about BDCs if anyone wants me to. That's Wednesday at 6:35 in the Churchill room. Anyway, we've got only five minutes left. Let's go down the panel one at a time. I don't know who wants to start. You've got about a little over a minute each and just tell us what the main indicators you are looking for that will either confirm your views that you've expressed or will perhaps rebut your views, but what are the main indicators you are looking for and that other people can watch as well? Who wants to start?

Peter Boockvar:

Well, I'll start. The main thing that I'm watching is the sustainability of the AI CapEx and what could slow it down, what could be the trigger that Wall Street now, which is celebrating all the CapEx, can maybe turn against too much CapEx. And I wonder whether last week's selloff in Meta was maybe the first sign of Wall Street saying, "You know what? Maybe you guys are spending a bit too much." Because the stock fell sharply on what was otherwise a really good number. The fact that Meta can grow their top line north of 20% on such a high revenue base is impressive, but notwithstanding that, the market finally said, "You're spending too much."

If there's a flip in that attitude and also, Open AI, I'm paying a lot of attention to because we know that there's this gross mismatch between the revenues that they're reporting and the obligations that they are creating for themselves in terms of all the capacity that they're trying to achieve with all these different other cloud companies and hyperscalers to the point where Open AI, for the sake of the economy, is almost becoming too big to fail because of its tentacles reaching into so many different things.

So I have my eye on what they're doing here because as we talked earlier, it's such a dramatic influence on growth right now that once this thing changes, then it's going

to matter for everything because the US economy and the US stock market is all in on this.

Adrian Day:

Okay. One minute each, please. Who goes next?

Danielle Dimartino Booth:

I'll just dovetail on what Peter said and I'll keep mine even shorter than a minute because I'm back here at 5:10 and I can go into this more. What is funding private credit to a great degree are non-depository financial institution loans. So I am following them. They're up magnitudes, commercial and industrial lending flat on the year, but it's the intersection of the conventional banking system and the non-banking system. And I'm following that through the prism of prime US household borrowers because it took a collapse in the subprime auto borrower to expose the first fault line. So I'm looking to go up on the income ladder and see what can press at that juncture of conventional banks lending to the non-banks.

Adrian Day:

Okay.

Daniel Oliver:

Yeah, I'm sure everyone here follows the gold price pretty closely. What I follow more closely is the gold commodity ratio of being a mining business and mines really spread trade between the input costs which are commodity based, rubber oil, steel, et cetera, and the output, which is gold. The gold to mine ratio, for various reasons I can't get into in a minute, is determined by credit levels. So when credit levels are rising, the gold to mining ratio falls. Gold mining is a terrible business. Gold mining is a bad business most of the time because most of the time credit is rising. When credit collapses, like the seventies and the thirties, gold mining, the ratio blows out and cash flows get very healthy.

Right now, gold has gone up, oil has gone down. It's not just oil, all of them. So the ratio has blown out. It's fantastic for gold miners. Now for the last 40 years, the cost quickly caught up to the gold price and those margins squished again. I think that's not going to happen this time because I think that ratio is telling us that credit has major, major problems and if that's correct, that ratio should maintain itself and gold mining margin should stay where they are and even increase.

Adrian Day:

Mark?

Mark Skousen:

Yeah. So for me, business sentiment is the most important leading indicator. If you look at the conference board, 10 leading indicators, very little of it is retail sales.

Retail sales is a lagging indicator. Consumer spending in general, despite what the media says, that consumer spending drives the economy, this is a false notion based on GDP statistics that need to use the GEO statistic to indicate that business spending is 60% of the economy. Total spending activity is due to business spending. And if business loses faith in the system, that's when they're going to engage in layoffs, that's when consumers are going to get nervous and they're going to stop spending. That's the way the business cycle works.

So I encourage you to look at my B2B index, which I'll be talking about tomorrow, and other indicators on the supply side of the economy is really important. There are some positive things that are happening, that are going on in the economy, but overall we're definitely in a stagnating area at this point, I believe.

Adrian Day:

Okay. And Peter, I didn't mean to imply you went over a minute. It sounded as though I did, but I didn't mean to imply that.

Peter Boockvar:

We made perfect timing.

Adrian Day:

Ladies and gentlemen. I don't know if you realize just how much experience and brain power is on that panel. I thought we had a really great group of people, so please give them all a round of applause.

Mining Share Panel

MC: Rick Rule, Nick Hodge, Brien Lundin, Jeff Phillips, Jordan Roy-Byrne, Jennifer Shaigec

Rick Rule:

Thank you Kerry. Thank you ladies and gentlemen, I've had the pleasure of emceeding this Mining Share Panel for a long time, many years now, so thank you for that, Brien. The rules, pardon me panelists, pay attention here. The rules are like this. I'm going to ask questions and my panelists are going to give brief concise answers, brief concise answers. We have a lot of questions and anybody who doesn't follow the brief concise answer rule will be spoken over by the emcee whose name coincidentally is Rule.

My first question, Brien asked me for a softball question, so I am going to lead off with a softball question and the question goes like this, is the bull market over? Is the run that we have seen the death knell of the gold bull market? I understand that asking that at the New Orleans Investment Conference is like going to a Pentecostal

church and asking is God dead? But at any rate, ladies and gentlemen, or pardon me, my panelists, both ladies and gentlemen, where are we in the gold bull market? Are we in early innings, extra innings, late innings? Brien, I'll start with you. Where are we? Your suggestion as to where we are in the equities, the gold equities bull market?

Brien Lundin:

Yeah, I'd say that is a softball question. Thank you. I appreciate that. If anybody saw my presentation. You saw I don't believe the fundamental factors are any different now. They're still in place. The gold bull market is still in place. We don't know how long it's going to last. That's the hard part. I think gold's going to \$6,000, \$8,000 in this cycle, maybe more. Mining share bull market, I would say we're probably fourth inning, fifth inning maybe, but we could go into extra innings. That's what I think.

Rick Rule:

Jeff, same question for you. Where are we? Leaving your portfolio aside, where are we in terms of the precious metals equities bull market?

Jeff Phillips:

I would say that we're in the third or fourth inning, slightly one inning ahead of Brien. No, actually I think that this is early on in the bull market, but I do think there'll be a rain delay, since we're talking about baseball terminology. I think this is an epic bull market that we're in, but I think there will be a time that, and this isn't at five days of gold being down, I think there'll be a pretty tough time in between that bull market. Similarly, we had a good run from 2003 to 2007, then we had a little thing called the real estate crisis. Then we had the tail end of that bull market. I don't know when that's going to happen, but I do think there will be a financial overall markets that come down. Again, I think we're early in this bull market and I'm happy to be buying stock and being patient.

Rick Rule:

Jordan, what are you telling your folks? Where do you think we are?

Jordan Roy-Byrne:

Well, we have to differentiate between the secular bull market and the cyclical bull market. I think cyclically, we're probably around the middle. Secular, I'd say we're top of the third inning.

Rick Rule:

Describe for the audience the difference between those two terms.

Jordan Roy-Byrne:

Well, secular, that's the major long-term trend that usually lasts a decade or longer. Cyclically can be anywhere from two to five years or so. The key is I think the cyclical

bull has somewhere, it could be three or four more years left. Then the risk when that gets long in the tooth is then you have what happened in '75 to '76 and also 2008, that's when you have your 65% or 60% decline in the shares, but that's far off into the future. There will be something that happens like that before the secular bull market ends.

Rick Rule:

Jenny, same question for you.

Jennifer Shaigec:

I think we're still actually in fairly early innings. I think the underlying fundamentals, why central banks have been buying gold, have not changed. In fact, I can see that accelerating. I think even just a seasonal dip is underestimated in gold that normally this time of year you do actually see it come off a little bit. Technically too, I think a lot of people were waiting for a bit of a pullback. I do think the reasons are still there. I'm actually giving a presentation afterwards, I hope people stick around for that and I'll go over some of the reasons I think central banks have been buying. I still think early innings.

I just wanted to note too, in 2008, gold dropped about 22%. If you put that in today's gold price, you're looking at a \$1,000 drop potentially, but it recovered within six months and was back up above where it was. I think it's important for people to keep that in mind if we see a bit of a crash, that it recovered the last time and historically tends to do so, among the first that actually do recover after a crash. Just psychologically prepare yourself if the market takes a dive.

Rick Rule:

Nick, same question. You've had a long time to prepare.

Nick Hodge:

Yeah, I think we're in the middle of it. You're in the middle of a gold correction now and held support at 4000. That's just short-term support. Longer-term supports down around 3,600, so not in danger of breaking down there. All the fundamental drivers I.E. the debt, central bank buying, etc, etc, are still in place and haven't abated. Silver hasn't had its move yet, so that tells me we still have some time to go. GDX, GDXJ just started outperforming the gold price in the middle-late summer August timelines, so still early to middle days in the precious metals bull market.

Rick Rule:

I'd like to give you an annotated version of what you just heard. I agree profoundly with what I've heard, but particularly Jordan's differentiation between cyclical and secular bull markets. I've lived through a lot of bull markets in my life and I've noticed that this little decline that we've seen in the last three or four weeks has unnerved a lot of folks. I was interviewed not too long ago and somebody said the

gold price is down by 7%. I said, "Really? A year and change ago it was at 2,000, now it's at 4,000, so is the gold market up a hundred percent or is it down 7%?" If a 7% decline unnerves you, you should do something else for a living.

I remember myself in 1975, before some of the panelists were born, in fact, that the gold price declined by 50% in 1975. Now that was a character builder. I'm not suggesting you face that again, but if you don't have the psychological and the financial wherewithal to stomach a 20% decline, a 25% decline, 30% decline, start doing some studying and get ready for it.

Nick, since you were last, you had the ability to prepare, your first this time. Normal bull markets follow predictable patterns. In my experience as an example in the precious metals market, it's led by the metal, gold in particular. You go from there to the best of the rest, to the best of the rest, that kind of stuff. What sector, if you could pick out a sector of precious metals equity, do you think the money is going to? Either what sector do you think is relatively undervalued or where is this market headed? Is it headed to the exploration stocks? Is it headed to the M&A targets, the single-mine developers? Where do you see the sweet spot for money if somebody was going to measure you between this year's New Orleans conference and next year's New Orleans conference?

Nick Hodge:

Yeah, I think exploration and brownfields development is a pretty good place to be. I just said that the GDX started out performing gold in the summer, in the August timeline. Took a bit of money off the table as that happened into October and redeploying that downstream as it were. I also think that timelines are condensed in our modern era because of the speed at which we get information. We had a little bit of move in the producers and they obviously have to replace reserves.

I also think that, I gave a talk here eight or 10 years ago about crypto soldiers training for the gold army. They were learning about things called fiat currency and counterparty risk. And I was saying then that those folks are going to gravitate to gold eventually because of the things they're learning in the crypto market. Those folks are, they're gamblers, they're wild-ass speculators as I've heard you say from stage Mr. Rule. I think they go downstream and are content to take on more risk and as more of those folks come in, you get to the smaller end of the spectrum over the next 12 months.

Rick Rule:

Jenny, same question. Where's the market going in terms of sectors? Where's the precious metals market going in terms of sectors?

Jennifer Shaigec:

I think he stole my answer. You articulated that very well. I agree. I think there's a lot of speculative money that has yet to rotate over to precious metals. I'm seeing a lot

of oversubscribed private placements. I just think that juniors are still the place to be. Grassroots exploration actually hit an all-time low in 2023 and we've still had decades of lack of investment in exploration and I think we have a lot of room yet to run there.

Rick Rule:

Same question, Jordan, where do you see it going to? With the understanding that your letter is about juniors, tell me where you see in a sector sense this market going.

Jordan Roy-Byrne:

I'm not as keen on that as others, but my guess would be more speculative at some point. Not later but probably sooner it'll filter down to the explorers and silver because silver after this correction has a chance to make a historic move. We're probably going to see a lot of money jump in next year when that happens.

Rick Rule:

And Kojak over to you.

Jeff Phillips:

I once heard an older speculator in the business tell me it's kind of like a whip. When the bull market gets going, it's the front of the whip, it's the producers, it moves on as the whip moves forward to the one-mine producers and the smaller companies that are producing. The tail end of that bull market is the whip coming fully forward and that's the exploration companies. I think we're just starting to get to that now. I don't think we've seen that in exploration and development companies. I agree with the other panelists.

I would add we're seeing, Nick made a good point that, and I've been saying this for a long time too, that all of these young people that are investing in cryptocurrencies and whatever you want to call them, are getting educated on why printing money is bad. I think you're starting to see that now. You're seeing people like Tether, which is a stable coin. They just invested heavily in a royalty company. I forget the numbers, but a great broker that's here today named Bernie de Groot pointed out how much their Tether gold is buying on a monthly basis. I think we're going to start seeing more of these outside the box. You're seeing Apple invest in rare earths. You're seeing the US invest in anything they can think of and they're not the best investors, Rick, but they're giving us money now. Again, I think that we're early on, I think the speculative, the development like these guys said, are just coming over the top, the whip thing? You know that one Rick, right?

Rick Rule:

Brien?

Brien Lundin:

You want me to comment on the whip thing or the original question?

Rick Rule:

No, I mean to be honest now between yourself and working for Jim, you've been through as many bull markets as I have. In this bull market, you know money moves through the market.

Brien Lundin:

Yeah.

Rick Rule:

You can either do what I do, which is to try to find someplace in the market that's hated, get there before the crowd, or you can anticipate the flow of funds and I don't care what you do, just tell me where you think this part of the precious metals bull market is hated, what's going to work now and your next conference.

Brien Lundin:

Yeah, and thank you because I am more of an expert on that question than the whip question. Yeah, I haven't heard anything here that I would disagree with. I think this market is evolving. I do agree exploration, there's some values there, silver exploration, silver producers, some value there. This market is evolving to the point now where we're getting a lot of money coming in from outside the market. Generalist money, speculative money, funds, hedge funds and the like and crypto now and stable coins. That's coming in and we're seeing companies that, some pre resource companies now that are doing a hundred million dollar financings and for the right project, a company can now actually produce their own project, bring it to production rather than sell to a major. They can buy the expertise. Yes, the old axiom is you don't have the expertise, you're going to screw it up. Well, a couple of thousand dollars of margin allows for a few screw-ups. They have that option now.

I think companies that have big resources or projects in development, have not been fully re-rated by this market and they have the option now of being the natural other bidder. When somebody comes in to bid on their projects, they could actually just say, "No, we're going to bring it to production ourselves." The money's out there. I think that's an area that still the market is yet to fully re-rate appropriately to where the metals prices are today.

Rick Rule:

Brien, I'm going to start with you this time. You have exhibitors here that are either looking for or producing a wide range of commodities, not just gold or silver. If you

had to narrow down your favored commodities in terms of allocating your own capital and you got the choice, you got oil and gas, you got copper, you got nickel, you got gold, you got silver, you got uranium, the whole panoply, where are you leaning? What's most interesting in terms of commodities? We talk about where the market is in terms of sectors, meaning what size company, what they're doing, but what about a commodity focus? Do you like the unloved? Do you like the momentum? Where would you be? What commodity?

Brien Lundin:

I think there's still a bit of juice left in the squeeze in the precious metals and so I would rank silver then gold and I don't think you can go wrong with copper if you play it right, if you look at it as a set it and forget it kind of a play.

Rick Rule:

See, he likes all his exhibitors. I always ask him this question. He always hits it really hard. Jeff, same question. You're a private investor, you've been in the space for a long time. We've known each other for a long time. If you could, if you're going to narrow your focus, let's say that you're looking for something new to put your money in, not an existing position, is there a commodity that you'd look to?

Jeff Phillips:

Well, I think some of the critical minerals are very interesting right now with the fact that the US government is looking to secure supply of some of these. I obviously like antimony, we've seen now Perpetua, but it was Midas Gold and I think you were involved in that a long time ago, Rick. That was always a gold deposit with an antimony kicker.

Rick Rule:

Right.

Jeff Phillips:

I think the antimony has helped out getting that permitted faster. It happened overnight, but they've really moved it forward fast now. I think I'm really interested, I was looking at a uranium company that had US assets, I think with the news we've been seeing in the uranium industry for the last year, whether it's larger companies, tech companies, financing old reactors or people we just saw, I can't even think who it was, Westinghouse and Cameco announced that they're doing this modular thing. I think a US ISR type project is really interesting at this point, but at the end of the day I want to see a good structure and good people running the company and then I like the company. I like all the commodities if it's good people and good structure.

Rick Rule:

I may get to structure later.

Jeff Phillips:

Thanks Rick.

Rick Rule:

Just to throw you a softball, Jordan, do you care? Are you agnostic as to commodity or do you have a commodity that you would be skating towards?

Jordan Roy-Byrne:

I'm becoming more agnostic. I mean gold and silver, that's my focus so I obviously lean there. I would be sniffing around copper because of the technical setup. Also, oil and gas because at some point I think the price of oil will rebound sooner rather than later. I would focus more on companies first and commodities second. I think it's backwards to think about the commodity before you go into the company. Like Jeff said, just focus on the company, find companies that you like first.

Rick Rule:

Jenny?

Jennifer Shaigec:

I love copper, I always have. I think the supply side story in copper is undeniable, the long-term hold. If I was going to look at something that I think there's some definite bargains to be found right now as the hated commodity, I'm starting to look at nickel and I haven't really in quite a long time. With all the environmental degradation that's happening in Indonesia where 50% of global supply comes from, I think that eventually we're going to reach an end there and we'll have some issues with supply from Indonesia. If there was a conflict too with China, a lot of the global nickel is shipped through the Strait of Malacca in the South Sea and China. I think that there's some risk there and with all the push for supply chain sovereignty, I think that nickel is probably a really good one to look at. If there's still risk that it might take some time for the price to turn around. I'm looking at companies that have exposure to some other metals as well.

Rick Rule:

And finally, Nick?

Nick Hodge:

I mean copper is a great answer. I was going to say that it has independent drivers that precious metals doesn't have that aren't monetary related. We all read about the build out of the grid and I read a report recently that said the last couple of quarters of US economic growth was driven 90% by AI and data centers. We got to build those out. You saw what copper did in July when Trump threatened the tariffs and what it did on the COMEX. That's a good answer. Then the entire energy metals complex and there's a lot that's lumped in there. Jeff touched on it a bit. Uranium is a good one. In the spirit of Contrarianism, I'll throw out lithium, which is back down

at the \$10,000 a ton. Lithium carbonate range was all the way up at 80,000 a ton a couple of years ago. No one's mentioned in that. That's a good place to look as a contrarian.

Rick Rule:

So far Brien has really liked this panel because we've been really bullish and all of his exhibitors are going to love what we had to say. We're sort of in front of a congregation, passing the collection plate to the choir, "Do you believe in God?" Now we're going to change things up a bit, Brien. The financing window for juniors seems to be wide open. Wide open. The companies in private placement seem to have forgotten how to spell the word warrant.

Brien Lundin:

Much to your chagrin.

Rick Rule:

Much to my chagrin, I'm on strike. I'm on strike. Anyway, this financing window always makes me ask a question after all these years. There's nobody that knows the value of a company more than folks who run it. If all these guys are eager to sell their stock for my money, that means they believe my money is worth more than their stock. Are they right? I'll start with you. Does this financing window suggest that the juniors as a whole know more than the customers because the customers are trading their money for the issuer's stock and the issuers are trading their stock for our money. We need to ask ourselves which side knows more about the valuations. Told you it was going to get tough.

Brien Lundin:

Well obviously, well not obviously, but the companies are getting the money because they think they can put that money to good use, but there is an axiom in the junior mining industry, not from the investor's standpoint, but from the company's standpoint that when you can get the money, take the money because the money's not always on offer. It is interesting though that Rick will criticize a company for issuing a five-year full warrant when he would insist on a five-year full warrant.

Rick Rule:

It's a function of who they give it to, Brien.

Brien Lundin:

What's that?

Rick Rule:

It's a function of who they give it to.

Brien Lundin:

That's true. It's okay if it's to you. Yeah. There's a lot of money out there and there's going to be a whole lot of money wasted out there. Put not to good use. One of the best investments is probably a drill company right about now. They're going to be some wasted holes, some targets that are drilled that should not be drilled, some bonuses that are paid, some salaries that are paid that should not be paid. There are some companies, a lot of companies frankly out there that have been sitting on their hands to some degree over the last few years rather than dilute their stock and have advanced their projects in ways that don't make headlines, don't make good news releases. They've done field work, they've done mapping, they've done some geophysics and they've got good targets and now they finally have the money to do that. There's going to be a lot of news coming in.

I have been personally surprised at the quality of the results that we've gotten over the last summer's exploration season. There's a lot of opportunity there. Yeah, it is amazing to me the new \$10 million financing is a hundred million dollars financing. I think it's a sign that there's generalist money coming in and we should generally welcome it because it's going to make a lot of things happen more quickly...

Rick Rule:

...Following on that, if there's a bunch of generalist money coming in, should we be competing with the dumb money?

Brien Lundin:

No, I think we are pretty much, if you've been coming to these conferences, you're well allocated and you can get a better position. I think the window's still a bit open, but it's going to be closing. To rephrase that, I don't know that a lot of generous money is coming in, but I think the camel's nose is under the tent. We can see that it will be coming because this is now the debasement trade. It's a marketing thing now on Wall Street and the like. It has the potential to be the next big theme and when that happens, we will be amazed at how much money's going to flow into this sector.

Rick Rule:

Jeff, same question. Do the companies know something we don't know? Why are they trading their equity? Why are they diluting for our money?

Jeff Phillips:

I think you have to look at the company specific. Every company's different and the financing and who is coming into that financing. If Rick Rule comes to me and says he wants to do a full warrant financing and it's a company I'm involved with and he says, "I want to lock my stock up for five years, but I want a full warrant," I'm all for that, Rick, if you want to lock your stock up for five years. You're on the same side as management, you're on the same side, whoever that is.

I think the financing's specific. I think a lot of these companies are raising money because they can and they'll take money from anybody. That's very short-term money. That's not what I want to be involved in. I look at the specific financing, whether it's a warrant, half warrant, no warrant. I want to know what the shareholders that are writing checks with me, what their intent is. Are they trying to make a dime on a financing and collect the warrant, or are they betting with management to see this be a success and build a billion dollar asset? Each financing is different to me.

Brien Lundin:

You talked him into a one-year hold and now you're trying to talk him into a five-year hold?

Rick Rule:

Jordan, I'll get to you in a second, but I want to comment on this. When I talk to these management teams, they say, "Well Rick, a five-year warrant is dilution." I say, "Oh yeah, what's a five-year option?" What's the difference between a warrant and an option? It's who gets it. Then they say to me, "Of course, well I need special treatment because I work at the company." I say, "Yes you do. You work there five days a week. My money works there seven days a week, so I should get seven twelfths of the economics." You follow where I'm going?

Jeff Phillips:

My point was that depending on the quality of investor who's investing in the deal, I'm okay if you tell me someone wants to come in and they want 19% of the company, they're going to be fully reporting, but they want a full warrant, I'm all for that because they're locked in for the longer term. What I don't want to see is 200 people that are all trying to...and then I'm against that. It's all about how the structure works out.

Rick Rule:

Masterful job of ducking the question. Jordan, I'm going to ask you the same question. The financing open, the companies are trading their equity for cash. What are they telling us?

Jordan Roy-Byrne:

What are the companies telling us?

Rick Rule:

Yes. What are the companies telling us? If they think our cash is worth more than their shares, are they telling us something disturbing?

Jordan Roy-Byrne:

They're telling us they need money. In the interest of brevity, I'll pass it along to Jennifer.

Rick Rule:

Okay, fair enough.

Jennifer Shaigec:

It is a tough question. I think, as Jeff said, it depends who's investing. Are the insiders taking a big chunk of that private placement? Are there strategic investors? What are they spending it on? I think for me it's always about management's track record. If you have a management team that you've invested in that's proven themselves in the past that they spend that money wisely, it's going into their drill program, not GNA, you check their salaries and peer comps and make sure that it's not outrageous in that regard, then I'm a little more trusting that they're doing it for a good reason.

Rick Rule:

Nick, same question to you.

Nick Hodge:

I think it's partially a psychological issue. A lot of these companies are like beating Pavlov's dogs over the past couple of years where they were capital starved and now the bell is ringing and so they're salivating. That's a pretty good analogy I think. The other thing is that I was taught early on in my career about lifestyle companies and the amount of companies on the TSXV that collectively destroy capital on an annual basis.

The answer to your question is yes, they know something that we don't know. They're not planning on mining anything. Those lifestyle companies I'm talking about, they're mining shareholders, which is exactly what you're talking about. Not enough companies went away in the bear market, like some of those lifestyle companies still exist on the TSXV. Well that's really the point of why you all are here, to discern what the quality stories are and to put your capital to use in the best place possible. Those companies and management teams that are the best stewards of your capital because of the things that all these folks talk about on panels and individual talks, being good stewards of your capital, keeping the structure intact, having skin in the game alongside you, being in the boat together and rowing together, all those things, right? The answer to your question is yeah, some of these companies are taking money because the bell's going ding ding.

Rick Rule:

The oldest person on stage is this guy named Rick Rule. I'm going to ask him the tough questions. I gave a speech here years ago and the title of the speech, there's a HowStreet saying that says, "When the ducks quack, feed them. Yell at the ducks." Okay? What that means is that when you're ready to buy stock, they sell it to you. The corollary to that, in my speech was when the ducks quack, feed them, when the quacks duck, eat them, which is to say when the promoters and all those guys are running for their lives, that's when the market has no risk. I agree with the panel in an odd way. I believe on a global basis, if there's 2,500 junior miners, that 2,200 are valueless, absolutely valueless. But the 10% of the issuers generate so much utility over the cycle that they add legitimacy and even luster to the sector.

If you are going to participate in private placements or in broad markets without doing much work, you need to invest during a period of time when nobody else is in place. When the ducks quack, when the insiders are afraid, eat them. When the quacks duck, feed them. It is really a question of what did they do with the last placement that the market gave? Did 60% of the money that got spent go to GNA or did 75% go in the ground? If the money went in the ground, did they accomplish what they set out to accomplish? This is a time to be more, not less, selective. This is a period of time where all of the companies perceive that they went through a capital drought, most of them didn't because they were valueless. If they were able to raise money at any level, it was accretive rather than dilutive on a basis.

You're doing a good job, you're here at the New Orleans Conference, you are educating yourself and you are preparing in movie parlance to judge the difference between the good, the bad and the truly ugly. I'm going to continue with this tough question for a while before I get easy again. If we look at this market, and by this market I mean the mining market, but in particular the junior market, I want you to tell me, and I actually want you to do this, not duck the question, I want you to tell me the most obvious black swan, understanding that black swans are things that come out of nowhere, but what's the thing? What's the one thing that keeps you awake at night about this market? What could go, not merely wrong, but really wrong? Nick, I'm going to start with you.

Nick Hodge:

I mean the overvaluation of the S&P and the tech stocks that could lead to some sort of a crash, stock crash, that takes down the valuations of all the equities, including the precious and industrial metals. I think it's long overdue. I think we skated a recession, skated by a recession in the past couple of years. I think that US growth is okay, but I think that valuations in terms of P/E are well ahead of themselves in some of these tech stocks, quantum stocks, robot stocks, etc. S&P seems to hit a new record every day. The thing that keeps me up at night, to keep it brief and succinct, is a broader market crash that, I almost said "quacks," that wipes out the advances we made over the past year.

Rick Rule:

Jenny?

Jennifer Shaigec:

I'm going to go with something very dark. Nationalization of mines. I think we're headed for a conflict with China and if that were the case, I mean you're seeing this huge push to secure domestic supply chains and it's still in place, the wartime controls, that were from World War I and II. Seeing the government starting to take these bigger stakes in some of these projects, it's a little bit scary for me.

Rick Rule:

I think that's a really good answer. Jordan, what keeps you awake?

Jordan Roy-Byrne:

It's hard to follow that, but one thing I thought of, which I think is very contrarian, is that gold and silver will go vertical sooner than people think and that they're not prepared for it. I will just disagree with Nick. I think that the 2008 boogeyman, I've talked to Brien about this, it's infected everybody so much that they don't understand that we're in a secular bear market in bonds. During those periods, the stock market crashes are really rare and they're a lot different than they are in 1929 and 2008 for example. I tend to think that if the S&P bear market comes in the next year or two, that we could repeat the mid-seventies where the bear market comes, but gold and silver go vertical during that period actually, and that catches people off guard who are worried about this big downturn again, like 2008.

Rick Rule:

Jordan I'm an old enough man that I can handle that risk just this once. Jeff, tell me what keeps you and your portfolio awake at night?

Jeff Phillips:

Well, by its definition, I don't know what the black swan is, Rick. That answer's pretty tough. A black swan is something you don't see coming.

Rick Rule:

No, I absolutely agree with that, but if you think that there's something out there that we haven't discussed.

Jeff Phillips:

I'm going to agree with Nick and disagree with Jordan. Sorry, Jordan. I think there's something out there that again, our markets, and if you're speaking specifically about the resource market, it's not a highly liquid market. It is in a bull market, but the liquidity can dry up pretty quickly. I think that when you have a financial correction, which has usually happened several times in my career, I've seen three bull markets in the resource sector over a 30-year career, what I consider really bull

markets, they tend to follow a financial correction where people gravitate back to hard assets. They realize the internet was great, but 99% of the companies weren't going to work. Or maybe AI is great, but it's not going to be the best use of your capital right now. What keeps me up at night is not necessarily the resource sector, but a liquidity event that causes people to have to sell things. But I don't know what the black swan is because that's what a black swan is. I don't know what it is. There you go.

Rick Rule:

Brien?

Brien Lundin:

Yeah, I don't know who to agree with frankly because I think that there is a likelihood of a financial catastrophe correction kind of thing, liquidity event. I think it's absolutely inevitable. I think that's an opportunity because in today's world, the markets in general, not just precious metals, but stocks, bonds, everybody, especially since 2008, they've become addicted to central bank liquidity and central bank rescues. As quick as you can have that liquidity crisis, as soon as the ship pops back upright briefly, everybody knows what the prescription is going to be. There's going to be a flood of liquidity by central banks around the world. As we saw post-2008, the gold price, the silver price, commodities in general, everything, all risk assets are going to soar in response. That's going to be a tough few days literally because they're going to come back in very quickly like they did post-covid, and that's going to spell an opportunity if you can act quickly.

The thing that might be the most negative scenario that I could imagine would be Trump deciding to sell the US gold reserve...but I think all the other world central banks would snap it right up. I don't really think that's a likelihood. Typically, these things, a liquidity crisis, a financial crisis, we know that that's going to come at some point. These bubbles get blown up, they burst. What we don't know, it is really the black swan, is where is it going to come from? It usually comes out of left field in some area nobody's really predicting.

Rick Rule:

Now we come to the part the audience really likes. We've all pontificated now for 40 minutes. In a biblical sense, we've taught the audience how to catch fish, but what the audience wants is for us to catch the fish, clean the fish, prepare the fish, and serve it up with appropriate garnish. I'd like each of the panelists, briefly, because we don't have much time left, talk about two or three stock ideas, remembering that we only have eight and a half minutes left and there's five of you. Brien, I know you love all of your children equally, but give us two or three children that you think are likely to outperform the rest in the near term, that is to say this year.

Brien Lundin:

Well, as I review my list of fully paid exhibitors, which I know you like to do at your event, have a copy of that list on your pillow at night. I would say some of the values in this market, I like Delta Resources, a large still undefined gold resource in the Thunder Bay region. I think they're going to get the financing they need to really advance that and constrain that resource. Getchell Gold, I just had a talk with them, just added it to our *Gold Newsletter* portfolio. The economics of that resource in Nevada are calculated now at a far lower gold price and I think relative to their current market value, their current market value is dwarfed by the NPV of that resource and it's still growing.

Relevant Gold has the chance to basically duplicate the Abitibi Gold Belt in Wyoming. They own most of the prospective gold belt. They're going to have drill results out within a week or two. Probably going to be a technical success at least. Given the backing that that company has, the technical success is good enough. I think Seabridge Gold, the preeminent optionality play, there are no such things anymore, every optionality plate is economic, but I think the size of that deposit and the amount of money it will generate is going to attract some partners.

Rick Rule:

Jeff, same question, some ideas, briefly.

Jeff Phillips:

I typically have 12 companies that I'm a large shareholder in and I cross different models and different commodities. I've got a number of companies here I am a shareholder in and I consult for, but I'll give you four of them here. If you get a chance, stop by Empress Royalty's booth. Alexandra and Michelle are always there. Well-run royalty company that you introduced me to, Rick, about three or four years ago here at the conference. That's how I actually met them. Your conference is good, Brien?

Brien Lundin:

Yeah?

Jeff Phillips:

A royalty company that was set up four years ago. She's turned it into a cashflow positive company, fully focused on gold and silver. Do yourself a favor, I don't know your portfolio, you have to do your own pie, I have 12 stocks, but Empress is one you'd really want to stop by and take a talk to.

Almadex Minerals, Morgan Poliquin is here. Morgan is a serially successful geologist, PhD geologist that has found multiple, multi-million ounce deposits over the last 15 years. Almadex is a spin out of those discoveries. I don't even know how many properties he has, I've lost count. It's about 30 properties, 15 royalties. He's come up with a new model in the Western United States that he used in Mexico to make multi-million ounce discoveries. He's done it before. Do yourself a favor. The

company has 60 million shares out, \$21 million in cash and gold in the bank, owns six of its own rigs. Again, he's made discoveries before.

Another company that's here would be a prospect generator called Headwater Gold. I met them here also at the conference actually through Brent Cook three years ago and Joe Mazumdar, Caleb's a first class guy and his team. What's important to me is the share structure and are they vested? Caleb and his team own 30% of the company. I recently did another financing in the company. Headwater Gold is partnered with two majors at this point and has another producing company called Centerra that owns 9.9%. Do yourself a favor, stop by and meet Caleb at Headwater Gold.

Then another prospect generator that's here is Latin Metals and Latin Metals is focused in South America. Keith has been successful in prior companies and is a little earlier stage in the prospect generator and drilling than a company like Headwater. Do yourself a favor, stop by Latin Metals booth. That's it.

Rick Rule:

Jordan? You going to do us any favors?

Jordan Roy-Byrne:

Small favor. Yeah, I don't give out picks publicly, but I'll oblige, how about Silver Unicorn Minerals. Does anybody?

Rick Rule:

That's it?

Jordan Roy-Byrne:

Silver Unicorn Minerals.

Rick Rule:

Got it.

Jordan Roy-Byrne:

Oh, sorry. That's a fake.

Rick Rule:

I understand

Jordan Roy-Byrne:

I would say GoGold. I do own it, so of the companies here, I like GoGold.

Rick Rule:

Good. Great. Jenny, any names? Any ideas?

Jennifer Shaigec:

I'll go three quickly and diversify a little bit. SPC Nickel, Dundee owns 36% and I love their package in the Mosko intrusion in the north. Excellent Geo. I just spoke with them for quite a long time this morning. Pacifica Silver in Mexico, they had a private placement that was for \$10 million in Vizsla and First Majestic participated in that. My absolute favorite is Camino, they're in Peru, copper. What I love about them, first of all, management is great, share count's great, but what I really love about them right now is they're drilling a very exciting project with the Japanese major Nittetsu. They also have a soon-to-be in construction producing asset in Chile. Got both sides of the Lasso Curve at play.

Rick Rule:

Nick, finally, talk your book. What do you like?

Nick Hodge:

Let's do it. Daura Gold is next door, ticker DGC. They're right next door to Highlander Silver, which has a \$500 million market cap. Daura's down around a \$20 million market cap or maybe even a little bit cheaper. They just raised a \$7 million, upsized, and they just optioned a project in Argentina as well that they can drill to provide catalysts while they're waiting for permits in Peru. Again, right on trend with Highlander Silver's deposit there. North Shore Uranium is a nice little uranium company with a US deposit. The US is desperate for uranium. Blake Steele's on the advisory board, will likely be joining in a more thorough capacity. We made a lot of money with Blake and Azarga Uranium, which he developed a Dewey Burdock asset in South Dakota, got the permit in good standing, and was able to sell that to enCore Energy and everybody did well.

Kincora Copper is next door. I know Jeff and then Rick did a financing in that, they've got a hundred million dollars in partner funding on asset-level deals. There's still a tiny little market cap. These folks locked up their shares for 12 months and they still got to do deals on some of their projects that they have as well as self-drill some of them. Interesting projects in Australia and Mongolia. The last one is Kingsmen Resources, which I might've mentioned last year on stage, has gone from 25 cents to \$1.75 in the past year, but they've only put out one set of drill results, more pending. There might likely be an opportunity to finance them in the coming days and weeks to further fund drilling at their project that they have, Las Coloradas as well as the Almoloya project that they need to drill as well.

Rick Rule:

Finally, this, if the audience liked what any of you had to say, when do you speak at this conference next? What's your next presentation? How do people find you? Nick, I'm going to begin with you. How do people find you and when are you up next?

Nick Hodge:

Google my name, you'll find me, click the link. Digestpublishing.com is the website. I gave my main talk yesterday, but I'm doing a workshop with my partner, Gerardo, tomorrow night upstairs.

Rick Rule:

Okay. Churchill somewhere upstairs?

Nick Hodge:

Correct.

Rick Rule:

Great. Jenny, who are you? How do people find you? When are you going to speak next?

Jennifer Shaigec:

I'm scheduled to speak at the Vancouver Resource Investment Conference at the end of January, and you can find me on Twitter under @jennymanydots. I mentioned my handle and my presentation coming up next.

Rick Rule:

Jordan?

Jordan Roy-Byrne:

TheDailyGold.com and I'm speaking at 7:00 P.M. tonight after Jenny.

Rick Rule:

Jeff?

Jeff Phillips:

You don't really find me, Rick.

Rick Rule:

I do know where to find you, but I'm not the audience.

Jeff Phillips:

I'm a strategic investor and again, I invest in companies and manage my own money. If you ever see me on the conference floor and you have questions, I'm happy to try to answer them for you.

Rick Rule:

Brien, you're virtually unknown to this audience, but if somebody cares, how do they find you and when are you up next?

Brien Lundin:

Goldnewsletter.com. I am emceeing the geopolitical panel and I'm running around these halls trying to look busy while my staff takes care of everything. Don't hesitate, grab me, say hi, tell me what you like about it, and if there's something you don't like, go talk to my staff. I am around and eager to talk to anybody.

Rick Rule:

If y'all aren't sick of me, I'm doing a workshop tonight, customized presentation for people wanting to become serious investors and speculators. I don't want to stand between anybody and their bourbon, but if they really would prefer me to bourbon, that's 7:25 to 8:05 P.M. upstairs. Ladies and gentlemen, the success of a panel has to do with the strength of the panelists. I've been blessed with great panels, so give them please, a big round of applause.

Precious Metals Panel

MC: Kerry Stevenson, Omar Ayales, Rich Checkan, Mike Maloney, Dana Samuelson

Kerry Stevenson:

Thank you. How are we? How are we? Yes. How many Australians are here? One. Are you serious? Couple at the back. Three, four, okay, excellent. Well, as was just introduced, my name's Kerry Stevenson. I'm the host of Making Money Matter or Making Gold Matter or silver matter or anything matter for that matter. That's on YouTube and I also run the Australian Gold Conference, Keep Calm & Buy Gold. I am absolutely delighted to be here. Brien and I met a couple of years ago. I've had him on my channel and he said to me, "Would you come over to New Orleans?" I said, "Of course, love to." Haven't been here for 30 years. What a great town. What a great town. I've had a ball here. I blame my friends. Where's Jeff Phillips? He's in the audience somewhere, I think. This beautiful hat. Is it blinding you yet?

It was given to me by Jeff, Alex from Empress and Michelle Borrromeo. Brien Lundin said, "You have to wear it on stage." I said, "I'm going to blind them all." He said, "The jacket will do that without you having the hat on." So ladies and gentlemen, I also wanted to just make mention as well as this is my first time at the New Orleans Investment Symposium, thank you for your warm welcome. But I was talking to Brien about when he got started with this conference and that Jim Blanchard started in 1999 and that when he started it, the gold price at that time was \$35 and he got gold legalized and it ran up to \$850 in 1980. He started this conference in 1974 and that was when the gold price was around \$200, but you weren't allowed to own it in the United States. You couldn't own gold.

It was illegal to own gold in the U.S. when he started this conference, so what a vision he had. And Brien started working for Jim in 1985 when the gold price was around \$350. It bottomed in 2000 at about \$250, and it ran up to \$1900 and 2011. Now when it ran up in 2011, that was the first year that I ran the Australian Gold Conference. So it's taken me 15 years to be an overnight success in Australia because now... Who saw the photographs of the insanity of the Australians lining up around the block to buy gold when it hit \$4,300? It was insane. They didn't give a crap about it.

Am I allowed to say that word? Anyway, I'm Australian. They didn't give a crap when it was \$1800, but they got hysterical when it was \$4,300. I wonder what they're thinking now. I'm not going to answer any more questions, but I just wanted us to give a round of applause to Brien and his team because Brien has been running this for 25 years. Jim ran it for 25. Brien, this is his 26th year of running it and I just want to do a big shout-out to Brien.

All right, now let me bring up my fabulous panelists. First up we're going to have Dana Samuelson. He's the president of the American Gold Exchange. Please welcome, he was mentored by Jim Blanchard. Been in the industry for over 40 years and just a great guy. Dana's been on my channel. We had a really good chat. Dana, it's great to have you here.

Next up, Mike Maloney, one of my absolute heroes in this business, founder and principal of GoldSilver.com. Great to see you, Mike. Out of this audience, have any of you have watched Hidden Secrets of Money? Put your hands up real high. Well done you. If you have not seen Hidden Secrets of Money, stop watching bloody Netflix and start watching what really matters and especially, it's had 40 million views, let's get it to 50. It is one of the best videos on money versus currency and the episodes that Mike thinks that you should watch it, was it episodes nine and 10, Mike?

Mike Maloney:

Well, they're all good.

Kerry Stevenson:

They're all good. Sorry, of course they're all good.

Mike Maloney:

Four, Nine and 10 are my favorites.

Kerry Stevenson:

Four, nine and 10 are his favorites. But if you have not watched it, as I said, stop watching Netflix and start watching that. Mike, thanks for joining us today. Next up we have Rich Checkan. He's the president of Assets Strategies International. Good to see you, Rich. Now, Rich has had a lot of time in this industry as well. I've met Rich a few years ago at Rick's conference in Boca. Now you were in the U.S. army and left as a captain, so I think we should thank him for his service. Thank you so

much. But I also will point out that I'm a Navy brat, so Army versus Navy. We'll have a chat about that later.

Rich Checkan:

...this weekend.

Kerry Stevenson:

What happened this weekend?

Rich Checkan:

Navy lost, Air Force lost to Army.

Kerry Stevenson:

Oh, right. All right. Without further ado, let's ignore him and let's go on to our final guy, Omar Ayales...Chief Trading Strategist of Gold Charts R Us, not Toys R Us, ladies and gentlemen. Gold Charts R Us. Technical analyst. A technical analyst. Guys, great lineup. Great lineup. Thank you so much everybody. It's going to be a really interesting chat. We don't have long, but let's just... And I don't mind who answers this. Gold, it's been on a run, everybody knows about that. What's truly driving this rally at the moment? Maybe Dana, we could start with you.

Dana Samuelson:

2025 is an extraordinary year for physical demand for gold around the globe. It's a game changer and it's because of the disruption in the global trading order due to the Trump tariffs. If you're a Chinese citizen, and I tell you... Let's back that up, just one second. Americans, if I say to you, "We're tariffing China 145%." I think 95% of you are thinking right now, costs are going to go up. But if you're a Chinese businessman and you're selling to the U.S. and you suddenly have your best customer say to you, "We don't really want your products." What do you do? And that's the question that the world has been facing this year.

We've seen three major physical runs on precious metals this year. First, fears over tariffs pulled enormous amounts of physical metal into the COMEX warehouses when the premium in New York became higher for physical, for gold and silver over London and the rest of the world. That dislocated the London over-the-counter market for supplies of silver in particular. Then we tariffed China, 145%, while we pulled tariffs on everyone else because they could stand toe-to-toe with us and they have. They drove the gold price up \$500 alone through their buying in April. And then on August 28th, coincidental to festival season in India, and I don't think most of the world gets this yet.

But we tariffed India 50% because they were buying oil from Russia to support, and President Trump disagreed with that, to support the Russian war against the Ukraine financially. So going into festival season, we tariffed India 50% and they went on a buying spree for gold and silver. And if you look at demand in India, in September, for physical gold and silver, it's off the charts compared to previously. So

there's been two global physical buying sprees that have been enormous and that drew the rest of the world into it, including people in Australia.

Kerry Stevenson:

But isn't Diwali... Because I assume you're talking about the Diwali Festival, which is the Indian festival. And the demand that's there every single year. Now I know it was higher this year, but not off the charts, was it?

Dana Samuelson:

No, but it's also ETFs. We've got global ETFs now that are participating in a way they've never participated before, which is pulling a lot of physical demand too. There was an Indian influencer with 3 million listeners who said, "Buy silver this year because it's a lot cheaper." And that's what helped to put a lot of the pressure on the physical market for silver. So this has been a physically driven market, not a paper-driven COMEX market. Which is why I think when we get corrections, they're going to be short and shallow like we've seen because it's physical demand more than it is speculators pushing the price around. And when the rest of the world is going for physical metal because they're a little nervous about the US and the dollar and what we're doing, this is what happens. And it's absent fear in the United States, which is what we've had in the three previous bull runs. What happens when we get scared in the US?

Kerry Stevenson:

Well, yeah. Mike, have you got a view on if this is a short, sharp breather, if you like? We can't sprint a marathon, it would take a lot of energy. Is this a sharp, short pullback do you think? You're the author of gold and silver, you've been in this industry a long time, I'd love your views. You've seen cycles before. What's this one look like?

Mike Maloney:

Well, trying to predict the future is always hard, especially when you try and do it in advance.

Kerry Stevenson:

And I'm not going to ask you about the gold price either, ladies and gentlemen.

Mike Maloney:

So I don't really know if this is going to be a short or maybe a longer drawn out pullback, but there's going to be a crisis sometime or another. And in 1929, the stock market was in a bubble. In the year 1999, 2000, the stock market was in a bubble. In 2008, real estate was in a bubble, but stocks, P/E ratios had come down. This is the first time that we've got a gold bull market during massive hyper bubbles. Real estate and stocks currently are in some of the biggest bubbles in history, depending on how you measure them. I mean, the Buffett Indicator is a great one for stocks, and that is saying that this is the greatest bubble in history. But this time around, in my most recent book, the Great Gold and Silver Rush of the 21st century, there's 18 times more people around the world that can buy precious metals.

In the 1970s, gold went up 25 times its initial price. And silver, I believe was 41 times, and that was from '71 to '74. That was just Western Europe and Canada. The U.S., it was still illegal until the first day of '75 and Australia the first day of '76. But basically, the entire USSR, Mao's China, there were no markets, there were no exchanges. So even if somebody could buy some gold or silver from another individual, it didn't affect the worldwide spot price. So with the growth of the global population and the fact that this time around, it's only North Korea that can't buy. I mean, every other place on the planet can now.

As of when the book was written in the summer of 2022, according to the OECD, there was 55 times more currency on the planet. Well, now that figure is closer to 80. So the amount of gold above ground has only doubled, but there's 80 times more currency and there's 18 times more people with that currency that can buy. There's 200 times more billionaires, 56 times more millionaires and 220 times more available consumer credit to buy with. So people that think that 4,000 is the top, they are all just dead wrong. This thing has a lot further to run. And when you look at how quickly our national debt is going up in the United States-

Kerry Stevenson:

Oh, it's crazy.

Mike Maloney:

We are going through a monetary reset right now and it's normal. That is in the book as well. We had the classical gold standard from the late 1800s until the end of World War I. And then the Gold Exchange standard from the Genoa conference in 1921, I think that was, until that fell apart when Great Britain pulled out of the gold standard in 1930, I believe. And then from 1944 to '71, the Bretton Woods system, these are entirely different monetary systems, but they were all baby steps off of gold. So from something real and solid, these little baby steps and the average person didn't even know that they were happening. It only affected international trade, banking and big international businesses, but it didn't affect the common man. This time, we are going from nothing, probably back to something and it really does look like we're headed toward gold being part of the global monetary system.

Kerry Stevenson:

I tend to agree with you, but I also would say that so few people, I mean, the room is full here, but as I said, when I was running my gold conference just a couple of weeks ago, we should have a million people in the room and they should be knocking the doors down. But most people still trust their own currency, which is being devalued faster than people understand. Rich, I know that you-

Rich Checkan:

Yeah, I just want to add, I think the big elephant in the room right now is we had a bit of a pullback. It was about 10% or something like that. And the question is at the end, if you listen to the mainstream, every time the stock market pulls back, you hear, keep calm, carry on, stay invested. This is all natural and you're better to be in the market than out of it. Just ride it out. When gold pulls back, you had Financial Times, you had Wall Street Journal talking about it. They were on CNN talking about

gold. You've got big names coming out, making predictions about how much gold you should have in a portfolio, and then gold has a 10% retracement. Everybody said, see, it's over. We told you, it's crazy, you should never had it in the first place. This is nowhere near over. I agree with Mike. I agree with Dana. For me, it's the biggest no-brainer on earth.

The next day I came into my staff and I said, "What fundamentally changed?"

Kerry Stevenson:

Nothing.

Rich Checkan:

We know the price changed, right? It came down. What fundamentally changed? Absolutely nothing. You look at all the indicators that would suggest that this is the end of a bull market. Duration, it's way too long in the tooth. The gold price, much higher than it is now. Interest rates high, single, low double digits. You look at the dollar, not below 100 on the legacy index for sure, it had to be much stronger than that. You look at sentiment, you look at geopolitical crisis, you look at social dysfunction domestically, I mean, you name it, the Dow-gold ratio, the gold-silver ratio. None of these indicators are suggesting that this is the end of the bull market. Why do you think it's the end of the bull market? We have so much further to go. And the no-brainer part of it is this, who in Congress, what majority in Congress has decided all of a sudden to balance a budget or generate a surplus to bring down the debt?

Kerry Stevenson:

Did you say balance the budget?

Rich Checkan:

That's what I'm saying. It didn't happen unless...

...So the bottom line is we're still not balancing budgets. We're still overspending. Unless we want to default on the world's reserve currency, the only way for this to go is we have to expand the money supply, which by definition is inflation. That's the cause to the effect of higher prices of everything that matters, everything. Cup of coffee, college education-

Kerry Stevenson:

And it hurts the people that need it the most. And it hurts the people that are not in this room. And it hurts those people that don't understand.

Rich Checkan:

They just understand though.

Kerry Stevenson:

Yeah.

Rich Checkan:

So I guess they're not missing it, but if they knew what was happening-

Kerry Stevenson:

We're not educating people about it in the first place.

Rich Checkan:

We're trying. We're evangelists.

Kerry Stevenson:

We're trying. But yeah, there's a reason. There's a reason. But Omar, when it comes to charts-

Omar Ayales:

I'm going to take a little bit of a different approach. I agree with of course the rest of the panel in that all the elements are there for gold to continue to rise, and I think it will. I think throughout the rest of my life and my kid's life and for sure, gold is going to continue to rise. The thing is that gold is cyclical though. And many people, I don't know how many people were trading gold back in 1980. I was just being born myself, but back then, everybody thought that gold was going to go, after it reached 850, that it was going to go to the moon. Past a thousand, 2000, and yet it did reach \$1000, eventually, 30 years later, right? Or 20 years later, it went in a huge bear market that nobody wanted to be invested in for 20 years.

I'm not saying that this is what's going to happen now, but we have had a magnificent rise. It's been amazing...and not only in gold itself. Last year at this conference, we were all talking about how gold was actually doing very well, but we hadn't seen the miners take off, right? And we hadn't seen... Silver was still stuck in the mud and there was different elements there was... But this year we see a bull market in all those, a very strong bull market. Of course, many of the juniors rose 2, 3, 4, 6 times just this year. So I mean, are we in a bubble? I mean, I don't know. Are we going to probably... Will this pullback turn into a consolidation that could last a little bit? Probably. Should you sell? I mean, maybe not everything, but maybe remove some speculation out of your portfolio if you have it and consolidate into the stronger names.

If you have been invested in this market, you've done really well. And taking some off the table, I think is not a bad thing. The other thing is that... One of the things is even though that we could see a consolidation, is just we could see a shift in the leadership of the metals. Right now, if you see for example, a gold to copper ratio, okay, you see that it has overextended. You see gold versus crude oil. You see gold versus silver, you see gold versus pretty much almost any other asset, and it's been extended.

You see gold, for example, as a technical analyst, one of the things that worried me about the recent run to 4,400 is that we didn't see the U.S. dollar fall to a new low or break below the lows of this year. It's holding there and it actually could rise, and that in itself could continue to put down some pressure on gold. So again, I don't want to be necessarily the bearish one here, but I do want to bring some sense and,

saying, not just get carried away and thinking that this is going to rise to the moon this next year, again, not 100%, it might not. It might not.

Kerry Stevenson:

The more sensible thing is if you do enjoy precious metals... And I often say this to people, don't sell your house and your children, but if you don't own some precious metals, you don't understand what's happening. Because QE, quantitative easing, whatever they call it... It's money printing, they just wanted to confuse people again about what they're truly doing. So Mike-

Mike Maloney:

Currency printing.

Kerry Stevenson:

Sorry, currency printing, he's absolutely right.

Mike Maloney:

Gold is money.

Kerry Stevenson:

Thank you, Mike for pulling me up on that one.

Mike Maloney:

By the way, the pullback that we're in right now, over the last two months, the COMEX raised margin requirements five different times. I'm on Nick Laird's mailing list. And so Nick keeps us all updated on that, and that is part of what slowed and halted the rise. I don't know how many times they can do that. There was this great meme going around. I think I ended one of my videos with it, of an Indian lady, and she's facing the camera and there's a guy facing her. So you're seeing the back, and somebody put LBMA over the top of him and COMEX, and then she's going, "Look at me. I am the silver market now." And it is the physical market that is driving this, and that's the end of the fractional reserve schemes that are the LBMA and COMEX.

Kerry Stevenson:

Wow.

Dana Samuelson:

Yeah, I'd like to add a little to that. So the raising of the margins on the COMEX helped to stop this rally, and it also coincided almost perfectly with the end of Diwali, which is the surge of buying by India. But it really means that the physical market is starting to return to price discovery dominance over the paper market. And that's why I think we have a lot of support under this market. And when they talk about this big correction... We're all doing videos these days. I put out a video that said, "Gold breaks \$4,000, \$50 silver breaks London." And the very next week, gold was almost \$4,400 and silver was almost \$55. They both went up 10% in a week. That was a speculative froth before it broke. So a 10% correction when they go up 10% in a week, that's just the froth coming out, the steam coming out of the market.

That's not a real correction. That's just the speculators going from in to out all of a sudden. That's all that is. Now, the proof of the pudding is going to be can we hold support around 4000, 3950, 3900? Can silver hold support 47, 4750 right now? Which I think they will. We could grind a little lower. Remember, we're in a government shutdown. We don't have any statistics right now. So all that stuff that kind of knee jerks us around, feels like there's an episode of The Simpsons where they all go to see the psychiatrist. They all have shock buttons and the next thing you know, they're all shocking each other. That's what the government statistics are like every week. It did this, it did that. It's kind of nice not to have any right now. Because you get a more level playing field.

Kerry Stevenson:

Oh, the lights-

Dana Samuelson:

Hello.

Kerry Stevenson:

Hello. We're all awake now.

Dana Samuelson:

So I do think there's a lot of support here, but we'll still have to see how it holds. And I think it'll hold pretty well to be honest with you.

Kerry Stevenson:

Yeah. And Rich, in terms of that holding, what are you seeing in terms of your business and people's attitudes and buying?

Rich Checkan:

They're clearly changing. I think last year on the panel I was asked, what are we seeing in terms of retail investors? And we really weren't seeing any, to be honest with you, except to sell. They were selling into the market

Kerry Stevenson:

Yeah, A lot of sellers there.

Rich Checkan:

And they were selling for a bunch of reasons. They were selling to pay bills, they were selling to pay down debt. They were selling to prepare their finances, our elderly clients for their heirs to make it easier for them when they passed by selling some metal.

Kerry Stevenson:

So they were selling the metal-

Rich Checkan:

Because their kids don't believe in gold, right? Like crazy dad did, right? That's one of the reasons. Another reason is they were taking profits. Let's face it, it's the first time they were able to take profits in a long time in some of these metals. So we saw selling for all those reasons. The buying was done by central banks and mainly Asian retail. So the central banks kind of gave us, I think a head start on this bull market. Investors in North America, the western Hemisphere really, or the western market. The western investor hasn't really been in this market until really the past year or so. So we're starting now to see the western investor get in this market and starting to get funds. So now we're seeing people buying. When it pulls back 10%, we're having clients who had funds sitting with us to buy on a dip, just go all in and pick it up. We weren't seeing that behavior prior to this. So we're still seeing some selling for all those-

Kerry Stevenson:

Still seeing selling.

Rich Checkan:

Still seeing some selling for some of those reasons that I mentioned. But I think it is starting to turn a bit. And as a result, this should get a lot more fun for everybody.

Kerry Stevenson:

When you say a lot more fun.

Rich Checkan:

Yeah?

Kerry Stevenson:

Expand, please.

Rich Checkan:

Means the people that hold the metal are going to make more... Are going to see it go up in value in fiat, mismanaged terms. And as dealers, we're going to make more profits because we're going to do more business. There's no two ways about it.

Kerry Stevenson:

Based on what you were saying before, that potential, a bit of a breather, et cetera, et cetera. And people don't get too overexcited, but don't be disappointed if we're not going to go on another parabolic run for a little while. So in terms of strategies and look, we're not financial advice, none of us know your individual circumstances, but just in a general terms, if you like, Omar, what would you be saying in this current market? I guess it's a risk management strategy, if you like.

Omar Ayales:

Totally, totally. I did see, for example, the strongest portion of the rise from this cycle, which has been almost 10 years or a little bit more maybe, is around \$3,600 for gold. And I think that that level could be tested for sure, probably within the next year. Now again, that doesn't derail the bull market. It's still very strong above

3,600, but a \$500 drop could freak some people out, right? Could worry some people,

And especially if you have some of the leverage plays with the miners, right? Then some of the junior miners that have risen 600% could come down, 20, 30% would be a big hit, right? But I agree that whenever this next move is going to find support and consolidate, I think it's definitely another big buy moment. I think we're not there yet. I don't agree with the rest of the panel on that necessarily, even though I do think in the longer term, right? But there are about \$3,500, \$3,600 is where I see it falling probably over the next year.

Kerry Stevenson:

Over the next year?

Omar Ayales:

Yeah.

Kerry Stevenson:

Okay. And that will shake out weak hands.

Omar Ayales:

Yeah. And I think that's strong enough to keep the miners strong. And I don't think we're going to see a collapse, but I do think silver could fall to \$42, also. I think it could test the \$40 level. And again, I don't want to be super negative, but it's important, I think, to be prepared psychologically for this.

Kerry Stevenson:

And again, be prepared, not scared is often what I say to people. And quite frankly, a lot of people will get scared and make wrong decisions. But that's not why you buy precious metals in the first place. Mike, you look like you were ready to say something.

Mike Maloney:

I think the central banks are putting a floor under things though, so I'm not too worried about a huge pullback. And if it does hit the levels that Omar is talking about, that's a buying opportunity. I've never sold. I just accumulate. I've been accumulating since... My first purchase was Gold Eagles at \$325. I think spot was \$315 back in 2002, and I've just been collecting ever since. And things like the gold-silver ratio tell us that we are nowhere near the top. And silver has to way outperform gold to get... In 1980, gold and silver peaked on the same day.

Kerry Stevenson:

Did they?

Mike Maloney:

Yeah. And that is going to be a signal. Well, people will say, "Oh, yeah, that's when the Hunt brothers drove the price of silver up to \$50." I interviewed Jeff Christian of CPM group and several other people that had analyzed this. And I read a stack of

books. Well, I had assistants read them and then they pointed out what I should read. Because I'm dyslexic and reading is really a laborious task for me. I'm dyslexic. I can't spell. And I wrote two of the best-selling books on the subject. But I read a stack of books this high. The best one is Manipulation on Trial about the Hunt brothers. And they added 50 to 75 cents at the most to the silver price. It was all the public, changing their preference. Gold had been 35 bucks an ounce just eight and a half years earlier. And here in November of '79, it hit 400...

...Back then, the average annual income in the United States was just below \$10,000. So a guy that might be in his 40s or something goes to the bank, takes out 500 bucks, which may have been the majority of his savings, goes into a coin shop and tries to buy gold. And they plop one coin in his hand. And that's the point at which he goes, "How much is the silver stuff?"

"Oh, you can get 50 of those for the same amount of..."

And once the public changed their preference from gold to silver, that's when silver took off like a rocket and blew the doors off from gold. And I believe the same thing will happen again. Now, back then, there were trading pits on the Chicago Mercantile Exchange. So you had these groups of guys yelling at each other and hand signals and stuff, doing the trading. And don't you think that if the silver pit is here and the gold pit is here, that during a restroom break or whatever, when they COMEX, put in liquidation orders only. That's a rule that says until this rule is lifted, the price of silver must fall. You couldn't open up new futures contracts, you could only close out old ones. And on that day, silver peaked and then gold peaked just a little bit later because there's people that trade both and the brokers know what's going on. And so the gold guys go, wow, if they can do that to silver, we're next. And why was Paul Volcker, Chairman of the Federal Reserve involved in some of these decisions?

...We almost lost the US dollar in 1980. People have no idea how close we were. Gold was in a runaway and that panic into gold and out of the dollar is something that the Fed had to stop it, the government had to stop it, and it's much easier to manipulate the silver market. It was about one-300th the size back then of the gold market. So it doesn't take a lot to manipulate it. And they did. Oh, by the way, the majority of the people that run the commodities exchange were short silver, so they were getting slaughtered. The people that make the rules were getting slaughtered. So they changed the rules, changed the game.

Kerry Stevenson:

Well, they can change the game whichever way they want. We're just the pawns in the game, aren't we? Dana, it's going to be really interesting because I know that you've been watching markets outside. You mentioned India before and where some of this drive was coming from. Recently, BHP agreed to pay their iron ore exports 30% in Yuan, so not fully in U.S. dollars. And it's interesting. I'm just wondering if the panel has any thoughts on moving away from U.S. dollars... And I'm not saying we're going back to a gold standard, but are we seeing more of a movement away from the U.S...Are we seeing a bit of a move away?

Dana Samuelson:

Well, that's really not my area of expertise. I'm a physical dealer. In August when I saw...Chairman Powell say we're going to lower the rates, Ms. Jackson Hole speech, that's what I thought was driving the market. And then I realized it was stronger than that. That's why I dug down to find India. But this whole movement is a movement. There's not a BRICS currency. We're not going to get a BRICS currency. That's what this is all about. They're moving the metal to gold and silver. It's a neutral asset. No counterparty risk, internationally recognized, thousands of years of trust established with it. But what I did want to comment on was rotation of metals. So we're seeing some silver demand because gold has gotten so expensive. That's also helped to drive the platinum price up as well. It was reported-

Kerry Stevenson:

That had a huge rise.

Dana Samuelson:

Yeah, it was reported in May that China imported more platinum in one month, I believe it was 270,000 ounces, than the NYMEX, New York Mercantile Exchange had in it for the whole delivery of 250,000 ounces because they're buying platinum for jewelry instead of gold because gold has gotten gold so expensive. And they've lifted the platinum price up, which has helped to drag the palladium price up as well. So if one metal gets a little disconnected to the others price-wise, like gold has been leading, you're going to see rotation out and into others as well. They want to stay in the sector, but they're looking for value. And that's what you should do. You should rotate in the sector if you can, and look for value, if one metal gets disproportionately more valuable or too cheap relative to the others.

Kerry Stevenson:

Some people in the audience might be saying, well, how do I look for value? What's your term when you say look for value?

Dana Samuelson:

Well, if one just gets ahead too far ahead, look at ratios between each other. The gold to silver ratio at one point in time. Which it got to 100 to 1 earlier this year, which is what drove that Indian influencer to tell his constituency to buy silver because the ratio is 100 to 1. It's too big. So that's-

Kerry Stevenson:

And the fact of the matter is we now live in a social media world where some of these influences have got enormous power to... I'm not saying that they're going to change the price fundamentally, but they certainly have a lot of power and it's a different world that we live in right now.

Rich Checkan:

I don't know that I fully agree with that.

Kerry Stevenson:

Good. Let's have an argument.

Rich Checkan:

And I have a feeling that Mike might be on my side on this one as well. For me, we sell platinum, we sell palladium, they're industrial metals, and they may be influenced by the gold and silver price, and that's wonderful. But I think the issues that the world is dealing with or are dealing with right now are monetary issues, fiscal irresponsibility to whatever degree logarithmically. So the answer for those issues, I don't think it's platinum and palladium, I don't think it's a rotation-

Dana Samuelson:

I'm just saying that's another opportunity to look at.

Rich Checkan:

It'll happen. But I think if you're looking for a solution to monetary issues, I think you don't look to platinum and palladium. You look to gold and silver.

Kerry Stevenson:

Yeah, I agree.

Rich Checkan:

Those are the ones that will answer those issues. And they have for millennia.

Dana Samuelson:

You're right about that-

Mike Maloney:

Platinum and palladium have never been money. They aren't money now, and they will never be money. Gold and silver are the only money. Everything else is national fiat currencies designed to lose value. The way they come into existence, it's mathematically impossible for them to retain value.

Dana Samuelson:

Everything else is credit.

Rich Checkan:

Yes.

Mike Maloney:

Yes.

Dana Samuelson:

Yeah.

Mike Maloney:

Yeah.

Kerry Stevenson:

Yeah. Everything else is credit. So going forward, we don't have a lot of time left. I'd love just some final thoughts if we could, of where to from here, because this is an audience that is sitting here saying, well, that price has strengthened as we came into the conference, had a bit of a breather now. And I'm sure people are saying, well, should we be looking... There's some fantastic companies across the way there. There are different ways to own precious metals. I'd love just some final thoughts from each of you, I guess, about navigating between now and when we return here in 12-months time, what you think they should be doing best with their currency, Mike? No, no, I'll go with Omar first. But I was pointing out the fact that I didn't use the word money. Omar.

Omar Ayales:

What we've been doing is basically taking some off the table, especially some of the more speculative side of the portfolio within precious metals, some of the miners, some of the junior miners. Again, not necessarily eliminating the positions, but taking away some of the froth, some of the excess, some of the speculation side of it, and deploying that actually into... I think that are very cheap copper and energy companies. And there's a lot of them out there like resource companies, like juniors that I think over the next 12 months, as the leadership within the metals rotates maybe to more of the industrial resources, I think that we could see some of these small companies really outperform.

Last year, again, whoever went and took their time to visit the miners and bought some of them-

Kerry Stevenson:

Done very well.

Omar Ayales:

... they did really well. I think this year, we have the same opportunity, but in resource and energy. I mean, again, not in gold, absolutely, yes. But gold has had quite a run. It has gotten a little bit overextended, and I think that you're probably going to see better performance from the industrial metals over the next year. So I would rotate a little bit into that and into energy as well.

Kerry Stevenson:

Okay, Rich?

Rich Checkan:

Yeah. Real quick, I think first you got to ask yourself what are you owning it for, right? If you're looking to generate profits or speculate, et cetera, I love precious metals, miners, et cetera, royalty companies, what have you. We own them, but it's an equities allocation. You don't own any gold, right? You own shares in the company whose job it is to profitably mine gold and hopefully return that to shareholders. But you own no gold. So you can have them and it's wonderful in your portfolio, but don't confuse that with what you're holding as your wealth insurance, which is gold and that you should not sell. You should not take profits unless you have an emergency. You have an emergency, you sell it in the blink of an eye,,,,, and

you build it up as soon as you can afterward. Anything that's speculative or for profit, sure, pair it back, take some profits. Profit is not a four-letter word. It's six, I counted.

Kerry Stevenson:

I love it. Mike.

Mike Maloney:

Well, I don't have much more to say. I mean, he just said-

Kerry Stevenson:

Buy Mike's new book, that's what he's going to say.

Mike Maloney:

I did a study one time though on the Barron's Gold Mining Index. It goes way, way back. So it was the only index that I could find where I could start it August 15th, 1971 when gold became free trading and take it out to... I think it's in the end of the book.. So gold was still 2,500 bucks or something then, and the gold, physical gold that outperformed the best...The Barron's Gold Mining Index is just top tier miners, and it had outperformed them by a factor of eight then. So it's probably by about a factor of 12. When gold goes up a buck, the stocks might go up two bucks, but when gold falls a buck, the stocks very often will fall three bucks. And so there's certain cycles where you want to be in the stocks. And then other times where... I mean, the stocks from 1982...

Kerry Stevenson:

We're running out of time, Mike, I'm going to give you 10 seconds.

Mike Maloney:

The stocks really outperformed the precious metals on the dead cat bounce of gold. So you were best in the '70s to be in physical gold until January of 1980, and then sell your gold and go into the stocks for the dead cat bounce.

Kerry Stevenson:

There you go.

Dana Samuelson:

If you want to know what's coming next, there's some things you can do that are very simple. Brien Lundin does a great job with Gold Newsletter. You all need to be Gold Newsletter subscribers, Omar is an excellent analyst. His trading service might be a little bit high level for some of you.

Rich Checkan:

It is for me.

Dana Samuelson:

The Aden Forecast is a great newsletter and Mary Anne and Pamela are here. You all need to be subscribers to their forecast. Personally, I think we're in a market like the

'70s, and to me, this is 1978. We've got a hair trigger set up, but we need a catalyst to take it to that next level. And who knows what that might be. I think we're in a grinding consolidation phase for the time being, and we'll see it base up a little bit, but it could be a little tentative depending on what government data comes out over the next-

Kerry Stevenson:

We could have spoken for another hour, ladies, gentlemen, but we are out of time, and I do respect the time of this conference, so please thank my panel. Thank you, gentlemen. Go.

Daniel Oliver

"This Time It's The Same"

For the past sixteen years I've given presentations on why to buy gold—but I don't think that's useful to this audience at this time, when the gold thesis has become self-evident.

So I tried to think of what you might not know, or know very well, and what might interest you.

Well, I read recently that men think about the Roman Empire at least once a week if not daily—not sure that's true, but I'll give you your quota because it's clear to me that studying the past can orient the present and reveal the future.

I'm not the first to have this idea: John Adams wrote to Thomas Jefferson in 1812: "When I read Thucydides and Tacitus, I seem to be only reading the History of my own Times and my own Life."

Adams was speaking of politics, of course, but over the next 20 minutes I'd like to demonstrate that his insight applies equally well to finance—and that by looking back into history we can have a deeper understanding of where we are and where we're going.

To start with the other side: the two great economists of the early 20th century were Irving Fisher and John Maynard Keynes: they founded the idea of economics as a science, driven by formulae and datasets.

Based on new scientific theories, Charles Hamlin, the very first head of the Federal Reserve exclaimed: "Under the Federal Reserve system we shall have no more financial panics."

The Great Depression were merely a bump in the road.

Arthur Okun, chairman of President Johnson's Council of Economic Advisors, wrote in 1970: "Recessions are now considered to be fundamentally preventable, like airplane crashes and unlike hurricanes."

But somehow the airplanes kept crashing. The culprit? After the 2008 panic, Stanford economist John Cochrane complained: "The problem is that we don't have enough math."

I'd like to suggest to you that they were all wrong—that economics is not a science at all, but a humanity: the story of man's attempt to manage and relieve scarcity.

Consider the wisdom and humility of Albert Gallatin, America's longest serving Treasury secretary, when he observed in 1831:

And when we see that nations, differing in language, religion, habits, and on almost every subject susceptible of doubt, have, during a period of near four thousand years, agreed in one respect; and that gold and silver have, uninterruptedly to this day, continued to be the universal currency of the commercial and civilized world, it may safely be inferred that they have also been found superior to any other substance in that permanency of value which is the most necessary attribute of a circulating medium.

I want to stress his words: it may safely be inferred. Gallatin was drawing wisdom out of history, not trying to impose his theories upon a random and ungrateful world.

History also shows us how and why banking developed. The coin was a wonderful technology to save the trouble of assaying and weighing, but they were cumbersome for large transactions and subject to some variation. Banking was the effort to make coin even more liquid.

The famous Bank of Amsterdam, for example, accepted coin and issued redeemable paper that was completely uniform and, therefore, better than coin.

About the Bank of Amsterdam, Adam Smith wrote: "no point of faith is better established than that for every guilder, circulated as bank money, there is a correspondent guilder in gold or silver to be found in the treasure of the bank."

History also reveals, unfortunately, that such stark purity never lasts. Once everyone is using the bank money, the state—through jealousy or ignorance—adds its imprimatur to the money.

Imagine that the Bank of Amsterdam were to lose 10% of its bullion: there would be a run on the bank.

But what if the state has decreed that debt and taxes may be paid with the bank money at par value? Depositors cease to care what assets the bank is holding.

It is precisely this process that transmutes market money into political money.

Once this step is taken, a curious thing happens. In a normal market, an additional supply of a commodity lowers its price. But once the government is subsidizing the money, additional money bids on assets to lower interest rates.

We don't need theory to tell us what happens next: history is sufficient. Looking back 2,000 years ago, the Roman historian Suetonius tells us: "by bringing the royal treasures to Rome in his Alexandrian triumph, Augustus made ready money so abundant, that the rate of interest fell, and the value of real estate rose greatly."

Sound familiar? Wasn't this the story of the 2000s? Greenspan made rates fall artificially and the value of real estate rose greatly.

What befuddled the Fed then was that goods prices kept falling even as asset prices kept rising. It shouldn't have been a surprise: high asset prices create overcapacity, which then lowers output prices.

This was also nothing new: even in the midst of rising real estate prices, prices of *goods* in Rome fell around 25% from the reign of Augustus into Nero.

So the Caesars were fighting the very problem the Fed was fighting all those years from 1990s: "Making sure IT doesn't happen here," Bernanke warned us: IT being dreaded deflation.

And what did Augustus do to combat deflation? Suetonius tells us:

He often gave largess to the people, but usually of different sums: now four hundred, now three hundred, now two hundred and fifty sesterces a man.

Isn't this what Bush did? And then Obama? Trump and Biden? Stimulus payments for all?

This solution was only temporary. If falling rates creates an asset bubble, and asset bubbles create overcapacity and falling prices, then soon borrowers discover they can't meet their debt obligations.

John Adam's favorite Roman historian, Tacitus, provides us the record of what happened during the Panic of A.D. 33:

So they ran hither and thither with entreaties, then the praetor's tribunal resounded; and the purchase and sale of property, resorted to as a remedy, worked just to the contrary . . . the more heavily burdened any one was with debt, the harder he found it to dispose of his property, and many were ruined in their fortunes.

What a beautiful description of a systemic margin call—the culprit of all market crashes. How many were ruined in their fortunes in 2008? Or 1929?

And did the Roman state just sit around? Respect the free market? Let the overlevered senators blow up?

No. Tacitus continues:

Dignity and reputation went to crash with the loss of fortune, until [Tiberius] Caesar came to the rescue, and deposited 100,000,000 sesterces in banks, the debtors having the privilege of borrowing for three years, without interest, on giving landed security to the state for twice the amount of the loan. Thus credit was restored, and gradually it was found possible to borrow from private persons also.

I am not aware that Hank Paulson or Bernanke ever specifically credited Tiberius Caesar as the genius behind TALF and TARP. But the very purpose for the Federal Reserve was to prevent bank runs using the same methodology as Tiberius Caesar.

As we know, the solution worked too well. Once the banks and the economy got use to the low interest rates, they became dependent upon low interest rates. And soon the state was debasing the currency in order to create more.

Note that this chart of the silver content of the Roman denarius is on a logarithmic scale: once they started printing, they had to keep printing *at a faster rate*.

This phenomenon is ubiquitous.

The Byzantine solidus, for example, remained stable at 4.5 grams of twenty-three-karat gold from the fourth century AD until the tenth century—six hundred years—but once they started debasing, the rate of debasement kept accelerating.

For a modern example, here is the Russian hyperinflation. Note the bend in the curve on the logarithmic scale in 1922. They all look like this: China, Argentina, Hungary—pick your country.

And, of course, the famous German example.

In this case, we do have more math: the red line shows the total value for all German marks in U.S. dollars. In other words, it wasn't just that, as the Germans printed, each mark became worth less—the value of the entire circulating medium became nearly worthless.

This is why—in the midst of hyperinflation—the authorities kept worrying about the scarcity of money—driving them to print money ever faster.

Monetary stimulus is only half the story. The other half is fiscal stimulus. And, again, we have some ancient examples.

By the reign of Diocletian in AD 290, the Roman economy was in tatters from all the debasement. So what did he do?

The Roman historian Lactantius tells us:

He built Palaces for himself, for his Wife, and for his Daughters: and to these he added a Hippodrome, an Arsenal, and a Mint house: And when he had finished a Building at the cost of ruining some of the Provinces by it, he found some fault or other in it, and then he pulled it down, and gave orders to rebuild it in another manner: nor was this second Building secured from a new caprice, upon which it might be likewise perhaps levelled with the ground.

Observe how closely these words of Lactantius track what Paul Krugman blurted out three days after the World Trade Center was destroyed: “Ghastly as it may seem to say this, the terror attack—like the original day of infamy, which brought an end to the Great Depression— could even do some economic good.... Now, all of a sudden, we need some new office buildings ... [and] rebuilding will generate at least some increase in business spending.”

Krugman actually wrote that, as if tearing down buildings could be a good thing.

But Diocletian had a problem, as Lactantius tells us:

The number of those who received his pay, growing greater than that of those who payed him Taxes, there was such an increase of new Impositions, that those who laboured the ground being exhausted by them, they deserted the Empire, and by this means the best cultivated Soils were turned to Deserts and Woods.

In our time, it is the environmentalists turning productive assets into deserts and woods—as those of us in the mining industry know all too well.

Either way, theory and history tell us what happens when the state spends more than it has coming in—especially on wasteful projects—and has to debase the money to afford it. I’ll let Diocletian describe the result in his own words:

[Who has] not actually observed that in commodities which are bought and sold in markets or handled in the daily trade of cities, the wantonness in prices has progressed to such a point that the unbridled greed for plundering might be moderated neither by abundant supplies nor by fruitful seasons? . . . that it forces up the prices of commodities not fourfold or eightfold, but to such a degree that human language cannot find words to set a proper evaluation upon their action?

Fortunately, the English language does give us names: most of you probably know that after trillion comes a quadrillion, a number which, like trillion, is never used until suddenly one day it will be ubiquitous.

And a quick tip to help navigate the future—the next three are: Quintillion, Sextillion, and Septillion.

Diocletian thought he had a solution to high prices: Price controls. He told his subjects: [To those that] seek private gain and are bent upon ruinous percentages of profit—to their avarice, ye men of our provinces, regard for common humanity impels us to set a limit.

More recently, Biden said something similar following his money printing: “Let me be clear to any corporation that hasn't brought their prices back down even as inflation has come down: It's time to stop the price gouging.”

Diocletian did not actually come up with the idea of stimulus—he was following a model set by Athens. The Greek philosopher Plutarch recorded the Periclean building program of the 5th century BC:

[Athens should] devote its surplus money to the erection of buildings which would be a glory to it for all ages, while these works would create plenty by leaving no man unemployed, and encouraging all sorts of handicraft, so that nearly the whole city would earn wages, and thus derive both its beauty and its profit from itself. . . . Each trade, moreover, employed a number of unskilled labourers, so that, in a word, there would be work for persons of every age and every class, and general prosperity would be the result.

It turns out that Keynes did not invent the idea of stimulus: here it is from 2,500 years ago!

And what happened to all of those workers when they finished building the Parthenon? Parthenons and pyramids do not produce revenue. And the workers need more work. So Pericles sent them to war against Sparta.

Because war is the greatest stimulus, as John T Flynn wrote in the 1930s: “You cannot have a war industry without a war scare; and having built it and made it the basis of work for several million men you cannot demobilize it and you will have to keep on inventing reasons for it.”

Everyone expected a so-called peace dividend when the Cold War ended: instead we got two Middle Eastern wars and then the war on terror and now war in the Ukraine. We have to keep on inventing reasons for war.

Don't take Flynn's word for it: Here is Biden's Secretary of State Blinken boasting that the Ukrainian war spending helps the American economy: “If you look at the investments that we made in Ukraine's defense to deal with this aggression, 90 percent of the security assistance we provided has actually been spent here in the United States, with our manufacturers, with our production, and that's produced more American jobs, more growth in our own economy. So this has also been a win/win that we need to continue.”

Think about that: we need to continue war to grow our economy.

Frank Chodorov wrote in the 1950s: “war is the state's escape from a collapsed internal economy.” This is why we nearly always find war at the end of a credit cycle.

Sadly, the U.S. is following the path forged by many failed empires before it. We see on the chart that every time the Fed tries to hop off the exponential growth curve of money, there is a financial crisis.

We've just crossed the line again, and already the Fed's repo lines are ramping up—it had to deploy \$80 billion into the banking system last Friday.

We're not lost yet. If we look at that same graph on a log scale—to compare against the others—we are still some distance from the bend in the curve where things go crazy.

Perhaps there is still time to defeat history, to hop off this curve.

It would be painful. It was, in fact, that Fed's attempt to do just this that resulted in the 2008 panic: too much debt demanding payment by currency that didn't exist.

That would happen again: We would have to accept widespread default, a 1930s style crash.

And there's a second problem:

It's not just that the Fed has been creating more dollars at an exponential rate. It prints dollars by buying assets, and the new assets on the Fed's balance sheet is supposed to give the new liabilities value.

But we see from the chart that the Fed is buying assets of ever less quality, in the same way that the roman coins had ever less silver.

This chart assumes gold at the official price of \$42.22 per ounce. With gold at \$4,000 per ounce, gold represents 15% of the Fed's balance sheet.

Historically, in normal times, gold covered between a third and half of bank balance sheets, both public and private. At the current size of the Fed's balance sheet, a gold coverage of a third would be \$8,500 per ounce. Half would be \$13,000 per ounce.

The market price of \$4,000/oz is still a bargain.

And there are three big caveats. First: those coverage ratios, of between a half and a third, were when the other assets were solid: 90-day commercial bills or short-term government bonds—not 30-year government bonds of a bankrupt Congress.

Second, we know the balance sheet is going to get bigger in the next crisis, which may already be arriving.

Third, unlike other central banks, the Fed doesn't own the gold on its balance sheet—the Treasury does, from when Roosevelt confiscated the nation's gold in 1933. So revaluation helps the Treasury, not the Fed.

This fact opens up two possibilities: one is that a gold revaluation grants the Treasury new funds, which it spends, making inflation worse.

The second is that, at some point, the U.S. could cut the Fed loose. We've done it before. This country had two previous central banks that were abolished. Perhaps, in a crisis, with diminishing options, the government will find the courage to shutter a third.

It's a thin hope. But history tells us that the alternative is escalating monetary and fiscal stimulus, economic chaos, and war.

Chris Powell

"First They Ignore You, Then They Laugh At You, Then They Fight You, And

Then..."

Thanks very much.

There's a saying about political struggle. First they ignore you, then they laugh at you, then they fight you and then you win. My organization, the Gold Antitrust Action Committee, gets the point about struggle. Bill Murphy and I started GATA 27 years ago in 1998 with the objective of exposing and stopping the rigging of the gold market.

The purpose of gold market rigging as we have documented extensively has been to depress and control gold prices to defend government currencies and bonds and particularly to defend the US dollar, the world reserve currency and US government bonds against competition from the former world reserve currency.

The rigging, starting with the Bretton Woods agreement of 1944, which pegged the official gold price at \$35 per ounce, worked pretty well for decades, but started to falter seriously as central banks sold or lent so much of their gold reserves into the market for price control and then discovered in the 1960s, 1990s, and early 2000s that they couldn't recover all their metal without exploding the gold market and crashing their currencies and the investment banks that have been borrowing the gold and using it in a carry trade with government bonds.

And then in this decade, US freezing of Russian foreign exchange assets amid the conflict over Ukraine signified that foreign assets assigned to US custody were not safe and that US dollars and Treasury bonds were not safe either. Governments and central banks began to realize that the only financial assets that are safe are gold and maybe silver held in their own vaults in their own countries.

So the new gold and silver rush began, seemingly led by China, which long has been accumulating gold far more than it has been reporting officially, and now is even opening gold vaults and exchanges in other countries to help take gold and currency pricing power away from London and New York and to help internationalize the Chinese currency, the Renminbi.

A few months ago, we at GATA began to wonder if the metals had won because of the breakup of the longstanding government and central bank coalition against gold. Then a couple of weeks ago came the big smashdowns in gold and silver.

Mainstream financial news organizations tried to contrive explanations for the smashes. Nobody in mainstream financial news organizations asked the crucial questions. Exactly who was doing all that selling and exactly what was being sold, real metal or just derivatives and futures contracts?

Since the bulk of the selling came out of London and New York, the evidence is that the smashes were probably interventions by the US Federal Reserve and its ally, the Bank of England, to break the enthusiasm in the monetary metals markets and get them down in advance of the Fed's imminent reduction in interest rates, whereupon the metals might rise again, but from a lower base and not excite the world so much.

In any case, the main point about gold is that it is the playground and battlefield of governments and central banks and probably will remain so forever.

Soon after GATA got started in 1998, we got a huge contribution, \$50,000, from a mining entrepreneur. We used it as a retainer for a major national antitrust law firm. They did a lot of research and gave us some bad news: that gold market rigging is perfectly legal when perpetrated by the government, even through intermediaries, and that the rigging was almost certainly a government operation in which investment banks act only as the government's brokers, providing camouflage.

The lawyers noted that the Gold Reserve Act of 1934, as amended over the years, gives the US Treasury Department the authority to use its exchange stabilization fund to intervene secretly and rig not just the gold market, but any market in the world.

The problem for the US government as the issuer of the world reserve currency is that gold is not just money but the best form of money — not just divisible, durable, portable and in limited supply, the ideal characteristics for money as identified by Aristotle, but also without counterparty risk. So any government issuing a different form of money is always competing with gold. Governments try to control the price of gold to protect their own money.

Learning that gold market rigging by the government is perfectly legal was an expensive lesson for us. Goodbye \$50,000.

We were chastened, having been told that while we were almost certainly right that the gold market was being rigged, antitrust law wasn't going to help us. But all was not lost. We figured that we might be just as effective to compile the documentation of gold market manipulation and publicize it to investors, mining companies and financial news organizations. After all, the manipulation was being conducted largely in secret, precisely because publicity would destroy the scheme, liberating gold from price manipulation, and then gold would destroy inflationary government currencies and US imperialism.

Discovering and compiling the records of official manipulation of the gold market turned out to be easy. The records were all over the place, in government archives and in the speeches and memoirs of central bankers who thought that no one besides other central bankers would be reading or listening. As we began to publicize these documents through GATA's internet site, friends of gold around the world alerted us to more.

In 1998, just as GATA was being organized, Federal Reserve Chairman Alan Greenspan told Congress that it shouldn't bother trying to regulate financial derivatives, particularly derivatives involving gold, because the gold market was beyond cornering by traders outside government. Greenspan explained, quote: "Nor can private counterparties restrict supplies of gold, another commodity whose derivatives are often traded over the counter, where central banks stand ready to lease gold in increasing quantities should the price rise." End quote.

Greenspan's assertion had profound significance for gold prices. The chairman of the Fed was telling Congress that the gold market was in no danger of being cornered by private counterparties because central banks had already cornered it by lending gold for price suppression.

Also in 1998, the financial analyst Frank Veneroso published a compendium of gold-related data that he titled the Gold Book, in which he documented extensive gold leasing and swapping by central banks.

Three years later, in 2001, the British economist Peter Warburton may have been the first analyst to figure things out completely and comprehensively. In a brilliant essay titled *The Debasement of World Currency — It Is Inflation But Not As We Know It*, Warburton speculated that central banks had encouraged the use of derivatives by major investment banks for commodity price suppression to help conceal the vast inflation central banks were creating in the world's money supply and to divert this inflation away from commodities whose price increases would show up in the cost of living. Inflation would go into financial assets instead.

Understanding their competition with gold, the United States and seven of its European allies controlled world gold prices from 1961 to 1968 through what was called the London Gold Pool, a mechanism of coordinated dishoarding from official gold reserves to hold the metal to the official price of \$35 per ounce. But when inflation and heavy demand for real metal collapsed the gold pool in March 1968, other mechanisms of price control had to be found — like the gold leasing Greenspan acknowledged to Congress.

While we had been told that we couldn't use antitrust law against gold market rigging by government, we realized that we could use the federal Freedom of Information Law. So GATA engaged a courageous lawyer in the Washington area, William J. Olson, to handle our Freedom of Information request to the Federal Reserve for access to all the Fed's documents on gold.

The Fed resisted, but in a letter to our lawyer, Fed Governor Kevin M. Warsh remarkably disclosed that among the records the Fed was concealing from us were records of the Fed's gold swap arrangements with foreign banks.

Now, gold swaps are transactions in which central banks and investment banks exchange nominal control over stashes of gold so the metal can be applied more widely across markets where price suppression is most urgent. Warsh thus confirmed that the Fed had at least prepared to intervene in the gold market for price suppression surreptitiously and through intermediaries and possibly already had done so.

GATA ended up suing the Fed for the gold documents under the Federal Freedom of Information Act in US District Court for the District of Columbia. The court found that all but one of the documents the Fed had refused to show us were exempt from disclosure. The one document the court said was not exempt was the minutes of the G10 Gold and Foreign Exchange Committee meeting of April 1997.

When the Fed finally produced those minutes that the court ordered, they showed Western finance ministers and central bankers plotting in secret to coordinate their policies toward gold. The governments were ganging up against gold.

So, while the Fed got to keep all but one of its gold documents secret, technically the Fed lost the case, and the court ordered the Fed to pay court costs to GATA. Here's a copy of the Fed's check drawn on the Federal Reserve Bank of Richmond, payable to GATA. Who says you can't fight the Fed?

Even better stuff was discovered, like the March 1999 secret staff report of the International Monetary Fund, which said the IMF's member central banks would not agree to a candid accounting of their gold reserves, that they would refuse to distinguish the unencumbered gold in their vaults from the gold they had leased out because disclosing the leased gold would impair their secret interventions in the gold and currency markets. This was a smoking gun.

Then there is a speech by William R. White, the head of the Monetary and Economic Department of the Bank for International Settlements, an organization of central banks, at a BIS conference in 2005. White explained that a major purpose of central bank cooperation is, quote: "The provision of international credits and joint efforts to influence asset prices, especially gold and foreign exchange, in circumstances where this might be thought useful." White acknowledged that rigging the gold and currency markets is what central banks do. Back in 2005, they were doing all the gold rigging in one direction — down.

You may have noticed that the major central banks are not all on the same side anymore.

Then we discovered that the BIS had actually advertised in a PowerPoint presentation for potential central bank members that its services include secret interventions in the gold market.

When Gata publicized that the BIS is a coordinator of gold and currency market rigging, a retired business executive in the United Kingdom, Robert Lambourne, began to examine the monthly financial statements published by the BIS. Lambourne discovered that the BIS was heavily involved in gold swaps.

Lambourne also found that while the BIS's monthly account statements were not explicit about the volume of the bank's gold swaps, the statements contained enough data from which the volume of gold swaps could be calculated. Lambourne found and GATA reported that in 2021 the bank was carrying 552 tons of gold swaps. He has calculated the BIS swaps every month since then and has reported a fairly steady decline. That decline has reached 90% over the last five years. This signifies that a profound change in central bank policy toward gold is underway.

As a newspaper editor, I thought that as the documentation of gold price suppression by Western central banks piled up, major financial news organizations would want to report the story. How naive I was.

Gold price suppression is a prohibited subject, considered a matter of national security.

But through years of steady reporting and reiteration of the evidence, GATA developed a constituency of retail investors and even some investment houses who were not intimidated. We couldn't be shut out everywhere.

Eventually, most of the monetary metals community came to understand that gold and silver price manipulation is a serious issue. For this awareness, we are immensely thankful to the organizer of this conference, Brien Lundin, who has given GATA a forum here for more than 20 years, even as many other financial conferences have shut us out.

We have had two successful experiences with mainstream financial news organizations.

The former Hong Kong reporter for CNBC, Bernie Lo, who unfortunately is not with the network anymore, repeatedly invited GATA to be interviewed on his program. Those segments reached around the world.

In August 2017, after more than a year of our providing documents, the Wall Street Journal published a story about gold market rigging on its front page. The story quoted several of the experts to whom I had introduced the Journal's reporter, and it reported the complaint that the Federal Reserve was secretly intervening to suppress gold prices. But the story failed to supply the crucial detail — that is, the story never put a question to the Fed itself. Thus, the Journal violated a primary rule of journalism: if you accuse somebody of something, you ask him for a response. And if you can't get a response, you say he wouldn't respond.

A few months ago, I heard from a hero of the cause of gold and free markets, the Canadian mining entrepreneur Eric Sprott. Eric said he had been called by a reporter from the New York Times, who wanted to interview him about the gold market as

part of a big project the reporter was undertaking. Eric said he didn't want to talk to a newspaper as crappy as the New York Times and that the reporter should call me instead, as if I felt any better about the Times than Eric did. But a job is a job.

I spent a cordial hour with the Times reporter on the phone. I summarized the gold price suppression story. The Times reporter seemed like a smart and decent guy, and I wished him well, but I told him I doubted that he'd be permitted to get very far with his project. He was confident something would come from it. So when we were done talking, I emailed him the comprehensive summary of gold market manipulation that is posted at GATA's internet site, and I began sending him occasional GATA dispatches.

Having seen nothing in the Times resembling the promised big gold project, I emailed the reporter the other day to ask whether the project was continuing or terminated. He replied that the project is still on his agenda, but he had been diverted to a more pressing story from East Africa.

Oh well, at least the Times reporter hasn't been reassigned to Mars.

Neither has GATA won much support from the gold and silver mining companies. It's understandable — they're too afraid of their governments and banks. But GATA did manage to gain an audience among central banks, which turned out to have been watching us without our knowledge for a long time.

In 2004, the deputy chairman of the Russian Central Bank, Oleg Mozhaikov, was the keynote speaker at a meeting of the London Bullion Market Association in Moscow. The only words of English he spoke were: "Gold Antitrust Action Committee."

In 2011, the Wikileaks organization got hold of cables from the US Embassy in Beijing to the State Department in Washington that were translations of reports and commentaries full of assertions about Western manipulation of the gold market — assertions that seemed to come from GATA's work.

The People's Bank of China has refused my requests for a meeting, but I have gained audiences with other Asian central banks, and other GATA people have had conversations with officials in China.

Now, China has been furiously acquiring thousands of tons of gold — real metal, not derivatives — has taken over the physical gold market, and is even proposing to replace the US Federal Reserve as the repository of sovereign gold reserves.

China, Russia, and many other nations have figured out what was set out plainly at a private meeting in US Secretary of State Henry Kissinger's office at the State Department in April 1974: that the country that has the most sovereign gold can control all financial values in the world simply by revaluing its gold.

This understanding about gold was always at the root of US policy.

Now, if you still don't think that something underhanded long has been going on with gold, go back a few months to when President Trump and his temporary assistant Elon Musk repeatedly promised to audit the US gold reserve at Fort Knox. This was a sensation for a few weeks, and then the issue suddenly disappeared. Trump and Musk stopped talking about it. There was no audit, and of course news organizations failed to follow up.

Our host here, Brien Lundin, and others have wondered aloud lately if someone like Treasury Secretary Scott Bessent advised the president to knock off the gold audit stuff because an audit would disclose the gold lending and swapping the US government has undertaken for market rigging.

Brien, publisher of Gold Newsletter, recently posted this illustration there.

First they ignore you, then they laugh at you, then they fight you, and then... and then I suspect they'll just say that everybody knew that crap all along that you were trying to tell them. They'll go back to ignoring you, lest they have to take responsibility for dragging the country down by rigging crucial markets.

Now the vast naked short positions the US government long has engineered surreptitiously with derivatives are blowing up as central banks and informed investors demand delivery of real metal, and it isn't readily available.

The world power configuration is changing dramatically. But governments and central banks are unlikely ever to become honest and operate in the open. Some government or governments always will be trying to control gold.

When GATA began 27 years ago when central banks were furiously attacking gold with sales, leases, and derivatives, gold was going down. Now, many central banks are furiously acquiring gold, and gold is going up. But the same principle is at work — the principle articulated in Secretary Kissinger's office back in April 1974: control of gold is control of the world.

As the naked short positions in gold and silver are covered or defaulted upon, the monetary metals may go to the moon and beyond. Maybe that New York Times reporter I talked to before he left for East Africa will discover them eventually on Mars.

So while you acquire as much of the monetary metals as you can, remember that the US government still claims the power to impose windfall profits taxes and even to confiscate gold, silver, and indeed anything else. And that acquiring the monetary metals may not be enough — you also may need to find a safe planet to keep them on. If you do find one, please let me know. My email address is on the screen.

GATA chairman Bill Murphy will speak at our workshop tonight at 8:20 in the Churchill B — as in Boy — Two room upstairs on the second floor. We'd love to see you there so we can harangue you some more.

Thanks for your kind attention.

Robert Prechter

"A Turn In The Tide"

Morning.

There's a little better vibe this year, huh? Things are good. Okay. My title is A Turn in the Tide. You'll see why by the time we're done here, but what I want to do this morning, if my clicker will work... there we go.

I want to talk about gold to start. I want to orient you where we were on gold a couple years ago and where gold is now. At least where I think it is.

I'm going to start with something a little bit technical to show you the kind of design or model that I use for the basics of my analysis. It's called the Elliott Wave model and it's kind of traditional in some ways, but in other ways it's different.

So I'm going to have you focus just on the circled numbers here. The idea behind this is that all markets — doesn't matter what they are, it can be gold or it can be the stock market or cryptocurrencies — go through the same stages of psychology.

People are skittish at the beginning. Nobody believes there's anything that's going to happen, and that's wave one, where that circle one is: the initial buying off a low. And then wave two — that circle two — is a pullback. People are afraid. They're usually as bearish as they were at the bottom.

Then comes the big real move in the middle. We call that wave three. It's a steady move upward. Then comes wave four. We call that the surprising disappointment because by the time everybody's used to the uptrend, another correction comes in. And then there's wave five up — that's the final speculative phase when everybody loves the market. And when it's over with, you get a three-step move in the other direction. We label that ABC.

Now, I'm showing this to you because you're going to see some charts with numbers and letters on them, and that's the context that we're going to show them in.

Okay. Two years ago in this room at the New Orleans Conference, I showed this chart and you'll see some numbers and letters on it, but basically we had about two years' worth of sideways moves in gold. Very volatile, but net sideways. But we were very excited at this point because you can see to the upper right there's a one and then there's a two down there. So we had a nice five-wave move to the upside. We labeled that wave 1, and we had an ABC or three-step correction for wave two. So our headline was: positioned for further rally.

Now why was that? Because we put a one there. That was the first step in a sequence that was going to last until we could label it 1 2 3 4 5 all the way up to the top.

Now what's interesting about our model is that each of the subwaves subdivides in the same manner. So when you're going up in wave one, you can see that it goes through the same stages of psychology. And same thing on the downside for the smaller moves — and they're going to fit into larger moves of the same structure. That's a fractal, where the parts look like the whole.

So what happened a year later? Well, we were back in this room a year later. That arrow is where we said it's going to start taking off to the upside. And I said, we've completed wave three. What does that mean? Well, we're going to have a surprising disappointment — a little correction for a while — and then a wave five up. So, we were still in the middle of a bull market a year ago. We hadn't been able to put that final five on the chart yet.

Well, this gives you some perspective going back to 2011 of where we were when we looked at this two years ago. Now, most people looking at the gold chart were saying, "Oh, it's a triple top. You know, it topped way back in 2011 just under 2000. Here we are back at 2000. It's topping out." And you probably can't read all the fine print down there, but we went to press when gold was about \$1810 an ounce. And we said this is not only a one and two getting ready for a bull market, but we have very few people bullish. In fact, it was as low as 10% by some measures. People didn't think gold had a chance of going up. And we said that's exactly what we want to see.

So here's what's happened since. A beautiful move up, as we all know, to about \$4,400 an ounce.

Well, where do we think the numbers are now? That's how we're labeling this move.

We think there's a good chance that gold has completed the bull market that we were talking about two years ago for the time being — not for long term, but for now.

Now, if you look at the upper right, you'll see a little text there that says Market Vane Survey. Market Vane is a company that surveys investment analysts and market letter writers to decide how bullish or bearish the crowd is. Well, way back down at the bottom in 2015 when gold was selling at \$1,050 or so, there were very few bulls. There were still very few bulls when it was at \$1,800 when we got excited about it. But now on the 17th of October, we had 95% of advisors bullish.

And as contrarian as it may sound, people hate markets at bottoms and they love them at tops. They want to pay over \$4,000, but they do not want to pay under \$2,000. And that's just the way the markets work — and it happens again and again. 95% happens to be the highest number ever recorded. They've got data going back

35 years. So that's the kind of thing that we'd like to see if we think wave five is over for a temporary time.

So what does this mean? I think gold is going to correct for a while, and that sometimes happens by price — where you get a steep retracement. Sometimes it happens by time — where it goes sideways and wears people out for months or even a year until they get tired of it and they're not so bullish anymore.

So that's our view on gold. But I'm going to give you a little longer perspective a little bit later in this talk to show you what I think the long-term potential is.

But let's orient from another chart I showed last year. Did you know that gold from 2021 outperformed virtually everything? Even the stock market that everyone is so bullish on — gold outperformed it, outperformed the NASDAQ, the tech index, S&P, Dow Jones Industrial Average. And on the right-hand side down at the bottom, you can see that when you measure the Dow in terms of gold, it actually was down during that period.

This goes back to July 1999. Twenty-six years, gold outperformed everything — including the NASDAQ, the S&P, Dow Jones Transports, everything you can name. And Dow/Gold again was down for that period. In fact, it was down a lot — by more than half — because gold did so much better than the stock market. Very few people know that because they're all bullish on stocks. They haven't been paying attention to gold.

So let's look at what the stock market would look like if we had a real dollar. If we had gone back to the gold standard, for example, in August 1999, this is what the picture of the Dow Industrial Average would look like in the Wall Street Journal. Wouldn't look like a chart that had been going to the moon all this time. It's actually been in a bear market.

It had an extreme decline from 1999 to 2011 — that's when gold was doing very well. Then stocks actually outperformed the gold market for seven years from August 2011 up to September 2018. That was the time to really be in the stock market relative to real money. But it's been in a bear market ever since.

Not many people know that either, because the stock market is getting all the headlines.

So here in September 2025, you can buy the Dow for 12 ounces of gold. It would have cost you almost 45 ounces back in 1999. So gold has outperformed the Dow for the past seven years.

Does that mean that stocks are now poised to outperform gold? If I think gold's going to go into a bear period for a while — or a corrective period for a while — will stocks outperform gold? Absolutely not.

There is insane optimism and overvaluation in the stock market. I'm going to give you a few examples of why I'm saying this.

Here's a chart of the value of the US stock market relative to annual GDP. So it's automatically adjusted for inflation, okay? Not just nominal high stock prices — it's relative to the economic output of the country.

And if you look over toward the left, you'll see that back in the late '70s and early '80s, it was down around 0.34. And now it's up at 3.4 — ten times as expensive relative to the output of the economy.

This is insane overvaluation. Makes the top in 2000 look like nothing.

Other countries — you find that households have about 10% of their total net worth in stocks. But on the left you can see that in the United States it's 50%. This country has gone crazy to own stocks. And people own them not only in their portfolios but in their 401(k)s and in their company retirement plans everywhere. Insurance companies are flooded with them. Pension plans are flooded with them. They love stocks in this country.

After 2021, people went crazy — both professionals and retail — to buy options on the S&P. Ten times the amount of volume has been going into options ever since then than what we saw even prior to 2020, 2021. So this is a mania that we're in in the stock market.

Now last year when I was here, I was bearish on the stock market. It went up a few more months into February and had a really tremendous plunge into April, and I think that's when the fourth wave bottomed in April.

So this is a chart I showed back in May of this year. I was a little late catching the low of four, but we still had our usual Elliott Wave model seemingly ready to play out. We had wave one up off the 2020 low, and then wave two down, wave three up into February of this year, and then a decline into April. The declines were the exact same length — virtually the exact same length — so they look like very compatible corrective periods.

And so I said we're going to go to new highs. That's what's happened since. The market went up, hit the upper line — which is a resistance line that I think is pretty important — hit it in August, banged up against it in September, it's still banging up against it in October through late October. But I still think we are near a top in our model in the US stock market from the low in 2020.

So we've got crazy optimism. We've got an Elliott Wave model saying we're done. And we've got great overvaluation.

What else do we need? Well, just as we had in gold when it was a really good buy — we wanted to see a very low number of bulls. If we think we're at a top, you want to see a low number of bears.

Well, there's another company called Investors Intelligence that tracks investment advisors in the stock market. And the latest number shows only 13.5% bears. That's an extremely low number. That means virtually nobody in the advisory business

thinks the stock market can come down. It doesn't mean they necessarily think it's going up — most of them are bullish — but they don't think it's going to come down a lot.

So that fits the idea that the stock market is near a top.

Now I'm going to show you one of my favorite charts to orient you to how crazy things are. It's hard to express — you can't say it in words — but pictures will show you.

Okay, to orient you: this is a box that shows you the normal valuation for the stock market in the 20th century all the way up to 1987.

What we have on the x-axis at the bottom there is the dividend yield of the S&P 500 — annual dividend yield. It's backwards so that the higher number is toward the left — that means greater value. And the further you go toward the right, the less value you're getting for your money.

Well, on the y-axis, we have the S&P Industrials Index to Book Value ratio.

So what was the normal range for 100 years up until 1987? It was about 3% to 7% annual dividend yield, and it was about 0.5 to about 1.3 multiple price-to-book value. That was the normal range for decades.

Now I'm going to show you where we are today and where the valuations have been ever since 1987 — and you tell me if you can find this box on the chart.

That's how far from what used to be called normal this market has gone. And I updated this yesterday to put a bullet for the end of October on the upper right. So we now have price-to-book not at one but at almost eight times. We have a dividend yield barely over 1%. Treasury bills yield more than three times that amount.

So why would people buy stocks? They're buying stocks because they're positive that somebody else is going to pay more for it later.

I think this is a picture that shows you massive crash potential in the stock market. And of course we have a massive debt problem that goes into this and a whole lot of other reasons we could talk about, but strictly on the basis of optimism and overvaluation — this is something we've never seen by miles. Ever.

Okay. So I think the Dow/gold ratio will continue to fall. That means I think stocks are going to have a terrible few years going ahead, and gold may have a correction along with the stock market, but it's going to do a lot better than stocks. It's going to hold up a whole lot better than stocks.

Now...how can gold go down when stocks go down, people often say. well look at a chart. If you go back to the worst stock market year in recent memory, which was 2008, gold went down during that period. And that was in the middle of a big bull

market — it went up from 2001 to 2011 for 10 years. And nevertheless, when the stock market had its big down year, gold went down as well.

So when people have a crisis in the financial markets, they tend to throw everything overboard because they need money.

So I think that's probably going to be what we'll see — some sort of pullback in gold during a really bad time in the stock market and for a lot of weak debt. But gold should get ready to do something even better later.

I think there's long-term upside potential for gold. I'm going to orient you with a chart. This is the bull market — actually, at the top here is the first year I started speaking for this conference back in 1980. So this is a history from the late '60s up to the top of 1980. And you'll see that there's a line with numerous touchpoints over on the bottom and then the parallel line connecting all those tops. And gold was going crazy in the late '70s and into January 1980.

But look where it stopped — right on that line. It's a very nice channel. So I asked myself: could we possibly be doing something just like that but on a multi-decade basis?

So I published this chart 15 years ago. Gold was about \$1,200. I said, "If you go all the way back to when it was \$21 an ounce in the United States, and you plot the changes in price, it looks to me like we're developing a very long-term Elliott Wave here. 1 2 3 4. So we're in a possibly great bull market that could carry gold way higher — up into five digits perhaps."

So again, that was 15 years ago — \$1,200.

I updated this chart in June of this year. Gold was \$3380 and I said, "Yeah, we're still along this path." Sometimes you can hardly believe the graphs you're making, but you know, if you're patient, they start working out.

So the charts I showed you earlier — where gold is, you know, a fifth wave — that's a fifth wave of smaller degree than we show here. It's a temporary top that in itself is at most that circle three. It could be even a smaller degree than that.

So I think once we get through some really difficult times in the stock market, gold is going to be a go-to investment.

Now, gold currently is a little overexcited. There are too many bulls in it. I think we finished five waves. But on a long-term basis, gold is extremely underowned. Stocks are way overowned. Real estate is way overowned. Cryptocurrencies are way overowned. Debt is way overowned. But gold is still way underowned.

I think that's the key to why this potential still exists.

We're going to do a little quick review of silver. This is a chart I showed last year. And if you look at the bottom right, you'll see the little header that says, "another

spike due in silver.” This is the silver/gold ratio. Silver tends to spike when gold gets into wave five. It just meanders and does almost nothing. But when gold gets in that final speculative move, people jump on silver. And we said that's coming because we didn't have wave five yet.

I updated the chart in June of this year. Silver was still in the \$30s. We said major spike potential here for silver. And of course that's what happened — got up to \$54 an ounce.

Now you might say, “Well, maybe that's just the beginning.” Well, it could be, but we had some short-term indications that it was probably a top for silver.

This was published by my colleague Steve Hochberg. He's going to be speaking tonight by the way in a workshop. He published it on October 17th — right at the top in silver. That was the top day. We were very patient — came out on the top day and said that's five waves up. And you'll see the larger circle three. That means after silver corrects for a while, we're going to have wave five to finish it off. So there's probably another big speculative move in silver once this corrective period is over.

But here's what happened in October. The cost for borrowing physical silver went to the moon. It was usury going on when people had promised physical and couldn't deliver. Somebody would say, "Yeah, I'll lend you my silver, but it's going to cost you a lot of money." Big spike.

Same thing happened in India. They had a little craze for silver and they were willing to pay \$8 over London spot to buy silver in India. That's a spike you're not likely to see again soon — maybe in a year or two, but not soon.

If you want to learn a little bit more about our model and what we think of gold, just go to elliottwave.com. It's real easy. This is right on the front page. Don't worry about the advertising. Just look where I have an arrow there. You can get a report on gold and silver that kind of shows you what we've been saying over the years on gold.

If you're interested in our theory and the model that we use, go to the same website — just add /books — elliottwave.com/books — and there are some things that explain what we are doing.

I want to remind you: if you're interested in some more perspectives and maybe you want to see some of the other markets that we care about, make sure you go see my colleague Steve Hochberg. He's the one that put out that silver chart. This is the top on the top day. He's going to be presenting his workshop, 7:25 tonight, Churchill room, second floor. So don't miss him.

Thanks as always for your time. It's such a pleasure being here. I hope you have a great time in New Orleans — I know I always do. Take care, and I hope to see you next year.

Jordan Roy-Byrne

“Gold & Silver: Navigating The Greatest Bull Market Of Our Time”

Well, thank you everybody for sticking around. Thank you to Brien and Alex for having me. I just want to ask a question. And how many of you are familiar with my work? Can you raise your hand? This will just help me in my presentation.

This is the greatest bull market of our time. But the question is how do we navigate it? And I'm a technical analyst. Technicals are my trade. And you know I think about market timing and that's important to some degree and trying to buy things at the perfect time. And then I think about you worrying and listening to macro analysis and Trump said this and we're going to do this and China and that's important for some commodities.

But the reality is and I think this is true for you, but for me I've made the most money, my best investments have been finding a good company, buying it at a good value and then holding it for several years. So for me, that's something I've really learned and focused on in my newsletter in the last couple years. And that is a major point that I want to get across today, is focus on individual companies, learn about these companies, research these companies, become an expert and try and buy them at good prices. And that's going to lead to superior investment returns.

It's not predicting the exact timing or obsessing over macro analysis or what the Fed did here and there and what this politician said. In some respect in some industries that is important but for gold and silver I don't think it's important. So this is just something really important I wanted to get across and quite simply this is an easy three-part strategy as far as how to navigate the bull market.

Buy, hold and trim. What does that mean? Buy, and I just said it, buy good companies at good prices. So, you have to know how to value companies. You have to know how to buy them when they're cheap and not buy them when they're overbought or expensive. I do help subscribers with the timing a little bit.

And then you have to hold them. You have to hold them for several years. You have to evaluate, where is this company going? What's the year, two year, three year, four year outlook? Rick Rule always talks about how for most of his 10 baggers, it took five years. So you have to buy and hold and then trim because nothing's permanent.

So we ride these companies up, but too many investors in this industry, they ride things all the way up and then they ride them back down. So along the way, you have to trim positions. This doesn't mean you sell the whole thing or even half. There's just, at times, when a position gets too large and you have a big profit in it, you sell. You just sell one third, you sell 1/4.

We were doing this in the newsletter, not to a large degree, but a decent degree in the summer when things were getting really overheated. We have not bought

anything I think since August. So...the question is always, are you buying, are you holding, or are you trimming right now?

And so, a month ago, it was time to trim. It was time to hold and trim. It wasn't time to buy. Now, it's not time to trim now because we're having a correction, but it is time to hold. And as I'll show you with these charts, eventually as this correction matures, that'll be the time to buy again. And frankly, as I said earlier, you do have to look at companies individually.

So there's some companies that it may be time to buy now. Maybe for most of them, it'll be in a month or a couple months down the road. So buy, hold, and trim.

I've been saying at this conference I have a growing disdain for macro analysis because a lot of it that we're exposed to, it just revolves around doom porn, because that's what gets a huge audience. So I think you have to be leery of that analysis.

But macro is everywhere. And so I just want to give you a picture of where I see the macro right now. And I look at it not from the economy, but from the aspect of what, are markets telling us? What are asset prices telling us? So right now we're in the mid to late 1960s based on the three major asset classes.

You have stocks, bonds and then gold. Those are the three major asset classes, or gold and commodities. So what we're looking at on this chart...

...What we can see on this chart, which I pointed out here, that's really important is if you look at the total return of bonds and then you divide it by the CPI. So we're looking at real total return of bonds and then you use an 80-month moving average. This is monthly data in this chart and you can see there, the two arrows in that bonds total return in the mid-60s, bonds, the total real return began to roll over and so bonds entered a secular bear market and bonds were in a secular bear market from 1965 to 1982. Just think about this, from 1920 to 2020 you made money in bonds almost 85% of the time, the only time you lost money in bonds was from 1965 to 1982.

But that cycle is repeating again. And we can see, you can see there, in the second arrow in 2020, the COVID crash low. That is when the bull market in bonds peaked. And so the total real return, you can see it fell way below the moving average for the first time in decades.

So this is not 1929 or 2008. This is a very different period. It's most similar to the mid-60s and that period. That's where we are right now. And if you look at stocks and gold, stocks are still in a secular bull market as defined by the 40-month moving average there in the top slide.

Stocks have not entered a secular bear yet. And gold, 18 months ago, it broke out of a 13-year cup-and-handle pattern. So gold is also in a secular bull market and stocks are at the same time. That's really rare.

But if you look at the bottom slide, that's the Baron's gold mining index. You couldn't buy gold in the '60s or even in the early 1970s. And so the gold mining stocks, that's how people invested in gold back then.

The gold mining stocks, just as the total real return of bonds started rolling over in the mid-60s, broke out. You can see the black arrow there at the bottom. They broke out of a 38-year long base and exploded.

That breakout in gold stocks then is very similar to the breakout that we had in gold in March of 2024. That's the macro market picture. The next big turning point will be when US stocks in the S&P eventually peak and roll over and fall into a secular bear market.

But we're not there yet and it doesn't look like it's imminent. That's the big macro market picture right now.

Now moving on, we'll talk about gold and silver here. And start off here with a historical chart. This is gold back to the Civil War. And...the three lines show the three major breakouts in gold's history.

The two arrows, those breakouts are most similar because they're to new all-time highs. Now, the other breakout was in 2005. That was a very significant breakout, but it was not to new all-time highs. That's one similar one similarity today to the '70s is gold broke out to a new all-time high and that breakout by the way in 1972, in the history of capital markets based on my own research, that's the greatest breakout of all time. That led you and some of it was artificial because we were on the gold standard and then we went to fiat but gold went up about 25x in less than 10 years, just an incredible move.

Where we are here and now, we're in what I call a postbreakout correction. And you can see the arrows the other two arrows show in the other two secular bull markets when gold experienced a post-breakout correction.

Now I will say that the first arrow there is pointing to 1973 instead of 1972. We are not as overstretched as we were at that first arrow in 1973. For gold to get to where it was in '73 and that arrow, it would have had to reach \$5,800 an ounce. We're not that overbought.

Gold corrected 28% at that point. And the other arrow there in 2006, gold corrected about 23%. Now, so far, gold has corrected 11%. I think it's probably going to end up correcting 17%, 20%, somewhere in there, but we're not at risk of a deeper correction than that.

And this is another important thing to consider with post-breakout corrections. Now, aside from the breakouts to new all-time highs, which there's two and then of course you had the one in 2009, you also have the 2005 breakout. There's several other breakouts in gold.

In all of these breakouts, gold breaks out, it makes a huge move higher, but then it has that post-breakout correction. All of these post-breakout corrections, they come down and they tend to bottom around the 200-day moving average. Some bottom right at the 200-day moving average. Some bottom at the 150-day.

There's a few that went below it, but that's a really good target for the next couple months as to where the next low in gold can be. You can see there I've drawn the breakout lines and you can see vertical lines there in '72, '78, 2007, 2010.

Those show points when gold bottomed around the 200-day moving average there. There's more lines but I didn't want to make the chart difficult to read.

In this chart, this is the post-major breakout correction analog. I've looked at the post-major breakout corrections in 1973 and 2006, which I mentioned at the beginning, but I also threw 1972 in there because the reality, as I said, 1972 is not a great comparison. It's too short or small of a correction.

1973 is too big and too deep. So that's why I included '72. I kind of like an average of those two. That's why I included both. I also put 2006 in there, obviously. And then you can see the average line.

If we average all those three corrections, this shows how this gold correction could play out, potentially bottoming just just below 3,600. Looking at all these corrections, it took gold from the peak about six to seven months to get back to the peak and then rise over it.

Another thing I'll mention is that sometimes with these corrections, the price damage is done very quickly. You can have the price damage done in two months, but then the market can rally and consolidate and go sideways and just consolidate for several months after that.

If we are to see gold sell off more here in the short term, like the next couple weeks, we might see gold make the price low very soon. But then the correction in terms of time continues because the market needs to rally and consolidate for a while before it eventually moves back up again.

Now, this chart is what I call the gold all-time high breakout analog, although I have edited it and made changes over time. What we're looking at in this chart is when gold breaks out to a new all-time high, how does it perform from there?

And then what we've done is we put it on the scale of the current breakout to a new all-time high. That move began at the end of February 2024.

You can see there in black, this is weekly data, so black is where gold is now. And you can see how well that's tracking these other lines. I personally like the red line, which, that is an average of the 1972 breakout and the 2005 breakout, the two other major breakouts in gold's history.

That average line reaches nearly \$7,000 an ounce in early 2027, which, I mean, that would be incredible, but that even seems a little excessive for me as I like to be conservative.

But I think gold is following 1972 most closely, except it's that was such a massive breakout that it's following it with a lag in terms of price than time. But looking at history this just shows us what's what's possible in this secular bull market and after this correction.

And just because we have this super bullish outlook here over the next 18 months or so that doesn't mean you should change your strategy. You still want to buy good companies at the right prices.

Don't chase, don't buy overvalued things, because that's how you'll make mistakes. This outlook, that doesn't change my strategy.

This is a form of intermarket analysis which I love. And that is, we're charting various asset groups against other assets. So at the top there you can see that's gold.

At the bottom, this is an indicator I developed, I talk about in my book. It's gold divided by the 60/40 portfolio. So this is looking at the conventional investment portfolio. 60% stocks, 40% bonds. And we can see that when that ratio at the bottom breaks out and moves to the upside, that confirms that we're in a new secular bull market in gold.

Earlier this year, I think it was March or April of this year, that's when the breakout was confirmed. What that breakout signals and the same thing happened in 2002, 1972, it signals that capital is moving, or starting to move, away from conventional investments, stocks and bonds, and then into gold.

It's a powerful signal and we got that bullish signal just earlier this year. And by the way, this also proves that the bull market in gold, you could look at the chart, it didn't start during COVID or the 2016 low or 2018.

It really started, you could say, at the end of 2023, with the cup and handle breakout, but it was confirmed by gold breaking out against a 60/40 portfolio.

And you can see the other two times when it broke out, gold still, it took in the first one, it took another eight years for the gold price to make that major peak. The second one, another nine years. There's plenty of time left. We're still early at this point.

This chart...this is 60% of gold against the 60/40, gold against the stock market. And I used to look at this chart all the time before I developed the 60/40.

The reason the 60/40 is important is because bonds are a huge asset class. And when bonds aren't doing well, people tend to move that money into gold. That's why I prefer gold against the 60/40.

But this chart here is 60% of that driver. And we can see here there's two breakouts I want to focus on. The first, again this happened earlier this year, where the ratio moved above 0.50 and that was a breakout of a 4-year long base.

That actually contributed to, significantly, the breakout in gold against the 60/40. Where we are here and now, gold against the stock market, this ratio is trading in a nearly 12-year long base with resistance at 0.65 to 0.70.

When this ratio breaks out and moves above 0.65 to 0.70, that is going to signal the next massive move in precious metals because it signals money is moving away from stocks and into gold.

Now, you can see, you can look at the ratio, that's already been happening since 2024, but it's been an uptrend, but it's been pretty volatile. Once the ratio breaks above those red lines and that resistance, you'll see an acceleration of more capital moving out of stocks and into gold.

But it's not imminent. If you look at that chart, maybe it happens sometime next year. It needs time to consolidate and digest.

Now, this chart just shows where we are ultimately going and why we're still early in this new secular bull market in gold. Look at the history of gold against the stock market and these peaks in the ratio.

Again, we're below 0.65 now, but look at where the peaks were. And this is monthly data. In 1980, you can see the peak was almost six. If you look at weekly data, the peak was over seven.

But looking at this chart, we can see 4x, 5x times gold. That could be a potential 10-year target or 8-year target for gold.

And so you look at the S&P, it's almost at 7,000 now. Times 4, that's nearly 30,000 gold. Or even if you take 5,000 S&P times 4 or 5,000 times 5, you get gold at 20,000 or 25,000. So that just shows how much more room there is for gold to move up.

And you can see the same thing here where this is a chart that shows what is the gold price necessary to back the US monetary base. This is looking at all the gold we have in the US at Fort Knox and then multiplied by the gold price and then divided by the monetary base.

You get a percentage. For the gold price to back 100% of the monetary base right now, it'd be close to \$22,000 an ounce. But consider this, in 1980 and that peak, the percentage actually went up to about 130%.

And it was even above it at times during the Great Depression. 100% is nearly \$22,000 gold, but it doesn't necessarily have to stop there. I mean, it could blow off a little bit above it.

These two charts just show us ultimately what the potential is for gold over the next decade, into the 2030s based on the historical peaks.

This is something else important to point out. You know, you look at the gold chart. Yeah, it's been trending higher for 10 years. We just had these breakouts. You would think there's a lot more money in gold, but there's not. Nobody owns it.

This is a tweet from my buddy Ronnie Stoeferle and you can see it says gold is tactically overbought but structurally underowned. Gold is only 0.4% of private client assets at Bank of America and 2.4% of institutional assets.

That just shows you how underowned gold is. It's not even you know it's not even 10% or 7% or 5%. For Bank of America, it's less than 1% of private client portfolios. For institutions, which is big money, it's only 2%.

And this other chart here is from Callum Thomas on Twitter, and you can see gold against the 60/40 is in black, but the red, that is the amount of assets that are in all the gold ETFs, then divided by all the ETF assets, period.

That's a good indicator of how much money is in gold. And we can see where we are here and now. We're barely at 2%. But look at the last secular bull market. I mean that was up to 8%. We're only at a fraction of that.

And I know I'm out of time so I have to run fast through this.

This is a chart of silver. Silver has this incredible 45-year long base. Eventually, when silver breaks above 50, once it breaks out based on history, it should double and get to 100 in 7 to 11 months based on historical breakouts.

That breakout in silver will be the second greatest breakout of all time. This is a chart of silver against the 60/40 portfolio. We can see at the bottom there, that's that silver against a 60/40.

This is monthly data. That ratio has broken out. Silver against a 60/40 is actually trading at a new 12-year high. You can see the chart at the bottom how much room that has to move.

We follow that chart, that will signal that more money is moving away from conventional assets and into silver. That's going to power silver going way above 50 and ultimately to 100.

This is what I call the silver correction analog. I mentioned gold correcting and bottoming at the 150-day or 200-day moving average earlier. These lines, I looked at how silver performed after gold breakouts, bottomed at those moving averages and I started the chart at \$40 silver in January.

Those two in the middle, I think, are the two best cases, repeating 1978 or 2010. The other cases I don't think are as good, but that just shows the potential where silver could go based on history.

Last thing here, as I said at the beginning, the key is buy, hold and trim. Buy good companies at good values and then hold them. If they fail, you cut the loss. If they're down 20 or 30%, you re-evaluate and cut the loss. Or you hold them, it keeps rising, you trim along the way or it becomes overvalued, you sell.

And then finally, you trim the big winners along the way. You sell a third here, sell a quarter here, you move the money around. That is how you can manage risk and still enjoy the potential of a bull market.

Then ultimately, you subscribe to the *Daily Gold Premium*. I'll help you do all these things.

...I went a little bit over, but thank you so much everybody for staying.

Rick Rule

"The Ring Of Truth: What Gold Is Telling Us"

Good afternoon, ladies and gentlemen. Boy, these stage lights, I can't see y'all. I just trust that you're out there.

I want to begin. You know, I put on a conference of my own, which I promise not to advertise here. But putting on a conference is really, really, really hard work. It's amazing hard work. And these people here have put on this conference for almost 50 years.

And so I want to begin by thanking Brien Lundin and thanking the employees of the New Orleans Investment Conference. I'd like you to join me in giving them a big round of applause for all they do for us.

[applause]

I'd like to thank our illegal alien Kerry Stevenson who came across the Pacific. And of course I'd like to thank my friends at Battlebank.

You know, this conference was founded many years ago by a wonderful guy named Jim Blanchard, James Ulysses Blanchard. Raise your hand if you remember Jim Blanchard.

He's going to figure a lot in this talk because I learned a lot from Jim Blanchard. and I also want to say for old times sake that I'd like to dedicate this speech to Jim who was a mentor and wonderful. But what was of more use to him now, of course, rest in peace, he's gone, was that Jim Blanchard had a lot to teach about investing and speculating.

The first thing is that Jim Blanchard was a great contrarian. I was one of several stock brokers he used. I think I was his favorite, but that's a different story.

And Jim would call me up and he'd say, "Rick, tell me the commodity that is the most hated right now, that you have some faith in longer term." In other words, he didn't call and say, "What was hot?" He said, "What's not, what don't people like?"

I remember in 1989 or 1990, he called me up and said, "Rick, I've never seen so much hate around silver. I want you to put together a silver portfolio for me." And out of that was a little company we founded called Silver Standard that went from 72 cents to \$45.

The other thing that was great about Jim Blanchard, he was a seller. Every now and then when stuff was too hot, when stuff was too popular, he'd call me up and say, "You know what, Rick? The amount of money I've made recently suggests that I'm smarter than I am. I'm not as smart as somebody who made this much money. So, what I'd like you to do is sell a couple of million dollars worth of stock. You pick them, send me the money. I'm going to put the money in Mississippi timberland or something I can't fail at."

So, the guy was a good buyer because he was a contrarian and he was a good seller because he was a good contrarian. And that's going to follow on to the rest of my speech.

So, when you listen to my speech, I want you to think about the persona of Jim Blanchard who bought hate and sold love.

I'm going to talk about bull markets. And I got a little story to tell you to make this thing sink in. In maybe 1985, I was in Midland, Texas. And Midland had prospered greatly towards, you know, a new oil boom. And when the oil busted, they turned out the lights in Midland. I mean, it was just ugly.

And I remember seeing this bumper sticker in Midland. Stuck with me ever since. It said, "God, give me one more bull market. I promise not to waste this one."

And so I'm going to talk to you about two bull markets and I'm going to talk to you about why they're going to occur, what they're going to look like and I'm going to try and talk to you about not wasting them.

Spoiler alert, you got to do what Jim Blanchard did. You got to buy hate. And you got to remember to sell love. You haven't made money until you've taken the money.

There's a lot of people I know who've roundtripped bull markets, which is to say they bought stuff on the way up, they held it on the way up, they held it on the way down and then they cussed themselves, which is to say they wasted some bull markets.

Now, I believe, no surprise, that we're in a gold bull market. It amuses me that a lot of what I'm going to say today, I said in 2023. Difference between 2023 and now is gold was at \$2,000 then, it was at \$4,000 now. It's this odd paradox that price momentum justifies narrative.

I think this gold bull market has a long way to run. But I also think that some of the easy money has been made. I'm going to tell you why.

When people talk to me about this gold bull market and I say it's got a ways to run, people say, "Well, how old do you think this gold bull market is? When do you measure it?" That's a really good question.

Did the gold bull market begin in 1970 at \$35 an ounce? Did it begin in 2000 at \$250 an ounce? Did it begin in 2022 at \$2,200 an ounce? And I would suspect that that has a lot to do with your perspective.

The reason I point this out is that what gold has done since it was decontrolled in 1970 is that it's maintained its purchasing power. Gold's grown at about 9, 9.2% compounded and it's done that for 55 years. It's been more dramatic in the last two or three years. But I would submit for many of you that that's not the reason you own gold.

You own gold to maintain your purchasing power. But irrespective of your motive, we're going to talk about a gold bull market and why I think despite the fact that it's done fairly well, it has further to go.

Unfortunately I'm going to have to get into a little bit of arithmetic here that most people love to feel and they hate to think, but I'm going to make you think a little bit because my argument is going to be that gold will profit particularly from people's concern about the maintenance of the purchasing power in fiat instruments, but in this crowd particularly the US dollar.

And I think there's a lot to fear. I'm going to conceptualize this for you with a little poem which I hope that you repeat to your congressman or congresswoman should you ever darken their door.

The poem goes like this. When your outflow exceeds your income, your upkeep becomes your downfall.

For some reason, the Congress people — perhaps because of the voters — don't think this way. And I'm going to explain to you arithmetically why that's a problem and why that matters to gold.

Everybody who has a pencil and paper, try and take this down because these numbers are beyond belief. By the way, these aren't my numbers. They're numbers from the Congressional Budget Office and the IRS.

The first number is \$167 trillion. You could write down 167t if you don't want to do 12 zeros. \$167 trillion represents the Internal Revenue Service estimate of the

private net worth of Americans. That's how much money all of us are worth together net of our debt. Pretty big number, you know.

The second number is \$30 trillion. \$30 trillion is the net on-balance sheet debt of the US government after the Fed's own balance sheet. This is to say the net federal debt because eight trillion of that roughly we owe in effect to ourselves.

The third number is a scary number. People don't know this number. The third number is \$120 trillion. \$120 trillion is the net present value of unfunded off-balance sheet entitlement liabilities in the United States.

If you want to know what that looks at, look at me. Medicare, Medicaid, federal pension, military pension — we owe each other net present value of \$120 trillion.

Now the problem becomes when you take that 167 trillion, put it on top of the pile and you subtract 150 trillion from it, which is what we owe, that doesn't leave a lot left over, but it gets worse.

As opposed to servicing that debt, our on-balance sheet liabilities grow by, this is the next number, \$2 trillion a year. In other words, that 30 trillion gets bigger by two trillion a year, maybe three trillion this year after Trump's budget cuts, alleged budget cuts.

And then another \$2 trillion, the same number, another time. That \$2 trillion is the amount by which the unfunded entitlement liabilities increase on an annual basis.

And the last number I'll give you is \$5 trillion. The \$5 trillion is gross federal income before they buy a sheet of toilet paper or build a ballroom, before they do anything, before they buy a bomb. That's how much money the federal government takes in.

Now you can begin to see the problem. The deficit on balance sheet and off balance sheet grows by \$4 trillion a year while the gross federal income is \$5 trillion a year. That leaves a trillion left over to do everything else they do and amortize \$150 trillion in debt.

This is really tough arithmetic. In case you haven't figured this out, the math doesn't math.

Now, there's two ways we have out of this as Americans. We can be honest like the Argentines and we can default. That's the first thing we can do.

We say to the bond holders, "Too bad, so sad. We're out of money. Strong letter to follow." Say to the old folks like me, "Yeah, you paid in, but that doesn't matter. You ain't going to get out."

Or we can have a dishonest default. We can do what we did in the decade of the 1970s. We can allow the purchasing power of the US dollar to deteriorate to the extent that our nominal liabilities get funded, but our real liabilities decline.

Many Americans don't remember, only those of you like me who are in their 70s remember that in the decade of the 70s, the purchasing power of the US dollar declined by 75%. Which is what I think happens this time.

Notice I said the absolute value. I don't think the US dollar probably falls compared to the Canadian dollar, the euro, the yen, but I think in an absolute sense the dollar falls by 75%.

For the reasons I've given you — that arithmetic — I hope somebody can dissuade me from believing this because I'd prefer not to be afraid, but I don't think they can.

And I suspect that if the gross purchasing power of the US dollar declines by 75% over 10 years, that it is more likely than not that the nominal price of gold increases in a way that mirrors the decline in the US dollar over 10 years.

I say nominal value because I mean the US dollar quoted price of gold. If I'm right, despite the fact that gold has had a pretty good 55 years, I think gold's going to continue to have 10 more pretty good years.

Historically in gold bull markets, the best of the best gold stocks have generated beta that outperforms gold beta by 2 to 1. So those of you who want to save in gold, that's great. Those of you who want to invest and can take the company risk should consider buying the best of the best gold stocks.

Alpha is of course generated by the speculative gold stocks. So if in addition you want to speculate, go out there. That's great. You take some risk, but I suspect the wind is at your sails.

Believe me, by the way, I wish what I had to say wasn't true. I wish that I could look at my gold holdings and say, "What are you afraid of? We're going to amortize this debt just fine. In fact, what would cause me to sell my gold?"

Let's think about that. A balanced budget. What do you reckon the chances are? Uh, a political accommodation that would allow us to pay off \$30 trillion in net debt as opposed to increase it \$2 trillion a year.

A political accommodation that could allow me to say with a straight face that this \$120 trillion in net present value could be resolved.

Oh yes. And negative real interest rates. The fact that I believe the deterioration of the US dollar is proceeding along at about 8%, rather than the 2.9% described by government.

So if we had positive real interest rates, which is to say that the Fed rate was some number north of eight, say 10, imagine what a 10% interest rate would do.

If we had a balanced budget, if we had a way to deal with the debt, if we had a way to deal with the off-balance sheet liabilities, I'd sell my gold. Until then, I have no interest and I would suggest that you don't either.

I hope you believe — let me rephrase that — I wish you didn't have reason to believe that we have a gold bull market in front of us for reasons that are substantiated not by narrative, not by anti-government belief, despite the fact that I have anti-government beliefs, but rather by arithmetic.

The right time for people to invest in gold if they don't own any is today.

There are some of you as a consequence of coming to this conference for years that have a lot of gold. In which case, periodically, you probably need to harvest.

Not too long ago, I sold a quarter of my speculative gold stocks. Not because I didn't think that they were going to go up, but because by selling them, I could eliminate all of the investment I had in the space. I sold off 25% of my upside and I eliminated 100% of my downside.

Remember that taking advantage of a gold bull market doesn't mean riding it all the way back down after you've ridden it all the way back up.

Jim Blanchard used to say to me, "I made too much money for a guy as smart as I am. You got to take some off the table when you're feeling too good."

Five weeks ago, this market was rip-roaring and I felt too good. I took some off the table.

Let's move on to a more challenging one, though, because I told you we're going to talk about two bull markets. We've talked about precious metals, but I think there's another bull market in front of us.

This is what I laughingly call the industrial materials market. All that material stuff that makes life work. Energy, base metals, industrial materials, stuff like that.

And I have a little bit of math around this too, but I'm not going to make you suffer through as much as I did last time.

The first is there's something like 8.3 billion people on Earth. People that like to do things like eat and drive and stuff like that. And a billion of them are desperately poor.

By the way, we've done a great job in the last 40 years as a species lifting two billion people from abject poverty to the point where they're merely poor, which is a wonderful thing. We got about a billion to go.

There's a billion people on Earth who have no access to primary electricity. And there's still three and a half billion people on Earth who are really, really, really pretty poor. And we're fixing that over time.

And this is important because when poor people get — I mean when y'all get more money—you don't buy stuff that's commodity intensive. You buy like a service from Apple.

Maybe some of you subscribe to Pornhub or something like that. You know, never mind your bad habits.

The point is when poor people get more money they might go from barefoot to tennis shoes to a bicycle to a 50 cc motorcycle to a Toyota Hilux. They might put steel over a thatch roof. When poor people get more money, the stuff that they buy is stuff that's made of stuff.

increases at the bottom of the demographic pyramid are disproportionately beneficial for industrial materials.

It is estimated at present right now as an example that between today 2025 and 2050 — 25 short years from today — global energy demand will double.

Will double. In other words, the amount of energy that we consume which has grown by whatever it's grown by in the period 1400 to 2025 will double again by 2050.

[laughter]

That's going to be a real challenge and it means that all things energy are going to work including things like copper which you generate electricity with, which distributes it, which you use it with.

On top of that it's important to look at the increase in demand and think about that for three decades on a global basis we have underinvested in supply.

We have underinvested in the oil and gas industry. We've underinvested in the nickel industry. We've underinvested in the copper industry. We've underinvested in the uranium business.

And even if we started today, today, investing aggressively — I don't mean talking about it, I don't mean policy statements from Washington, I mean investing, speeding up the permitting process — there's no way in the world that we could alleviate the shortages that will occur as a consequence of three decades of deferred investment.

Let me give you a couple examples. There's a wonderful copper deposit in the United States called the Resolution Copper Deposit. It's in Arizona. It's in a wonderful place. It's between two copper mines. Good place for a copper mine.

Railroad goes through, highway goes through. It's got water. It's got a town. Copper miners live there. Couldn't be better. Huge deposit. 1.5% copper. Three times the average mine grade worldwide.

That mine now has been in the permitting process for 29 years, 29 years. Even if you were to discover a good copper deposit today, can you imagine when it would start producing copper with the regulatory regime we have?

Another fact for you to consider in terms of this argument, whether you agree with it or not, the International Energy Agency suggests that the global oil and gas industry is underinvesting in sustaining capital investments by the tune of \$2 billion a day, a day.

Each and every day, the global oil industry is underinvesting not in new project investments — they're not making those — but in sustaining capital investments by \$2 billion a day.

Now, that might not impact oil supplies in 2026. Maybe not in 2027. But believe me, that number really begins to bite in 2028.

This is a capital intensive business. Without the capital, you don't have business. I suspect within five years, we're going to see real shortages across the spectrum in industrial material as a consequence of increasing population, increasing wealth, but particularly as a consequence of decreasing investment.

Now, will that occur right away? I don't think so. The oil price, the gas price, well, the gas price until 10 days ago and the copper price, the relative weakness tell me that demand is much softer right now than people think.

You can have decreasing supplies if you have decreasing demand and the prices don't go up. But looking out five years, the supply crunch is absolutely positively inescapable.

Many people will say to me, Rick, I don't think in five-year terms. And those are, of course, the people who wouldn't buy gold at 1,600 in the year 2020 and rue it at \$4,000 today.

My grandfather used to say when I was talking to him about attracting older customers that said, "I don't buy green bananas." He said, "You tell those guys if they don't buy green bananas, in a couple weeks they aren't going to have any bananas."

And the truth is that you have to be thinking in these terms.

People say to me, "Well, Rick, in terms of your oil thesis, what about alternative energies? I mean, you know, the stuff that you do, Greta Thunberg doesn't like it. It's bad for salamanders and stuff like that. I mean, isn't wind and solar going to old fossils like you?"

Here's a bit of math, and these are not independent numbers. These come from the International Energy Agency.

I heard different numbers, but I'll give you these because they're shocking. There is a suggestion by the International Energy Agency that as a species we have spent \$11 trillion over 50 years on alternative energies.

It's a big number — \$11 trillion. And that \$11 trillion investment has reduced the market share of carbon-based fuels from a high of 83% 45–50 years ago to a low today of 81%.

An \$11 trillion investment has reduced the market share of fossil fuels by 2% over 50 years. Hence, carbon-based energy. Absolutely.

The point of all this is that we are in the midst of a gold bull market, a good one. We've seen it. And the interest in gold — it's not a challenge for me to tell you we're in a gold bull market for anybody who's lived through the past two years. The price action has justified the narrative.

The other market is a bit more challenging for you. Some of you have not made good money if you've been in base metal stocks. You've made great money if you followed us into uranium stocks.

But truly, we have a bull market in industrial materials which is coming at us. Will it arrive in 2026? I don't know. Will it arrive in 2027? I don't know that either.

But it's absolutely positively going to occur. One of the things that I've learned 50 years investing in natural resources is that if I ask myself a question where the answer necessarily begins with “when” rather than “if,” I've asked myself a very good question.

And with commodities, a bunch of commodities in terms of price escalation, the question necessarily begins with when not if.

The truth is that there's not becoming fewer of us. The truth is that with the exception of some of us in the West, we're not becoming poorer, we're becoming richer. The truth is that we have underinvested in supply for 30 years.

And it takes more than five years to address that. So I would suggest to you that we are in or approaching two bull markets where the answer begins with “when,” not “if.”

And it's up to you to take advantage of that. Remember to buy, some of you won't. Remember to sell, some of you won't.

Don't think that you can always buy at the bottom or sell at the top. Bernard Baruch, a pretty good trader, talked about that. He said, “The only person who ever bought at the bottom and sold at the top was a liar. It didn't happen.”

You want to take a big fat slug out of the middle, and you have to act now.

If you've liked what I have to say, you have an occasion to hear more. I'm moderating the mining shares panel, which is coming up later today. I'm doing a workshop tonight between 7:25 and whenever it ends.

This is going to be hard. This is going to be a real boot camp. We're going to talk to you about investment and speculative techniques.

For those of you who would rather have a nice dinner or drink, I don't hold it against you. Tonight is a discussion about serious techniques around natural resource investing and speculation that takes place in Churchill C1 on the second floor.

For those of you who are around Thursday, I have what used to be called the Rule client meeting. I don't have clients anymore, so I need to have a new name for it.

But anybody who wants to come to a Q&A session on Thursday between 9 and 11 a.m., Churchill C2, everybody's welcome.

I'll pontificate for 20 or 30 minutes and then I'll talk about what you all are interested in because you'll ask me about it.

If you also want to find more, a different way to find me is at ruleinvestmentmedia.com, my website. Any of you who go there, list your natural resource stocks. I'll personally rank them 1 to 10. I'll comment on individual issues if I think they might have value, and that's absolutely free.

The second service we have is the Rule Classroom, ruleclassroom.com. There's 250 hours of instructional programming there, absolutely free. 15,000 members, wide open discussion groups, live Q&A.

So, we look forward to you there at ruleclassroom.com. Anybody who wants to visit with me here, you see I'm a NASCAR driver. I'm at the Battlebank booth. You just heard about Battle Bank, but we're five years now trying to battle for better banking.

Ladies and gentlemen, two bull markets coming. Use them both. Enjoy them both. I'll see you here next year. Thank you.

[applause]

Peter Schiff

"America's Ride On The Global Gravy Train Ends With Trump"

Thank you, Robert. And I expect everyone here to be on the summit at sea 2025. All right.

Well, it's been a hell of a year. A lot has happened since I was here one year ago. And I think as eventful as this past year has been, the next one is going to be even bigger. And I think by the time I'm at this podium again, I think a lot of the people who have stood on this podium over the past several decades are going to be vindicated. And the problem is some of the people who are going to be vindicated

aren't alive anymore. And that just shows you how long they've been able to kick this can down the road. And eventually you run out of road and I think we're just about there.

And the things that are significant. One thing that other people have mentioned and I talked about this last year was when President Biden sanctioned Russia and basically warned the world to get out of dollars, let the world know how dangerous it was to hold US dollars and be beholden to the whims of an American president. That if you put your trust in the dollar, the rug can be pulled out from under you at any moment.

And while I'm not, you know, and I didn't excuse Russia's invasion of the Ukraine, I think that that response did far more damage to the United States because it really, I think, sped up the dedollarization process and it gave the world another reason, as if they needed another reason, to look for an alternative to the dollar.

But I'd say three more things happened to speed up this process since the election of Donald Trump who was elected right about a year ago when we had this conference.

The first one I think is the fiscal irresponsibility. When the Republicans ran in the 2024 campaign, they really campaigned against the reckless spending of the Biden administration, forgetting about the fact that there was reckless spending under the Trump administration, too. They focused on the Biden spending and tied it to the inflation that was experienced during his presidency. And they promised that they were going to rein it in. And in fact, they made Elon Musk a big part of the Trump campaign. In fact, a vote for Trump was a vote for Elon. And what was Elon going to do? He was going to come in there with his Doge department and they were going to slash government spending.

Now, last year at this conference, I said that it wasn't going to happen, that it was just talk. That I had heard it all before with the Peter Grace Commission and I didn't expect that Musk would be any more successful. But at least there was some hope. There was a lot of talk about trillions of dollars of cuts, departments that were going to be eliminated. We were really going to shrink government spending.

And then when the Republicans won — and they not only won the White House, but they got both houses of Congress — and their first opportunity to cut back on some of the Biden spending, what did they do? They voted to preserve all of that spending and then spend even more. And so the deficits that were inherited from Biden were made worse under Trump.

And I think the world got that message loud and clear: there is no stopping this train. These two to three trillion-dollar annual deficits that began with COVID aren't going away. The debt is going to explode, and there is no way that we can possibly repay it — not with any honest money, not with legitimate taxation.

So I think this loss of confidence — this realization that America is headed for a fiscal train wreck — is another reason to get out of dollars and not to hold U.S.

Treasuries or other obligations of the U.S. government, or dollar-denominated debt. That's number one.

Number two is the Trump administration attack on the Federal Reserve. Where every chance Trump has to talk about the Fed, he talks about how Powell is an idiot. He's a moron. And you know, he may be — but you're not supposed to say that when you're the President of the United States. And he's going to get rid of him because he's not cutting rates fast enough. And he's going to replace him with a lackey that will do exactly what he wants. He wants to put a puppet as Fed chairman so he can pull the strings.

And in fact, he's already putting more puppets on the Fed. He fired Lisa Cook on these trumped-up charges about her mortgage application. But the real reason that they went digging for dirt was because he wanted to put people on the Fed. He wanted to stack the Federal Reserve the same way that Roosevelt stacked the Supreme Court.

Now, one of the cornerstones of the dollar being the reserve currency is the pretense that we have an independent Federal Reserve. Now, I say it's a pretense because I never believed they were independent — but the world believes it. And the importance of having the Fed “independent” is that the politicians don't control the printing press. There's supposed to be some discipline, where we have the bankers who are not beholden to the voters, and so they can do what's good for the country, not what gets somebody re-elected.

And I think there's a good chance — not only is Trump destroying that Fed independence — but we're going to get a ruling from the Supreme Court soon on whether or not Trump has the ability, the authority to fire the Fed. And I have a feeling that the Supreme Court is going to validate his authority by saying that the very concept of an independent Fed is unconstitutional. I think they may say there's nothing in the Constitution that establishes a fourth branch of government; that you can't have a Federal Reserve chairman accountable to nobody, answerable to nobody; that some elected official who supposedly represents the people needs to be in charge.

And so I think the Fed — the Supreme Court — may end up destroying that foundation by basically saying: no, everyone on the Federal Reserve serves at the pleasure of whoever happens to be the President of the United States.

So we're destroying the credibility of an independent Fed — meaning that there is no discipline. We can print as much money as we want, run big deficits. In fact, Trump is out there talking about how the U.S. has the strongest economy in the world, the hottest economy in the world — yet he wants interest rates slashed to zero.

I mean, the only time we had those low interest rates is when we were in a crisis. How can we have the strongest economy in the history of the world, yet need a monetary policy that we only have when we're having an economic crisis and things are collapsing?

In fact, just last week, these poll numbers came out on Trump and his approval rating on the economy — and just on the economy — it's the lowest it's ever been, including his entire first term. Thirty percent approval rating on the economy. And so the real economy is continuing to get worse as Trump continues to pretend that everything is booming.

But the important thing is this: he's talking about a booming economy and how we need to slash interest rates. Well, you're holding U.S. dollars, you're holding U.S. Treasuries. Rates are still low — they're 4%. But Trump is going to make them even lower.

Inflation is more than that. The government claims inflation is 3%. That means it's at least 6%. So you're already losing money holding U.S. Treasuries — and Trump is telling you you're going to lose a lot more.

In fact, one of the main reasons that everybody is giving — why do we need to cut interest rates? — because the government can't afford to pay the interest on the debt. We're spending more money right now on interest on the national debt than we spend on national defense. It's the second biggest line item in the budget after Social Security. It's more than Medicare or Medicaid.

Soon it'll be more than Social Security — and not because Social Security isn't going up. It is. But interest on the debt is going to be going up even faster. So we need to cut interest rates because we can't afford to pay the rates we've got now, even though they're historically low.

So that is a message that we are basically insolvent. And so why do you want to lend money to an insolvent borrower? You don't.

So that's two strikes. The third thing is the tariffs.

Trump has spent his entire presidency vilifying the entire world. "Everybody is screwing us over. Everybody is ripping us off." How are they ripping us off? They are producing goods that we get to consume, that we don't have to produce. And all we have to do is create money out of thin air that costs nothing. And we can send that off to China. And what do we get? We get all kinds of stuff that make our lives better. We get consumer electronics, we get furniture, we get clothing — we get all the stuff that we need and none of the burden of having to produce it.

We don't have to build the factories, so we don't have to save the money to make the capital investment. We don't have to train the workers. We don't have to roll up our sleeves and do real work. We don't have to deal with the pollution. We outsourced all of that just because we have the reserve currency.

And now we want to punish all the countries for playing the game that we rigged, right? They're the suckers. We've been screwing over the whole world. They give us their stuff and we give them our inflation. That's the deal.

But it actually has worked better because not only do we export our inflation and import real stuff, but our trading partners that earn all of these dollars — they just loan them right back to us. They buy our Treasuries. They buy our mortgage-backed securities. They buy our overpriced stock market and they push up our asset prices. So we're all richer, right? We get lower interest rates. We get lower consumer prices. This has been a sweetheart deal.

We have been riding on a global gravy train for decades, ever since 1971. And that's when it started, but it really kicked into higher gear in the 1990s and the 2000s as we became more and more dependent on the productive capacity and the savings of the rest of the world.

That is what's coming to an end.

You know, 1971 — we all talk about that year because that was the year that Nixon took us off the gold standard. Well, what's about to happen is going to be even bigger for the global monetary order. Because what's happening now — and again, this is not happening in a day, it's a process, but it's not going to take that long from here to play out — we went off the gold standard in 1971.

Now the world is going off the dollar standard.

And when that happens, the entire U.S. economy that has been built on the foundation of the U.S. dollar being the world's reserve currency is going to come collapsing down. Because you can't have a consumer-based economy unless you have foreign producers supplying us with what we don't make. You can't have a debt-financed economy without the world loaning us the money that we don't save.

And that is what is about to change.

Trump administration doesn't seem to understand the implications of its own policy. But basically, we have now given the world three reasons — apart from the one Biden gave us with the politicization and weaponization of the dollar — but fiscal irresponsibility, the loss of Fed independence, and the erection of tariffs.

Because not only do tariffs make us even less attractive as a market — you know, the world was accumulating dollars because it was the reserve currency, allowing Americans to buy stuff we couldn't afford — but now on top of that, we have to pay tariffs.

And Trump, of course, wants foreigners to eat the tariffs. He wants all these countries that are producing stuff for us to not only produce stuff for us, but to lose money doing it.

A lot of these countries that sell us products — the margins are lower than the tariffs. There's no way they're going to do that. Americans are going to choke on these tariffs. They're not going to eat them.

But it has reduced the importance of the U.S. market. In fact, over the last year, Chinese trade has gone up. Their imports and exports are up about 7 or 8%, I forget the exact amount. And at the same time, trade with America is down by about 30%. China is trading more while trading less with us.

That is great news for China because China is trading with other countries that can actually afford to buy their stuff.

See, when they trade with America, they have to loan us the money. They have to vendor-finance us.

See, Trump thinks that we're doing the world a favor by buying all their stuff on credit. No — the world is doing us a favor, lending us money that we can never repay and letting us consume stuff that we didn't produce.

But what is going on that is very relevant as far as the dollar losing its role as the reserve currency — and I've had these arguments and these debates over the years — people have said, and people repeat it at this conference still, the dollar's role as a reserve currency is secured because there's nothing to replace it. As bad as the dollar is, we're the cleanest dirty shirt in the hamper.

So the world is stuck with us, right? Because who's going to take the euro, the yen, the RMB, the pound? None of these currencies are qualified to be the reserve. And I agree — but neither is the dollar.

But what everybody overlooks when they're looking at all the dirty shirts in the hamper is that there is one monetary asset that's not in the hamper — and that's gold.

And that is what's happening right now. The world is going off the dollar standard and back on the gold standard.

And we took the world off the gold standard — and now the world is taking *us* off the dollar standard.

When we went with Bretton Woods and we got the world to go on the dollar standard, it was only because we had all the gold. The dollar was not only as good as gold — it was backed by and redeemable in gold on demand. So the whole time that we operated under Bretton Woods, we were on a gold standard.

1971 was when that ended. That was the first time the world was on a fiat standard.

And so rather than looking for another fiat currency to replace the dollar, all the world has to do is go back to gold — because that's what it had before the dollar, and that's what works, and that's where we're headed.

That's why the price of gold is \$4,000.

It's been central banks who have been buying. Retail investors — especially in America — have been selling the whole way up. I mean, maybe they finally bought a little gold over the last month. The media finally started to notice it.

And I think it's kind of crazy — so many people now keep asking about: “Gold's in a correction now,” “Gold's... is the bull market over?”

We're at \$3,950. I mean, we're only off from a peak that we hit for a day or a week. Gold is headed up. There is no real correction here. Gold is going much, much higher because it is being remonetized by the central banks.

But the next step too is going to be investors realizing that they need to own gold.

I mean, gold has outperformed — now this is the 2025 conference — 25 years ago, if you bought gold, you're beating the S&P 500 including the dividends.

Wall Street is finally recognizing that we're not really in a bull market. The Dow Jones in the last 25–26 years is down 70% if you price it in real money — and that's gold.

And so the world is remonetizing gold, and this is a massive game-changer for the United States.

I think it's going to be a blessing for the rest of the world to be off the dollar standard. In fact, when Donald Trump announced his liberation day tariffs, I said that it was liberation day for the world because ultimately that was the beginning of liberating the world of the burden of having to support the American economy.

Because it has been a very expensive burden to use the dollar as the reserve currency — because that means the world has to support 300 million Americans who don't produce. Or some of us produce, but the vast majority of Americans don't produce, and we just live off the productivity of the rest of the world.

We borrow what the world saves and we consume what the world produces.

But without America, the world doesn't lose its factories. It just gains its production. Instead of exporting what they produce, they consume what they produce. Instead of loaning us their savings, they invest their savings productively in their own economy.

Anyway, I'm looking at my time, which is running out, so I want to remind everybody — I've got a booth. A lot of you weren't at my workshop yesterday. But we have a booth if you have some questions, you want to talk to us about our investment strategies and the way to profit and capitalize from this massive monetary shift that is now underway.

Also Adrian Day, who manages our gold fund — and I think you know this gold bull market is just getting started — and these gold stocks, I think, are going to go on an

even bigger run between now and next year than they have between the last conference.

So I'm not thinking that it's time to sell these stocks. I think the biggest mistake investors are going to make is getting out too soon.

But Adrian Day has got a workshop. He manages our gold fund and our gold strategies. His workshop is tomorrow at 6:30, I think, or 6:35 in the Winston Churchill room upstairs. So I'll be there and you guys should too.

Jennifer Shaigec

"The Rhyme Of History"

Good evening. Quick show of hands, please. How many of you know who this is? Anybody? No. I think she is one of the most influential people in the global monetary system today. No, it's not me. As you heard earlier, my name is Jennifer Shaigec. I am known to many on Twitter as JennyManyDots.

Now, that's a character in the musical Cats. I've always loved to sing, but a lot of my Twitter followers assume it's because I have this love of connecting many dots. And I look at it this way: Sometimes I think if we don't zoom out and look at all the information that is out there, we're going to miss an important part of the overall picture. And so this is what I try and accomplish with my Twitter feed. I often put out threads and information that I think people have overlooked that's really important.

And so I'm going to give you many dots tonight and hopefully by the end you'll understand some of the things that are happening in the world today a little bit better. So what better dot to start with than history, it doesn't repeat but it definitely rhymes. So I wanted to talk about some important moments in the evolution of American money that I think we're seeing rhyme today.

So before the dollar existed, colonists conducted their trade through commodities, supplemented by credit notes and their most trustworthy coin was a Spanish silver dollar. But as they sought independence from the British Empire, they decided that they needed a national coinage of their own. And so in 1792, the U.S. Mint was established and the dollar was born.

From 1792 to 1873, the U.S. actually operated under a bi-metallic standard and so gold and silver coins were accepted as legal tender and that ratio, it changed over time as the market value of those metals shifted. But the Coinage Act of 1873 effectively put an end to the silver side of that system. By 1900, the U.S. was on the gold standard.

Now, there were a lot of calls for a return to that bi-metallic standard. That Coinage Act was later called the Crime of '73. In fact, it was such a big deal there was a book written about it. The Wizard of Oz is a monetary allegory. You're never going to look at that movie the same again when you know that Oz represents ounce. Yellow brick road is for the gold standard. And in the book, Dorothy's slippers were actually silver.

Now in 1930, Bank for International Settlements was created and it was originally known as the Agent General for Reparations because it was tasked with overseeing Germany's reparation payments following World War I. In 1944 we saw the Bretton Woods agreement signed and then World Bank, United Nations and the IMF were created.

In 1969, the IMF created something called the SDR or the Special Drawing Right. Now, if you're not familiar with those, please go to the IMF website and read about them. I think they're going to play a really significant role in our financial future, and I believe they already have, but not a lot of people know that they exist.

1971, Nixon shocked the world by ending the U.S. dollar's convertibility into gold. And this ushered in an era of floating exchange rates. So currencies became more volatile, increased the monetary supply, and loosened credit conditions. And those things contributed later on to '97's Asian financial crisis, 2008 GFC, and the 2010 Eurozone crisis.

So when Nixon lifted that hard cap on the dollar and America could just print money with abandon and spend beyond their means, it eventually resulted in a little bit of a debt problem. But when did it become a problem? Well, in 2008 in October, foreign holdings of U.S. treasuries peaked — been on a decline ever since. In 2011, S&P Global downgraded the U.S. credit rating followed by other major agencies like Fitch and more recently Moody's.

But it's that graphic there, that central bank one, that I found really striking because you can see for decades central banks were net sellers of gold and then around 2008 that flipped and they became buyers. Why was that? It's at that point that U.S. debt became structural. And so I think it's around that time that the debasement trade actually began.

So America has a debt problem. When does it become a debt crisis? That moment usually arrives when a government starts to spend more on servicing their debt than they do on core government services. And so when you surpass military spending, that's a big red warning sign. But these other things — not so much an issue until, projected to be about 2035.

However, if one of the events there — massive cyber attack, war with China, or a market crash — or heaven forbid, two of those things were to occur, that 2035 projection can be dramatically shortened and America might be facing a debt default much sooner than anticipated.

But I would be remiss if I just discussed the evolution of American money and not that of their greatest adversary, China. For centuries, silver was the foundation of China's economy. Imperial dynasties experimented with paper currencies, but that always led to inflation and a loss of trust. And so in 1581, Emperor Wanli insisted taxes be paid in silver. Interesting to note, the Chinese word for bank is “silverhouse.”

So under the Ming and the Qing dynasties, China became the center for global trade, and that was known as the Silver Age. And China exported copious quantities of silk and tea and porcelain initially to the Spanish Americas and then later to the British Empire. Well, we all know how much the Brits love their tea. So pretty soon they had a massive trade deficit with China and China didn't want to be repaid in British exports. They wanted silver.

So the British had to come up with a rather creative solution in order to reverse this deficit. They decided to take some opium from their colony in India and import that into China, get paid in silver, and pay the Chinese off for their debt. So before long, opium created a bit of a problem in Chinese society. One in four Chinese males at that time were estimated to be addicted to the drug.

And just a “history doesn't repeat but it rhymes” note — fentanyl is a synthetic opioid. Next time you hear about the fentanyl crisis, keep that in mind.

So eventually China had enough of this. They decided to ban opium and they confiscated a rather large and lucrative shipment of this drug from Britain. And Britain was angered of course by this, and so they responded with force. They had a much larger military and China lost the battle and had to cede several key trading ports, and Hong Kong was one of them. And they'd already lost Taiwan to the Japanese, got it back, lost it again in the Chinese civil war.

So this was a really brutal time in Chinese history. They sort of referred to their history in two distinct time periods: before the Opium War and after the Opium War. But that century of humiliation there was really tough. And to add insult to injury, that 1873 Coinage Act in America that I mentioned — that really restricted the global flow of silver and impacted China's economy as well. And Chinese immigrants back in America were taking a bit of slack for all the economic hardship that was happening there.

So that century of humiliation, China really views that as coming to an end largely when Mao Zedong came to power in 1949. And their army was renamed at that point from the Red Army to the People's Liberation Army, kind of signifying that they'd been freed from foreign oppression.

But now, President Xi — he believes that now is a new era for China, that it's now that their dignity will be restored from that century of humiliation, that they will once again become this global superpower. Well, he intends to do this through socialism with Chinese characteristics.

It wasn't just China, though, that silver was really at the foundation of their economic system. It was globally. Silver underpinned tax and trade for over 2,000 years. Even the word rupee — rupia — wrought silver is what it translates as. So globally, silver was key. But that really came to an end with the Silver Purchase Act of 1934.

The United States decided that they wanted to increase their silver reserves and they would pay a significant premium to do that. So it's sort of like that reverse carry trade we saw recently. There was this massive global outflow of silver back into the United States, and the United States knew — they put in that Silver Purchase Act — that they recognized this would cause some unfortunate effects on other nations. It didn't hurt anybody more than it hurt China.

They had been rather prosperous until that time. They largely escaped the effects of the Great Depression, but because they were such a silver-based economy, that plunged them into a rather dramatic depression. And they were the last major country in the world to leave the silver standard, in 1935. So really recent history in my opinion.

So when Nixon closed that gold window, his Treasury Secretary John Connolly said, “The dollar is our currency, but your problem.” Basically told the rest of the world, “Too bad, so sad. You all deal with it.” And Europe and Japan in particular responded to this. They were very upset and thought this meant that now the U.S. could unilaterally make decisions that would impact the global economy. So nobody was too happy about it.

Now we all know Federal Reserve — most powerful central bank on earth. So when Jerome Powell speaks, everybody listens. But the fact is the U.S. does not operate in isolation. If you're just watching Jerome Powell, it's a little bit like watching a team sport and trying to understand the game by just watching one player. I think we need to pay attention to what all these other central banks and institutions are saying because they have an impact too.

So what are they saying? Well, Christine Lagarde, European Central Bank — she has said that issuing digital currencies will be critical for which ones ultimately rise and fall. Mark Carney has repeatedly said that the Renminbi will be the new global currency and that transition will not be smooth. Bank of Japan has said there is no future for those that turn their back on globalization.

Andrew Bailey from England has talked about the U.S.'s exorbitant privilege. Bank of Australia — “we're on the verge of a collapse in U.S. dollar hegemony.”

But it's this name at the beginning that I mentioned to you — Kristalina Georgieva. She is the head of the IMF, and she has talked a lot about having strong redistributive policies. She's talked about a standard global tax rate for developing nations. She's a bit like Robinhood. She wants to take from the wealthy nations and give it to the poor.

But the IMF has this gentleman in the bottom corner there, Johannes Wiegand, and he has written several papers about that bi-metallic standard. And so he has said precious metals have played the stabilizing role in monetary history. Please note, he says precious *metals*. He doesn't say gold. And then the Bank of China — they have said an international reserve currency should first be anchored to a stable benchmark, but supply should be flexible. So just to note — the gold standard, not really flexible. But you add silver into the mix and it makes it so.

So I hope you're seeing by now — I think a lot of people have been very skeptical that the BRICS could take down the almighty dollar because, you know, all these nations are backwards, their leaders don't even get along. But I think we need to think BRICS and not BRICS. This is what I mean by that: All of these institutions and individuals for almost two decades have been building the financial infrastructure that is required to take down the U.S. dollar and replace it as the world's reserve currency.

I've written a paper. It's pinned at the top of my Twitter feed. It's about 53 pages. But yeah, I go over central bank digital currency pilot projects and things like that. So if you're interested in the mechanics of all of this, I have it pinned to the top of my Twitter feed.

But Johannes Wiegand from the IMF — he is not the only one that likes the bi-metallic standard. In fact, Milton Friedman — he called it primitive but ingenious. He wrote a paper about it, *Bimetallism Revisited*, in 1990. And he said that the economic history of the world would have been very different had Britain just chosen instead to retain that bi-metallic standard.

I'm sure everybody heard those headlines — saw those headlines back in January — about the massive movement of precious metals from London to New York. So, you know, at the time the press was saying, “Oh, this is the threat of Trump tariffs.” So I circled for you there on the London vault data those few months that that happened, and you can see really it's just a small blip on the radar. I think it serves us better to zoom out and look back a little bit since 2021, because by tonnage, gold was down about 13%, silver 40% — 40% from the vault.

And during that time China actually imported record levels of silver from the UK, much of which was unaccounted for in industrial use — so that was not just for solar panels.

So I found it interesting — this paper *Gold and Silver* there in the top corner. That's one of the ones that Johannes Wiegand wrote for the IMF. But he posed the question: Why then expose the world to monetary instability?

And I think sometimes we don't think beyond our own borders. So we need to think about other countries and their cultures. And it turns out in the Quran that the most perfect form of money for them — there's a couple verses about this — but all sects of the Muslim faith, bi-metallic standard would be their perfect currency. Not the gold standard, not fiat, not crypto — it would be the bi-metallic.

So Bretton Woods — it was really a battle of Bretton Woods in 1944. It was John Maynard Keynes from Britain and it was Harry Dexter White, the American. And Harry Dexter White really won that battle — the dollar standard. But John Maynard Keynes had proposed something called the Bancor. Well, today the Bancor would be the SDR with a bi-metallic backing. I think that's where we're headed.

So Mark Carney, who is now my prime minister — yes, I'm Canadian — he has talked repeatedly about SDRs. He's referenced this report from the Peterson Institute, "Why SDRs Could Rival the Dollar." But he did something really interesting. He called for the creation of temporary enhanced substitution accounts to allow large reserve holders to exchange U.S. dollar reserves for SDR-denominated securities.

So the IMF — they actually granted his wish and they created two off-balance-sheet trusts. This is very important — off balance sheet. So normally the IMF general account would be subject to U.S. veto power. Off balance sheet — they are not. So they're under the names Resilience and Sustainability Trust, and Poverty Reduction and Growth.

I have a little bit of a background in forensic accounting, and on a Friday night — this is kind of fun for me — I thought, I'm going to look this up, go down the rabbit hole, and see where this money is going and what these are all about. So in order to participate in these off-balance-sheet trusts, you need to be on this list of 20 prescribed holders. And you can see European Central Bank is on there, but they're mostly these multilateral development banks.

In order to donate your SDRs, you need to have a voluntary trading agreement. So you can see the U.S. is not involved — not on either list.

And I like to think I'm kind of good at this, but billions of dollars of taxpayer money going into these trusts — and the one when I looked at it, you know, it had about 16 different accounts that were listed, multiple currencies — it was impossible for me to track this. I really had a difficult time and I hit a dead end. So like Jerry Maguire says, please show me the money IMF — because I couldn't find it.

So I thought, well, I'm going to narrow it down. I'll just look at one. So I took \$8.2 million Canadian taxpayer money for a gender-just low-carbon rice value chain project in Vietnam. And again, I hit another wall — and this, the partner on it, had been delisted and expelled for failure to communicate their progress.

Now, interesting to note — that partner, they're based in China. So this is a Vietnam rice project with the Canadian government, partner in China, has been delisted. So as far as I could tell — unless somebody is welcome to prove me different — but I had a pretty good look. \$8.2 million Canadian taxpayer money in a black hole in China.

Well, Canadians right now — they are lined up in record numbers at food banks across the country. So hopefully they can get a box of gender-just rice while they're there.

So President Xi — I mentioned earlier socialism with Chinese characteristics. I think he and Kristalina from the IMF probably have a lot in common. She is from a communist country as well. And with her strong redistributive policies, they're pretty much on the same page.

But I find — you know, if you look at what the United Nations and the IMF and the World Bank are all doing — they're very much along the same page there. But when I looked at this, it really struck me that the Bank for International Settlements — I just learned this last week — about the Agent General for Reparations. And I thought, you know, who better to administer or oversee those reparation payments that the UN has said — \$170 trillion worth in climate reparations from nations like the U.S. and Canada?

So whatever you think of President Trump — I'm Canadian. If I was American, I'd be a swing voter. So no political commentary from me whatsoever. But I find it really interesting that, you know, Trump — he withdrew from all of these initiatives. And as a Canadian, I'm watching this and sort of mortified, to be honest. I gasped — the U.S. is leaving the WHO? The U.S. is supposed to be leading, not leaving.

But then I started looking into all this and I thought maybe Trump couldn't figure out where that money went either. And the other thing that he did that I found interesting is he prohibited the establishment of central bank digital currencies in the USA. Another interesting move, given that the rest of the world is working on these central bank digital currencies with the Bank for International Settlements, and they intend to implement these by 2027.

So Scott Bessent, Treasury Secretary — he recently gave a speech, and funnily enough, he mentioned this Resilience and Sustainability Trust that I just mentioned to you. And he said, “You know what IMF, this is not really what you were created for. You're supposed to be about financial stability. Why are you talking about things like gender and climate?” And he mentioned that the U.S. is in it to win it at these institutions.

So the House Select Committee on the CCP — they released a report. In it, they said, “The U.S. now has a choice — accept Beijing's vision of America as its economic vessel or stand up for our security, values, and prosperity.”

I was pretty impressed by that quote, and I thought, you know what — looks to me like the U.S. is making the right decisions. In my country, I'm a little concerned that we are Beijing's economic vessel.

So in 2023, The Economist published an article about potential indicators that we could be seeing that China may be preparing for a war with the United States. So I went through every single one — and sure enough, check, check, check. China's been doing these things.

But what I found interesting is — you know how I showed you that chart earlier about central banks? Same time, around 2008, China really started stockpiling a lot of commodities — food in particular. You can see that's quite the graphic there.

So I am not the only one that is concerned. And Danielle DiMartino Booth — she mentioned too that the only way somebody will basically take over the U.S. as the world reserve currency is through conflict. And I think we are headed there.

But Admiral Phil Davidson — he was testifying before the Armed Services Committee in 2021, and he said the threat is manifest during this decade — the next six years. So 2027 became known as the Davidson Window.

But again, he is not the only one. There was a memo leaked from General Mike Minihan in 2023, and he said, “I hope I’m wrong. My gut tells me that we will fight in 2025. Xi’s team, reason, and opportunity are all aligned for 2025.”

Then this past May, Brigadier General Douglas Wickert — he gave a chat at Andrews Air Force Base and he said, “This is the decisive decade of all of our lives. This is a conversation we should be having at all levels.” And he had just finished an exercise where they simulated attacks on the power grid and communication disruptions. And he made the comment, “If this war happens, it’s going to happen here. It’s going to come to us.”

And I think as North Americans, we’ve become really complacent about that because we’ve never known war on our soils. So that comment really hit home for me. But the generals aren’t the only ones. In fact, Elon Musk — he said war is an increasingly significant consideration, and he would know. He was just given a briefing around that time at the Pentagon about that.

So when General Wickert said it’s going to happen here, I think this may have been what he’s talking about — especially given the exercises that he had just conducted.

But in April of 2024, there were multiple 911 outages across four different states. And at the time, the media said, “Whoops, somebody was putting in a light pole. Cut a cable.” But guess what? In October, a few months later, Wall Street Journal broke that story. It was a potentially catastrophic hack by China’s Salt Typhoon hacking group. That’s another one — if you haven’t heard of it, check out Salt Typhoon. Washington is really panicking about this group.

So, I know you probably all heard this quote, “You’ll own nothing and be happy.” But I’m on Twitter a lot and I can tell you this was posted on the World Economic Forum’s Twitter page in 2018 — “You’ll own nothing and be happy.”

And yeah, people think of it as a conspiracy theory, but I started thinking about it. You know, I used to own things. I had books. I had VHS tapes, records — all of that. I don’t own that anymore. I subscribe to it. Just weird thinking of that.

And I’m not a princess. If the lights went out, I can do without my digital entertainment. But could I do without my mail, my phone, my access to cash? Be a little bit more difficult. And I suspect for all of you too.

But it was these two predictions in 2018 that they posted — I thought it was pretty arrogant, to be honest. And at the time, 2018, I would have laughed that off. But

now I'm kind of concerned about this. They said the U.S. won't be the world's leading superpower by 2030 and that only a handful of countries will dominate. Very concerning.

So I think the time is now. You may have noticed I like the use of alliteration. I've given you five M's here. I'm out of time, but please take a screenshot of this. I'm around the conference all week, happy to chat and have this discussion because, as the general said, it's one we should all be having. Future belongs to those of us that prepare for it today. So, please do. Thank you.

[applause]

Mark Skousen

“Trump's Dangerous Mission To Create A Fortress America: Will The Roaring Twenties In Stocks, Gold And New Tech Continue?”

Thank you very much. Delighted to be here today as a kind of unique experience. I was just talking to one of the attendees who I knew from the past. He invited me to speak at the AAll chapter in Baton Rouge, Louisiana. And he said, "You were the final speaker at AAll in Baton Rouge because they closed down after your talk."

So, [laughter] ah boy, you just never know what hits you every morning, right? Anyway, thank you all for coming so early this morning.

Donald Trump faces two threats this week. The first one is the election today in New York City where a Democratic socialist will be elected mayor of New York. It shows you the level of economic illiteracy that is taking place in this country.

I give a talk to college students all over the country on the subject of what's better than democratic socialism. Why do I have that topic? Because that attracts a lot of young people who are attracted to democratic socialism. So they come and hear me out.

And what do I preach? I demonstrate why democratic socialism cannot work because it fails on the incentive level. There's no incentive to make more money, to be better off, and so forth. The end result of — you can't get rid of a bad idea unless you replace it with a good idea. And what is that good idea? Democratic capitalism.

Because democratic socialism is sharing the poverty. Democratic capitalism is sharing the wealth. And the incentives are still there even as it's democratic.

And the other threat to the Trump administration and Donald Trump in particular is his Fortress America thesis that he's trying to impose on the United States. Now, I realize that there are a lot of Trump supporters in this audience, but you still need to understand that just because he does most things right, he may get some things wrong.

And I am fully in support of Trump as a negotiator if the end result is lower trade barriers of all kinds, tariffs and so forth. But that's not what's happening.

What's happening is we're seeing increasing tariffs across the board. The Supreme Court is going to rule perhaps this week, maybe next week on the tariff issue. Did the president of the United States exceed his authority with these executive orders? And it's pretty clear to me that the answer is yes to that.

If you read the Constitution of the United States, which I have and many of you have as well, you know that it's Congress, not the president of the United States, that determines tariffs and duties and so forth. Article 1, Section 8 of the Constitution.

So, let's talk a little bit about some of the changes that have been taking place.

First of all, I think in a positive light, illegal immigration is minimized under President Trump. And I think that's a good thing because while I'm a firm believer — you go all the way back to Ben Franklin who believed in a liberal immigration policy back in the day where there was no such thing as an illegal immigrant because anybody could come to America.

But Franklin always said, "We invite everyone to come, but it's not who you are, but what can you do to improve America?" And that's what we want with a liberal legal immigration policy. So that part is not being achieved because H1B processing delays — look at that — to legally come into this country has never been more difficult than it is today.

And that needs to change because you look at what America has achieved. This American Dream that Alex Green's talking about in his book *The American Dream*, which Benjamin Franklin practically invented.

And you'll note that it was immigrants. It was the melting pot of America that made America great. Study after study has shown that America's genius is the Constitution and inviting people from all over. And I've been to 81 countries. Anybody done better? Maybe a few of you. I've been to 81 countries. And America is unique because you see such a wide variety of people and they're all trying to achieve industry, thrift and prudence in their lives — the trios of Dr. Franklin.

So, I think Donald Trump has actually been channeling Ronald Reagan and Ben Franklin. I'm not sure he's done a really good job of it, but there is a picture where Trump brought in the Houdon bust of Ben Franklin and above is the picture of Ronald Reagan.

And I have a couple of quotes there — Ronald Reagan — just to remind President Trump about the beauty of globalization. And yes, globalization has been disruptive. It has caused many Americans to change jobs. And it's not an easy track.

By a show of hands, how many of you have changed jobs in your lifetime? I mean, you're seeing a large number. It's hard for me to see you, but a large number of you raising your hand.

Capitalism is all about dynamic disruption, as Clay Christensen called it from Harvard. Dynamic — it's changing. And you must adjust to change. You must adjust your portfolio to change. And these things are extremely important.

So here is a dramatic indication of the first stage of Fortress America. Now what do I mean by Fortress America? Well, if you live in a town, do you have to ask permission to come and go into the city? No. People are coming and going all the time. Immigration and people leaving and moving and going elsewhere. That's the town concept of America.

But a fortress is a castle and it's surrounded by a moat and you have to get permission. Who comes in and who leaves? And which is more dynamic, the town or the fortress or the castle? It's the town. And too many of us have developed a fortress mentality.

Globalization is the greatest benefit that we have ever experienced in the United States because not only are we better off because of it on net balance despite the disruptions, but other countries have made a difference. America has led the world in globalization.

Are we going to change that? And what are the implications of that? That we will see.

So I am concerned. In the panel yesterday, I talked about my concern about B2B spending — business spending — the real driver of the economy. It's the supply side. It's not the demand side. Demand takes care of itself. What makes America great is on the supply side. Innovation, entrepreneurship, new technologies. We lead the world.

Name the five biggest companies in terms of market cap. Can you name them? Amazon, Microsoft, Apple, Nvidia now number one.

So all of them are based in the United States and some of them are run by legal immigrants. So we make sure that door is open.

But I am concerned about the decline in business spending. Consumer spending is the only thing that's keeping the economy going and that can't last forever. So we will see what happens. There are danger signs about the future.

Now, like you, I look at the presidential cycle. The first year is usually the most underperforming, but it's done really well. It has gone really against the traditional view that the first two years of an administration is the most high risk in terms of investors. So we are blessed by an absolutely outstanding performance in the marketplace.

So what are the best inflation hedges for 2025? I'm quoting from my newsletter here. My newsletter is now 45 years old. I started my newsletter in the year the greatest president of the 20th century was elected. So when did I start my newsletter? 1980.

And I still remember the 1980 New Orleans Conference. Never forget it. Ronald Reagan — it was right after, a week after, the election of Ronald Reagan, President of the United States.

And the biggest shock to me was that hardly anyone there, including Jim Blanchard, the founder, thought anything had changed — that Reaganomics would fail and that gold and silver would continue to rise.

And myself and a few others saw things differently. We turned out to be right. I gave a promotional copy that said, "What is the financial shock of 1981?" and you open it up and it said Reaganomics will work. Sell your gold and silver and buy stocks and bonds. And we've had a good 40-year run in stocks and bonds as a result. And gold though in the 21st century is now the best performing asset. We'll get into that.

So, maybe I should go back here.

Technology — in my newsletter, XLK is an actively managed technology fund. I'm going to go through these fairly quickly. We'll have copies of my newsletter at the breakout at the speaker table number one at 9:40 this morning. And I'm going to have a little announcement about that.

All right. But this one's done well. Actively managed accounts are not necessarily bad if they're done well, and some of them are doing it really well.

Another one is technology itself. The S&P 500 is heavy laden with technology. Obviously done really well there.

And I use Goldman Sachs. I talked about this yesterday. Goldman Sachs up 40%. Why? Because M&A activity is extremely popular right now under the Trump administration. So how do you profit from that? Well, I think Goldman Sachs is the best of the Dow stocks. I have a Flying Five portfolio that you'll want to pick up when you get a copy of my newsletter and take a look at that.

The gain in Main is simply insane. Main Street Capital. I see Russell Gray has a program out here called Main Street Capitalism. I hope you all stop by and see what he's doing there. This is a great idea. But Main Street Capital is a private investment company up 34% this year. It's underperforming a little bit this year. It's not doing as well, but I've had this investment since 2007. It's the only stock, ladies and gentlemen, the only stock that pays a dividend every month and every quarter. Name me another stock that does that. And it has a rising dividend policy. And the yield after all this rise is still 7%. It's pretty amazing.

What about oil and gas? Well, you have to be very careful there because oil and gas prices, especially oil prices, are declining. And yet the Williams Company, which is a pipeline company with natural gas and linked to the data centers, you can see has done really well.

What about nuclear power? This is an area where I think this is just the beginning of a major bull market in uranium. I think you have the chance of making more money

in uranium stocks than you do in all the gold stocks that are out there that are promoting because Robert Prechter may be right — we may have a bit of a correction here that'll last for some time in gold. We'll have to see. But uranium — everything is coming together in that marketplace. So URA, the ETF, is a great way to play that.

Gold obviously doing really well. I've always thought that gold went up too far too fast — over \$4,000, going from \$2,000 just two years ago to \$4,000 today. It's pretty dramatic.

And my favorite gold stock is Kinross Gold. It has the highest profit margins of any gold mining company. It's been reducing its debt. I talked to Rick Rule the other day about it. He was very positive talking about Kinross Gold. So that's my favorite gold stock. So while gold is up 50%, Kinross has tripled. It's up 150%.

So yes, the easy money's been made. That's the most hated term in the maxims of Wall Street. The easy money has already been made. So we'll see what happens.

But the title of my newsletter, my monthly newsletter, is Beating the Market in 2025. So we're up an average 30%. I would like to think after 45 years of engaging in this business that I have matured. I've been through booms and busts, bulls and bears, crises, stock market crashes and so forth.

I have argued that we will not see crashes in our lifetime anymore for a variety of reasons. I talk about that tomorrow night — or tonight I have a 6:35 breakout session. I'll be talking about why we will have bear markets but not crashes. There's a number of reasons for that.

And silver, of course, is doing really well. And in fact, I give a silver dollar to every one of my students who take my courses at Chapman University. I don't know, \$60 a coin — that's quite a bit of money out of my pocket, several thousand dollars. But I'm willing to do it because I want my students to know that the silver dollar should not be in a safety deposit box, but circulating and being used as gifts and anniversaries and in employment situations and so forth.

This is an interesting discussion about how well blockchain Bitcoin has done. Gold is finally at the top of this chart in 2025. I'll be showing this tomorrow night as well, but it does show you the power of Bitcoin — and maybe Bitcoin in 2026 will be the big winner. I think uranium stocks have a better chance. But I do like BLOCK, Amplify Transformational Data Center ETF. It's long term, but BLOCK is a much better way to play it. It's doubled the return of Bitcoin because it invests in companies that play the crypto market.

Triumph of the optimist. American exceptionalism has endured even into the 21st century. Stock market has outperformed the other world currencies.

So if you look in my portfolio, I have only one foreign investment and that's in Argentina. Argentina President Milei has proven he can take a punch and he can

recover. So there's a lot — he lives nine lives. So I'm very bullish on what Argentina can do.

Investments to avoid: TIPS, Treasury bonds, they don't look too good, either one of them. Probably want to stay away from them.

Well, I want to end my discussion, a little bit about Benjamin Franklin, my new book *The Greatest American*. And you know, we say George Washington is first in war, first in peace, and first in the hearts of our countrymen. We've always said that. But Ben Franklin comes in a close second because he was the first diplomat in America. He was the first scientific American who invented all kinds of great things. He was the first Postmaster General. He was the first person to issue a coin — and it was not gold or silver, it was bronze. It was the American penny and he designed it and underneath it he said, "Mind your business" was the title underneath it.

[snorts]

So anyway, I'm very excited about my book *The Greatest American*. Came up with 22 careers that Ben Franklin had. So normally, my book, I'm making the case that if anything can bring America together again, it is this book *The Greatest American* about Benjamin Franklin. And I'm suggesting it should be a coffee table book. And why do I say that? Because I've spoken to many groups — Republicans and Democrats — and whenever I quote Franklin, they all nod their head in agreement.

"A virtuous and industrious people may be cheaply governed." Republicans and Democrats agree with that. The only difference is we don't have cheap government anymore. It's expensive. And the Democrats tend to favor the expensive government.

"The system of America is commerce with all and war with none." Idealistic, but one that all Americans can agree on.

So, I'm doing something kind of unique, and I hope this works. I'm just trying to do something kind of fun at my book signing at 9:45 — yeah, 9:40 this morning at the exhibit hall, come to the back, the speaker's table.

And if you have a \$100 bill — and who's on the \$100 bill? It's called a Franklin.

All right. A \$100 bill. That's what the charge is for a one-year subscription to my newsletter or renewal. If you bring a \$100 bill, you will get an inscribed copy of *The Greatest American* that I'll sign plus a rare Franklin stamp.

Now, these stamps are really unique. One is a half-cent stamp — Franklin stamp — with Franklin's image on it. Do you realize you could send a postcard for half a cent back in 1940? Half a cent. Now it's 78 cents just for one stamp. It symbolizes inflation.

Plus there is a unique stamp called the Washington–Franklin stamp. The father of our country and the grandfather of our country together on one stamp. So, I have

these stamps for you to choose and I will put my DNA in the inscribed copy of this book.

So, that's what we're going to do at the breakout session at the exhibit hall session. If you can do that, this is a little plug here for my FreedomFest conference. I hope you'll consider coming. The World's Fair of Liberty will be in Las Vegas in July.

And so let me just say that I have this book signing at 9:40. I hope you come by with your \$100 bill and we're going to do a social media photograph of us — anybody who brings a \$100 bill. You can show the \$100 bill, copy of the book, you get the inscribed copy, and I think it'll be a lot of fun.

So, I hope to see you at the book signing and then my workshop at 6:35. I know that's dinner time, but for those of you who come, I have an amazing program, amazing graphs — how to profit from 10 shocking charts about money and the economy.

So, I thank you all very much. And to quote Ben Franklin, “ladies and gentlemen, be free.” Thank you.

Matt Taibbi

“The Divide: American Injustice In The Age Of The Wealth Gap”

Thank you. Thank you, Robert. Thanks also to New Orleans Investment Conference, Jefferson Financial, to Brien, to Viva if he's in here, and to everyone for coming out today. It's a pleasure to be back in this city. My family decided to come with me this time because they had so much fun last time. So, thank you all for being such a great and welcoming city.

My name is Matt Taibbi. I've been a journalist for 36 years now. I come from a family of them. My stepmother was an anchor person. My godparents were editors overseas. My father was a TV reporter for 50 years. So this is the family business.

My father used to teach a journalism course. On the first day of classes, the very first thing he would say to students was, “my advice to you is to drop out of this class because you don't need it. You can learn this job in just a few hours.”

And he always told me that journalism is an easy thing to learn, a very hard thing to master, but most people don't become journalists on purpose. If you're in the business, you'll find that a lot of us are dropouts from med school or from law school or from some other more exalted profession that we just couldn't hack. So, there are a lot of strange people who end up in the business. Hunter Thompson once said that a photo of the world's 10 best reporters would be a monument to human ugliness.

So, I grew up with this idea that reporters were rejects and didn't really have any expertise. My career went a little differently than my father's. I spent most of my early career—over a dozen years—overseas, mostly in the former USSR, and I saw enough horrible things while I was there to last a few lifetimes.

Now I'm 55, and while I don't think he was wrong to denigrate our profession and make fun of it, I do think journalists are one thing at the end of the day, we're witnesses. And I was a witness to a lot of horrible things overseas and crazy things.

I thought about that last night as I was watching the election returns in New York, as Zohran Mamdani won the New York mayoral race. I was particularly amazed by a scene from the victory party involving the well-known podcaster Hasan Piker. He was being interviewed by another podcaster named Rania Khalek, and he said this, "We are in the heart of the core of capital, of imperialism, the country that unfortunately beat the USSR."

After I heard that, I had two thoughts. First, I was amazed that people can forget history that quickly. And secondly, I decided to tear up the speech that I had intended to give today and write an entirely new one, talking mainly about the things apparently that generations of voters have forgotten about what happened in the last century.

I'm old enough to have gone to school in the Soviet Union. I went to Leningrad Technical University. And after the collapse of the USSR, I spent about a decade listening to stories about what life was really like during the Soviet Empire. A lot of these episodes were things I never wrote about because they were mainly fleeting observations about things and about how people behave in a command economy. And during that time, I also saw a completely corrupted version of capitalism that was a disaster all its own. And in the public reaction to that, watching a population trapped between two extremes, I saw—unfortunately—a preview of some things that are happening in our own society decades later.

So, I want to share a few of those stories, with your permission.

For background, I grew up in Massachusetts, deep-blue Massachusetts. I was a political liberal. Both my parents were Democrats. They supported the Kennedys and Mike Dukakis, and our congressman was Gerry Studds, if anybody here is old enough to remember him. I was a kid when Ronald Reagan was president. I don't really remember him terribly well except as the object of jokes made by comedians I liked—like Bill Hicks and Sam Kinison.

But I didn't go to Russia because I had socialist inclinations or because I was any kind of leftist. I went there for the very odd reason that I was a book nerd. I wanted to be a writer when I grew up, and all my favorite writers happened to be Russians—like Nikolai Gogol and Mikhail Bulgakov and some others—and I just wanted to learn Russian so that I could read these books in the native language.

However, I did have some feelings about America that were negative when I first went over there. I went through some hard times as a kid, a bad divorce in my

family, there were some bad things that happened, and I was kind of a depressive. And as a result- when you're a depressed person and you have a tendency toward depression, the last thing you want to see is people smiling. And in America, every time you turn on the television, there's a picture of somebody with a million teeth looking as happy as possible and this can be very exhausting for a certain kind of person, especially if you're just starting your life.

So America used to make me... I didn't have a great love for it in the same way that I do now when I was a teenager.

When I flew into the Soviet Union as an exchange student the first time, I got off the plane in Leningrad, and this was 1989. First of all, I remember thinking it was like somebody had turned the grayscale down on the entire planet Earth. All the color was gone. There were only a few colors in the Soviet Union and they were all muted and dirty, there were muddy greens and blues and grays. It was just depressing to look at.

When I got to my dorm—which was a mix of Russians and kids from communist countries in Africa and the Middle East, who had been sent to one of the coldest cities in the world to study things like refrigeration—it was the most depressing thing in the world. All the kids in the dorm, they all had terrible teeth. Nobody was smiling. Everyone was just like me. They looked down when they walked. They were depressed. Nobody had any expectation that their lives were going to get better in the future.

And I thought, "This is great. I fit right in. I'm at home." All the pressure to succeed was off. And I think maybe because of that, I hit it off with a lot of Russian people right away. I learned the language very quickly. I fell in love with the country.

It has some unusual quirks to it—a sense of humor that I think is unique to Russians and Americans. I think the two countries have a lot in common in a way. But I noticed a lot of things early on that were strange.

First of all, nobody read the newspapers for news. The only time I ever saw someone under 50 or under 60 even actually buying a newspaper in Russia was when one of my fellow students at the dormitory, he had a rip in his winter coat and it wasn't warm enough. So he bought newspapers, balled up all the pieces of paper, and used it as insulation for his coat.

That sounds like a silly observation, but the fact is Russians did not have illusions that their government was telling them the truth. They were very different from Americans in that respect. They didn't turn on the TV and expect that they were being told something real. They knew it was all propaganda. They were much more sophisticated than us in that way. That was very interesting.

They had a lot of, Russians speak in proverbs—what they call *pogovorki*. Everything rhymes. About Americans they say, "*Riadam s amerikantsom—bei ego prikladom,*" which means, "If there's an American next to you, hit him with the butt of your rifle." That's basically how I learned Russian is learning those *pogovorki*.

Another one was about the mentality in the Soviet Union and there's a famous one called, "what's mine is mine and what's yours is also mine," and that was a common joke. There was another joke about a genie who comes to a Soviet person and says, "I'll give you anything in the world you want. But your neighbor is going to get twice as much," so the person says, "Pluck out one of my eyes."

And that was the Soviet mentality.

[laughter]

But I saw very quickly in the first couple of weeks that there was a deathly serious side, even to the late-stage perestroika-era Mikhael Gorbachev version of Soviet communism. There were these kids called *faroshiki* who would show up at the school and they would sell things like rabbit hats, blue jeans, Western socks—anything that there was shortages of. They were particularly interested in people like me because they wanted to trade.

There was a kid I made friends with who helped teach me the language. And one day I woke up and he was gone. I found out he had been arrested and sent away for a long time. This was at the same time that the rector of the university was walking around openly clad in clothes that this kid had sold him.

And at 19 years old, this was a big lesson to take in: this idea that there were two different sets of rules. There was one that was written and then there was the real set of rules that everybody followed. In other words, on paper, the Russian laws sound quite just, but the unwritten rules were the ones that were important. And according to the unwritten rule, a member of the party, like director of our university, could wear western clothes and get away with it. But a street kid who actually sold them those clothes couldn't.

And over the years I would learn that as societies become more broken this schism tends to widen in societies and we see this more and more often.

While I was there in Russia there was a food crisis. They, all the food stores, were essentially empty. If you went in, you would just see empty shelves all over the place. And there was a phenomenon where if anybody at any store had anything for sale, people would immediately get in line and wait before they even knew what was on sale.

Often they would get to the end of the line and find out that there was nothing there, but they would get in line anyway. There was even a verb they made for getting in line, especially for this process. And they handed out even to the foreign students, even to people like me, little, what they called *taloniki*, or talons, which were credits for things like vodka or cucumbers or bread.

And this was incredible to me. Russia has 300 million hectares of arable land, which is just a little bit less than the United States which has 389 million, and it has about half the population. They also made use of forced labor. So even urban professionals in cities like Leningrad once a week had to do what they called

subotniki which was where they worked in fields to dig up potatoes or beets or carrots for free every Saturday.

So even with forced free labor of the entire population and price controls they could not deliver food to all their citizens, even a minimal level of food. And I asked one of my friends, I said, "How is this possible? How could you possibly have shortages?"

And the amusing thing was that part of the reason is because of Gorbachev's reforms. He had introduced a little bit of market incentive into some of the state enterprises, and as a result some people were making more money and so they were buying all the food and hoarding it for themselves, leaving shortages for everybody else. And it was just an early example in how central planning doesn't work.

But that stuff was not the really scary stuff.

There was another side to this. While I was in Leningrad, I saw an old textbook, and this is a fascinating lesson in how only things that are on paper or carved in stone can be saved from being erased by political movements.

There was an old textbook that had been printed in Leningrad on the 10th anniversary of what they called, the Soviets called, the Kronstadt uprising. Now Kronstadt is a little island in St. Petersburg that had been home to some of the most ardent supporters of the Bolshevik revolution. They were sailors who had turned against The tsar. They were all socialists. They were all members of the Bolshevik party.

But things were not going well in 1921. And they made demands. They wanted the communist slogan, "all power to the Soviets," which are these workers committees. They wanted that to be real. In other words, they wanted the elections to be upheld. So if one of them won an election, they wanted to be able to win that election. They also wanted freedom of speech and a whole list of other things that the Bolsheviks had promised.

But of course this was intolerable not to Stalin but to Lenin and Trotsky and Zenoviev and all these other early revolutionaries. And they massacred these Kronstadt sailors in 1921.

I bet if you ask most American college students when the atrocities started in the Soviet Union, they would tell you in the late '30s. But in 1921, they went in and they just killed all these people.

And in this old textbook, these sailors — who again were poor, they were revolutionaries, they were veterans of the World War, and they were ardent supporters of the Bolshevik revolution — they were described as petty bourgeois, white guard collaborationists. And I thought that was amazing, and this is the kind of thing that they don't teach kids in school now.

And as a result of that they think that communism just went awry because Stalin took it over and took a revolution with good intentions and turned it into something bad. Actually, it was corrupted from the very beginning by people who thought that the peasants and the soldiers and the workers lacked necessary consciousness to pull off the revolution and they had to be disciplined when necessary.

So, I started working as a reporter. I traveled all over the country from the Baltics to Ukraine to Central Asia to the Far East. And at one point I did a story on Boris Yeltsin and I traveled to his birthplace and the idea was I was going to do a series of articles about his journey from poverty to the presidency.

And his hometown is a place called Butka. It's literally in the middle of nowhere. If you look on the Russian map, it's almost impossible to find. And it's in between two cities. One is Yekaterinburg which is named after Catherine the Great. It was renamed after a guy named Yakov Sverdlov who oddly enough looks a lot like Mamdani. He was a Bolshevik organizer and chairman of the Communist Party in 1917–1918. So they turned that city and called it Sverdlovsk, and that region is where Yeltsin was from.

So, I went to the area. I asked around and I found the little hut where Yeltsin was from. And I stood in this little structure that still had a dirt floor. And on that dirt floor, his mother had gone into labor.

Yeltsin didn't come from a distinguished family. In fact, biographers searched in vain across hundreds of years of records for people named Yeltsin in the region and didn't find any. The first of any consequence who actually showed up on paper was his grandfather Ignati Yeltsin. And he was a person who was considered wealthy according to village standards because he owned a mill and a horse.

This is after centuries of work. The family had essentially accumulated one animal and had built one mill but they had a very tiny piece of property. They weren't wealthy by any conceivable stretch of the imagination.

Now, this contrasts with even what the most anti-communist western definitions of what we call kulocks or wealthy farmers. Kulak is a word that means fist and the communists used it to describe wealthy greedy farmers. This is the Encyclopedia Britannica explanation, "This was a wealthy or prosperous peasant, characterized as one who owned a relatively large farm and who was financially capable of employing hired labor and leasing land. They often lent money, provided mortgages, and played central roles in the village's social and administrative affairs."

But, you know, I asked around. Ignati Yeltsin didn't lend money. He wasn't doing mortgages. He just had a mill and a horse. He wasn't rich, but that was enough for him to become a victim of what they call *rasculasa*, the decolonization of Russia. He was sent away. The whole family was split up. He actually died in transit on his way to a camp.

And what happened was, as it was explained to me by somebody who lived in the village, is that during that time in these far away little regions where actual

revolutionaries from Moscow and St. Petersburg never traveled to, there was no revolutionary spirit. What happened was that all the people in the village who didn't have very much, they just pointed a finger at the person who had a little bit more, snatched him out, got him sent away to a camp or shot, and then they took the place over for themselves.

They gave themselves little red plastic badges, called themselves commissars of the NKVD, and just had a nice little drink for a couple of months and then afterwards took over the place.

And then here's the part again they don't tell you in history books. Anyone of means in that area — and I was told lots of stories about this — anyone above peasant class was just immediately liquidated in this part of the country.

I was taken to a house in a town nearby called Talitsa, which is like the county seat, where people of the middle and upper classes were rounded up. You were put in a line with your friends and neighbors and at the end you'd be asked to strip, take off your glasses and face the wall. Then you'd be shot one after the other.

I went into a basement in Talitsa and I saw a wall that still had bullet holes in it. And again, this was something that happened in the early '20s, not later on during the Stalinist years. So right off the top, they got rid of everyone from the wrong class and they got rid of everyone belonging to rival socialist groups — mensheviks, people called SRs, another group called the left SRs — all wiped out.

When that didn't produce the desired results, then they proceeded to start liquidating elements of the peasantry and the quote unquote working class. And that's when they started sending people, naming people like Ignati Yeltsin, kullocks and sending them to camps.

Young Boris Yeltsin, because he was separated from his actual parents — everybody was scattered to the winds. Some people were sent off to be liquidated or killed. The kids were sent to workhouses. And I actually met one of the people who had lived in the same workhouse as Boris Yeltsin. And I'll never forget the quote. He said, "It was a place where you had to fight with fists and with lead pipes for a place to sleep at night."

And that's where both Boris Yeltsin and, oddly enough, Gorbachev had the same background. They both grew up in these workhouses.

The stories about the upper class being liquidated — there was a flaw, the Soviets found in that method of just herding people down into basements and shooting them. It was too costly.

The novelist Mikhael Scholikov, who was a big believer in the revolution and somehow survived despite telling some pretty dark truths about it, wrote a letter to Stalin about conditions in towns like this in 1933 in a village called Vashinskaya which was closer to Ukraine, not quite so far north as where Yeltsin was from.

And he described how the kullocks or people who were some political offenders of any kind who lived on farms, they were evicted. Their property would be assessed at fractions of the value and sold off to the state.

And then he wrote about how a house, for example, could be bought for 60 to 80 rubles while such trifles as a fur coat or felt boots could be bought for literally pennies. The remaining collective farmers were officially and strictly forbidden from allowing evicted families into their homes to spend the night or warm themselves.

They were forced to live in barns, cellars, or on the streets or in gardens. The population was warned that anyone who let an evicted family in would be evicted along with their family. Moved by the cries of freezing children, lest he let his evicted neighbor in to warm himself.

And this was happening all over Russia. Again, I talked to people in Buka. They didn't remember it, but they remember being told this by their parents — about how this method of doing away with the political enemy, just letting them freeze to death, not even spending the money on a bullet, just letting them freeze to death, including kids, was a years-long phenomenon that went on for over a decade in that part of the country.

I never forgot that.

Sometime later I went to a city in the Arctic Circle called Varkuta. As I mentioned, I saw excesses of both capitalism and communism.

This was a time when the mine owners — Russia was being run as a pure mafia state. Every region had gangsters who had consolidated control for themselves. And if they kicked money upstairs to the right people, they would get protection from politicians higher up. And those politicians would derive all their protection from Moscow.

This is an ancient ritual that was the same in Tsarist times through communism and then after communism. Stalin even used to enact an ancient sort of Asian version of this ritual where all of the commissars from the various regions would give him tribute and presents and these sorts of things, and then at dinners he would rip off hunks of chicken to symbolize the fact that everything that you get comes from me.

And this is a thing that was drilled into the mentality of Russians across centuries.

So these mine owners weren't great improvements. They hadn't been paid in 9 months when I got there. Instead, every day they were given what were called tomarshki or breaks. The mine owners considered these advances on real salary. Essentially, what they were doing was trading in train cars full of coal for outdated food items from a neighboring city. And then they would wrap up little packages of stuff and every day they would give each miner a little foil package.

And that would be their entire compensation for working in the mine.

I watched a family of four — a miner, his wife and two children — eat a dinner that included one little chunk of kielbasa, a half an onion, a piece of cucumber and a hard-boiled egg.

There was an official union, but it didn't organize strikes. It was just there to calm people down. Anyone who worked in an actual union or tried to work in an actual union that organized people was immediately assassinated in this place. And there had been dozens of murders in Varkuta before I got there.

The owners had let safety conditions deteriorate to the point where there were multiple fatalities every week.

When I got to the bottom of the mine, which was one of the deepest in the world — it's the equivalent of two Empire State Buildings straight down under the earth — one of the first things I was told is that they don't have canaries that far north, so they relied on rats to tell them when there was oxygen in the mines. But because everyone was so hungry, they couldn't afford to feed the rats.

So when we walked through this mine deep under the earth, all you saw in every tunnel was just dead rats. And you didn't know whether they had died from hunger or from lack of oxygen.

I was told also that the other major danger, in addition to asphyxiation, was explosion from built-up methane. They told me that when there's enough pressure in these mines, that coal — they said coal cries — you would see little bits of, droplets of, what looked like water on it and you would hear a hissing sound that sounded like running water.

And the entire time we were in that mine, I heard that sound. I could see the droplets of water, and the pressure was so great that it was weakening the bolts in the iron slats that were used to hold the tunnel together. And these bolts were shooting at us like bullets the entire time.

And these were the conditions that these workers were working under.

And I got out and I remember talking to a representative of the post-revolutionary Russian Communist Party — at that time the official opposition to Boris Yeltsin — and he made all these complaints and I was kind of fired up as a sort of left-leaning young kid. I thought, maybe he's right. Maybe it would be better if these people came back into power.

And he went on and on about how it was such an outrage that the official union was actually housed in the same building... as the coal owners. And I thought, well, that's true. You wouldn't have the AFL-CIO sharing an office with Ford or GM. That would be crazy. But that's what happened in this place.

Then I went to visit the official union, and there was a scared-looking, traumatized young guy named Valera in there. It turned out that being a union delegate was like hardship duty in the army. Things were so dangerous in the mines that when the

miners felt somebody needed a break because he was too scared to be down there for much longer, they made them be union delegates for a little while. So this was like a little vacation.

This guy was basically shell shocked.

I asked him about this problem of sharing the same offices as the mine owners — like how can you actually be a union when you're sharing an office with the mine owner? And he pointed to a sign behind me that was on the wall and it was a quote from Stalin and I had to dig this up last night. I had it written down in a book that I never published.

But the quote was this: "Trade unions should be the assistance of the state in all its economic and administrative reforms, rather than the independent representatives of workers' interests."

In other words, in a government run and owned by workers, there couldn't be real unions. So the labor situation had always been bad.

Someone has to be in power. And when power is concentrated — as it has to be in a government-run enterprise — nothing good can happen.

And this is why I was so horrified to hear Mamdani's acceptance speech last night when he said, "We will prove that there is no problem too large for government to solve and no concern too small for it to care about."

And I feel like he put that line in about "too small" just to scare people like me, because the idea of a government that's so overweening and is in control of so many different things and has purview over so many things that it even has to be concerned with the smallest details — that is a terrifying way to look at the world.

Two final points.

The awful conditions at places like Varkuta that I saw were the reason that Putin came to power. Just like the Americans — us Americans in 2016 and maybe now with the collapse of the Democratic Party — Russians eventually became frustrated with the choice of the far far left, communism, and this gangster state that was sponsored by, you know, the West and upheld by people like Yeltsin. And they chose a new populist version. And that model of populist politics would grip the rest of Europe and the United States. I think there are a lot of similarities between what happened there in 1999 and 2000 and what happened in the United States a little while later.

Secondly, I came home after not loving America so much as a teenager. I had a whole new appreciation for the American system by the time I came home. And I feel like this is what — there's a failure in our educational system in that young people aren't even being given the texts they need to approximate the education that I got to see firsthand, which was very, very powerful.

They're not being told to read the Gulag Archipelago or the Kalyma Tales or any of these stories. You can tell that — you know, there was a book I read about a half dozen years ago called *Socialism Seriously* and there's no mention of decolonialization or collectivization or the forced famines or the executions or the crownshot massacre. That's all been wiped away in a very Soviet manner, weirdly enough.

And people like Mamdani — the first time I saw him, I thought this is a person who would be a very familiar type to anybody who grew up in a communist system. They bred a particular kind of politician who tended to be overeducated, very well spoken and kind of effortlessly insincere in promising the world, and then behind the scenes there would be a completely different deal being worked out.

And, you know, the American system used to be robust enough that such politicians could never be anything more than fringe influences in our way of life. But now we have enough uncertainties. Young people are afraid enough and they've been miseducated to a degree that people like him sound convincing.

And that is terrifying.

And that's why I more and more appreciate the American system which is grounded in a deep understanding of human nature. Completely opposite to the Soviets, they understood the problem of concentrated power and designed a system where power had to be necessarily suffused — it would never be all in one place. The separation of powers between the courts, the legislature and the executive and the constant staggered election results have incredibly kept power from becoming concentrated in the hands of a despot or a tyrant for hundreds of years.

And I think the young people in this — who are coming up and see somebody like Mamdani talking about faster buses — they just don't realize what an awesome achievement that is. And that's why I think we're in an incredibly dangerous moment right now. And it's desperately important to protect not only that system but things like freedom of speech, freedom of assembly, freedom of religion, freedom of the press. Because this is another thing that I saw in Russia. When those things disappear, they don't come back. So you have to fight hard to protect them, which is what I hope everybody will do.

Anyway, thank you very much. And if there are any questions, I'd be happy to take some.

[applause]

[Audience member asks question]

The question is, do I see Mamdani as a trend that is going to move across the country as opposed to a localized anomaly, right? Is that the idea?

I do. I do think it's a trend that's going to spread. We've seen that it spread to places like Minnesota. But let's not forget there was a politician who I knew very well and liked a lot, Bernie Sanders. He ran very successful challenges. He probably would have been the nominee in 2020 if not for some pretty sneaky intervention during the primary season.

But Mamdani is a different creature than Bernie. Bernie was born in a poor neighborhood in New York. He has a great love for this country. He has a deep affection for the Democratic Party, which is weird because they spent all their time trying to destroy him. But he's a patriot in a way that this other — this new movement — is not. This new movement is much more explicitly internationalist in its views.

And it's gaining a lot of traction among young people. If you look at the poll numbers, you see that the respect for things like freedom of speech and freedom of assembly have gone down significantly according to age brackets, while the acceptance — pollsters will ask questions like, would you be willing to accept a loss of individual freedom for more safety or more prosperity — consistently those numbers are going up year after year.

So I do think we're going to see more of this, among other things because the Democratic Party is so totally incompetent and incapable of reforming itself.

Audience 2:

How do we stop it?

Matt Taibbi:

I mean, I think this problem started because the modern version of American politics and economics failed too many people. There was just a little bit too much wealth inequality. It was too graphic. People saw after the 2008 crash that all the richest people in the country got bailed out, but people who were foreclosed in their homes who made small mistakes as opposed to big ones were not.

So I think politicians have to do better, and that will be more of a bulwark against this kind of thing.

But also — and I never would have said this a decade ago — I think the education system has to be dealt with because there are just way too many people who grow... I mean, for instance, I was at an anti-Trump rally two years ago and there were people walking around waving flags with hammers and sickles on them. And I spent a couple minutes — more than a couple minutes — interviewing these kids. They had no idea about any of the history of the Soviet Union. They just don't know anything.

In the TikTok era, it's just so incredibly easy to wipe away unpleasant facts for people who don't read and aren't forced to read in school. This kind of thing is going to become inevitable, I think, as we get farther down the line if the economic

conditions don't improve. Because part of this — this Mamdani thing — is not coming in the same way it didn't come from the peasants or the working class in Russia. This Mamdani phenomenon is mainly driven by middle and upper class intellectuals who went away to expensive schools like the ones I went to and tried to live in New York City and found that their degrees in intersectional basket-weaving didn't result in salaries that could support them in an expensive city. And that is driving a sense of injustice that is crazy.

I mean, I think if you went to any place in the world where people actually suffer, and told them about the problems of 20- and 21-year-olds in the United States, they would laugh. They would think it's a joke. But the people who are growing up in this country — they don't know any better. They've never seen what real hardship looks like. And to them, this makes sense.

Yes.

Audience 3:

In the last talk, you made reference to condoned violence. Is... do you foresee a match that causes the other side to violently respond? Is there anything in the foreseeable future from the elections yesterday that you think would devolve into more serious civil unrest?

Matt Taibbi:

Yeah, that's a great question. And unfortunately I do see that situation because there is a natural conflict that is already brewing. Mamdani has already thrown the gauntlet down to ICE agents, essentially saying that they'll be held accountable if they break the law. Police officers have been told not to cooperate with ICE. So there will be a confrontation between the federal government and New York.

The question is whether it's going to be one for real or whether it's going to be one where the politicians elect to try to keep it less than deadly.

I think this situation is rife with serious negative possibilities. Especially having interviewed people in the last few presidential campaigns — the attitude towards violence as a political solution has become much more normalized in the last two election cycles, it seems to me. People feel an element of frustration that I just had never seen before.

So that's my personal opinion. I hope it's not true, though.

Audience 4:

[inaudible very very long question]

Matt Taibbi:

You know, I think if you go back and read the sort of post–World War II socialist theorists — people like Marcuse — they recognized that the old formula for attaining power through class struggle, pure class struggle, was an uphill battle in places like the United States because the consumer lifestyle was just tolerable enough or offered just enough amenities that the working class didn't really want a revolt.

And so they had to come up with a new formula for creating a revolutionary class. And that's really what intersectionality is. It's a collection of different types of oppressed peoples so that they can revert back to the second line of the *Communist Manifesto*, which talks about how the whole history of humanity is a history of class struggle — oppressor versus oppressed.

And they've successfully done this, I think in part, through what you've talked about — which is that they went after the education system as opposed to the economics.

The system that I went through — I don't know where you grew up, but I grew up hearing almost uniformly about the failures of the capitalist system. And there are, lots of them — I mean, I spent half my career writing about them — but they're not teaching kids the virtues of the American system and why it was so important to fight for these things, what the Enlightenment really means, why it has to be a precondition for anything that comes forward.

And yeah, so I think you're right. I think they need to do something to fix that.

I think we're being told that we have to wrap, but thank you very much.

Lobo Tiggre

"One Sure Thing"

I tore up my speech on the plane on the way here because as I always do, I think, what's the most important thing I can tell these people or communicate to my letter? What do I need to say right now?

How many of you are readers, by the way?

Oh, good. So, this won't be a completely boring repeat to most of you. I'll go right to the punchline, which relates to the intro music. The main theme I've been hitting on in my writing recently and my interviews recently has been not my words, tried and true wisdom, I think most relevant today, nobody goes broke taking profits.

I don't know if Brien will ever invite me back again. Starting on that note, because there's a whole bunch of sponsors out there that want you to buy their stock and I'm up here reminding you that nobody goes broke taking profits.

I actually had somebody argue with me once on that. No, it's a profit. You can't go broke taking profits. Oh, but I lost this opportunity. No, that's an opportunity. That's not an actual realized profit. But anyway, let me clarify.

When it comes to gold and silver bullion, there are no profits to take there. They go up, they go down. The current quote on an insurance policy that you hope never to use but damn sure want to have always and forever.

There's no profit to take there. I'm never selling gold or silver unless I have an emergency, a crisis, like life-threatening or a once in a-lifetime opportunity, a spectacular opportunity that justifies dipping into savings.

Or if you had a conventional insurance policy, you know, you can actually draw down on that under terms of the contract. I have done both in my life. Had the emergency use of bullion and had the the opportunity use of bullion or that ultimate form of savings was there for me when I really needed it.

So when I talk about taking profits, I don't mean that I'm turning bearish or would sell any gold or silver at all. The stocks, however, are another matter. As my mentor Doug Casey taught me, bullion we own for prudence and the stocks we speculate on for profit.

So, if you're going to take profits, we're talking about the stocks. Why would we do this? We just had this wonderful presentation with these charts about how nuts the world is and great arguments for why gold and silver might zoom higher. but even our Elliot Wave guys were wise enough to say that, well but they could also roll over for a while too.

Let's frame it like the past never repeats exactly. History doesn't repeat but it often rhymes. So let's think about this. If we are now in the point like 2011, the next big move would be down, a bear market for years.

But let's say it's not 2011. Let's say it's more like 1975 in the—sorry, 2011 is like 1975 in the middle of a larger bull market.

If 2011 was like that 1975 peak in the prior gigantic gold bull run, then we have this bear market before we go to an even higher high. Ultimately we're talking about much much higher gold and silver prices but we're also talking about years down the road after a bear market.

Nobody can come to this podium prove to you that that's not what will happen. I'm not saying that's what will happen. I'm just saying no matter how optimistic somebody sounds, nobody can prove to you that 2011, 1975, 2025, that we're seeing another one of these things.

On the other hand, it could be the other way. It could be that now here we are 2025, the cup and handle or whatever you want to call it it is in. And now we're going into the blowoff top phase. That could be what happens next.

We could be looking at double the price in gold, quadruple the price in silver going into next year. I'm not promising that. I'm not predicting that.

Well, what I'm saying is — not selling, not getting out — taking profits. This is not the same thing as exiting the trade and closing entirely.

I have been doing this with my own portfolio. And one of my favorite examples is a silver company that I had done really well on. Not a 10-bagger, nothing quite like that. It was up three and a half times. I put 10 grand in. Position was worth 35K.

I took 20,000 off the table. That left 15,000 on the table. So, if we're heading into that multi-year bear, even if it ultimately comes back again, that would be a lot of pain over the next few years if I left my money on the table.

I have twice my money back off the table. I have 20 grand in my pocket or in my brokerage account and I have 15 grand, I have 150% of the money that I started with still on that same bet.

So if the markets roll over, 2011, I'm not just safe. I'm not just beyond the point of no concern like Rick Rule says. I have a guaranteed double.

And if the markets go crazy, even higher, gold goes to the moon, silver to the stars, I still own one and a half times more than I started with. So I still win.

Do you follow me? Okay. When Darth Vader or Darth Silver tells you nobody goes broke taking profits, he's not saying run for the hills, sell everything, hunker down in the bunker in Idaho.

The way global geopolitics is going these days, I kind of wish I had a bunker in Idaho.

You know, I say things like this. I got a lot of push back on social media. "Ah, he lacks conviction." This is my my new favorite thing. I kind of like that I lack convictions.

Would you really want to do business with somebody who's been convicted of securities fraud? Some people I won't mention couldn't say the same thing.

Okay, maybe I've got a tinfoil hat. Maybe I'm just the Mexican knockoff Doug Casey.

[laughter]

I mean, for years I was.

But that little known investor, some of you really experts in the field might have heard of this guy named Rick Rule, he's been selling, not just taking a few profits. He's been closing positions.

He has, as I understood, from what he's been saying in his recent interviews, he has reached the point of no concern on his portfolio, not just individual stocks. He's up enough that he's been able to sell enough to not have a care about where things happen next.

So if you want to get mad at me, oh he lacks conviction, that Tiggre guy, he hates silver, call me Darth, all that stuff. Well, some of the most seasoned, most successful speculators in the business are saying the same thing.

So hate me if you want. We'll see if Brien invites me back or not, but my message is really quite simple. Nobody goes broke taking profits.

I have made money. Not just gone safe, not just reached the point of no risk. I have made money on this market, in hand, realized. You know what? I paid down my mortgage. I think I'll be done by the end of this year.

There's equity that the government can't print and that whatever happens to the markets or fluctuates, it's there. It's physical. Almost like gold.

I like real estate. I also have cash for rotation. I'm not saying that's done. I'm retiring. I'm bye. I'm taking profits.

I'm booking wins to have cash in hand to take advantage of the next opportunity, which might be back into gold and silver again.

By the way, if 2025 is 2011 all over again, or if 2025 is 1975 all over again, what happens next is a 50% retreat.

A 50% retreat takes gold down to \$2,000 an ounce. Well, maybe from 4,400, 2,000 and change. That's actually a profitable level for the better miners in the space. But the stocks of course would absolutely crater if that happened.

They would be oversold. That would be a spectacular buying opportunity. Again, I'm not predicting that. I'm just saying I'm prepared. Plan for the worst, hope for the best.

I'm prepared. I've got the cash. Now, how many of you were in the markets in 2008?

See if you'd track me on this, but I remember the most painful thing in 2008 wasn't just that the markets went down, especially gloom and doom perma bears like Doug Casey and his acolytes. We thought it would go down anyway, right?

But as they went down, we bought in. We averaged down, averaged down, and then when the bottom hit in late 2008, nobody had any money left when things were really stupid cheap.

How many people had that experience?

Oh, good. You guys are better than me at this. but I remember the most agonized emails I got from readers were not, "Oh, you bastard. I bought this stock and it's down." It was, "Oh, we were right. But I'm all in. It's happening. What you said is happening and I have no money to do anything about it."

I remember that to this day. I may not be the sharpest tool in the shed, but I remember extreme pain like that.

So I am prepared if the markets go up, I am prepared if the markets go down. I win either way. I am prepared to rotate into the next thing.

And having given much kudos and praise to the little-known investor Rick Rule, I'll say one more thing to be contrarian. If you have one client whose name is Rick Rule, he can be very patient with your money manager whose name is Rick Rule and he will eventually be right. He almost always is.

If you're an evil scum of the earth newsletter writer like me, people's attention span isn't that long. What have you done for me lately usually lasts 6 to 12 months.

So if I say, "Yeah, let's buy hate." Hate is how you buy low. And it takes a couple years for that to play out. I'm in trouble.

So I'm not disagreeing with Rick Rule's thesis of buying hate. I'm just saying I'd rather try not to catch a falling knife, but have some reasonable reassurance that it's fallen. It's on the floor. Clattered. There it is. It's pretty safe to pick it up.

There isn't a single answer for this. This is something I track. I tell my readers when I'm ready to go in. I don't have a key point to tell you, "watch for this, this is when the knife is on the floor." That's what tricks us. That's when you buy when it's still falling.

Just just be aware of that. For me, hate is not enough. I want to have reasonable confidence based on market action that a bottom is in or is being carved out. Even if that means I missed the bottom. I'd rather miss the bottom then get lacerated again on the way down.

Last, we have a tradition now. How many of you have heard me here before? We have a tradition that at this New Orleans Conference, I release my best bet for the next year.

And for '23, I did pretty well. That was uranium. For '24, I was very boring and I said gold, but that worked out pretty well.

For '25, I said copper. And I've had a lot of people say, "Oh, Lobo, you were wrong. Gold and silver, platinum they've all done better than copper."

Well, the take isn't, "oh, this is the one that's going to go highest." You know, higher risk, higher reward. This was my highest confidence trade.

And you know what? Copper's up 25% this year. Iron out the Trump shock fluctuations, and it's doing okay for an industrial metal in a time of economic weakness, stagflation.

The Fed won't use that word, but they pretty much do in between the lines. It's not too bad. And money has been made in the copper space.

Looking forward to '26. I have to say there's a lot of exciting possibilities out there — rare earth, critical minerals, gold and silver might go into that blowoff top.

I'm not going to tell you which metal will do the best in 2026, but I will tell you that I think the one I have the highest confidence doing well for investors in '26 is again copper.

It's been a little disappointing this year. *Only* up 25%. What a lagard. But push is coming to shove there now. And I do expect a really really good year next year.

And guess what? I'm loaded for bull. I'm loaded for bear. I've got cash to go here. I have a sneaking sense that we're going to see a buying opportunity before the end of this year in copper. I've been holding for that.

But if not, I'm just going to buy anyway because I have extreme high confidence in the thesis. You'll probably hear all about copper from copper bulls. I don't need to give you all the charts and stuff.

But just my main points are, it's Dr. Copper and has been for a century. This is not about EVs. It's not about AI. Both of those are tailwinds that boost the copper story, but it's an extreme bull case anyway because it's structurally constrained on the supply side.

And unlike uranium, one of my other favorite metals, there's no possibility of a copper reactor meltdown that scares everybody away.

I like uranium. I would say, looking at the supply and demand fundamentals, I like them both a lot. And I might be up here telling you that uranium is my top pick again for '26.

But the difference is that uranium could literally melt down on us and copper cannot. So if my task is to pick my highest confidence trade for 2026, it's got to be copper.

We're going to hear a lot of hypotheticals, maybe some contrafactuals, all kinds of exciting stories up here. But I want to wrap up with one more riff on Rick Rule. I know he's a friend, so he can take it.

He likes to say, "Don't confuse the inevitable with the imminent."

And a lot of the great stories we'll hear up here may actually be inevitable. The people might be right. The trick is figuring out is that. and the investment implications of that story, is that imminent.

And it always feels like there's this emergency that the next big crash is coming or whatever. It always feels imminent but that's only right like once a decade the next big crash or whatever it is.

So beware of confusing the inevitable with the imminent. And then my riff on this is, I can't tell the difference. So I don't want to even hear about what's imminent. I want to know what's happening now.

And that's why I'm still accumulating cash and haven't bought copper yet because I think it's imminent. It's done okay, but I'm not sure it's happening now. So I'm still piling up cash for that.

As far as what happens next with gold and silver, who knows? I mean, that could literally go hockey stick or inverse hockey stick going forward. And I don't think there is a mere mortal on this planet who can tell you for sure which way that's going to be.

I hope that if you remember that nobody goes broke taking profits, you'll be ready for either direction.

That's it. Thank you very much.

I got a minute left. Is there a question? Happy to take one.

Did you have one? No, just drinking.

Audience member 1:

How do you buy your copper?

How do I buy my copper? Well, that's actually a good...you know, obviously I'm not going to stuff the mattress with copper.

I've actually seen people marketing copper coins and that's very inconvenient. If silver is less convenient to own than gold, copper is much worse.

You think it's a pain in the butt to polish the silver cuz it tarnishes. Copper turns bloody green on you if you put it next to the wrong thing in the drawer in days. Forget that.

No, so, what would I buy? Probably start with the bigger players, the biggest and the best, most solid companies in the space. That may sound very boring.

We want hockey sticks. You know, you're a young man. I can see how much dark hair you have. you've got plenty of time....

But when the markets turn, the money moves first to the what Doug Casey used to call the go-to picks in the space and then it trickles down, mid-tiers, juniors maybe eventually.

The other thing is that copper juniors, it's really tough. To build a mine big enough to matters. It's it's a major job. These are multi-billion dollar builds.

And so for the junior, you need to have something that is exciting enough that it has the takeover potential, like this can be one of these mega deposits that a major would buy, but somehow overlooked by the market so that it's still an opportunity to buy low. That's tough.

Whereas, if the whole market's going to swing, the go-to companies will move and then we'll see. But that's that's where I would start.

So, producers with good margins that are likely to go up. Maybe not necessarily the biggest, but something in that space.

Audience member 2:

Which companies?

No, you don't know me, do you? my subscribers will tell you, you know, it's like the internet. If it's for free, you are the product.

And I think it's disrespectful to my paying clients to give away my shopping list or my portfolio.

You can ask. All right, I got one minute left. Another quick one.

Audience member 3:

Why didn't you pick platinum?

Why not platinum? Because it's an industrial metal of mixed pedigree. If I wanted to gamble, I might pick platinum.

because the supply constraint could go away if South Africa blows up. But you know, Doug made that same argument to me 20 years ago, 20 plus years ago. South Africa is still there.

Suppose Trump and Putin kiss and make up and the war goes away. Suddenly Russian supply could be ramped back up again and it's more iffy. It's not a bad bet.

And and by the way, I think that one reason why platinum/palladium have done so well recently was because gold goes screaming up over 4,000 bucks. People are like, "Oh, I want precious metals, but I can't pay an all-time high."

Meanwhile, platinum's cheaper than gold, right? So, I think platinum, silver, and platinum all got late bids because people were looking for alternatives to gold.

So, if gold rolls over, I think that bid goes away and they get hurt even more. Sorry, you could play the Darth Vader theme again.

So again, I'm not saying Copper's going to the moon. It's going to be the biggest winner, but it's the one I have the highest confidence on and it's the one that I am looking to deploy the most cash in to...right now I'm building cash mostly to focus on copper secondarily uranium.

That's it. I'm done. Thank you very much.

Peter St. Onge

“Chaos Is A Ladder”

...My presentation is called Chaos is a Ladder. Anybody who checked the markets today knows that everything is collapsing at the moment. So I would have given it a different title if I'd known.

Okay. So for the setup here, I'm an economist and so more than looking at asset prices per se, I'm interested in what's happening in the economy. The two big moving parts are economic growth and inflation.

So the sort of lit fuse sort of sets the stage for where we are. During COVID, median family income lost about \$7,000. That's close to 10%. That's a very big move in what, four or five years? And that was made up of lower real wages along with higher financing costs when the Fed corrected its epic mistake of pumping all the money out during COVID.

Ramped up interest rates at the highest rate since the 1970s. CPI, as we all remember, rose 25% according to government numbers. Houses went up 40%, housing expenses, in other words, the cost of a house and the higher mortgage rates, went up 100%. So housing I think from memory went something like \$1,200 per month for the median mortgage to \$2,300–\$2,400, which for most Americans that is quite a challenge.

Forty percent of Americans currently cannot afford a \$400 emergency. Wages are rising under Trump. We have not begun to make back what happened during COVID. But we've also got some concerning numbers in defaults in cars, houses not yet, commercial real estate. The previous speaker mentioned that.

So we have sort of a K-shaped economy. This is really the story since Nixon destroyed the gold standard, or finished it off rather. We've got this K-shaped economy where rich people are doing great. Their bags are pumped by the Fed — have been pumped for 50 years. Boomers have — they're all millionaires. And then we've got a massive share of Americans who are struggling.

Twenty trillion in household debt, that has been rising during COVID. Essentially, these stimies gave people a taste for the good life and many of them sustained it through credit. Federal debt, of course, just hit \$38 trillion. Congratulations, America. You put those two together and it comes to \$443,000 of debt per household, which is essentially a second or even a third mortgage.

And then finally, the new normal. I know a lot of speakers have talked about deficits and sort of the debasement trade — the idea that not just the dollar but fiat currency in general is in trouble and maybe the biggest headline numbers on this are deficits.

So we have 7% deficits here in the US. That's despite the perfect storm of a GOP Congress, unified control, Donald Trump who had actually been — in his first term he was trying to cut spending every single year by \$100 billion or more. Congress laughed him off the stage. And of course Doge with Elon. So we had the perfect storm and here we are at 7% deficits.

Europe and Japan are not much better. They're at 4–6%. Yes, we have a bigger deficit than Japan. China is even at 4%. Part of that is the trade war. They're trying to pump out money to hide the pain.

The concern here is that we are not in a major war. In fact, for the United States, this is peace. We are also not in the midst of a deep recession. So normally both of those can bump that deficit number up by a percent or two. So if either of those occur — and a recession is sooner or later guaranteed because we have a Federal Reserve — we could be past 10.

So focusing on economic growth, Trump's policies are sort of the gorilla in the room. Trump 1.0 was more or less Reagan redux. So he had three elements to it: tax cuts, deregulation, energy.

Tax cuts of course boost GDP. There's a fascinating study by Christina Romer, who was Council of Economic Advisors under either Obama or Biden — so she's a left-wing economist. She estimates that every dollar in taxes collected reduces GDP by two to three dollars. So this is fascinating in terms of the magnitude of tax cuts.

It's also interesting as a side note when people talk about Social Security, you know, it's a neutral transfer or universal basic income or something. For every \$100 you transfer, you're destroying much, much more. You're doing that through incentives.

Number two was deregulation. This is an old standby ever since FDR's coup. This of course boosts GDP much, much more than taxes in fact. So \$1 — this is from Mercadus Institute at George Mason — \$1 in regulator salary destroys \$112 in GDP. So each regulator costs you 158 jobs. So this is relevant when we're in the middle of a shutdown and people are whining about government workers suffering. Each of those workers kills 158 jobs for a living.

And then of course energy. So boosting GDP. Energy is about 7% of production cost. So that filters through everything. We learned that in the 1970s.

Trump 2.0 continues a lot of this, but the extra pieces that he laid on are more complicated.

So, first, deportations and federal cuts — both of those lower GDP. They raise wealth, right? In the one case, you're exporting people who — illegal immigrants — are fiscal drains. One estimate is about \$500,000 over their lifetime. Their kids are not much better. And then of course government spending is pure waste.

They make us richer, but they both lower GDP. In fact, they lower business across the board. You have fewer sales, you have fewer jobs because you've exported population, and you've removed a bunch of high-paying jobs that — yes, they're killing 158 other jobs in the long run — but in the short run, you have GDP go down.

So that's, you know, you see a lot of discussion in the press right now about how jobs are slowing. I think ADP came in at 23,000 jobs or something before they went dark because of the shutdown. But that's what's driving a lot of that. So in other words, it's good, but in the near term it can cause trouble.

The other is tariffs. So in his first term, Trump did put tariffs on. Mostly they focused on China. This time of course he's much more aggressive. Every time he says something happy about tariffs, the stock market soars. He's almost as influential as the Federal Reserve at this point.

The key there is that tariffs at their core are a tax. They're a sort of distorted type of sales tax. Sales taxes are not good for the economy. The question is what are you getting out of the tariffs?

So, they hurt in the short run. One of the things that Trump is getting from the tariffs is that he's strongarming other countries into giving us trillions of dollars of investment money. I think during our panel we mentioned 500 billion from Korea and half a trillion from Japan and so on. I think it's about two and a half trillion out of the Middle East. Anyway, he's pulling all this money in.

As a general rule of thumb, every trillion in investment raises about 1 million jobs. So that's very substantial stimulus and that is, I think, is probably going to more than make up for the tariff injuries.

One example: Jeep just moved a \$13 billion plant from Canada. That was their biggest ever in history and that would be by that math 13,000 jobs. You've also got huge projects like Taiwan Semiconductor, for example, is putting \$40 billion in Arizona, the other one.

So, you know, when he started with the tariffs a lot of people said this is goofy — Americans can't manufacture blah blah. A lot of what's happening is that companies that have been exporting to the US are instead moving overseas. They're very capable of doing that. We saw that in the 1980s when Japanese car companies moved to the US in order to dodge Reagan's tariffs.

And then there's two sort of outside shocks here. Help from above.

One of them is AI. We talked about that again in the panel. At this point, there's chatter of three trillion dollars of AI investment. So far, about 300 billion of it is concrete. But the famous circular trade where all the AI companies are buying stuff from each other and then everybody can log it, which also happened during the dotcom boom by the way.

Three trillion of investment. So that's three million jobs offhand.

The counterargument is that there was a joke during the dotcom boom that the internet is very good at taking billion-dollar industries and turning them into million-dollar industries. We used to have a clipping service. Many of you who are older — you would hire a company to cut out newspaper articles about you, about your company. And of course Google Alerts turned that into a zero-dollar business and thousands of people were laid off.

So multiply that by 10,000. And again, in the short run you're likely to have a lot of job growth because the AI boom is coming now. On the other hand, in the long run you could have a sort of step down in job creation, certainly while we're going through the AI jobs valley which I'll talk about in a bit.

The other help from above is the Fed cuts. So finally the Fed is cutting. I think we went — what — 5, 5 and a quarter to 3.75 at this point. CBOE says 3% within the year, and then we'll probably stay there for a while barring some major recession where we'll go back to zero again and then they can pump everybody's bags.

Fed cuts also — 1% is worth about 900,000 jobs. So the investment and the Fed cuts are likely going to outweigh the deportation and the tariffs. Of course, Congress missed its big chance to cut spending and massively slash regulations which would have changed the game. So we're here in the trenches with the little things.

All right, the other, inflation. It's currently down since Biden, but it's still stuck around 2.5. It's about 2.5% since Trump took charge. Nowadays, it's trending closer to three.

The problem is that growth raises inflation in the short run because the investment is outbidding consumption. So if you want to hire somebody to fix your fence in your backyard, you got to compete with the \$3 trillion in AI data centers who are hiring all the construction workers.

In the long run, growth does lower inflation because you have more goods for money to chase. But again, when we're talking about the near term, the 4 to 6 trillion in other countries sending money over if they actually do it, the 3 trillion in AI — all of that is going to tend to raise inflation. And then of course you pair that with the Fed cuts and you get a double down.

Tariffs so far have been very muted. I spent about 10 years living in Japan and Taiwan, so I've always been skeptical that tariffs would do that much. I think in economics programs they obsess on them, but in the real world they don't seem to

hurt that much. In fact if you look at how Asian countries behave, they seem to like them.

At any rate, even the Fed is now coming around — there are a number of Fed board members who are saying that tariffs surprisingly don't seem to have done very much. Companies are eating it. Some production is moving towards happening in the US.

The main risk at this point is Fed cuts and that investment-driven inflation. It's not just the investment itself, but then banks fund that and they can pyramid on that. Banks themselves creating about 75% of the money — in other words, 75% of the inflation.

Gold, as you all very well know, is signaling crisis — up 50% year-to-date. It recently passed the US dollar in central bank holdings. So in 1980, 9% of central bank holdings were gold — that had come down from the '70s as they sold it. Famously, what was it — Brown's Bottom in the UK — they sold it at very bad prices. Now it's soared. Now it's up to 22%. So that is a canary in the coal mine.

All right. What's next?

In terms of impact of these two things on assets, the AI bubble — we talked about that at length in the panel. The magnitude of it is astounding. Even if you went through the dotcom bubble, it is much much bigger. It's about 10x.

There's a chart over here — where's my charts? — of the one up in the upper right. That's...AI as a percent of venture capital and it's about 71%, which is just tremendous. I think in the dotcom it might have been 20 or 30%. It is overwhelming.

On the other hand, Krugman's fax machine — in other words, I talked about this during the panel — but in the 1990s, there were a lot of people who were very skeptical of all of the money going into the internet. They said you're never going to make money on it. It's just a fashion. And CEOs are doing this to look cool in BusinessWeek, which was a magazine made of paper. And so, you know, I think we're very much in the same situation now where there are a lot of skeptics on AI. They're saying it's never going to come out.

There's a study — I think — that found that 95%, it might have been by Microsoft — 95% of AI projects don't turn a profit. Yes, that was also true in the internet. That's always true with new tech.

All right. Real estate.

This is one of the big questions. People are sort of holding their breath hoping that homes will eventually come back to earth. Unfortunately, once the Fed takes inflation, it does not give it back. I think that's unlikely to happen.

Historically, home prices actually go up when the Fed cuts rates. That matters because home equity is about two-thirds of Americans' net worth and so they're going to be spending in line with that.

The end of the mortgage lock-in is really the great unknown here. Probably a number of people have talked about this, but people got locked into 3, 3.25% mortgages during COVID because they yanked rates down to zero.

They can afford to live in the four-bedroom house at 3.25, but even though the kids have moved out, they can't move into the condo in Miami because they can't afford a mortgage at 7.

As that unwinds, we don't exactly know what's going to happen there. I don't think we've had a precise parallel in the past. So, we don't know exactly what's going to happen with prices. It could lower them 5 or 15%.

There are some concerning numbers such as there's about half a million more sellers than buyers in the market right now. That happened around the housing crisis as well and when it did prices went down 10 or 15%.

Of course that was a different rate environment, right? Currently we're at very high rates that are coming down so those could cancel. So I do not want to venture an opinion on whether housing will go up or down but there are a lot of moving parts on that. It's not a slam dunk.

Commercial and office famously — they're in dire straits, about 2 to 3 trillion at risk. There was just an article out today that default rates are soaring on offices. And some of that was COVID, some of it was mismanagement of blue cities, and some of it was COVID meaning work from home. And then some of that stuck because the employees wanted it.

Commodities, outside of monetary commodities — gold, silver — I would be very nervous about holding any kind of commodity. This may not be a popular opinion here. They're in a 50-year bull market. There's a lot of people who are paid very good money to find ways to replace expensive commodities with cheap ones.

If you look at the chart over here, the lower chart — that's lithium. So everybody got excited about lithium because that was going to drive AI — or it was going to drive EVs rather, solar panels and such. And look at it now. So I would be very concerned about that.

Silver for me holds a special place because that's what happens when gold and AI have a baby. Silver is used in AI data centers, of course, and electronics across the board. Elon is trying to pivot now that EVs kind of don't have a future. He's trying to pivot over into robots. I think that's probably the next big thing. Of course AI and robots dovetail because you get cooler robots if they have AI.

At any rate, all of those things I think give silver a headwind. And then when you combine that with the fact that it also benefits from the debasement trade, I personally love silver. But outside of gold and silver I personally avoid them.

Debasement trade — what's the endgame?

So when we talk about the death of the dollar and the two most popular ways to hedge that — if you are over the age of 45 it is gold; if you are under 45 it is Bitcoin — and the sort of endgame on that, if we want to ask how low or how high can it go? You take the probability that fiat dies, you multiply that by the probability of pick-me.

And so, you know, probability that fiat dies on a long enough timeline I believe is about 100%. The probability that it goes to gold or Bitcoin probably depends when exactly that happens. If it happens in 3 days, then it's almost certainly gold. If it happens in 20 years, it's a tossup. If it happens later than that, I personally think it's more likely to be Bitcoin.

And then you can just multiply. So all the money in the world — all the M2 money supply in the world — is about 120 trillion. People hold that because they want money. It's a, you know, convenient way to transact. So that monetary demand will remain even if it is made of gold and Bitcoin. It may go up or down because there are no more risks of debasement.

But at any rate, just take that as a constant. So 120 trillion divided by the 7 billion known ounces of gold floating around above the ground — you get about \$20k per ounce. If you do it with Bitcoin — divide by 21 million — \$6 million. However, these are of course not present value because fiat is not dying in three days. And so you want to discount all those. So I am not calling for a \$6 million Bitcoin tomorrow, nor \$20,000 gold.

All right, tech and AI.

Unlike manufacturing — so manufacturing has been Trump's focus here — and of course the problem is that America doesn't manufacture much anymore. But unlike manufacturing, America is shockingly dominant in tech.

So 15 of the largest 20 tech companies — if China didn't exclude US companies, it would probably be 20 out of 20. Europe is nothing. Every single frontier AI is American. American AI VC — so if you look at the amount of venture capital swimming around in AI in the US versus China, it's about 10 to 50 to 1 depending on the metric. China is a no-show. It really is dominated by the US.

Trump is very eager to encourage AI. He's put out some EO's encouraging them. I think honestly the MAGA base hates AI. Every time I write about AI, everybody's like — but at any rate, Trump wants to push it — presumably money talks.

Europe has no chance. There's the regulation. There's the woke censorship. They need the censor because otherwise they're going to be strung up. They're going to

lose their jobs by populists. And then of course green energy — so Europe is replacing its coal plants and its nuclear plants with pixie farts. And so there's no way that that can power AI. So Europe is completely out of the game. I'm confident in saying that.

AI — the question is what it is going to do to the economy. And you've got predictions all over. You know, we're going to have 28% per day GDP growth. So just taking sort of boring mainstream predictions — could double GDP growth through 2035 — that's Pricewaterhouse. Twenty-three trillion in GDP specifically from AI by 2040 — that's McKinsey. And then deflation — which again we talked about in the panel — McKinsey estimates 30% deflation in goods, 60 to 90% in services. So services are 10x cheaper.

And that creates an interesting dynamic because if the Fed perceives that you're going to have a decade of deflation, then they're going to be very comfortable putting rates at zero and keeping them there. In fact, you can keep rates — you don't exactly keep them below zero, but you do QE — quantitative easing — on top of the low rates, meaning that the Fed prints up money in debasement and buys everything.

So at any rate, all of those are very, very good for markets. They're good for everything. Everything goes up. You get another everything bubble.

We mentioned this briefly during the panel, but I just wanted to show the actual numbers on this. When we talk about jobs and AI there's a tale of two cities. So the first one — the first chart over there, the one on the left — is Hong Kong. The one on the right is Detroit.

What that's measuring is the percent of jobs that were in manufacturing in 1980 and the percent that were in manufacturing in 2024. So the collapse in manufacturing in Hong Kong has been massively bigger than what happened in Detroit — nothing like it, just obliterated. And really they were obliterated in the first 15 years of that.

On the other hand, if we look at real per capita income in the other chart, Hong Kong went up, Detroit famously went down.

So what happens to jobs and the economy I think is essentially a question of policy choices.

If policy is closer to Hong Kong — meaning that you're free to open new businesses, the gig economy, entrepreneurs, you have low tax rates — which were actually pretty good, Trump's tax cuts in 2017. I don't like taxes, but the tax rates in the US for entrepreneurs are relatively low compared to our competitors, including China for that matter.

At any rate, if we go the Hong Kong route, then I think we're looking at industrial revolution 2.0. You have maybe 5 to 10 years of 1% additional unemployment — less if you deport a whole bunch of people.

On the other hand, if we go the Detroit route — we have lots of regulation and continuing high taxes — then you would have a massive underclass. That would spawn, I think, some kind of a universal basic income doom loop.

Call it a doom loop because once people figure out that they can directly pay themselves, it's very addictive. During COVID, we actually saw in a number of countries — I was living in Canada at the time — and Canada had essentially UBI that they imposed nationwide. And it did wonders for public support for COVID lockdowns because you can sit on the couch now — you could actually get paid more.

I think that here the best we got was the PPP which really was just a fraud for all. But I think that the left is very very attuned to the opportunity — the next time we have a recession they're going to try to push through a UBI. Once you get a UBI, you know, that's the bread and circuses moment.

In sum, chaos is a ladder. Washington has been a mess for 100 years. A lot of the stuff I talk about in videos is all the screw-ups they do in Washington. But if you zoom out, Washington has been a mess for 100 years. There is never a time — maybe the 1880s — there's basically never been a time that it's been functional.

And the S&P is up 10.5% per year over that period. Think of all the stupid crap they did — the Depression, Nixon, the Great Society — and the S&P just keeps marching up.

So, I think that, you know, your bias should be towards being in the market. Don't go crazy on risk, but other than that, my counsel is just buy it and don't pay attention to it. Focus on the rest of your life, your family, your business, so on.

And the keys that I think are driving it from here on, I think AI and robotics are a very, very big deal. I think the bubble's going to keep going for a while. And longevity — I think — is going to be the next big thing. There's things like Yamanaka factors where they can literally reverse aging — which sounds stupid, but there are literally animals that do reverse aging. I think lobsters are immortal. There's a bunch of really boring animals you wouldn't expect that have superhuman capabilities.

Every business benefits when tech raises income. All three of those — AI, robots, longevity — those would all massively raise income. Think of it metaphorically like a volcano rising out of the ocean and then you've got all this free land to build on. As incomes rise, things that today look like they're not very valuable become viable businesses.

So I think we are going to have a golden age of entrepreneurship. And then zooming out, as I mentioned earlier, the deflation on steroids — meaning that the Fed is going to jump in with both feet and try to stimulate as much as they can because they're confident that there's this wave of deflation coming.

So that's what I got. Thank you all for your attention and I hope to chat during the breaks.

