THE END OF THE Dollar Empire

By Stephen K. Bannon

EXCLUSIVE TO
BIRCH GOLD GROUP

Volume 3: The Debt Trap

Citizens and Patriots:

Since the financial crash of September 2008, I've become increasingly worried by the converging economic threat in our country. This "economic warfare" is taking place right now on a number of fronts that will impact you, your family, and your community.

Economic warfare isn't fought with aircraft carriers and tanks. It's waged by men in tailored Savile Row suits who carry briefcases rather than rifles. The enemies of our nation, both foreign and domestic, share an immediate goal: to undermine the U.S. dollar.

This is a *crucial* step in removing the U.S. from its role as the economic and political leader of the free world.

Whether or not you follow geopolitical struggles, **this is important**. It affects us all.

But you might wonder, "How does this affect me and my family?"

I will answer this in detail in the pages ahead, but this report will establish that if they win, we lose. And by "we" I mean not simply your family, but the country — the constitutional republic — the United States of America. Because this war is so catastrophic that even the well-prepared will be ruined. There will be no escape.

This is the third of a series of sitreps [situation reports] I've assembled on the economic war against the U.S. and the dollar. I'm working with a trusted partner, Birch Gold Group, to distribute these reports to as many clear-thinking Americans as possible. You'll want to learn more about Birch Gold Group's services after finishing this report.

Today, I'm going to pull back the curtain on the ticking time bomb at the heart of our nation's financial system. An economic weapon of mass destruction that's *almost* completely assembled and ready for our enemies to trigger…

Respectfully,

Stephen K. Bannon

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I. Where we are

These days, the vast majority of us feel like we *never* seem to get ahead. The American Dream has been replaced, for most of us, with living paycheck-to-paycheck.

I'm not just talking about the last couple of years – I'm talking about the last couple of *decades.*

When I was growing up, my father had a blue-collar job. My mother didn't have a job, nor did she need one considering she had five children to raise. We had a house and a car. Money was always tight but we got by.

Why is today so different?

Maybe it's all about bad habits – that Americans have given up on thrift and saving in favor of the latest smartphone. That's a contributing factor for some of us. We **do** get to decide what we spend our money on, after all.

Unwise spending choices can create problems…

And those problems may look insurmountable to a family.

Now, imagine the same challenges but on a *national* scale…

$31.8 trillion (and counting)

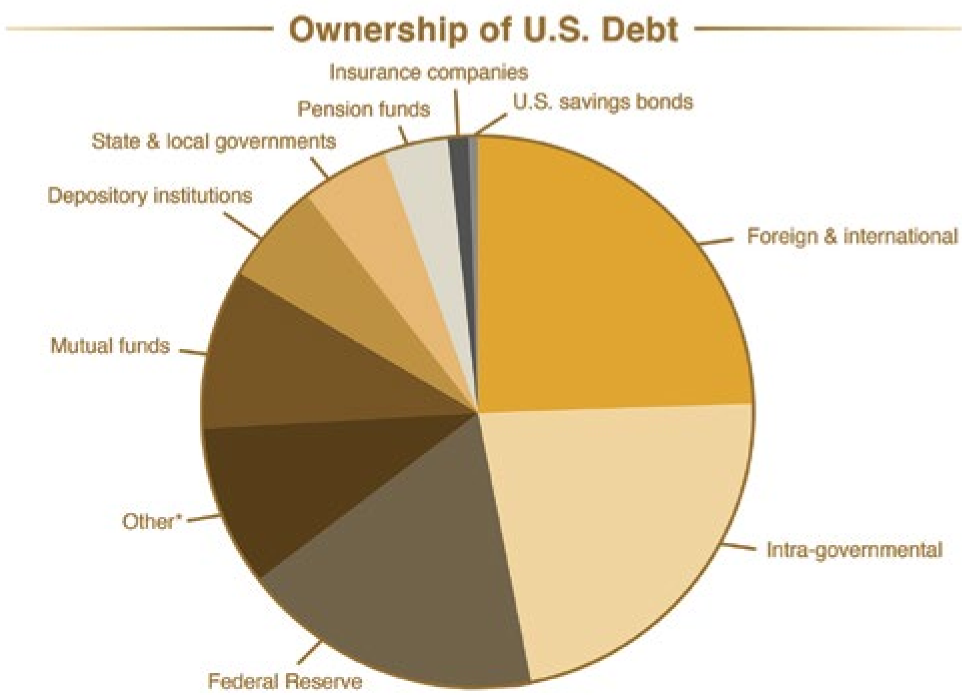
At this very moment, the federal government of the U.S. owes a little over $31.8 trillion – this is the **national debt.** I'm rounding here for the sake of convenience.

That's about $96,000 owed per *U.S. citizen* and just over of $210,000 per *U.S. taxpayer.* It's **a lot of money**. This is like taking out an extra mortgage – for a house you never get to live in.

The national debt represents money the U.S. government has borrowed to fund spending above and beyond its income. The Treasury Department, which functions as the government's checkbook, takes out loans in the form of "Treasury bonds."[1]

The Treasury Department will take money from just about anyone, from Australia to Vietnam – and even publishes a monthly report that includes a breakdown of who owns those IOUs.

According to that latest report, the owners of that debt are:



December 2022 U.S. Treasury Bulletin; U.S. Treasury Fiscal Data "Debt to the Penny"; Federal Reserve Statistical Release H.4.1 (February 9, 2023).
**Includes individual citizens, Government-sponsored enterprises, brokers and dealers, bank personal trusts and estates, corporate and non-corporate businesses, and other investors.*
www.birchgold.com

[1]Technically, these IOUs are called different things based on the duration of the loan. If the debt is repaid within one year, it's a "Treasury bill," loans of 2-10 years duration are called "Treasury notes" and 20-30-year loans are called "Treasury bonds." Occasionally you'll hear a finance type discuss "T-bill rates," referring to the interest rate on very short-term loans to the government.

Sometimes politicians refer to the “deficit” as though it’s the national debt. They are completely different things.

The “deficit” refers to the amount of money the government borrows *in a single year.* Thus, when *Biden claimed:*

> *“Today, my administration announced that this year the deficit fell by $1.4 trillion — the largest one-year drop in American history — $1.4 trillion decline in the deficit. Let me repeat that: the largest-ever decline in the federal deficit.”*
>
> - Tampa Free Press, October 27, 2022

This is both technically true and *incredibly* misleading.

Reducing the deficit by $1.4 trillion simply means borrowing *$1.4 trillion* less than the year before.

He’s implying fiscal responsibility that doesn’t exist. It’s a smokescreen to disguise the fact that **the national debt has *increased 15%*** since he took office.

The Biden administration borrowed $1.38 trillion in 2022 *after borrowing $2.8 trillion the year before.* That’s **not** due to any sort of fiscal discipline or reduction in government programs, either – it’s simply the reduction of Covid benefits.

Unfortunately, it’s become customary to abuse the government’s credit card. The shocking truth is, the federal government has borrowed money *every single year* ***since 2002.***

But there’s more.

Indirect liabilities

The $31.8 trillion debt figure I keep citing is what's referred to in finance as "direct liabilities." An IOU is a direct liability – an agreement to pay the lender. Very simple.

However, the federal government has an almost unimaginable amount of "indirect liabilities," as well. In finance terms, an "indirect liability" is a *potential obligation* that may arise under certain circumstances. (If you're a co-signer on your child's student loans, for example, then you are indirectly liable to repay them.)

For example, remember back during the Great Financial Crisis, when government-sponsored mortgage companies became insolvent? The federal government stepped in and bailed them out. That shows us that these organizations are underwritten by the federal government. Every loan they make is backstopped by the U.S. government.

In other words, **you, me and every other American taxpayer** is on the hook for every loan they make. (That's $4 trillion worth as of December 2022.)

And it's not *just* mortgages – another thing the Great Financial Crisis taught us is that any financial companies that can afford to hire lobbyists are *also* eligible for unlimited loans.

Furthermore, every single state, county, municipality and city's loans are *also* indirect liabilities of the federal government (currently, about $3.3 trillion).

Conservative estimates of total indirect liabilities for federal government range from **$100 - $200 trillion.**

Even on the low end, that's an absolutely staggering number! I think it's worth the time to spend a minute figuring out where all that debt came from.

How did we get here?

At the end of World War II, after helping the Allies defeat the Axis powers and waging war on four continents, the U.S. national debt reached the alarming level of 106% of the national GDP. In other words, the U.S. owed more money than the entire economy could generate in a year.

(The debts of nations aren't usually expressed in terms of income – instead, they're measured as a ratio of gross domestic product – GDP. That number, GDP, is a measure of the *total value* of all goods and services produced by a nation.)

Remember, back in 1946, every single dollar in circulation was backed by gold bullion at the rate of $35/oz – and the U.S. owned about 75% of the *world's total supply* of monetary gold. The 22,000-ton U.S. gold reserve effectively limited the number of dollars that could be printed.

Listen, you already know what I think of CCP shill Ray Dalio's *politics*, but his *analysis* is spot-on here:

> *"Being on a gold standard is akin to having debts denominated in a foreign currency because creditors could demand payment in gold (as was often written into contracts), and policy makers couldn't freely print money, as too much printing would lead people to redeem their money for gold…"*
>
> \- Ray Dalio, Principles for Navigating Big Debt Crises p. 64

In the early 1960s, a surplus of dollars caused by government spending on foreign aid, social programs and military spending resulted in an "overvaluation" of dollars. In other words, there were more dollars printed than there was gold to back them.

Traders and foreign central banks figured this out, and they suspected the U.S. would devalue the dollar – so they were eager to swap their dollars for gold at $35/oz. while they still could.

This led to a run on the U.S. gold reserve. From a high of about 22,000 tons in 1946, nearly *two thirds* of the total fled overseas by 1971, leaving just 8,100-odd tons behind.[2]

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[2]Peter Bernstein describes this episode quite well toward the end of his 2000 classic, *The Power of Gold.*

In response, President Nixon suspended convertibility of the dollar to gold – opening the door to *unconstrained* money-printing.

Because the U.S. dollar isn't backed by anything tangible, there's very little point in not making a whole lot more of them. As long as there's a buyer on the market.

And there's *always* a buyer who has an *unlimited* budget and a near-infinite appetite for federal government debt…

Here's how "money-printing" works

Every year since 2002, the federal government's spending has exceeded its revenue. In order to pay the bills, the Treasury Department issues IOUs which are sold at auction. These IOUs generally pay an interest rate (called yield) over a fixed period, and return the buyer's principal at the end of that period.

In a free market, supply and demand determine how valuable these IOUs are. A crowd of enthusiastic buyers compete to loan the federal government cash on very favorable terms.

Unfortunately, the Treasury market is far from free.

Since 1941, the Federal Reserve has purchased IOUs on the open market. These purchases are called "open market operations," a blandly Orwellian phrase describing the manipulation of the global market for U.S. IOUs. (You'll sometimes see this process referred to as "monetizing the debt.")

Because the Federal Reserve is in charge of the nation's money supply, they can create new dollars – and use those new dollars to purchase IOUs. There's no limit to the number of new dollars the Federal Reserve can conjure out of thin air.

Let me say that again:

There is <u>no limit</u> to the number of new dollars the Federal Reserve can conjure out of thin air.

As Minneapolis Fed Chair Neel Kashkari memorably put it on *60 Minutes* back in March 2020: “There is an infinite amount of cash in the Federal Reserve.”[3]

Now, imagine for a moment how an auction-based market responds when a new buyer, one with an *unlimited budget*, shows up at the table. The market is distorted by this new buyer – which results in lower interest rates (lower borrowing costs) for the federal government. Price doesn’t matter when you’re able to print your own money!

On its face, this sounds absurd, doesn’t it? One government department, the Treasury, writing an IOU which it hands to another government department, the Federal Reserve, in exchange for a stack of newly-printed dollars. At some point in the future, the Treasury hands back a stack of dollars to the Fed, who (theoretically) vaporize those dollars.

As absurd as it sounds, *this is how our government funds itself*. The last time I checked, the Federal Reserve has financed **$8.4 trillion** in government spending, or more than 25% of the total federal debt.[4]

Now, the Fed does this to “stimulate economic activity.” According to Modern Monetary Theory (MMT), more money creates economic growth. The Fed’s money-printing, they argue, is like a double-shot of espresso first thing in the morning. All that caffeine makes your whole day more productive. And *it does work!* Sort of.

There are two fundamental flaws with this system.

First, let me remind you of the fundamental economic principle that utterly refutes the MMT fallacy…

More money is not more wealth.

[3]For more details on the Federal Reserve and how it works, refer to volume one of my The End of the Dollar Empire series, which focuses specifically on the Fed. Like my other reports in the series, this title is available exclusively from Birch Gold Group.

[4]https://www.federalreserve.gov/monetarypolicy/bst_recenttrends.htm

Making more dollars doesn't make more value. It simply *increases the number of dollars in the world.* This proportionally decreases the *spending power of* ***every other dollar.***

We call this "inflation" – shorthand for "inflating the money supply." As Niall Ferguson puts it in his fantastic *The Ascent of Money:*

> *"Money is worth only what someone else is willing to give you for it. An increase in its supply will not make a society richer, though it may enrich the government that monopolizes the production of money. Other things being equal, monetary expansion will merely make prices higher."*

Second, this borrow-print-spend cycle *completely* ignores the issue of repaying the debt. (I'll say more about that in a minute.)

Fortunately, there's one remaining vestige of fiscal sanity in Washington.

We call it the "debt ceiling."

The debt ceiling

What exactly is the debt ceiling? Simply, it's the legal limit on government debt, first established in 1917.

Before then, Congress either authorized specific loans or told the Treasury Department how much money they could borrow. From 1788-1917, Congress and the Treasury operated on a "pay-as-you-go" basis, financing each project individually. Today the Treasury is free to sell IOUs as it wishes, so long as they don't exceed the debt ceiling.

I think it's useful to think of it like a credit card's credit limit – it's the *maximum amount* you're allowed to borrow. It's not a hard limit, though. Just like the bank issuing a credit card can raise your credit limit, the debt ceiling can be raised – and has been, at least 90 times in the 20th century alone.

Since the turn of the century, Congress has raised the debt ceiling *another nineteen times!*

Back to our credit card analogy: if you spend too much and hit your credit card's limit, you have three choices:

1. Call your credit card company and ask them to increase the limit. In this analogy, that's the same as **raising the debt ceiling**.

2. Tighten your belt, spend less and pay down your debt. On a national scale, that means **balancing the budget**. There are two ways to do this: increasing income or decreasing spending.

3. Stop paying the bill and ignore the collections notices you receive in the mail. In other words, **default on the debt**.

Our analogy isn't perfect. With credit card companies, the more you owe, the less likely they are to extend your credit. The more you owe, they figure, the less likely you are to pay them back. At some point, a spendthrift shopaholic will find their credit card cancelled and they're forced into either option #2 or #3.

For the federal government, things are different. Here's why:

- Congress can simply vote to raise the debt ceiling, opening the door to more borrowing
- The Federal Reserve can "monetize" an *infinite amount* of debt

Essentially, the *only* fiscal discipline our federal government has is *self-imposed.*

And some people see that as a problem!

A number of folks in Congress think *the debt ceiling should be abolished*[5] (notably, *Elizabeth Warren*)[6]. Keep in mind, the debt ceiling is *the only guarantee of fiscal discipline* the federal government has.

This effort seems extremely unlikely to succeed. Nevertheless, it's troubling. Democrats seem to be saying, "$31.8 trillion just wasn't enough." Or possibly, "$31.8 trillion would've been enough except we didn't spend it wisely, so we need to borrow more money to fix our mistakes."

Friends, **this is *utter bullshit.***

The people who want to abolish the debt ceiling *really don't understand* that printing money doesn't create wealth.

They don't understand that running *annual, multi-trillion-dollar budget deficits,* otherwise known as "business as usual," isn't sustainable.

(At worst, they're motivated to continue handing out money in a cynical effort to appease their constituents. As if the dollar is Monopoly money.)

These people don't seem to understand that every loan comes with an expectation of repayment. They have *absolutely no plan* – and probably *no intention* – of ever making good on those loans.

[5]Why Congress Needs to Abolish the Debt Limit," hearing of the 117th Congress, February 16, 2022. https://www.congress.gov/event/117th-congress/house-event/LC68002/text

[6]Democrats Just Held the Senate. Here's What We Do Next." by Elizabeth Warren. The New York Times, November 12, 2022 https://www.nytimes.com/2022/11/12/opinion/elizabeth-warren-democrat-senate-midterm.html

Nobel Prize-winning economist and MMT apologist Paul Krugman once admonished us fiscally-responsible Americans:

> *"…the debt we create is basically money we owe to ourselves, and the burden it imposes does not involve a real transfer of resources."*
>
> \- "Debt Is (Mostly) Money We Owe to Ourselves," The New York Times, December 28, 2011

Essentially, this is **bullshit**. This "magical monetary theory" relies on accounting gimmicks that conflate debt and wealth. I don't want to take it apart again in detail – it's a waste of time.[7]

"Money we owe ourselves?" **Bullshit**. It's money the government has promised to deliver to someone, a retired postal worker or the sovereign wealth fund of Norway, at a future point.

Not a real transfer of resources? **Bullshit**. Government spending *always* imposes a cost on *someone* – usually *not* the beneficiary. The cost could be paid in any number of ways:

- Higher taxes
- Reduction or loss of government benefits like Social Security or Medicare
- Loss of purchasing power due to inflation
- A future obligation to repay loans

That last point is **important.** I think Phillip Patrick put it best back in 2021:

> *"I have no problem with building bridges, but I'm hesitant to build a bridge my grandchildren will be paying for."*

Now, the thing about debts is this – the person who lends you the money? **They always expect to be repaid**. Whether your IOU is written out to Jimmy Knuckles or the People's Bank of China, eventually, the debt will come due.

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[7]Economist Robert P. Murphy does an outstanding job in his article Keynesian Fallacies Are Not Just Wrong, but Dangerous. https://mises.org/wire/keynesian-fallacies-are-not-just-wrong-dangerous

II. This is what a debt trap looks like

Back in 2009, leading economists Carmen Reinhart and Kenneth Rogoff wrote an incredible book called *This Time Is Different: Eight Centuries of Financial Folly.*

Let me spoil the book for you…

> *"If there is one common theme to the vast range of the world's financial crises, it is that* ***excessive debt accumulation****, whether by the government, banks, corporations, or consumers, often poses* ***greater systemic risks*** *than it seems during a boom."*

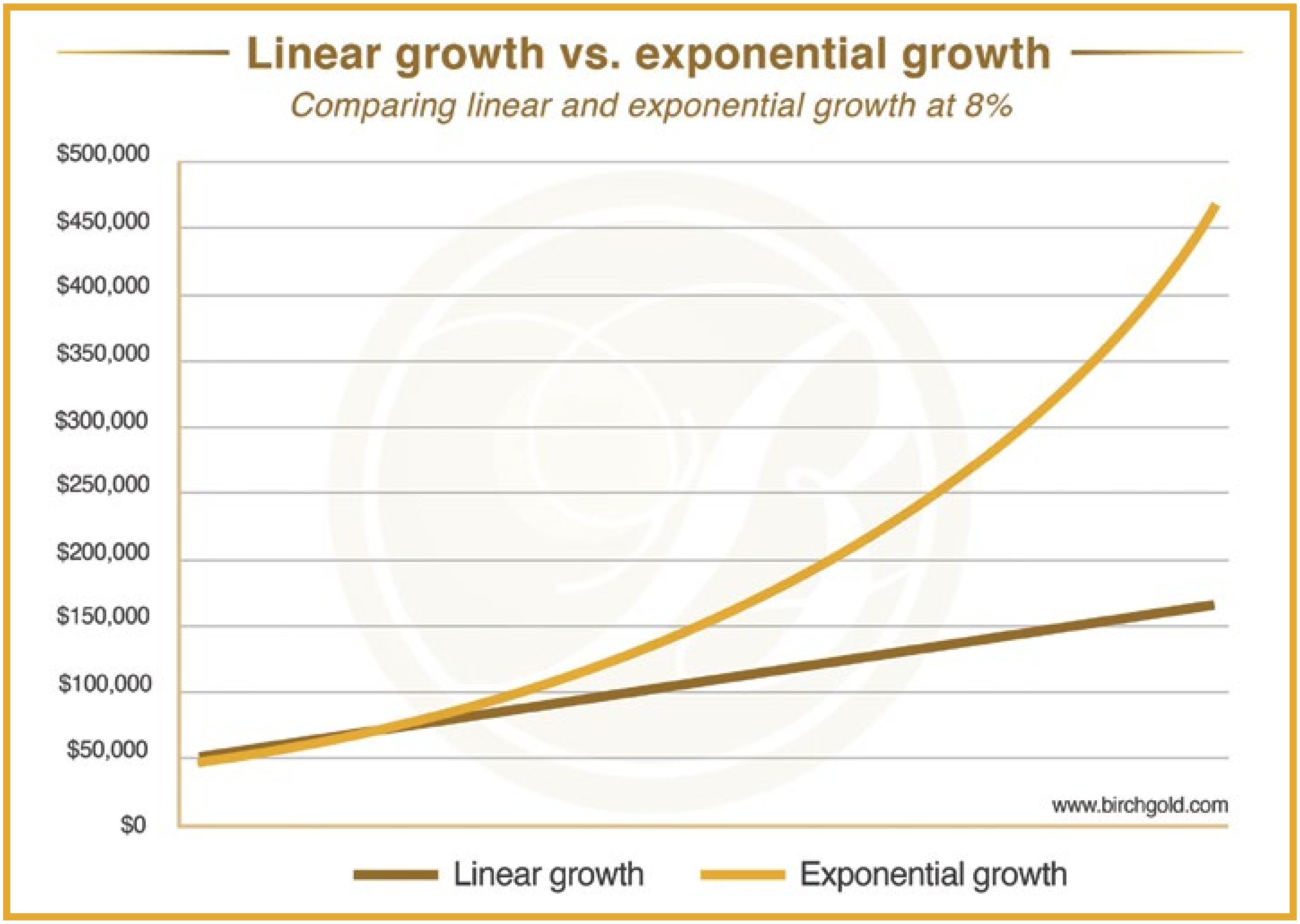
The main thing you'll learn is that, over and over, **everyone makes the same mistake.** Everyone! People like you and me. Corporations. Banks. *Entire nations.*

Imagine you owe more money than you earn. Unfortunately, for many Americans, this isn't much of an imaginary stretch…
So you borrow more money. Maybe it's for a good reason! Your car breaks down and you need to replace it, for example.

You tell yourself, "My income's still going up. It'll be easier to pay back next year."

Here's the problem: *wage growth* usually rises slowly, in a linear fashion.

Debt accrues and compounds in exponential fashion.



The more you borrow, the higher your debt-to-income ratio becomes. You don't have as much left to save for a rainy day. Those inevitable unplanned expenses and emergencies become more stressful and more expensive.

Because **more debt means less freedom**. More debt means you face tough decisions about where your income goes.

And if your debt payments grow faster than your income? Then you're forced to take out new loans to pay off the old ones… You're *screwed.*

Somehow, even though history shows us what a terrible mistake this is, **we keep forgetting it.**

People borrow too much money when times are good. Because times are good! Nobody likes pinching pennies when their friends are making millions flipping real estate and speculating on NFTs. *During the good times, everyone* ***always thinks*** *the good times will last* **forever.**

Asset prices will keep rising *forever.* Your pay will keep rising forever. It's okay to get a zero-down payment mortgage today because by this time next year, you'll sell the house for 20% more than you paid.

The good times *always* end. Nothing can go up forever. And you may find yourself stuck with debts much greater than your assets.

When this happens to an individual or a corporation, they can declare bankruptcy. This process liquidates assets and repays creditors, lets them clear the slate and start over, sadder but wiser.

Nations *cannot* declare bankruptcy.

Debt traps have just two escape routes

Since nations can't declare bankruptcy, they're left with two choices:

1. Austerity

Unfortunately, the term "austerity" has a judgemental whiff of International Monetary Fund (IMF) globalism about it. It's hard not to hear the word with an arch German accent.

Really, it's not a bad word. It's supposed to mean "belt-tightening."

For a nation, austerity usually means taking one or both of these incredibly unpopular steps:

- Reducing spending, *especially* on non-productive social programs
- Raising taxes

I think of the IMF because it seems like every year or two some third-world nation goes begging to the IMF for loans. Bangladesh, Congo, Bolivia – and the IMF recommends austerity. "Show us you're a responsible borrower!"

Reducing spending isn't difficult! You know what your tax revenues are, and you know who your creditors are. You implement what's called a waterfall payment plan. You pay senior creditors first (say, Social Security and veterans), junior creditors second – and if there's any revenue left over, *that's your budget*.

It's **simple!** And here in the U.S. it's *extremely unlikely* because it would require making difficult choices – trying to balance the interests of what Ron Paul would call the welfare state and the warfare state.

2. Default

This is how nations fail.

Default by a sovereign nation, one who has their own currency, is analogous to bankruptcy. Technically, nations don't run out of money and close up shop like businesses do. But nations often fail to pay their debts.

It's happened a lot. Argentina is probably the best modern example.

In 1913, Argentina was the **world's 10th wealthiest nation** on a per-capita basis. Now, after a century of reckless money-printing and defaulting on its debts nine or ten times, it ranks as the 83rd wealthiest nation per capita, between Nauru and Kazakhstan. From "the Europe of the South" to a third-world nightmare.

Argentine inflation is so high that workers spend their paychecks as quickly as they can, on *anything* – even pallets of bricks or concrete blocks. They're **desperate** for tangible wealth…

That inflation, by the way – it's characteristic of what I call a "stealth default." Essentially, one of the time-honored ways of dealing with too much debt is simply printing new money to pay off old debts.

Like I said before, though, ***more money is not more wealth.*** These inflationary policies allow the government to pay off debt using money that's *actually worth less* than it was before.

Effectively, this strategy wipes out all debt in, say, Argentine pesos *by erasing the value of **every Argentine peso everywhere**.*

Creditors get paid back in now-worthless currency. Citizens, especially savers and those living on a fixed income, discover to their horror that their purchasing power is wiped out as well.

This is not a situation nations recover from. The economic fallout would be nearly unimaginable – for *everyone.* (See volume 2 of *The End of the Dollar Empire* for an in-depth discussion.)

This is a lose/lose scenario

For most of us, the choice between austerity and default is plain.

If you're like me, you'd choose austerity in a heartbeat. Because you also believe that it's simply immoral to borrow money loaned to you in good faith and just decide not to pay it back.

I'd *gladly* pay higher taxes if I had confidence that we had the kind of leadership that would end the addiction to deficit spending. That would balance the budget and start paying down the national debt.

But how high would taxes have to go? Just to cover the interest expense on the current debt, the Treasury would need to **raise taxes about 17%.** Presumably, spending cuts would cover some of that total, but there's no way to know how much.

On the other hand, an outright default? Almost unimaginable – the darkest fantasies of doomsday preppers made real.

Even the "raise and spend, business as usual" approach isn't risk-free. Apart from the long-term consequences associated with another few trillion in IOUs, there could be trouble if the debt ceiling does get raised, but not fast enough.

I'm not kidding. *Moody's Analytics*[8] estimates that any delay, even a short impasse (like in 2011) before raising the debt ceiling, would be nearly catastrophic.

- Economic damage comparable to the global financial crisis
- Real **GDP would decline almost 4% from peak** to trough
- **Nearly 6 million jobs would be lost,** and the unemployment rate would double
- Asset prices would plunge, **wiping out $12 trillion in household wealth**
- Credit would contract and loan rates would spike – and **would not fall back to previous levels**
- Since American debt no longer would be perceived as risk-free by global investors, **future generations of Americans would pay a steep economic price.**

Hyperinflation? I absolutely believe the Federal Reserve and the Treasury Department would deploy their accounting tricks to miracle up the necessary cash to prevent default. The word "hyperinflation" would never be uttered, at least not publicly.

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[8]Debt Limit Brinksmanship (Again), Moody's Analytics, January 23, 2023.
https://www.moodysanalytics.com/-/media/article/2023/debt-limit-brinkmanship.pdf

Instead, we'd see the plummeting purchasing power of the U.S. dollar *accelerate*.

Consider: *since the U.S. left the gold standard*[9] in August 1971, **every dollar has lost *86% of its purchasing power.***

That's not a typo. I checked the numbers three times.

To sum up, the options are:

1. **Global economic catastrophe** caused by a debt default
2. **Annihilation of the dollar's value** through ongoing money-printing, inflating away the debt
3. **Higher taxes** in an attempt to make good on that pile of debt – **at least 17%** just so the hole doesn't get any deeper
4. **Lower government spending** by the same amount, at least 17%

Now, these first three courses of action are *appalling.* The fourth is at least *reasonable*, but frankly is impossible so long as our elected leaders continue to see spending as their only path to re-election.

Remember, both the welfare state and the warfare state see infinite spending as their primary source of power. And we've been on this collision course with insolvency for the last twenty years…

One of these courses is **inevitable.** (It takes a pretty bad list to make "higher taxes" look pleasant, doesn't it?)

Now that I'm aware of the true scope of the situation, here's my plan of action…

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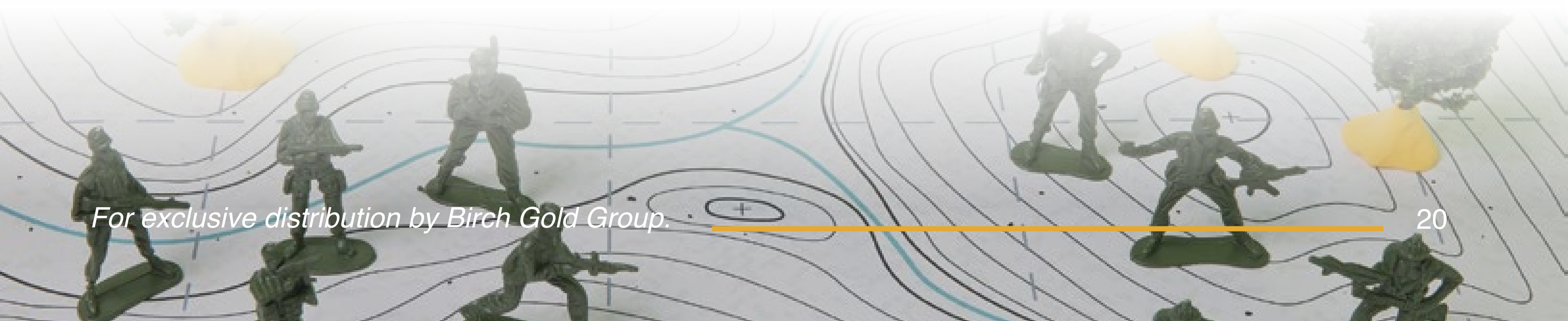
[9]St. Louis Federal Reserve, "Consumer Price Index for All Urban Consumers: Purchasing Power of the Consumer Dollar in U.S. City Average" https://fred.stlouisfed.org/graph/?g=101t9



III. Here's what to do

Personally, I hate reading yellow journalism-style shock stories that make dozens of hand-waving claims *without citing their sources.* I hope I've done a sufficient job of walking you through my research and my thought process.

So we're going to hope for the best, and prepare for the worst.

Here's our plan. Take a deep breath…

Draw a line in the sand and say, "Enough is enough."

We are *not* going to tolerate this ongoing, systematic destruction of our great nation's global economic role. We are *not* going to surrender our economic freedom to *anyone.*

We will not allow political "business-as-usual" horse-trading to destroy our financial futures – or the next generation's.

We will vote for fiscal prudence (but we won't expect a miracle).

Possibly most importantly, **we will take our own financial responsibility into our own hands.** We will *not* wait for a Congressional committee or a new federal agency to tell us what to do.

Remember, **the taxpayers are *never* bailed out.**

Step 1

You *must* protect your **family's financial security** (because no one else is going to do this for you).

That includes *maximizing* and *diversifying* your sources of **income.** Perhaps bringing your skills up to date, or learning something new or working harder for a promotion – or changing jobs. This could mean expanding or optimizing your business. Finding a side hustle.

Keep your mind open to opportunities and you will find them!

That includes living *well* within your means – and reducing or eliminating **debt** entirely. Remember, **debt is obligation** – debt reduces your freedom.

(Ron Kinney at Chautauqua Silver Works designed a one oz silver round with the motto *ONE MORE OUNCE - ONE LESS FETTER.* I think that's a *great* message.)

Step 2

You *must* **understand how to protect** what you already have.

Many Americans are *woefully underprepared* to take responsibility for their own financial futures. They're relying on "the kindness of strangers" – like the grasshopper in the story, who's rescued by the industrious ants…

You are not that kind of person.

You're going to take control, starting today.

Financial engineering has ensured that, when it comes to investing, we have a **multitude of options.** Some are good, some are bad – some are completely incomprehensible.

I am taking these steps:

1. **Diversifying** my savings (*especially* away from dollar-denominated assets). I want to make absolutely certain my "savings" are as **safe as they can be.**
2. **Simplifying** my finances. Like I said before, we live in a time when financial alchemy can turn the worst investments into fool's gold.

Now, remember, this U.S. debt trap doesn't just affect you and me – this affects *everyone.* Because the dollar still plays a big role in international transactions, central banks and companies and regular people worldwide own dollars. Based on recent news, the rest of the world is aware of the problem and they're taking steps.

Consider:

- Worldwide, central banks bought a *record amount of gold*[10] (the most since 1950)
- The Central Bank of China officially added to its gold reserves for the first time in years
- *In Russia*[11], demand for gold rose fivefold in 2022
- The Central Bank of Turkey's gold reserve grew 266%
- Egypt, Iraq, Qatar, Oman and the United Arab Emirates all bought gold

Now that I fully understand the gravity and scope of this problem, here's what I'm recommending to all my friends and family… take a hard look at diversifying with physical assets like gold and silver. Birch Gold Group can help.

Since I first started working with Birch Gold Group, I've increasingly become a fan of physical precious metals. Their *simplicity* appeals to me. There's a reason gold and silver have been safe haven stores of value since Biblical times.

In Ray Dalio's recent *Principles for Dealing with the Changing World Order*, he spends a great deal of time discussing worst-case scenarios from a historical perspective. Yes, he's a CCP stooge, but he's still one of the smartest guys writing today – and gold comes up quite a lot:

> *"There is an old saying that 'gold is the only financial asset that isn't someone else's liability.' When you receive gold coins from a buyer, you can melt them down and exchange the metal and still receive almost the same value as if you had spent them, unlike a debt asset like paper money, which is a promise to deliver value (which isn't much of a promise, given how easy it is to print). When countries are at war and there is no trust in their intentions or abilities to pay, they can still pay in gold. So gold (and, to a lesser extent, silver) can be used as both a safe medium of exchange and a safe storehold of wealth."*

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[10]Gold Demand Trends Full Year 2022, World Gold Council, January 31, 2023.
https://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-full-year-2022/central-banks

[11]Ukraine war turns Russia into a nation of gold bugs, Financial Times, February 10, 2023.
https://www.ft.com/content/57ecdd80-82a0-4c12-9803-0ce016afdf11

If you ever wondered why, *fifty years* after the end of the gold standard, central banks around the world still own gold – **now you know.** Real, physical gold and silver are "a safe medium of exchange and a safe storehold of wealth."

Even in wartime.

Since we're taking responsibility for our own financial futures, we each must consider becoming our own central banks. We **know** we can't trust the dollar as a store of value.

We **know** that the financial assets trusted for decades have a value contingent on *trust.*

Our trust has been betrayed, over and over. By the Federal Reserve. By our own elected leaders.

Physical precious metals are the *opposite of* trust and blind faith. That's why I own physical gold and silver – and why I work *exclusively* with Birch Gold Group because they are a conservative-friendly company. If this is the right choice for you, I cannot recommend Birch Gold highly enough.

One final thought:

> *"No nation has abandoned gold and remained great."*
>
> *- President Ronald Reagan*

These words were important when they were spoken; they seem prophetic today. That's why I'm buying gold.