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Physical Or Bust

Mr. Bevan, could you explain what a person is to do with gold and silver coins in the future, when the dollar becomes worthless, outside of taking them to a coin dealer? Kinda hard to trade eagles for milk, especially gold eagles!

Thanks, Larry

Great question Larry. You have a very valid point.

You are very unlikely to ever have to trade physical gold for goods, at least if you live in a developed country. In recent times though, Zimbabwe went through massive and devastating hyperinflation. Gold was about all you could use to buy food or any other goods. [This video](#) touches my heart every time I see it. The tale of poverty forced upon the populous is a true tragedy, and it is not the fault of the general public.

But they always suffer the consequences.

While this will likely not happen in the developed nations, it could. If so, silver would be a much more practical means of transacting than gold because of it's lower value. But in a pinch either would work.

There are many pundits and analysts who promote fear, and tell readers to prepare for a situation similar to that in Zimbabwe. I disagree, but still, I do think it only wise to store canned food for at least a month as well as have adequate protection and plans for extrication due to a number of potential events.

Whether it be a riot, hurricane, earthquake, ice-storm, power outage or hyper-inflationary crisis, or not, it's best to be at least semi-prepared, especially if there are others in your life who may depend on you in a time of crisis.

The reason, in my view, to hold physical gold and silver is twofold.

First, it boils down to basic supply and demand. Daily, there are cases of corruption uncovered. I do not trust ETF's or anything other than physical metals to have a 100% certainty to actually take that physical metal off the market.

If you buy an ETF representative of 1 oz of gold or silver, you can never be 100% sure that it has been bought, hence taken off the market and increased demand while reducing supply.

It's that simple.

Second, I do think we will see a major currency crisis or revaluation occur in developed nations as a whole in the next ten years or perhaps less. There will be no warning, you will wake up one day and told the cash under your mattress has been devalued by 50%, or whatever number the powers that be deem appropriate.

North Korea is the [most recent example of this](#) where citizens awoke to a 99% devaluation of their paper dollars. As you'd expect this caused a panic and rush into real assets, but it was far too late.

Had a citizen held a gold or silver coin, they could have exchanged it for the new currency and not have lost a single penny.

[On my logo](#), it states; "Bridging Wealth Protection With Wealth Creation".

That sums up my philosophy in today's markets.

Wealth protection is holding physical metals in a safe local.

Wealth creation is investing in stocks with the potential for huge return. Even if a currency devaluation occurs, stocks will be exchanged in the new currency and hold their value quite well. That is one reason I remain close to 100% invested during these shaky times.

If anything happens, you will not be warned. You must be ready if you feel also think there is any chance of the above taking place.

Until the weekend enjoy the rest of the week, and especially the metals hearings with the CFTC tomorrow March 25.

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Until next week take care and thank you for reading.

Warren Bevan

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