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Dear Friends September 2014

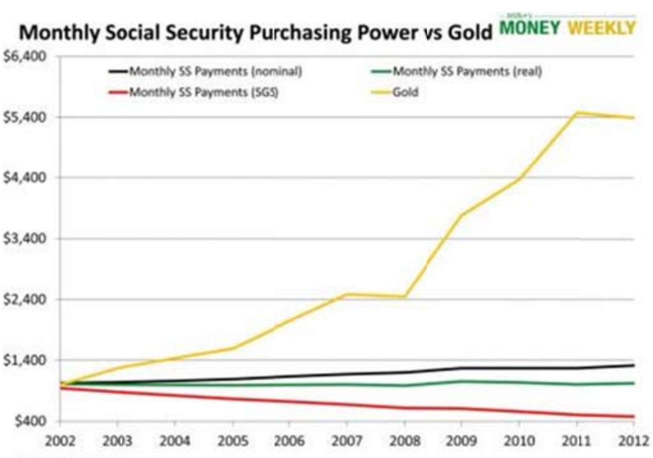
David Smith, Senior Analyst for Silver-Investor.com and a man we are blessed to call a dear friend, is once again sharing his insight and perspective on the metals markets….

There is a tide in the affairs of men…
The "Tide" for Holding Precious Metals is Now!

David H. Smith

Yes, silver has dropped in value by 60% over the last 3 years. Even though it is still up 400% from its bull market beginnings around 2002, this $30/ounce "give-back" is a hard pill to swallow, especially for those who waited to get on board at $40, rather than do so when it was hard emotionally to buy silver below $10. Gold was a bit over $1900 in 2011 – now it's trading in a broad range of roughly $1200 - $1400. But its run began around the year 2000 at below $300 per ounce. Even now gold – and silver - are still up 400% from their bear market lows.

For 5 years, the DOW has moved relentlessly higher as the easy money from the Federal Reserve has provided liquidity for it to do so, seemingly unimpeded by the forces of gravity, or to a certain extent, even good sense. Banks and trading houses are more highly leveraged today than they were just before the financial crash of 2008. Even though U.S. tax receipts are giving our government record amounts of taxed dollars to spend, the Fed's debt levels are at all-time highs. Interest rates remain at record lows, penalizing retirees who try to save, hoping that interest income can help them get by during their "golden years".



Make your retirement years truly "golden"

Now, insult has been added to injury with the announcement, that in case of another financial crisis, your money market funds can be withheld by the government at *its* discretion. They will tell you if, when and how much you can withdraw at any given time. Furthermore there will no longer be a guarantee that money market funds will continue to trade at or above their one dollar floor – which if we move below this level, in the trade, is called "breaking the buck". These supposedly ultra-safe account holdings are the essence of why people originally chose to deposit much of their liquid financial wealth there in the first place, because they have always been seen as "risk-free" liquid ports in a possible financial storm.

In the U.S. it's been difficult to find a single major economic/political issue which has been successfully addressed over the last 6 years – at a time when the global house of cards was literally just a few hours from melting down – coming within a hair's width of casting the world into a global depression. Yes, the government reports that consumer debt levels in some respects have decreased, but most people's ability to simply earn a living, let alone hold onto purchasing power against the corrosive effects of (underreported) inflation is placing the average family further than ever behind the curve.

And what's going on internationally? Unrest in Ukraine as the Cold War mentality between Russia and the U.S. reasserts itself. The Middle East is aflame from Syria, Libya and Israel, to Iraq and Egypt - with Pakistan and Afghanistan waiting in the wings. Tensions between China, Japan and Vietnam are at levels not seen since before the onset of WW II in the Pacific Theatre. Sluggish economic growth is the order of the day in France, Spain and Italy.

The "money" in your wallet is backed by…

Congress (and the current administration) is held in record low esteem – with trust eroding– as a dysfunctional political system drifts along without a visible rudder, let alone a big-picture purpose – other than to win the next election and keep its seats…and perks. From Washington, to Tokyo, Bejing, Bonn and Paris, the "plan" is to print and distribute endless mountains of paper money in the forlorn hope that things will somehow work out.

"Money" is still seen as valuable because of just one thing– belief by the person who holds it that the paper in their hand still has value. We call this feeling "trust". Incidentally, we are living during the only time in history when, nowhere in the world, is *any* currency backed by gold or silver. It's all about trust, as in "trust us (the government).

Do we look at this world in a positive manner, as in -

We have confidence (trust) in you and what you're doing, we accept that the colored money, (in Canada, multi-colored, with plastic ribbing that can melt in the sun) you give us, printed with the number of "X" dollars on it, really does have – and will hold onto - its stated value. We know you make a big profit (seignorage) after subtracting the cost of the ink and paper it's made from, but we can live with that…for now.

We also wonder,

*If you print unlimited amounts of paper money (real and electronic) won't it decrease in purchasing power (value) over time (yes)? And is it not probable that, like virtually every other issued paper currency throughout history, it will someday be worth just…zero? (*Yes)

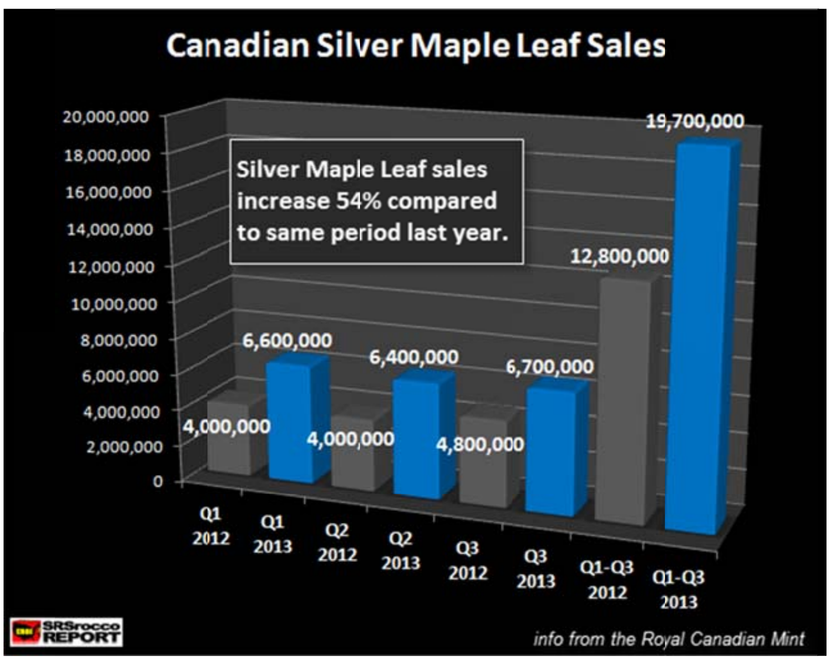
Or see things negatively, when we ask our representatives (rulers),

Are you running a con game like Bernie Madoff, making me think the currency I am holding is worth something just because you say it is – all the while a privileged few use it to buy real assets – everything from land and trees, to manufacturing plants…as well as gold and silver – shoring up your control over me and mine before this "paper promise" drops in value to zero…leaving me holding a bag – of worthless funny money?

Shatter that confidence, and like Humpty Dumpty falling off the wall, the game is over. Many of our readers have heard the statistic that since 1913 – coincidentally the year the Federal Reserve was born – the purchasing power of the U.S. dollar has declined by over 95%. What's less well known is that the same thing is true for Canadian, Australian dollars, the British Pound. So, in terms of purchasing power, your grandparent's money is now essentially worthless.

But wait, there's more! Just since 1973, the purchasing power of the dollar has declined by fully 80%. One green dollar then will only buy twenty cents of something today. In the last ten years, 30% of that purchasing power has been eaten away. During this time, gold and silver have risen 400%. Is this well-established dollar-devaluation trend one you'd like to bet against?

When, not if the trend of depreciation really heads south, do you want to be holding onto nothing more than a fistful of crinkled paper as your claim to financial solvency?



Canadian Silver Maple Leaf sales setting new records

James Turk, one of the most studied observers of the financial scene had the following to say in a recent interview on King World News:

Currencies will continue to be relentlessly debased in an ever more frantic attempt to keep the debt load from crushing the world economy. But gold and silver will eventually experience explosive upward moves as a result of a growing shortage of physical gold and silver that finally overwhelms the manipulators…And I would also add that the time is getting short for those investors who have not protected their portfolios with gold and silver exposure…I can't emphasize enough the importance of people buying physical silver at this time because it is an all-time gift considering the move that is still in front of us.

And just last month, Dennis Gartman (publisher of an investment letter for which subscribers pay $500/month), an agnostic at best when it comes to the topic of precious metals, said:

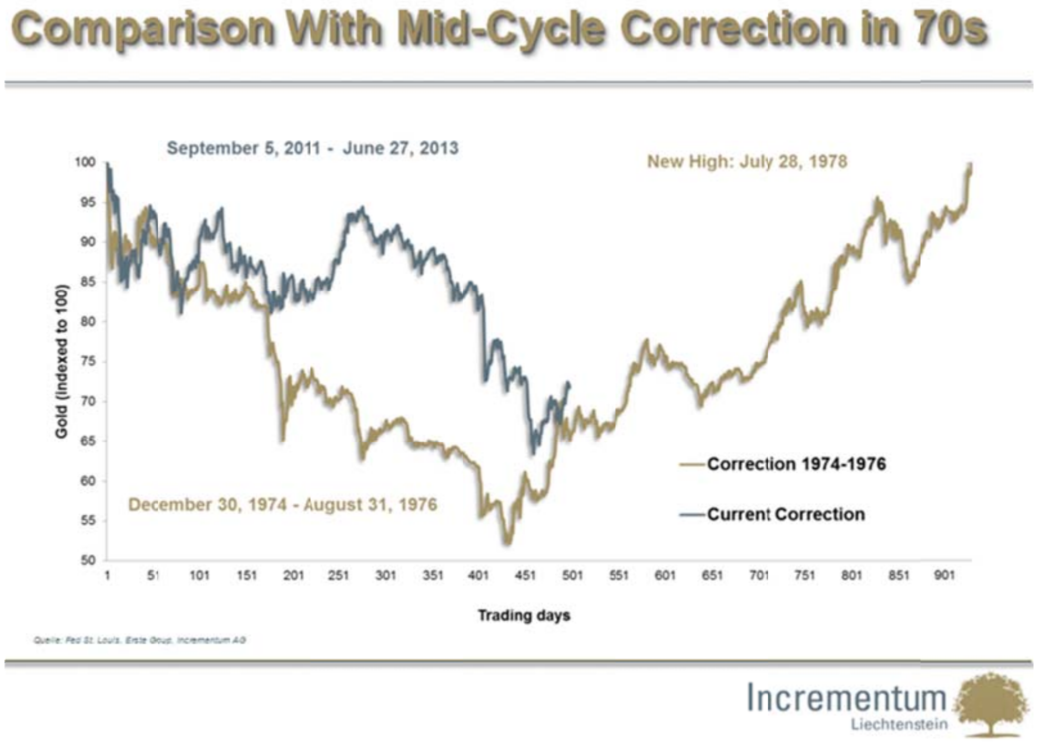
Regarding gold, of course it is strong: War is in the air and when war is in the air, gold goes bid. What else can gold do? Capital is fleeing to the safe corners of the world, and when that happens it flees to gold.

And finally, Jim Rickards, author of *The Death of Money*, writes convincingly,

Central banks have a whole toolkit designed to cause inflation. Zero-percent interest rates, printing money, currency wars, so-called forward guidance, nominal GDP targeting, etc. The problem is that none of them are working right now. It's a sad day when central banks want inflation and they can't get it. But they're going to keep trying because they have to avoid deflation.

Now, that we have the bad news out of the way…

What's often lost in the shuffle about discussing the reasons for holding precious metals is that in addition to their unexcelled value at offering a safe port against financial storms, they are increasingly, "good news metals" as well. In India, China and throughout Asia, hundreds of millions of people are finding their incomes rise as the mantle of vibrant economic growth moves from West to East. Even with some of the questionable economic stimulus policies (and reporting) in China, the long-term, multi-year and decades' trend of economic improvement is well-established. It's common for Chinese savers to put away 40% of their disposable income – money increasingly going into precious metals. As the first country to introduce paper money and with a number of spectacular failures to its credit as all their previous currency experiments eventually declined to their intrinsic value – zero - China's population has become well-versed in the need to hold silver and gold as an antidote to losing its hard-earned wealth. An interesting thing that *Sinologists* (students of Chinese history) have observed is the recurring example, during times of economic or political strife, of "Old Hundred Names" refusing to accept anything in exchange for goods and services, except for gold and silver.



The chart above, comparing gold's current unfolding bull market path, bears an uncanny resemblance to what took place in the 1970's. Let's see if this continues…

If you aren't convinced that the "precious metals' four" are headed a great deal higher over the next few years than where they are today; if you "can't afford" to allocate some of what David Morgan in his writings at themoreganreport.com refers to as "paper promises" (currency) to buy even a small amount of metal to "hold in your hand"; if you think that in spite of the "votes" by several billion people around the globe and across cultures for over 6,000 years who have held silver and gold as money, are not proof that the purchasing power of paper ALWAYS goes to zero - whereas precious metals cannot and have not; if you believe it when a politician tells you he's doing something for your own good; if you don't wonder at least a little bit as to how our government can "misplace" $800 billion in funding (your tax dollars) it was supposed to be keeping track of, then maybe you should refrain from buying any gold, silver, platinum or palladium.

Most of us really don't truly understand just how damaging the corrosive effects that inflation – usually government-induced, has on the ability we have of safeguarding our financial purchasing power.

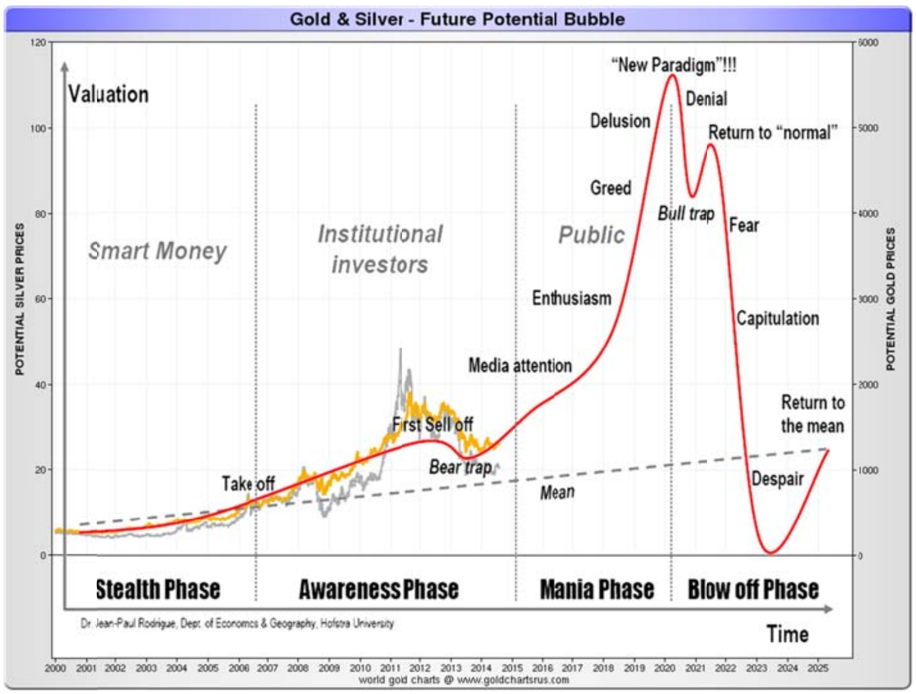
"Inflation is as violent as a mugger…"

The late President Ronald Regan did not understate the power of inflation to deprive us of our hard-earned wealth, saying "Inflation is as violent as a mugger, as frightening as an armed robber and as deadly as a hit man."

In its broadest sense, inflation is government theft, plain and simple. Instead of your purchasing power increasingly earning you more for your hard work and frugality, it barely keeps pace – at best. And given that our government has "fine-tuned" the Consumer Price Index (CPI) a number of times since 1980, the real rate of inflation may be as high as 3-4 times the "official" number. This means, for example, that Social Security payments, which are based upon the CPI, are well

<u>behind</u> the curve, and losing ground each year. Indeed when you see a new government estimate as to how long it will take to deplete Social Security funding, showing it is now supposed to last "x" years longer – understand that the real reason is that the government has simply changed the assumptions upon which their new estimate is based.

An in-depth discussion of this deadly financial effect is beyond the scope of this report, but you can find as much detail as you would like by going to John William's excellent site, at shadowstats.com



Looks like history may not only rhyme, *but repeat* as well!

So – consider selling <u>some</u> of your metal when prices reach the "Delusion" phase shown in the chart above. But please, just <u>don't</u> start buying there!

Sisters Mary Anne and Pamela Aden do not often publish their costly research (The Aden Forecast) in the public domain, understandingly reserving the contents for their paid subscribers. But recently on several news aggregator sites they did so, and had (in part) these intriguing things to say:

Basically gold is a cyclical market. It's formed key bottom areas every 7-8 years since the 1960s, and it's formed major high areas every 11 years since then as well . . .

If gold continues in this almost 50 year pattern, it's saying gold is poised to bottom, and begin a major rise next year. This would be the 6th time since 1969 that a 7-8 year low has developed. Then once the low is clearly established, gold will have a green light to rise in a strong bull market until 2019. This would mark the 11 year peak period from the 2008 lows.

Silver is similar to gold . . . It's still in a major uptrend since 2002 within an almost 50 year up-trending channel. Its leading indicator . . . also reinforces a positive outlook as it bounces up from a major low area.

Its (palladium's) indicator has plenty of room to rise further, which backs up a bullish scenario. Palladium is very bullish above its 65 week moving average at $765. Technically and fundamentally, palladium is set to rise much further. You want to stay onboard!

Palladium has now reached a 13 year high

When you began reading this writer's column two years ago, suggesting that you take a serious look at the evolving bull market for palladium, it was trading well below $600 per ounce. At this writing, the price is now up 50% since then, having recently penetrated the $900 level on the upside. And looking several years out, the supply forecast still looks pretty grim. If you have not done so, sometime hold a 1 ounce palladium bullion round in your hand. The early Spaniards called it "little silver". I'd say it deserves the title of "big silver" now, wouldn't you? When, not if palladium has a four digit price, those still just watching rather than acting will have to ask themselves a question only they can answer, "Why did I wait?"

In his play *Julius Caesar*, Shakespeare has Brutus and Cassius discussing whether, instead of pausing to get a better view of things, they should strike what could be a decisive blow against their enemies and end the civil war in their favor. Brutus carries the day when he reasons:

There is a tide in the affairs of men.
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat,
And we must take the current when it serves,
Or lose our ventures.

This article has made the case that in regard to the precious metals, "a tide in the affairs of men" is well underway. Yes, there is no guarantee that things will play out as discussed, or even if it does, that some of those who make a decision to "take it at the flood" will avoid making mistakes which cost them some of the gains from what in retrospect, proved to be the right decision. Brutus could not guarantee Cassius that "striking while the iron was hot" would not entail some miscalculation that could undo the gambit they were considering. But he did believe that not taking action would turn out to be a very large, perhaps irreparable mistake.

Which side of the "deluge" will you choose to travel?

No one who is honest, both with you or with themselves can guarantee that silver will not go to $10 instead of rising to $60 on its way to $125 - $175 or more. But one *can* suggest percentage loss-to-gain, risk-to-reward ratios if it does. This posits that for silver, a highly improbable drop from this level to $10 is about a 50% risk for the money committed, whereas a rise to $60 is a 300% gain (1:3) reward/risk ratio); to $120 would be a 600% profit potential (1:6 ratio), etc.

What if you do nothing and are wrong? How will you feel, watching silver challenge and successfully breach chart resistance at $26, $35, the $40's and then break above $50 into new all-time nominal highs? Or watching palladium move above its all-time highs around $1,100 per ounce? Are you willing to take the risk that if "Omitted, all the voyage of their (your) life Is bound in shallows and in miseries"?

Not to mention, will you be able to avoid the fear of missing out to which so many others will succumb, as they rush headlong into the market, buying precious metals at much higher prices than are prevailing today?

Mexican Silver *1 onza Plata Pura Libertad*

My friend, only you can make that decision. But if you're going strike, do it now, while silver is still trading in the $20's to low teens, gold is well below $1400, and platinum and palladium are coiling in price as they prepare to launch strongly upward, for possibly the next several years. Don't wait until the talking heads on the financial news shows breathlessly discuss the daily moves in the metals and tell you how "this time it's different". Don't wait until prices have gone exactly where you "feared" they would – pushing you to finally "step up to the plate" and start buying. You can decide to act and still be conservative in how much you "stack" – the idea, as so often stated during wise counsel, of holding precious metals for insurance first, profit second.

Consider acquiring a certain amount of metals per month – dollar cost averaging. When the price is relatively low, like it is now, you "get more ounces for your money" – from depreciating dollars. Another strategy is to earmark a specific dollar amount for your "silver stack" – (or gold/platinum/palladium), accumulating several tranches (portions) over a series of months. Then (keeping this information to yourself and perhaps a trusted family member), place your metals in a safe place and forget about them. Go about the business of living, secure in the knowledge that, come what may, you have protected a portion of your assets.

Self protection – and not just against the vagaries of government mismanagement, economic misfortune and natural disaster alone. But, so that you can also participate in the demand wave for these valuable assets, as millions of people in newly-emerging economies around the world buy and hold their stockpile for the very same reasons as you. As the titanic forces of deflation and inflation collide against each other, your "metals' assurance and insurance policy" - regardless of which force wins out –can serve to help mitigate these effects.

As always, "Do the Research. Do the Math. The decision must be yours!"

Thank you, David. As always, your hands on investigative experience with precious metals mines and exploration sites in Argentina, Chile, Mexico, China Canada and the U.S. bring us a perspective that helps us all better understand and prepare.

Since Resource Consultants, tends to be a fiscally conservative company, our recommendations, for most of our clients have not varied much. We believe that the most important part of a metals portfolio contains the items you would easily use in a bartering situation. These modern Gold, Silver, Platinum or Palladium coins or bars are very easy to liquidate should you choose to or need to. *Nearly all of the items in the bullion: INSURANCE category can also be bought or sold in your precious metals* ***IRA****. CALL US for more information!* ***800-494-4149***

We call this first category **INSURANCE.** The most popular Gold coins are the U.S. Eagle in 1oz , or fractional ½ oz , ¼ oz and 1/10oz sizes. Other favorites are Canadian Maple Leaf, Austrian Philharmonic, South African Krugerrand or Gold bars. Consider this your precious metals savings account.

If you can think of Gold as the savings part of your portfolio, it could be helpful to look at Silver as your currency, flexibility and liquidity. One ounce Silver Eagle, Silver Maple Leaf, Silver Philharmonic, and Silver rounds which also come in in one ounce our half ounce sizes are very popular and important acquisitions. Pre-1965 90% U.S. Silver coins are still available and the premiums are low. Silver could be what will enable you to maintain your buying power in the near future.

Call 800-494-4149 for current prices and recommendations. Be sure to ask if there are any specials or about **quantity discounts.**

The second Category for precious metals we call: **INSURANCE WITH A KICKER** Gold or Silver coins minted by the U.S. about a century ago which are in XF (Extra Fine) condition are available at just a slightly higher premium than some of the modern bullion coins. These are coins that were minted to be used as money, have a beauty and energy about them . They have probably been in a cowboy's pocket or used to purchase goods 100 years ago. These coins are loved for not only the intrinsic value of the metal they contain but for their history and the feeling one gets when holding or collecting these pieces of American antiquity.

In the final category, which we call **SPECULATION** we have the American Gold or Silver numismatic coins. These Mint State coins are all third party graded by PCGS or NGC and are valued according to their rarity and condition. **Call us for best values and recommendations. Also check the BOX often on our website www.BuySilverNow.com**

NOW is the time to be systematically getting out of the banking system and paper markets and exchanging as much fiat money as you can (debt backed currency), for hard money, REAL MONEY .

Here are a few things to think about, we are expected to feel good about the Dow Jones breaking records at over 17,000 during a time of Civil War in the Ukraine, countless battles in the Middle East and the French dissolving their government; due to non-economic growth and an employment rate over 10%. All the while Gold and Silver remain in a long term plateau?

Now, let's look back to 2008 when one of our country's worst depressions devastated most every part of our economy. Just about every analyst blamed it on the mortgage and bad banking policies "Bubbles", which lead all of us to re-evaluate our financial futures and foundations. You mean to tell us that in 6 years, we have made such rapid and concise economic decisions that we should be 10,000 points higher in just 6 years? Personally we think someone's cooking the books out there, and sooner than later someone is bound to start collecting.

Thank you for your business, referrals and friendship!

Blessings and Gratitude.

Linda C Gorman

Linda & Pat Gorman

PS In the two prior issues of the RCI newsletter I introduced you to ASEA. The product that our Doctor recommended for Pat when he had his stroke nearly four years ago.. It has been nothing short of a God send to our family, especially for my husband Pat & daughter Janell. If you would like more information on ASEA or Renu28 go to AmazingMolecules.com or call Linda at 800-494-4149 to see how you can get yours at a 20% discount!