



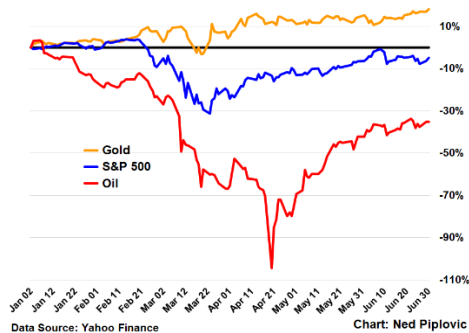
The Midas Touch: Will Gold Continue to Shine?

Mark Skousen

July 3rd, 2020

“The impact of the rate of inflation on the price of gold is like tracking the footprints of an animal.” — **Julian M. Snyder** (“Maxims of Wall Street,” p. 151)

Gold gradually has been moving up in fits and starts in 2020, but suddenly has taken off, and it hit \$1,800 an ounce earlier this week. Silver is over \$18 an ounce. See the chart below.



As you can see, gold has been a more stable growth investment than stocks or oil in 2020.

Investors are wary of the stock market and the economy, especially after Dr. Doom, American economist **Nouriel Roubini**, predicted this week that we would see a bad recovery and a “Greater Depression,” to use the phrase made famous by **Doug Casey**.

Three Reasons Why I’m Loading Up on Gold

What is driving gold higher?

There are three reasons why I’m bullish on gold and have substantially added gold and mining stocks to my investment portfolio.

First, the Federal Reserve and other central banks have cut interest rates to practically zero. That makes gold, which doesn’t pay interest, more appealing. Some mature mining stocks do pay dividends, but usually only 1-2% a year.

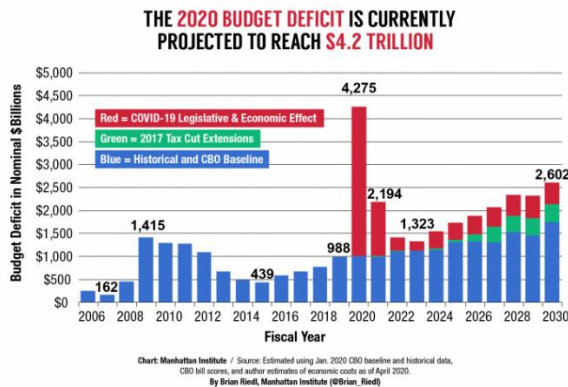
Second, the Fed also has expanded the money stock with quantitative easing (QE), buying Treasury securities, mortgages and corporate bonds to stimulate the economy during recession.

In fact, the broad-based U.S. money supply (M3) is now growing at a 25% rate, the fastest rate in peacetime history!



Source: Tim Congdon, Institute of International Monetary Research

Third, government spending is out of control, causing the deficit to rise to \$5 trillion or more. The Fed will undoubtedly increase purchases of government bonds to keep interest rates low.



The Winner's Circle Has the Midas Touch

After predicting a “black swan” event in 2020, I added gold and mining stocks to my investment newsletter, *Forecasts & Strategies*, and every one of my four trading services. (The call options have skyrocketed.) I also have invested heavily in gold in my personal investment accounts.

For those interested in my trading services, give Grant of Eagle Financial Publications a call at 202-677-4492. I think you’ll be glad you did!

Governor of Nevada Shuts Down FreedomFest!

“Never underestimate the size of a panic or the power of a politician.” — **Sir Harry Schultz** (“Maxims,” p. 112)

It pains me to report that the authoritarian Governor of Nevada, **Steve Sisolak**, decreed an emergency directive to extend Phase II to the end of July. Phase II limits attendance to 50 people in a meeting, making it impossible for FreedomFest to open in July at Caesars Palace. In short, the Governor has shut us down, along with all other summer conventions.

So that means no Global Financial Summit. No Anthem film festival. No 40th celebration of my newsletter. And no banquet honoring **Ed Crane**, the founder of the Cato Institute. No FreedomFest for the first time in 14 years.

I cannot begin to tell you how badly I feel. I realize it is not life and death, but I feel like a parent who had been filled with excitement and hope for the future while awaiting the delivery of a baby, only to learn the child was stillborn.

I know so many of you were sick and tired of being stuck in the doghouse and wanted to get out and have a great week in Vegas with your fellow freedom lovers. But it was not to be.

So, what was the “emergency” that caused the governor to abort our conference? A jump in coronavirus cases, and only one new death. That’s it.

The management at Caesars Palace expressed just as much shock as my organizers and me. During the past three months, Caesars Palace management assured us that Phase III would apply in July, allowing us to have 50% occupancy like they have at restaurants. On that basis, we moved ahead with our big show, and had more than 1,200 attendees when the Powers That Be pulled the plug on us.

You can’t have a convention with just 50 people. Our brave staff of four spent countless hours putting together a great program, at great expense, but for the governor and his henchmen, that meant nothing. They offered no apology in their self-righteous decision. Talk about arrogance and abuse of power. As **Lord Acton** stated, **“Power corrupts, and absolute power corrupts absolutely.”**

There’s an important lesson here. We have given way too much “emergency” authority to these power-hungry politicians, and now we are paying the price.

It is amazing how we can go in one day from a free country and the next day into the beginning of tyranny.

I consider this move an abridgment of our First Amendment right to freedom of assembly and free speech. FreedomFest is all about individuals coming together to learn, network, socialize and celebrate liberty. You can’t do that online.

Note: We’ve decided to do a two-hour “Emergency Meeting” online with several of our keynote speakers on Monday, July 13. Stay tuned for more information.

As you celebrate the 4th of July on Saturday, may you remember the words attributed to **George Washington**: **“Government is like fire, a dangerous servant and a fearful master.”**

Yes, we lost the battle in 2020, but we are determined to win the war.

Meanwhile, let’s make some money and have some revenge. Gold is a good place to start.

P.S. Here are some more great, applicable quotes from the section about government in “The Maxims of Wall Street”:

“Bad government drives out good business.”

“Being the richest man on a sinking ship is a bitter victory.” — Jack Pugsley

“The ultimate result of protecting fools from their folly is to fill the planet full of fools.” — Sir James Russell Lowell

“When the king is far, the people are happy.”

“What is the greatest danger to your investment? Inflation.” — Paul Cabot

In the past few months, I’ve had subscribers buy multiple copies of “The Maxims of Wall Street.” The quote book, now in its 7th edition and handsomely printed in green and gold, has been endorsed by **Warren Buffett, Jack Bogle, Dennis Gartman, Alex Green, Bert Dohmen** and many others.

Rob Arnott, the godfather of smart beta, just bought a whole box to give the books to his best clients and friends.

It is more than just a quote book. It is full of great Wall Street stories about Joe Kennedy, Jesse Livermore, Ben Graham and other veterans, plus several “Rich Man’s Pearls of Wisdom.” The quotations are divided into categories, such as “growth vs income,” “gold bugs,” “contrarian investing,” etc.

I offer a super bargain price for “Maxims.” The first copy is \$20, and all additional copies are \$10 each. They make a great gift to friends, family, clients and investors.

I autograph each copy, number them and mail them at no extra charge. If you order a box of 32 copies, you pay only \$300.

To order, go to www.skousenbooks.com, or call Harold at Ensign Publishing, 1-866-257- 2057.

Dennis Gartman said it best: “It’s amazing the depth of wisdom one can find in just one or two lines from your book. I have it on my desk and refer to it daily.”

Jack Bogle, the legendary founder of the Vanguard group of funds, wrote, “What a treat! It’s great to have all these sayings in a single spot.”

Alex Green says, “It’s a classic!”

You Blew it! American Economics Association (AEA) Ignores Contributions of Black Free-Market Economists

Recently, **Steve Hanke**, of Johns Hopkins University, and **Richard Ebeling**, of The Citadel, wrote a *National Review* article honoring **Thomas Sowell** on his 90th birthday. At the end of the article, they stated:

“On June 5, the American Economic Association (AEA), the premier professional association for economists since its founding in 1885, issued a statement saying that it was time for officers and governance committees within the association to look into racism and racist practices and presumptions within the profession. To that end, the AEA compiled a recommended reading list on race and discrimination. Thomas Sowell is nowhere to be found on it. Neither is the late Gary Becker, former president of the AEA, who won a Nobel Prize in 1992 for, among other achievements, his pathbreaking work on the economics of discrimination. This is the blinkered world we live in today.”

I was appalled to see that the AEA is discriminating against two premier black economists, **Thomas Sowell** (Hoover Institution, formerly at UCLA), and **Walter Williams** (George Mason University), both of whom have written extensively on the issue of race and discrimination in America and South Africa, and have been in the forefront of favoring market solutions to race issues.

Both Thomas Sowell and Walter Williams have been writing extensively on race and discrimination for over 40 years. Several of their books have been bestsellers.

Thomas Sowell has written the following titles: “Ethnic America” (Basic Books, 1981), “Civil Rights: Rhetoric and Reality” (Harper Collins, 1983) and, most recently, “Intellectuals and Race” (Basic Books, 2013) and “Discrimination and Disparities” (Basic Books, 2018).

Walter Williams wrote an entire book attacking apartheid in South Africa in his book “South Africa’s War Against Capitalism” (Praeger, 1989). He has also written “The State Against Blacks” (McGraw Hill, 1984) and “Race and Economics” (Hoover, 2011).

They deserve being cited in the AEA’s list of readings on race and discrimination.

This kind of discrimination has to stop. Everyone in the black community deserves a voice. That’s what American democracy and equality is all about. And the AEA has clearly violated this sacred principle of fairness.