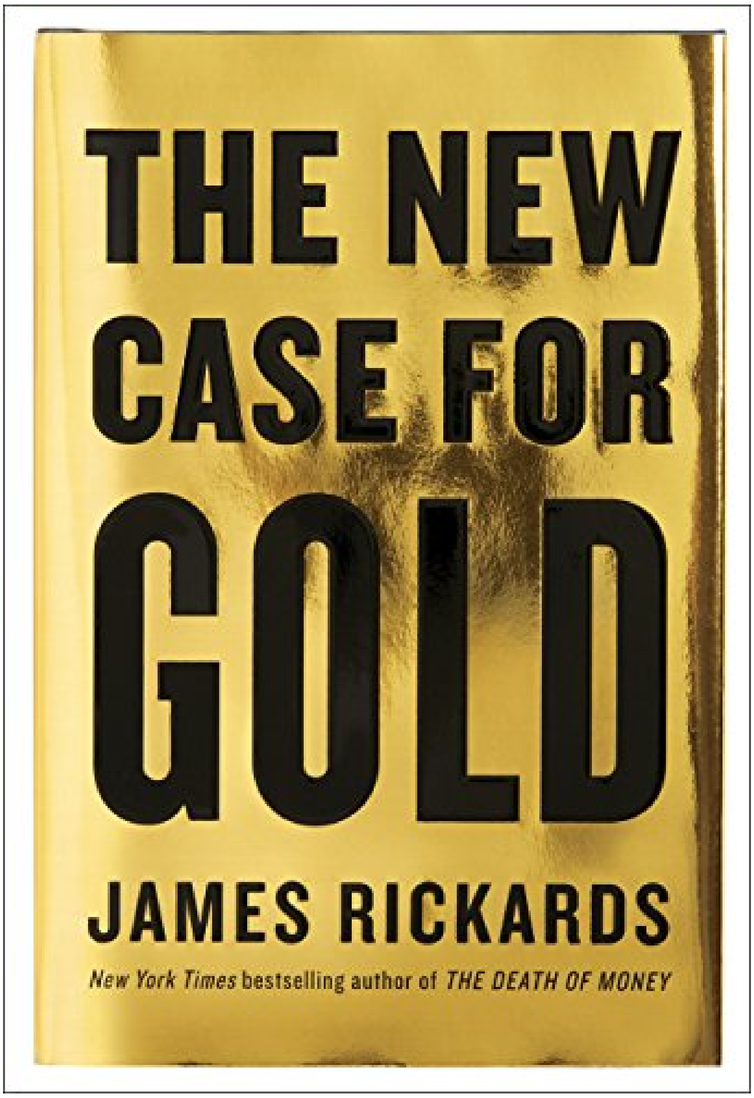
The New Case for Gold

James Rickards



#78859 in eBooks 2016-04-05 2016-04-05File Name: B011IVP38I | File size: 34.Mb

James Rickards : The New Case for Gold before purchasing it in order to gage whether or not it would be worth my time, and all praised The New Case for Gold:

124 of 130 people found the following review helpful. Awesome book that is a must read! Worth more than its weight in gold.By Ajay SinghI read Currency Wars, another book written by the author, a while ago. Even though I was impressed by the concept the author presented in that book, I was turned off by his writing style. In that book, the author spent chapters and chapters bragging about himself telling us how great and important he was, perhaps to establish credibility. The reader had to sift through the fluff to get to the gems of wisdom. As you probably already know, that book made the author famous and currency wars is now a widely understood and often quoted concept in mainstream media.This book is very different in that regard. It is concise, to the point, mostly factual and the

arguments that the author presents are based on sound economic principles. There is very minimal bragging by the author so hardly any fluff. I was able to finish the book within a weekend reading off an on during the day. I am utterly impressed by the author. He is not only knowledgeable but also a genius who can use his knowledge to visualize the future. His arguments are extremely sound. It is amazing how he explains complex economic concepts in simple language for the regular reader. Most readers will not even realize that he is using Masters or PHD level economic concepts to explain what is happening and what will happen. I have a master's in economics from a top school in the nation so I understand the concepts he is using to arrive at certain conclusions.Another reason I was impressed by this great man is his acknowledgement that he may be wrong. That is the mark of a wise and experienced person because you really never know what will happen in the future. He presents various scenarios on what will unfold in the future without making predictions with certainty. He only suggests that you put 10% of your investible assets in gold. Why? Because he says that even if he is wrong, you will lose minimal amount of money.Even though I have more or less come to the same conclusions as the author and believe that what he is saying is probably right, it is possible that the future may unfold differently. Regardless, read this book! It is worth your time and money.Mr. James Rickards, has done an amazing job this time!3 of 3 people found the following review helpful. When a Top Financial Security advisor takes time to write--it's take time to read!By MyOp3As usual James Richards books are very well written and he makes his points crystal clear so anyone can understand. This book The New Case for Gold is no exception!There is no filler talk--he gets right to the point--after giving the WHY (brief history lesson), then the WHEN (what's really going on now) and finally the WHAT (your action steps) James gives you steps for safe options to protect your savings. I find his advice invaluable. Especially good for beginners but also good for more informed folks who want a second opinion or direction. I find many stock brokers have been trained a certain way and have only a micro view--they do not seem to understand the full picture of today's very interdependant world--and James is a MACRO Economist so he knows how all the pieces (market sectors, international currencies, financial warfare, etc) and how they together affect our financial security.I also have read his book The Death of Money which is an incredible concise synopsis of world history which explains way more than what we are taught in history class! It gives the missing pieces so things make sense--ie how we got from past to the present AND what we can do for safe protection--not guestimates.78 of 85 people found the following review helpful. Some good points for holding gold but the book goes over the edgeBy YodaThe strong point for this book is that it makes some good reasons for holding gold. These include (not necessarily in order of importance): a) cyber-attacks may lead to banking/financial collapse; b) the current macro environment is unstable and may lead to financial collapse through excessive debt implosion or hyperinflation. This financial collapse will lead, in the authorrsquo;s opinion, to a general collapse of the economic system. For this reason the author recommends, explicitly, that investors hold 10% of their portfolio (which he defines as net wealth over and above home and business ownership) in gold.The author recommends holding this gold in the form of physical gold as opposed to gold held via intermediaries such as gold holding ETFs or other similar such funds. The reason for this is, again in his opinion, that the coming financial crisis will occur so quickly that these funds will not be able to deliver the promised gold to their customers. There will be something like a liquidity crisis in the authorrsquo;s opinion. There will be a run on gold when the crisis comes and these funds will be unable to deliver due to this.With respect to the holding gold, the author makes a number of recommendations as to how and where to hold it. He recommends that the investor holds this gold outside of bank safe deposit boxes (where the US [or other] government can easily seize it) in vaults such as those guarded by Brinks. Even better, he recommends holding it in nations with a tradition of security and not seizing gold such as Switzerland. There the gold can be held securely until the ldquo;crisisrdquo; comes. When that comes one can then fly to Switzerland in onersquo;s private jet and bring it back (the author says this literally ndash; this reviewer is not making it up). As the collapse of civilization may make getting to Switzerland and back not possible, the author also recommends keeping gold in safe pro-gold states such as Texas (which is attempting to bring its gold out of federal reserve in NY back to Texas). Then, when the crisis hits, investors can drive to Texas and pick it up in their cars or, being that the financial crash will make road use impossible, they can use motorcycles (the author actually states that, this reviewer, again, is not making this up).There are a number of very significant problems with this line of logic. First and foremost, if one is expecting an economic crash of such severity that society will not be able to operate to the point where roads and airports cannot function, what value would holding gold have? What would one do with it? Would it not be far better to invest 10% of onersquo;s portfolio in firearms, ammunition, a fortress and large quantities of canned tuna instead of gold?Secondly, albeit in minor importance to the question of how valuable gold can be relative to firearms, etc., if civilization collapses, is the question of the authorrsquo;s argument of why there will be a collapse. He argues that excessive money creation may lead to hyperinflation and/or a debt induced implosion (in turned caused by too low interest rates thanks to central banks' excessive monetary policies). Currently, base money is about 20X what it normally is to GDP but the simple fact of the matter is that for inflation to occur the economy would have to revert to its previous (i.e., pre-2008 crisis) money base ndash; gdp relationship extremely quickly. If it does not the central banking authorities can rapidly reduce base money to get the ratio down. Hence hyperinflation may be prevented altogether or, at the very least, be mitigated. In addition, economies can function without hyperinflation for a very long time even with high base money to GDP ratios. Japan has had a high such ratio for almost 20 years yet today is experiencing near zero inflation.Thirdly, even if there is another financial/banking crash, the result can be deflation (or very low inflation) instead of inflation. This has been the historical norm following liquidity crashes in the developed nations. This is what happened in the US after the depression and the numerous banking crashes during the 1800s. Thirdly, a crash in the prices of assets across the board could also imply that gold prices, too, will fall. After all, the zero interest environment we are currently in has also caused the price of gold to inflate, just like it has of other asset classes such as stocks and real estate. If anything, it may have caused the price of gold to inflate even more as gold is not an interest earning asset.One last point that the author attempts to make in his book needs to be addressed. That is Mr. Rickard's opinion that China's central bank is attempting to build up a massive supply of gold. He bases this on the fact that there seems to a large quantity of gold entering that nation from overseas. However that, in and by itself, does not imply that the gold is going into PRC's central bank. It could well be going into the hands of individual investors. It can be case that individual Chinese see a poor Chinese stock market (it has been declining over a year now), very poor real returns on bank holdings combined with inflation rates in china that are considerably higher than those in the developed nations and worries over the increase in debt in both the public and private markets. In the past 5 years, for example, Chinese private sector debt has been increasing at almost 20% per annum. Historically this almost always ends up badly. Richard VOgue, in his "The Next Economic Disaster: Why It's Coming and How to Avoid It" points out, by looking at many nations over the past century, that in about 80%-90% of cases 20% increases in private sector debt for 5 years leads to banking crises (this reviewer highly recommends this book). Unfortunately Mr. Rickards does not discuss this problem. He does not even mention it. Very ironic considering that it supports the case to hold at least some gold to hedge against the possibility of a global financial market crash stemming from a Chinese debt induced crash. In this reviewer's opinion this is probably the most important reason one should hold at least some gold in one's portfolio.In short, the author does make a case (though there are other reasons he does not even mention that are more important such as the Chinese debt private sector debt problem cited above) to hold gold. The author goes way over the deep end in terms of much of his reasoning though.

USA Today bestseller and Wall Street Journal business bestseller They say John Maynard Keynes called gold a "barbarous relic." They say there isnrsquo;t enough gold to support finance and commerce. They say the gold supply canrsquo;t increase fast enough to support world growth. Theyrsquo;re wrong. In this bold manifesto, bestselling author and ecoshy;nomic commentator James Rickards steps forward to defend goldmdash;as both an irreplaceable store of wealth and a standard for currency. nbsp;Global political instability and market volatility are on the rise. Gold, always a prudent asset to own, has become the single most important wealth preservashy;tion tool for banks and individuals alike. Rickards draws on historical case studies, monetary theory, and personal experience as an investor to argue that: nbsp;bull; The next financial collapse will be exponentially bigger than the panic of 2008.nbsp;bull; The time will come, sooner rather than later, when there will be panic buying and only central banks, hedge funds, and other big players will be able to buy any gold at all. bull; Itrsquo;s not too late to prepare ourselves as a nation: therersquo;s always enough gold for a gold standard if we specify a stable, nondeflationary price. nbsp;Providing clear instructions on how much gold to buy and where to store it, the short, provocative argushy;ment in this book will change the way you look at this ldquo;barbarous relicrdquo; forever.From the Hardcover edition.

ldquo;The New Case for Gold reminds us that wayward policies bring about a search for money that is good as gold. What better than gold itself?rdquo;mdash;Wall Street Journalldquo;This excellent book proves that, contrary to the propaganda of fiat currency apologists, gold is real money. Rickards makes a compelling case for why those looking for a way to protect themselves and their families from economic chaos created by central bankers should consider gold.rdquo;nbsp;mdash;Ron Paul, former Congressman and Presidential candidatenbsp;ldquo;In his latest book, James Rickards gifts us once again with his clarity of prose, depth of experience and sound analysis. The New Case for Gold discards tired and politically driven criticisms of gold, instead offering an illuminating, original argument for gold as a critical contender in today's money games. The most important book on gold yet.rdquo;mdash;Nomi Prins, author of All The Presidentsrsquo; Bankersnbsp;ldquo;We canrsquo;t trust the Federal Reserve to do the honest work that Jim Rickards has done in writing this book.nbsp;When the monetary system finally fails, there will be a flight to the only money thatrsquo;s left in the systemmdash;and that will be gold. Essential reading.rdquo;nbsp;nbsp;mdash;David A. Stockman, Former OMB Director and author ofnbsp;The Great Deformationldquo;[Rickards] present[s] compelling evidence that many of the worldrsquo;s leading monetary authorities implicitly, at least, treat gold as mdash; quite possibly in the future, the key mdash; money.rdquo;mdash;Forbes About the AuthorJAMES RICKARDS is the New York Times bestselling author of The Death of Money and Currency Wars. He is the editor of the newsletter Strategic Intelligence and a member of the advisory board of the Physical Gold Fund. He is an advisor on international economics and financial threats to the Department of Defense and the U.S. intelligence community. He served as a facilitator of the first-ever financial war games conducted by the Pentagon. He lives in Connecticut. Follow

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