

Gold and Silver Insurance

You should always own gold and silver coins as an insurance policy. Like homeowners' or automobile insurance, its purpose is to protect you against unpredictable economic and political calamities (like now), that you always hope would never happen.

It's there to use as real money in the case of a worst-case, like an inflationary currency collapse, or terrorist hackers shutting down the power grid so no one has access to their dollars at the bank or at the ATM and they can't open the supermarket cash registers. It's in case the same terrorist-financed hackers break into the computers of the money-center banks where most of the world's dollars are there in hyperspace, insert a destructive virus and the world's dollars disappearing in a nano-second.

Remember, only about 5% of the world's dollars are minted, printed or coined. The rest are only on the computers of banks. If the computer data is wiped out, there could go the monetary system of the world, because the dollar is the world's reserve currency. This would mean the instant collapse of the American economy, and maybe Western Civilization. Then the world would instinctively go back to gold and silver as a means of exchange and store of value until the computers are fixed and a new paper-money system is cobbled together.

These things always seemed to be unthinkable in our otherwise comfortable world, but we have never lived through a period of Obamanomics, or had such an enemy as Islamo-fascism devoted to America's destruction, with no regard for their personal comfort, wellbeing, or even their lives.

Insurance Action Steps

Each family should have at least one half-bag of pre-1965, commonly circulated, 90% "junk silver" dimes, quarters and halves (360 ounces of silver). Junk silver can be bought from any neighborhood coin dealer.

Due to Obamanomics and the inflation I expect, gold and silver will explode in value and your insurance coins will become a fantastic investment, which they may not have been when you bought them. In the case of less drastic events, such as mere rising-price inflation, they will also be very profitable.

Because of the critical supply/demand situation, as the holder of any form of physical silver, you will find the industries that need them will have to bid up the price until you are willing to part with yours. \$100 an ounce, anyone?

Coin insurance is a buying decision for all seasons, and it only becomes an investment if bad or even mildly bad things (like rising inflation) happen in the world. This is not for short-term profit, but for long-term protection. You would really need it if a monetary crisis or a war gets bad enough and lasts long enough that we have started to universally use coins as the alternative "real" currency. It might even not take that long for merchants to get the drift. During the OPEC gas crisis in the '70s when inflation and silver were in a runaway mode and gas prices were exploding, a few enterprising gas-station operators were advertising gas for a dime a gallon -- pre-1965, 90% silver dimes -- because a silver dime was worth more than the posted gas-price-per-gallon.

Like all insurance, the coins are there to use when bad things happen which you hope won't happen. All insurance is a bet that bad things will happen. You win your bet only if you have a car crash, or a fire, or if you die. With orthodox insurance, it doesn't matter if you win or lose your bet, the premiums are gone forever. In the case of coin insurance, the premiums are still there forever and appreciating, no matter what.

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