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# The Solari Report

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## Solution Series: Transitioning Into Real Money with Franklin Sanders

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**James White:** Hello, I'm your cohost, James White, and this is the *Solution Series*. Once again, I am joined by the founder and editor of CoreysDigs.com, Corey Lynn. Corey, it's great to be with you on the *Solution Series*.

**Corey Lynn:** It's great to be here. This is going to be a good one!

**White:** This is going to be a good one! Something that we are going to talk about today is important to everyone because everyone must use money. It's currency actually; it's not real money, but we are going to get into that with our guest, Franklin Sanders. Let me give him a proper introduction.

Born in Arkansas, Franklin Sanders grew up in Memphis, graduated from Rhodes College after two years in the US Army, and attended graduate school at Tulane and the Free University of Berlin.

In 1980, Mr. Sanders opened a gold and silver brokerage and began publishing his monthly newsletter, *The Moneychanger*. Since 2001, he has published a daily gold and silver market commentary on the internet. He has written and co-authored several books.

In 1993, Mr. Sanders wrote for Jim Blanchard, *At Home in Dagwood Mudhole*, in three volumes. In 1999, he and his wife, Susan, moved with their seven children to a farm near West Point, where they raised grass-fed cattle, sheep, and pastured pigs. With two of his sons, he still brokers gold and silver and specializes in swapping strategies for precious metals. He and his wife, Nancy, live in West Point.

Franklin Sanders, thank you so much for joining us here on *The Solution Series*.

**Franklin Sanders:** It's my pleasure.

**White:** I hope I didn't mess your bio up too much there. That's my weakest area – reading those 'darn' bios. I don't know why I don't do well at them.

Anyway, it's great to have you here.

**Sanders:** Just a correction: The book in 1991 was *Silver Bonanza: How You Can Profit from the Coming Bull Market in Silver*.

**White:** I stand corrected. Thank you very much for that. It's great to have you here with Corey Lynn and myself. We are going to talk about precious metals, we are going to talk about gold and silver, and we are going to talk about what real money is – Federal Reserve notes, fiat currency, and everything else. What a scam!

I want to start off by saying that I've been 'railing' against the Federal Reserve and this whole fiat currency system for a long time. Franklin, I would be interested to hear what your thoughts are on the state of things right now financially. The Fed is a consortium of foreign banks. I don't believe that they have our best interest at heart. We can get into that during this interview. I'll turn it over to you, Franklin Sanders.

**Sanders:** I've been in business for 42 years, so I've been dealing with the money issue for nearly 50 years. The thing that I noticed in the beginning, in the late 1960's, was that whenever you talk to anybody about money, the truth is so bizarre that people couldn't believe you. If you tell people, "Look, the Federal government in 1913 handed over to a private corporation, the Federal Reserve, the power to print money out of thin air, and turned over control of the economy to this private corporation," people will say, "That's crazy. That can't be true." But that is exactly what happened. I'm not exaggerating a bit; that is exactly what happened.

In 1933 and 1934, they made it a crime for you to own gold. That was done illegally. Then in 1967 and 1968, they repudiated the silver certificates. So, there is no gold or silver money even though we have, according to the US Constitution, a right to own gold and silver money. According to the Constitution, no state can make anything but gold or silver coin a tender in payment of debt.

You know and I know that doesn't prevail anywhere in the United States. So, it's all like being in 'Never Neverland' when you start dealing with money. It's crazy.

**Lynn:** That's a good way to put it. I know that you have been working on some legislation in Tennessee. I pulled up an alert by the John Birch Society talking about how states should enact an escrow law and nullify the Federal Reserve. I didn't even realize this: They said that 42 states have abolished or curtailed sales tax on precious metals, such as gold and silver, which is a good step in the right direction, but that we need to get it set. They say that Oklahoma, Utah, and Wyoming have explicitly reaffirmed the validity of gold and silver as legal tender, further encouraging their use in competition with Federal Reserve notes.

So, what are your thoughts on this, and where are you in Tennessee with that?

**Sanders:** On May 27, 2022, Tennessee removed the sales tax on gold and silver. Not to dwell on this, but I spent 20 years fighting the sales tax; I went to jail over the issue.

Here is the thing: They never started taxing gold money and silver money until about 1980 when there was the big surge in the gold and silver markets. All of a sudden, states figured, "Hey, there is a place where we can 'bleed off' some money."

Here is why I say it's not taxable: A sales tax is a tax on a transfer of personal property. Gold and silver are money, not personal property.

You go to the bank, and give them \$100 bill and say, "I'd like to have five twenties for this." They don't give you four twenties less sales tax. That is the same thing.

Over the course of the last 15 years, 42 states have removed that tax. How does that happen? You need to know your state legislators. You have good state legislators; you just have to find them. Ours in Tennessee are far better than what anybody in Washington DC has. Once you find them, you will find people who are devoted to freedom, devoted to sound money, and they will work with you.

You can go to a group like the Sound Money Defense League and can get model state legislation from them. I sent you a copy of a model legal tender law

that you mentioned.

**White:** I showed that on the screen while you were talking, so people saw that. (*Solari website*)

**Sanders:** That is the ideal right there. That would say, “Hey, if it’s gold or silver, foreign coin, or American coin, it’s legal tender, even if it’s bars. The State Treasurer, because there is so much confusion and because the Federal government has made the Federal Reserve notes paper bills backed by nothing but debt, has made silver coins and gold coins at two different times. They’ve made platinum coins. There is all this confusion. So, what that bill calls for is that the State Treasurer is to publish daily the exchange rate amongst those things.

It’s not that hard to do. If you lived on a border between Canada and the United States, and you shopped sometimes in Canada and sometimes in the United States, you would figure out what the exchange rate is. It’s not that difficult to live with. People act like this is the worst algebra problem they’ve ever seen in their lives. It’s not.

**White:** Right, it’s a simple math problem.

Talking about precious metals, for future considerations as far as protecting the wealth you have, that is what precious metals does; it protects your wealth because it’s never going to go to zero. I don’t know how many fiat currencies have gone to zero throughout history.

What do you get into, Franklin? In my studies, I’ve always heard to stay away from the derivatives; stay away from the paper silver and the paper gold and it’s always better to hold physical gold and silver in your hand. My follow-up question to that is: Is it better to hold it in the safe at your house? There are offsite locations that will house your precious metals for you. Strategically, what is the best option for the people who will be listening to or reading this?

Maybe you do recommend paper silver. I don’t want to speak for you. I will have you address that.

**Sanders:** I don't like any kind of paper silver; I don't like the exchange traded funds, SLV and GLD. If you go to your stockbroker and say, "I want to buy gold and silver," he is going to put you into those exchange traded funds. That's not what you want.

Gold and silver are the ultimate cash; they are the ultimate cash. They have no counter party risks like a bond does or a stock does. They are good because people want them. They are the ultimate cash, so you want possession of them. The best place to keep them is where you have 24-hour access.

Maybe it's a safe in your house that you can conceal using concealment construction. Or maybe it is a safe that your lawyer has. It's not a bank safe deposit box; I'd like to make that point. Banks now, especially on the West Coast, if you read the contract when you rent a safe deposit box, it's horrifying. You can't keep cash in there, and you can't keep silver and gold. There are all these other rules; that's not the place to go.

Besides that, in the event of an emergency, when you need that gold and silver, the bank will be closed; they will close the bank.

**White:** Can I follow up with that quickly? As we are doing this podcast, it was revealed that the FBI in California stole \$86 million out of safe deposit boxes because they misrepresented their case to the judge. They took \$86 million; they literally robbed the bank.

**Sanders:** That is one of the dangers with private depositories. There are all kinds of depositories; that was a private depository. It was a private storage in California that you are talking about. But there are private depositories, too. There is IDS of Delaware and IDS of Texas. There is CNT in Bridgewater, Massachusetts, and several others. If you have a large amount of gold and silver, you will probably end up having to use a depository. That puts you in a different class. But the main thing that most people want is to have it where they can get it 24 hours, seven days a week.

If you are going to buy physical gold and silver, the best thing to buy is coin. Why coin? What is a coin? A coin is a piece of gold or silver of a known weight and fineness. So, the content of it is knowable just by recognizing what the coin

is. If I see a coin and it's a Krugerrand, I say, "It's got one ounce of gold." If I see a United States 90% silver dime minted before 1965, I know it's got .0715 ounces of silver in it.

The purpose of coinage is to facilitate trade. It's to make it easy so that we don't have to stop what we are doing and weigh the gold and silver to see how much there is. So that is the reason I tell people to buy in coin if they can.

Here is the problem: Since January of 2021, we've had a buying panic going on in gold and silver. When I say a 'buying panic', what I mean is this: Biden was inaugurated, and suddenly everybody decided, "I had better buy gold and silver."

The door to the market is not that big. The physical gold and silver markets are small when you compare it to stocks or bonds or any financial market. So, what happens is the premium rises on all forms of gold and silver. By premium, I mean what you must pay greater than the value of the silver or gold and delivery stretch-out. By that I mean, instead of being able to put in an order, get it shipped to you, and everything happens within about four weeks, but then it goes to eight weeks, or maybe to twelve weeks. Then it goes to sixteen weeks before you can get it. That delay and the rise in premium always affects silver worse than it does gold. The reason is that silver is a much smaller market.

In normal times when people say, "I want to buy silver," I say, "Great! Buy United States 90% silver coins. They are the most divisible, most recognizable form of silver. There is no argument about what it is. That's the best thing to get." The only problem is that today, it has about a 50% premium over its silver content.

In other words, for every dollar's worth of silver that you buy in the form of 90% silver coin, you have to pay \$1.50.

**White:** They call that 'junk silver', right? Isn't that the term they use?

**Sanders:** Yes, they call it that because it has no collector value; it's only circulated coin.

The United States, since 1985, has made a coin called a Silver American Eagle. It's a one-ounce pure silver coin; that's all it is. Those right now have about a 70% premium.

I try to tell people, "Look, gold is gold. Silver is silver. It doesn't matter what the form is so much as it matters how many ounces you get."

So, don't pay big, high premiums for anything when you can get much more gold or silver by buying one-ounce privately-minted silver coins. It doesn't make sense to pay big premiums.

**Lynn:** I just had a friend ask me, "How much gold do you want to get versus how much silver?" What do you recommend as far as that goes?

**Sanders:** There are a couple of considerations there. First of all, silver is more useful in the sense that every day I can use it if I have to. Gold, on the other hand, is not as useful. Let me give you an example of what I mean: A one-ounce gold coin right now is around \$1,800. How many times have you ever gone shopping with a \$1,800 bill? You don't. And then how do you get change for it?

For that reason, I would get a substantial amount of silver. One of the rational ways that we can approach it is to say, "What's the value of silver in terms of gold? And where is that when we look at it historically?"

Here's the thing: If I had a chart that was 52 feet long, and every foot on that chart represented one century of human history, for all, except about the last foot and a half, the gold-silver ratio would be under 16:1. In other words, it would take 16 ounces of silver or less to buy one ounce of gold. It was only after silver was demonetized in the 1870's – and that's a whole other criminal conspiracy story – that ratio never got over 16:1. In 1941, it went to 200:1. In 1991, it went to 100:1. In 1967 and 1980, it went below 16:1.

So, we got this big panic in 2020. The stock market crashed, gold and silver spiked down, which is predictable because that is what they did in 2008, and then at that point, because silver is more volatile than gold (it moves faster than gold), the ratio went up to 125:1. On the spike, it took 125 ounces of silver to buy one ounce of gold. Today it's about 88:1, and it will go down to 16:1 again



before this present bull market is over.

What we try to do – and here is part of the strategy that we offer customers – is to swap between gold and silver. You don't have to do it often, but we are in silver now. I'm telling people to buy more silver now than buy gold. When that ratio goes down to 30:1 or 32:1, we are going to swap that silver for gold.

It's a taxable transaction, but the thing is that if you double the amount of ounces that you have, who cares? Pay the tax; it's worth it because it's such a lucrative trade.

That's what we try to do. Gold and silver are what they call a 'sterile investment' because it doesn't pay interest, it doesn't pay dividends, and so what are you going to do with it? You will sit there and wait for the price to go up.

While you are waiting for the price to go up, if you swap back and forth, you can increase the number of ounces of silver and gold you have, and that makes it a fertile instead of a sterile investment.

The question that you asked was, "Should I buy more gold? Should I buy more silver?" I would say that for most people, buy 2/3 silver and 1/3 gold. Buy more if you can stand the volatility to use silver because it bounces up and down much farther and faster than gold does.

**White:** I want to ask you a question about investing: Two of the ways are: People try to time the market, and when they see it go down, they try to buy quantities of it while they think it's low, or they do dollar cost averaging where they just put \$50 a week, and they buy as much silver as they can buy with \$50 no matter what the price is. It's either \$50 a week or \$50 a month or \$20 a week – whatever fits into their budget. That is the dollar cost averaging method.

Do you recommend either one, or neither?

**Sanders:** I think your 'best bet' is to buy gold and silver regularly. You might do that once a month, or you might do it once a quarter or once a week. The problem with that for many people is that they don't have \$300 or \$500 or \$1,000 that they want to put in it at a time. So usually, they are going to have to

pay a higher price to get it.

Volunteer Precious Metals, which is my son's company, offers a program called the Monthly Acquisition Plan or MAP plan. That allows people to buy once a month. We pool all the orders once a month, and we can offer a lower price; we buy at the lowest-priced we can get.

I don't want to leave that question yet because the problem is that most people now are 'wrapped up' in stocks. They have an IRA, they have a 401(k), they hold stocks, and they don't think about this: The secret to investing is to align your investments with the primary trend. What is the primary trend? That is the trend that starts and lasts for 20-25 years.

If you chart stocks, like the DOW Jones Industrial Average, valued in gold (taking the DOW price and dividing it by the price in gold), you will see that it peaked in August of 1999, and it's gone down ever since.

It goes up and down; it 'zigs and zags', but it's headed down again. Between 1999 and 2011, stocks lost their value against gold 89%. They are going to do that again from where they started at the top of a correction in 2018.

People ask, "What percentage should I have of my portfolio in silver and gold?" I can't tell you that because I don't know what your risk tolerances are. So, I tell them to buy as much as you can stand, and buy it as quickly as you can get it.

**Lynn:** I have a question along those lines: If I understand it correctly, if someone wants to transfer stocks from their IRA to gold or silver that then sits in a depository, that alleviates you from paying the taxes instead of taking it out. But then when you take the metals out of the depository, you are stuck with having to pay the taxes.

I'm trying to understand what we are talking about with legal tender and removing sales taxes and capital gains and all of that, how does all that 'play' into that move of being able to transfer over to the gold and silver?

**Sanders:** An IRA is a partnership between you and the United States government; they are the senior partner. They set up the rules, and they can

change the rules if they want to. But the way they entice you into that is they defer the income taxes on whatever the gains are in that IRA if you leave it in the IRA.

When you take it out, you can take it out as a distribution in kind. That is, if you have gold and silver, you can take out the gold and silver, but you are going to pay ordinary income tax on it if you take it all out, or when you are age 65, you have to take so much out a year. So, what is the advantage of having a precious metals IRA? The advantage is that you can take money and put it in there, and the gains will be tax-deferred until you take them out.

It is important if we do the swapping strategy because there is no tax every time you swap. If you must have an IRA anyway, I would rather put it into precious metals than into stocks because stocks are in a primary down trend against precious metals.

Did I get you lost, or did I answer your question?

**Lynn:** That answered my question. So here is what I'm trying to visualize: We are in communities; some are fortunate to have great communities, and some not so much. People are trying to get their legislators to pass these laws and recognize gold and silver as legal tender and even set up depositories, which we will discuss later.

Now they are buying up silver and gold, and I know you want people to start seeing that as a regular exchange of money and to start using it. How do we get to that point? How do we get people to engage in using it and exchanging it and moving forward faster in that direction?

**Sanders:** That's a great question. How do we get them to do it? There are many barriers: Sales tax are barriers, capital gains taxes are a barrier, and the greater difficulty of transaction is a barrier. If you charge something on your credit card, you hand the person a card, he hands it back to you, you sign it, and it's done. You don't have to carry anything around with you and so forth.

The problem is that people have to understand that if you are using the enemy's money, you are giving him a victory over yourself.

It sounds extreme for me to say ‘the enemy’, but the central banks of the world are your enemy. They are, and they are the enemy of your wealth. If you keep your money in dollars, you are losing 8%, 10%, or 12% a year in the purchasing power of those dollars.

People are going to say, “Well, the price of gold goes down, too. Look at what it’s done in the last month and a half,” or, “The price of silver goes down, too.” That is true, but if I have an ounce of gold, it is going to be an ounce of gold tomorrow. It’s not like the dollar where today, for \$1.25, I could buy a gallon of gas, but tomorrow it will cost me \$3.50.

The fact is that over time, if you stay in dollars, they are stealing from you. That is the whole point of inflation; they are stealing from you. And if you keep your wealth in that system, you are strengthening that system.

Every time you use a credit card or any of those payment, you are strengthening your enemy. Our problem is: How do we get out of it? If I put all my money in gold, and then I want to buy groceries, I must have something to spend at the grocery store.

So, we are in this difficult environment where we have to interface between those two systems. That is one of the reasons I want to go to our state legislators and get all these barriers to circulation removed.

The dollar is going to die; the dollar is going to die as the world reserve currency. I feel perfectly safe making that statement, and I will tell you why. Earlier this year, Joe Biden, when he put sanctions on Russia, and the Russian central bank couldn’t access \$3 billion worth of its own reserves, the message went out that the US dollar is not safe; digital assets are not safe.

It’s not like anybody ever knew that; it’s not like the rest of the world didn’t understand.

**White:** Yes, we knew.

**Sanders:** What happens is the United States inflates, and the rest of the world

has to 'grin and bear it'. Central banks have been edging out of dollar reserves since 2015. Since 2015, they spent three times as much on gold for their reserves as they have on Treasury securities.

If it's good for central banks to hold their reserves in gold or silver, why isn't it good for you? Do you see what I'm saying? They know what is happening, and now Russia and China and the BRICS countries, Russia and China especially, are working to set up a new system, which is an alternative to the dollar as the world's reserve currency. They will succeed. I don't think it will happen tomorrow or it may not happen next year. It may be two or three years or four years 'down the road', but when it happens, it will happen very suddenly, and it will create big problems for the United States economy.

We depend on being able to export that deflation. We've done it for 60 years.

**White:** Since Bretton Woods (system of monetary management), right?

**Sanders:** Yes, and even longer than that. So, it's been 60 years or more.

The dollar is going to go away. As far as hyperinflation in the United States and that sort of thing, that could happen. People say, "I just can't imagine that happening. We've got the strongest economy in the world. How could that possibly happen?"

Well, go back to Germany in 1918. They had the strongest economy in the world, but the government started doing the same thing that the Federal Reserve and the Federal government are doing now; the Federal Reserve is monetizing US government debt.

Technically, they are not directly doing that, but they are , and that is exactly what they are doing. You can go back in history, and whenever that happens, it's the beginning of the end for national currency. It's so easy for the government to finance itself that way. They get hooked on it, and that is the end.

During the last 14 years, since 2008, they have taken the balance sheet of the Federal Reserve, which is a measurement of the assets of the balance sheet and a measure of how much money they've created, from over \$1 trillion to over \$9

trillion today. And most of that increase has come in the last three years.

**White:** They stopped publishing the M3 money supply years ago.

**Sanders:** They stopped in 2003.

**White:** Yes, they stopped publishing it because it was exposing their fraud.

Here is a question for you, and this is one of the things that we don't have an advantage over the Fed, who is buying up a large amount of gold and silver: I think the average person (the 'sheep' or 'slaves' or whatever they want to consider us) has to worry about confiscation, or at least that is something that people worry about; they worry about them coming to do gold confiscation or confiscating your precious metals.

I know that may be a stumbling block for some people to want to hold it personally. Is that something that you think we must worry about; the actual confiscation of these assets?

**Sanders:** Let me ask you a question: There is the threat, and there is certainly the desire on the part of a large group of people in the government and many politicians to confiscate firearms. Are you not going to buy a gun because you are afraid that they are going to confiscate it?

What's going to happen if they do confiscate it? Are they going to send their 'jack boots' around to every house in the country to collect their guns? How many people are going to say, "You know what? Come on in. Here they are."

**White:** "Let's have some tea. Take my gun."

**Sanders:** It's the same way with gold and silver. In the first place, people are analogizing back to 1933 and 1934, but this is not 1933 and 1934. In 1933, gold was the basis of the money. Even the Federal Reserve was required to keep about 35% in gold reserves. So, what they were trying to do then was forestall and prevent a run on the banks. So, they took the gold out from behind the dollar.

Even then, nobody knows how much gold was actually turned in. Many people did not turn in their gold.

Today it's different; gold is not the basis of the money; the basis of the money today is debt. It's either government debt or private debt, but it's debt. If there is any 'big pile' of assets anywhere, it's in IRAs and 401(k)s.

When they ask a famous bank robber, "Why do you rob banks?" His answer was, "Because that's where the money is."

Why did the government confiscate gold in 1933 and 1934? Because that is where the money was.

Today, the money is in 401(k)s and IRAs. So, you had better be more worried about your IRAs and 401(k)s than anything else.

**White:** That's a brilliant point and a brilliant analogy to pull those two things together. I appreciate that.

**Sanders:** Another thing is many people who sell gold and silver want you to buy expensive numismatic coins and collector coins. They say, "Hey, these weren't confiscated when they confiscated in 1933 and 1934." Yes, they were; those were exactly the coins that were confiscated.

The government is not logical; they are not obliged to be consistent about anything.

My point is that if you bought gold and silver, and you think the survival of your family depends on you having that small amount of gold and silver for them to live on, you're not going to turn it in when some government thug comes to your door and says, "I want your gold and silver." You are going to look at him and play dumb. If you don't, you might as well put a gun to your head.

**White:** "What is gold and silver? I don't know what you're talking about!"

It always seems to go back to the banks. Is it North Dakota or South Dakota that has a state bank where they are outside of the Federal Reserve System?

**Lynn:** There is one in North Dakota, but I think there are a couple more.

**Sanders:** That is the only one that I know about.

**Lynn:** I know that is something where you think that we should have state banks as well as depositories. I believe Texas now has a metals depository. Is that correct?

**Sanders:** Texas does have a depository. I think it would be good for states to put at least part of their assets in gold and silver and to store them in their own depository in their state.

A state bank would not be a commercial bank. That is to say, it's not for retail customers; it's a bank for banks; it's a bank to help stabilize the state banking system.

The reason local banks are important is that we want local banks to act as intermediaries so there is somewhere we, in our own locality, can borrow money. They act as a go-between or intermediary between the people who have money and don't need to spend it now and people who want to borrow money. That function of credit is very important; it's important to the economy.

The problem with the banking system now is that they drain the money out of the locality, they send it off to the New York money market, and they invest it there in all kinds of things that create all sorts of 'bubbles'. So that's why Catherine Austin Fitts, for example, is always saying, "Know who your banker is. Deal with somebody locally."

If you have a state bank, that bank could function in an emergency as a bank in the state. If they had silver and gold, they could issue currency against that, and so could the state.

**Lynn:** The Birch Society had talked about enacting an escrow law. They said, "One way is for state legislators to enact a State Sovereignty and Federal Tax Funds Act, also referred to as an escrow law. Under this law, Federal taxes would first be required to go into a special fund controlled by the state



government. The state would then calculate the percentage of Constitutional Federal spending, meaning for purposes specifically enumerated in the US Constitution for the Federal government. Then the state would send only that percentage of the funds to the IRS, depending on specific introduced bill versions. The remaining funds would either go towards state expenditures currently relying on Federal funding, thus ensuring the state as financially independent, or be returned to taxpayers.”

What do you think about that?

**Sanders:** I think that’s brilliant, but I don’t think that you are going to find many state legislators who have the nerve to do that. This is exactly the problem; they are supposed to be between us and the Federal government. The state is supposed to be between us and the Federal government, and the state is supposed to look out for our rights. Most state legislators do not operate that way; they depend on the Federal government for so much of their financing that they are afraid to say no.

**Lynn:** The problem with that, which I see in my research all the time, is that whether it’s through schools or the healthcare industry, it doesn’t matter, when they are receiving finances from the Federal government, they now must abide by their rules and regulations.

**Sanders:** Absolutely.

**Lynn:** That right there needs to end. I’m curious what your thoughts are on that.

**Sanders:** My answer to Federal government money is this: All government money comes with a ‘sock in the jaw’. People think, “Oh, it’s free money.” Farmers think, “It’s free money. They will give me a subsidy for this, that, and the other.”

It’s not free money. All of it comes with strings attached. If they give you the money, they are going to tell you what to do with it. It’s just that simple.

**Lynn:** And now they’re rolling out pilot programs in some states where they

are giving out cash, and it's all to move into the universal basic income and to get into the digital currencies and to be able to track us. I'm wondering what you think.

I would like to know what your theory would be if they switch to central bank digital currencies and they eventually say, "The dollar no longer has any value. We are doing away with the dollar. Everything is moving to central bank digital currencies."

Where do you see coins coming into play as far as silver and metal? You go to your grocery store now, and they won't accept cash, and they're saying they can only do digital currency. At that point in the 'game', how do you envision some of this playing out?

**Sanders:** Do you know what the one obstacle to a central bank digital currency is more than any other?

**Lynn:** What is it?

**Sanders:** It's just the native stubbornness of humanity who says, "I'm not going to do that. I want privacy. I'm not going to do that."

It's the same reason they can't get all the guns. Too many people say, "Wait a minute. You're not getting my gun. I'm holding onto it."

There is a big backlash to those central bank digital currencies. They want them; they've been wanting them for 10-15 years, and they want them badly. The problem is I don't think they will be able to impose them. In the first place, there are many legal problems in the United States. The United States has never repudiated any form of currency since the Articles of Confederation. They didn't repudiate it then; they actually paid those out at a reduced rate.

The point I'm trying to make is that the United States has the dollar in circulation all over the world. Seventy-five percent of the paper money currency circulates outside of the United States. So, are they going to say, "No more"? What about the 4<sup>th</sup> Amendment? They can't just say, "Your money isn't going to be any good if you don't turn it in by a certain date." There will be so many

lawsuits that it will go on from now until the ‘cows come home’.

I think it’s going to be hard. That’s not to say that they won’t try it, but the only thing that I can envision is there will be a gray market of people who refuse to live in a digital currency.

There are many evangelical Christians – and this is not my theology, but this is the way many of them look at it – who believe if you can’t buy or sell except by using what they offer, then that is the mark of the beast. I don’t think these people are going to go along. I think they are going to say, “No, I’m not going to do that.”

So, I think there would be a huge, gray market which would be, in a sense, the best thing that could happen for us from the standpoint of gold and silver. This is already money. Therefore, we ought to get used to using it amongst ourselves.

I think that is what would happen. Is the government going to put everybody in jail? When there is such widespread resistance, and it doesn’t take 50%, but only 5%, you can’t hire half of the people to be police over the other half. It doesn’t work that way.

The sanction of the victim is necessary. That is what the government has in this country; they have the sanction of the victim. I think there would be a gray market.

What people would use for money I don’t know – maybe cigarettes or half pints of whiskey or any of those. They will use what they want and what they find useful. But when people have to make a living, they are going to figure out a way to do it; they will figure out a way to do it.

As much as I hate central bank digital currencies, and as much as I’ve written about them, and as many turgid articles that I’ve read about it, in the end, I don’t think that they will make it work. They may try, and it may be violent and bad, but in the end, I don’t think they will be able to make it work. That is why I think there will be an alternative economy.

**White:** On that vein, we would like to talk about going local here on the

*Solution Series.* Is it time for communities to come together with a local currency? I say that in the shadow of an interview I did several years ago. Do you remember Bernard von NotHaus? You probably remember him. He got arrested. I don't know what state he is in now, but he tried to put out an alternative silver coin, if I remember correctly, and they didn't 'take too kindly' to that.

That notwithstanding, do you think that trying to get some local merchants together and get a local currency that would be shared and recognized by a community to start off is a direction you could go in? And can they stop you from doing that?

**Sanders:** That can't stop you from doing that because you can make an agreement or contract with anybody you want with any kind of tender you want.

There were some things that Bernard von NotHaus did that put him in the way of the government coming after him. He made it easy for them.

I've been trying to do this for 15 years, to encourage people in communities to use gold and silver amongst themselves and to start using it.

I used to go to my chiropractor. Everybody else was paying \$25 or \$30 to get an adjustment, and I gave him \$1. It was a silver dollar, but I gave him \$1, and I got the same adjustment. It's that kind of thing; just ask people, "Would you rather me pay you in silver or gold, or in this paper?"

Community currencies can be complicated, like the Ithaca Hours and that sort of thing. I think we need to start talking about it in our communities and try to develop some kind of currency we can use.

**Lynn:** I agree. If you were to give people three top tips pertaining to metals, what would they be?

We probably already covered some of them.

**Sanders:** The main thing is that I would put as much of my wealth into silver and gold. I watch the market all the time, and nobody knows which way it's

going. If the Fed keeps pumping up the dollar and pushing the dollar up and raising interest rates, it's going to be hard for gold and silver. There will probably be some more downside, but I still keep accumulating gold and silver. Eventually the dollar is going to crash, and the Fed is going to crash. I don't want to get caught into a central bank digital currency where they have control of my wealth. I guess that is the first thing I'd think about.

The second tip is to get delivery of silver and gold as soon as you can.

The third thing includes working with your state legislators, but it would be to see about getting sound money introduced in your community. Your state is your community as well, but you need to talk to your friends and neighbors about this, too, and all the people in your community so that they understand why they need gold and silver and how to use it. That is the reason, years ago, Catherine and I put up that website 'Silver & Gold & Money' because it enables you to enter the dollar amounts you want to pay, and it tells you how much to pay in silver or gold.

**Lynn:** That's a brilliant calculator. We are going to link that.

I've also put together a PDF for subscribers that will have the list of depositories you recommend, the model bill that we showed, and some of the resource links, like the Sound Money Defense League.

That's a 'cool' site. I was looking through it, and there was a state-by-state breakdown on there. There is plenty of excellent information on there.

**Sanders:** Stefan Gleason is the 'angel' behind all of that, and he knows what he's doing. He's worked with Dr. Edwin Vieira a great deal. He has a very sound mind for strategy, and he understands that when you want to get legislation passed, you have to go from below; you must get pressure from the grassroots. He is very, very good at organizing that.

Sound Money Defense League is one place that I would certainly look at if I wanted to do something with my state legislature.

**Lynn:** That is a great resource.

**White:** I've interviewed Dr. Edwin Vieira several times. He's a brilliant mind, and anybody who is associated with him has to be a decent fellow.

If you remember several years back, people were taking delivery of gold and were drilling into the gold bars and were seeing that there was tungsten inside instead of gold. I don't know how often that happened, but I know it did happen.

As things continue to decline, there will come a point where gold and silver are going to go to the 'moon'. They are going to hit that and take off. Then the counterfeit operations will probably start kicking in.

What is the best way for you to make sure that silver coins and gold coins you are buying are not counterfeit? Maybe not now so much because it's not such a hot market, but when it gets hot, you better believe that counterfeits are going to come out. It always happens.

What is the best way to protect yourself from buying counterfeit gold and silver? When it comes right down to it, you want to make sure that you're not holding something that is worth a fraction of the value.

**Sanders:** First of all, know your dealer. We test all the gold that comes through here. The wholesalers we deal with do the same thing.

Counterfeiting has not been a great problem with most coins. There has been some counterfeiting with high-grade numismatic coins of the US \$10 and \$5 gold pieces minted before 1934 because there is a big premium. The counterfeiter makes much more there.

There were some 10-ounce gold bars that were tungsten-filled. The reason they used tungsten is that it's almost the same specific gravity. The gravity test is one way that you can tell what you have. But they also make an electronic tester that costs about \$900 or \$1,000.

I would say to be careful about what you buy. It's the high-premium gold coins that have been counterfeited more than anything else, and 10-ounce bars or kilo

bars and things like that, most of which you will not have, have been counterfeited.

Silver bars have only been counterfeited once in the past that I've heard of, and those were 100-ounce bars.

There are some tests that you can do. For instance, silver has a very sweet metallic ring when you bump it against itself. So, you can take two silver bars and hold them and bounce them together. They will ring.

A pure gold coin will not do that, but a pure silver bar will. If a gold coin has alloy in it like a little copper and silver, when you hold those together on the tip of your finger and you tap it with another coin, it will ring, too. You've heard the saying, "That doesn't ring true," that is where that saying comes from. That is a real quick and easy test to see whether what you have is counterfeit or not.

There hasn't been much counterfeiting; it hasn't been a problem for us.

There are a few things that you want to watch out for, like some Mexican \$50's have been counterfeited. But if you have a good scale from Ohaus for \$110 or \$150, that weight will be exact on most gold coins. If it's too light, then you have a problem. If it's too heavy, drop it on the countertop. If it goes, "Thud," that's not a gold coin – unless it's a 24karat coin. If it's an American Eagle or a \$20 gold piece that goes, "Thud," that's not a gold coin.

**Lynn:** I have a quick question on the gold coins. You mentioned the silver coins and the Krugerrand and the one-ounce coins and how it's easier for exchange. What gold coins do you recommend?

**Sanders:** I recommend the cheapest ones. I used to like the Mexican \$50's, but they've gotten very expensive.

The Austrians make a restrike of a 1915 coin, the Austrian 100 Corona. It's the cheapest piece of gold that I could sell you – cheaper than a gold bar. I love them because there is no premium to lose on those; they are about as cheap as they can be.

In the fractional coins, this buying panic has driven up the premium on all the US half, quarter, and one-tenth ounce and the Maple Leafs and all those modern issued series. So, what we have to do is go to a classic gold coin like the Netherlands 10 Guilder or the British Sovereign, even though they are quite high, too. That is what we must do to get something like a reasonable price.

**White:** I think we are coming to the end of the interview. That was fantastic and ‘packed’. I brought your website up several times. If you want to give out any websites that you want people to go to or any phone numbers or any email addresses that you would like to give out, now is a great time to do that.

**Sanders:** My son’s precious metals business that brokers silver and gold is Volunteer Precious Metals, and the website is <http://VolunteerPreciousMetals.com>. The number is 888-661-4093.

I publish a commentary on the gold and silver markets almost every day. You can sign up for that at <http://The-Moneychanger.com>., which is my website. Make sure that you put the dash in there because ‘The Moneychanger’ is a porno site, and I don’t have anything to do with that.

**White:** That’s good to know!

**Sanders:** On the right-hand side on the home page of <http://The-Moneychanger.com> you will see a box and a button that says, “Subscribe.” If you put your name and email address in there, then you will get the commentary every day.

I publish there the wholesale prices on several gold and silver items, and those are not available anywhere else in the world that I know of – not on the internet.

**Lynn:** That is ‘awesome’. Thank you so much for your time. That was a wealth of information; it set my mind straight.

**White:** It was a ‘wealth of information’ – no pun intended!

Thank you so much for being here today. Franklin Sanders, I appreciate you



coming on the broadcast with us today and doing all your great work. There are a lot of 'great gems'. We can't wait to get this out to the people in the podcast and on the websites.

We want to thank Franklin Sanders, and to thank the *Solution Series* and *Solari.com* for bringing us this podcast, and for my guest, Corey Lynn. I'm your host, James White, for the *Solution Series* saying goodbye for now.

### **MODIFICATION**

Transcripts are not always verbatim. Modifications are sometimes made to improve clarity, usefulness and readability, while staying true to the original intent.

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