



Zanetti Monday Missive 2023.01.30 Russia, Minerals, and a Platinum Coin

**"To preserve our independence, we must not let our rulers load us with perpetual debt."
~ Thomas Jefferson**

Happy Monday Everyone!

I thought I would recap some recent world events that has me shaking my head at the world, while securing my conviction on our investments.

First off, regarding the war in Ukraine...

Nearly a year into an invasion that Russia thought would take weeks, Vladimir Putin shows no signs of wearing out.

Assessed Control of Terrain in Ukraine



Sources: [Institute for the Study of War](#) and the American Enterprise Institute's [Critical Threats Project](#)

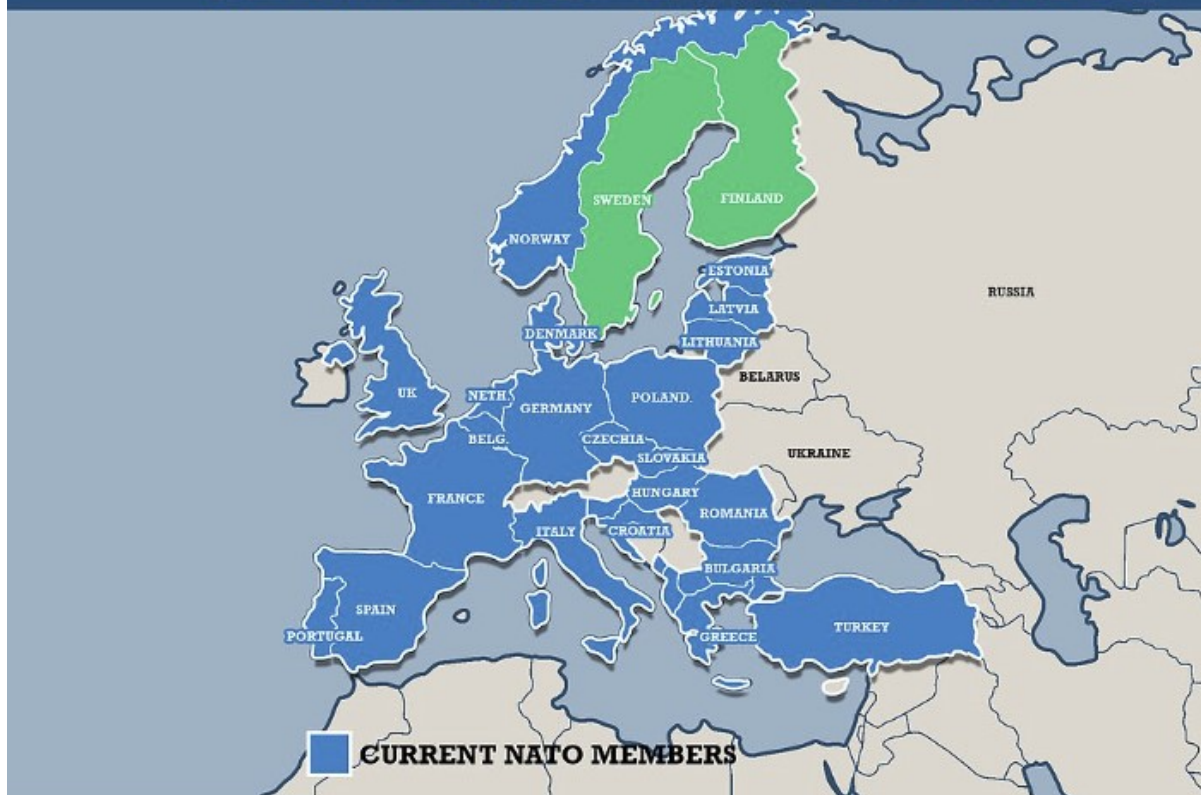
Note: Map shows control areas as of January 9, 2022.

Bloomberg

Putin has demonstrated he is willing to accept casualties – which at this point are in the tens of thousands, not seen in a Russian conflict since World War II.

Observing his determination, I think it is fair to say that Putin sees this conflict as an existential threat to Mother Russia. And with Finland now in the process of joining Nato, who could blame him?

MEMBERS OF NATO IN EUROPE



But what will this mean for the world and for you, gentle reader?

The price of war is high. That price is paid in human lives and supplies. What supplies? The supplies needed to pay for conflict – materials (to build the military – tanks, missiles, bullets, guns, armor, military installations, etc.). There's also the price to rebuild destroyed cities.

And Russia is rich in all of these things (both a large population and supplies). Moreover, the Russian economy is doing very well since our economic sanctions have been leveled at them. The price of commodities, which they have plenty of, have boomed and they are selling. Then, if things do get tight, they still have billions in the Chinese Yuan (which is pegged to the US dollar) in reserves.

While Russia grinds away at Ukraine in a war they can win,

the US and our NATO allies are supplying Ukraine with more and more military weapons to aid in their defense. We have stepped up supplies to a level that was once considered “off-limits” unless you wanted to go to direct war.

The problem with that is that Russia is still a nuclear power with enough nuclear weapons to destroy all of... well, let's pray the perceived existential threat doesn't trigger that level of escalation.

Meanwhile, within our own borders...

The Biden administration, under the direction of Secretary Deb Haaland (yes, NM's very own!), just issued a 20-year mining ban in an area with some of the largest critical mineral reserves in the country.

In a statement, Secretary Halaan said, “I have made this decision using the best available science and public input.”

There's that word I love to hear politicians use...

SCIENCE!!!!



Here's the deal.

Yes, we need to protect our planet. But this area in remote

Northern Minnesota contains 88% of the nation's cobalt reserves – as well as vast amounts of nickel, copper, and platinum.

All of these commodities are needed for the electrification of our country (electric cars and stoves, etc.), which the Biden administration has also stated is a top national priority.

So, where will we get these commodities if not in our own backyard?

Well, China and other hostile nations with human rights concerns, of course!

In fact, the US State Department just recently signed an agreement to open mines in the Democratic Republic of the Congo. Even though recent investigations have shown child labor is prevalent there.

Oh, and by the way, by the US saying we will only import these commodities, that will drive up the demand and cost of these products.

Oh, and ALSO by the way, Russia and China are rich in these commodities and have not signed any laws to stop their mining. Russia and China (along with any investor who owns them) will financially benefit from this new prohibition.

But that's ok to make other countries rich - the US has just reached our own debt limit and will default on our debt – unless our politicians can come to some sort of an agreement.

We know how this will end. The Left and Right will yell at each other about how irresponsible the other party is until they both agree to raise the debt limit.

To avoid this debate, a few genius politicians are reviving an old concept to mint a new coin.

While there is a statutory limit on the amount of currency that can be circulated at any one time, the statute says nothing about COINS!

Easy peasy, all they have to do is mint a coin made out of platinum and stamp the word \$1trillion dollars on it. They would then deposit that coin (or coins) at the Federal Reserve and then borrow against it.



Now remember, the coin's platinum value would not be \$1 Trillion – that coin would weigh thousands of pounds.

Gang, they might as well write “\$1 Trillion Dollars” with green crayon on a paper napkin!

Your-I-Have-Procured-Some-Eggs-Let-Me-Know-If-You'd-Like-To-Negotiate Financial Advisor,

Walt

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