

# INFORMATION LINE

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## Perspective

"If it is going to cause you to lose sleep at nights...don't do it." Over the years, countless callers have received this advice when struggling with whether or not a particular course of financial action should be taken. Unfortunately, recent events have triggered even more uncertainty and insecurity in investors' minds that, whether they act or not, nobody's sleeping nights!



Michael Checkan

The Editors of Information Line, wish you all a good night's sleep. In this issue, you will find some specific recommendations toward this goal. We have called on several good friends to identify the most promising opportunities in these turbulent times.

We begin with an interview of Richard Maybury. Richard predicted the current "War on Terrorism" with amazing accuracy. His analysis of geopolitical concerns and the impact these concerns have on the world's financial markets should not be taken lightly. His insights into the actions that investors need to take for their financial well being are practical and easy to implement.

Although it wasn't planned this way, the next three articles specifically deal with three of the four recommendations offered in the interview. Pamela and Mary Anne Aden make a strong case for a weakening U.S. Dollar and the resulting benefit to precious metals and foreign currencies. Ron Currie, of Gold Corp Australia, showcases one of the most popular investor choices for precious metals ownership, The Australian Bullion Coin Collection. Lastly, Doug Fenimore, Landmark Realty, invites you to consider making a real estate investment in a market that is ripe for the picking, the beautiful Turks and Caicos Islands.

Whether you are currently losing sleep pondering choices to your personal or retirement funds, there are simple, clear, and well thought-out solutions available to you. Understand the environment, choose the vehicle or vehicles that are lacking in your portfolio, and let us assist you in filling this need so you can get some sleep and peace of mind.

Sweet dreams from ASI! □

## Terrorists or Crusaders?...Understanding the Difference May Be Profitable

An interview by, Rich Checkan

In the wake of the attacks on the World Trade Center and the Pentagon, we thought it would be worthwhile to speak with Richard Maybury, a specialist in geopolitics and economics, Editor of U.S. and World Early Warning Report, successful author of the book, The Thousand Year War and President of Henry Madison Research. Mr. Maybury's predictions have unfortunately been extremely accurate in regard to the current "War on Terrorism." Basis his strong grasp of the current conflict, we felt his insights for investors were invaluable as the war picks up steam.

Q. The horrific images of the 911 terrorist attacks were most certainly deep-rooted. What do you feel were the most important factors leading up to the attacks?

A. Here is the war in a nutshell. It was caused by foreign aid. Washington supplies weapons, money, military training or other kinds of assistance to 114 governments. 94 of these governments are led by crooks and tyrants. Washington has been doing this for decades. These crooks and tyrants have hurt millions of innocent people, which means they have millions of enemies. So, now, these enemies are our enemies. On September 11th, these 'enemies' launched a massive retaliation.

This current situation is just an extension of the 1,000 year-old conflict between Islam and Europe. The U.S. joined this conflict 200 years ago during the Barbary Wars, an extension of the Crusades. Most recently, the U.S. cemented its role in the conflict by supporting anti-Soviet dictators responsible for brutalizing millions of their own people.

Q. Do you see the "War on Terrorism" reaching a swift conclusion?

A. Unfortunately, I do not see an end in our lifetime. This war took decades to start, and I am sure it will take decades to end. Until the U.S. government publicly accepts responsibility for the conflict (by admitting to the backing of hated dicta-

tors) and turns foreign policy around 180 degrees (by ceasing to meddle in foreign concerns), I do not see how the conflict will be resolved. We cannot possibly kill 'terrorists' as quickly as the State Department is creating them.

Q. What can we as average citizens do?

A. Understand the situation. Help to educate people as to the true causes of the conflict. Understand that when the U.S. government meddles in foreign nations, it does so representing all Americans, so it makes targets of all Americans, as at the WTC. This makes all Americans targets and legitimizes the WTC as a military target. Understanding the situation is also critical to your own financial well being.

Q. How can we protect ourselves financially?

A. We are at war, and we will most certainly be for some time. Knowing that wars historically are inflationary there are a few sectors that should benefit. Defense stocks and real estate are obvious choices. As long as the government is waging war, defense contractors will have a market for their goods. Real estate tends to do well in inflationary cycles, as the 14,000 wars over the past 36 centuries demonstrate.

I see strong potential as well in the precious metals and foreign exchange markets. I hope I am wrong, but I see further direct attacks on the seat of U.S. military power, Washington, DC. Given the importance of the U.S. Dollar to the world economy, if DC is attacked

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# Currency Corner

## The New Wave

by Mary Anne and Pamela Aden

Gold and gold shares have been the super stars this year. This hasn't attracted much attention but that may not last much longer.

The action in gold has been impressive. Not only did gold rise to a two year high last month, but it's also been outperforming every major investment market. Over the past year or two, gold has been stronger than stocks, bonds, the Dollar, Euro, the world stock markets, the other precious metals and commodities. In other words, the percentage gains in gold have been greater compared to these markets.

### GOLD SHARES STRONGEST

In fact, the only market that's been stronger than gold is gold shares. They're truly the star performers, outperforming gold like they usually do during bull markets.

The bottom line is gold and gold shares are the place to be. Even though these markets will probably weaken in the weeks ahead, which will provide a good buying opportunity, there've been bullish since last year and it looks like they're headed higher.

And while it's still too soon to be sure, it looks like we may be entering a new era where tangible assets like gold will continue to outperform financial assets like stocks and bonds over the next few years.

### WHY?

Okay you might think, with the economy weak and inflation low, what could push gold higher? Essentially, there are several factors brewing and any one of them could be the trigger.

The Fed, for example, has been flooding the economy with money at an unprecedented rate for over a year to ease the recessionary pressures. That alone is eventually going to fuel inflation, which would be bullish for gold.

The new Bush policies also reinforce this. The Bush budget includes the biggest defense spending increase since Reagan, as well as tax cuts and budget deficits in the years ahead. During Reagan's second term, gold soared and the Dollar plunged and we'll likely see the same this time around.

The Dollar is another important factor. Gold and the Dollar generally move in opposite directions and increasingly it looks like the Dollar's days are numbered and it'll soon head lower.

The huge current account deficit and low interest rates are taking their toll. The Dollar has been topping for over a year now and it's already turned down in gold terms. That is, the strongest currency in the world is now bearish versus gold. This new trend marks a major shift and it's just a matter of time until the Dollar drops against the Euro and other major currencies too. If the Dollar index now stays below 118, it'll mark the beginning of this new shift.

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	YEAR AGO	CURRENT	
Swiss Franc	.5732/Franc	.6045/Franc	▲
British Pound	\$1.4228/Pound	\$1.4259/Pound	▲
Japanese Yen	.0079/Yen	.0076/Yen	▼
Euro	.8796/Euro	.8854/Euro	▲

# The Hard Stuff

## The Perth Mint's Australian Precious Metal Coin Program

by Ron Currie

The Perth Mint's Australian Precious Metal Coin Program commenced in 1986, based on the twin foundations of quality and innovation.

The Mint offers a range of gold and silver Australian legal tender coins to meet the needs of precious metal investors and coin collectors.

### Bullion Collector Coins

The Perth Mint's Bullion Collector Coins (1oz and smaller) offer precious metal investors the potential for numismatic appreciation of their coins over time, in addition to the underlying precious metal investment, yet the Australian coins are sold at the same low premiums as other bullion coins.

The Bullion Collector Coins offer this extra value for money because the designs change every year and there is a limit, announced in advance, on the annual mintage of coins of 1oz or smaller.

The Perth Mint's Australian legal tender bullion coins offering this unique double value are the Australian Kangaroo Nugget gold coins (1oz, 1/2oz, 1/4oz/1/10oz and 1/20oz) and the Australian Kookaburra silver coins (kilo, 10oz, 2oz, 1oz).

With annual design changes and limited mintages, the Bullion Collector Coins have the potential to develop a rarity value over time usually associated only with numismatic coins, as demonstrated by the 1990 Australian Kookaburra, which sold out.

### Large Bullion Investor Coins:

In 1991, The Perth Mint gained Australian Federal Government authorization to produce coins containing 2oz, 10oz and 1 kilo of pure gold. These were the largest bullion coins ever minted and, at the time of its first issue, the 1 kilo Nugget was the biggest legal tender coin of any type issued this century. Subsequently, the Mint added the large denominations to its range of silver Kookaburra bullion coins. These Large Bullion Investor Coins, as they are known, are offered at very low premiums over the value of the precious metal they contain.

The Australian Bullion Investor Coin series is truly competitive with investment bars and wafers of precious metal, while still offering the serious investor the security of investing in legal tender coins, the weight and purity of which are government guaranteed.

The only design change from year to year in the Australian Kangaroo Nugget Bullion Investor Coins is the date, while the Australian Kookaburra Bullion Investor Coins have annual design changes.

### Australian Lunar Bullion Coin Series

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	YEAR AGO	CURRENT	
Gold	\$256.40/oz.	\$292.50/oz.	▲
Silver	\$4.29/oz.	\$4.56/oz.	▲
Platinum	\$553.00/oz.	\$521.00/oz.	▼
Palladium	\$690.75/oz.	\$386.00/oz.	▼

# INSIDE STORY

## Small Islands Big Opportunities

by Douglas Fenimore

If you've ever dreamed of a vacation hideaway that rewards you with consistent tax-free income, an island retirement, commercial investments or mere land speculation, look no further than the Turks & Caicos Islands.

We have it all...majestic hillside homes, beachfront villas, tracts of undeveloped land, and private islands to call your own. Now that this Caribbean gem has been "discovered," sophisticated travelers and investors are flocking to soak up the sunshine, crystal clear waters, and beaches.

We simply, and steadily, are the fastest growing country in the Caribbean. The result, property prices are soaring. A typical two-bedroom house in Providenciales can now fetch \$280,000, while properties on Grace Bay can run well over \$1 million. The gains are enticing. Beachfront property on Providenciales that sold for \$75,000, just ten years ago, is currently worth upwards of \$1 million. But, it's not too late since the trend continues.

Local banks and private lenders are very enthusiastic when it comes to facilitating investments in real estate. These lenders are typically subsidiaries of well-established Canadian or U.K.-based banks, and all offer mortgages for overseas borrowers. They offer competitive interest rates, fast approval and international expertise.

In addition to numerous tax advantages, there are no property ownership restrictions. People from any country may buy and hold land. Most use TCI offshore vehicles to hold their real estate for confidentiality and asset protection.

Most of the condo developments here are managed as resort

properties, providing owners with steady, profitable, and tax-free (by the TCI) income.

### Making the Deal

Purchasing a home or other property here is not much different than what you are probably accustomed. Once a price is negotiated, a Purchase and Sales Agreement is prepared, describing the property, price and terms, and any other conditions of the sale. A 10% deposit is made and held in escrow by the Realtor or seller's attorney until closing, set usually within 30 days.

A British Registered land system organizes land ownership here. Plots are identified with details of ownership, title, acreage, mortgages and other interests and are recorded in the public Register at the Land Registry office. Inspection of this record takes the place of a traditional title search. For closing, Transfer forms are completed by the parties. Original signatures are required and signing must be witnessed and signed by a notary with his/her stamp affixed, especially when signing takes place abroad. You receive the transfer documents when you pay the balance of the purchase price and any associated fees and stamp duty.

The Crown guarantees registered absolute title, so title insurance is unnecessary. In cases where mortgage has been assumed, title is transferred but a charge shows in the Register as an encumbrance against the title.

Purchasing property offshore in the Turks & Caicos Islands is simple, enjoyable, and potentially extremely financially rewarding.

**For more information, contact Doug Fenimore, Owner, Landmark Realty, Ltd., by e-mail: [dfenimore@tcipay.tc](mailto:dfenimore@tcipay.tc), or fax: 1 649 946 5197.**□

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directly (perhaps with nuclear weapons) I can foresee a monetary panic worse than the one we saw in the 1979-80. There will be safe haven flight into the most neutral of free market currencies, Swiss Francs and New Zealand Dollars, as well as a move away from fiat currencies altogether with precious metals being the prime benefactors.

I give the nod to New Zealand Dollars and silver in terms of allocation. The New Zealand Dollar, in addition to neutrality and free market climate, represents a resource rich nation, and natural resources would do well in a wartime environment. Silver, besides being undervalued at present, tends to overreact in price to different economic stimuli. Regardless of your specific allocation, both precious metals and foreign currencies stand to gain by a protracted war.

Q. *Thank you for sharing your insights with our readers.*

To subscribe to the Early Warning Report, or to order The Thousand Year War, call toll free at (800) 509-5400, or write to Early Warning Report, P.O. Box 84908, Phoenix, AZ 85071. Mention that you are an Information Line reader, and ask for the "Sample Package." Normally \$35, you will receive the latest newsletter, a world map, a map of 'hot spots,' and a special report all for only \$10.□

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In addition to the Australian Kangaroo Nugget gold bullion coins and the Australian Kookaburra silver bullion coins, The Perth Mint captures the Chinese Lunar Calendar on an innovative range of pure gold and pure silver bullion coins.

The extremely popular Australian Lunar Bullion Coin Series offers 12 fascinating designs corresponding to each animal sign in the calendar's 12-year cycle.

In addition to their precious metal investment potential, these legal tender coins are ideal as distinctive gifts for friends, family or business partners during Chinese New Year, to celebrate the birth of someone born in a particular Lunar year, or to create a personalized piece of jewelry.

The coins' annual design changes and limited mintages (coins of 1oz or smaller) provide extra potential for numismatic appreciation over time, as exemplified by the sell-out 2000 1oz Australian Lunar Year of the Dragon gold coin.

### High Purity and Quality Finish

Discerning investors, particularly those in Asia, prefer gold of 999.9% purity, so The Perth Mint's coinsmiths pioneered the special techniques required for handling gold of this purity. All of The Perth Mint's gold bullion coins contain 999.9% pure gold and the silver coins contain 99.9% pure silver. All are struck in a bullion finish, with highly polished designs on frosted backgrounds, and have the reputation of being the highest quality bullion coins in the world.

**Ron Currie is the Manager for The Americas for Gold Corporation/The Perth Mint in Perth, Western Australia.**□

# BITS & PIECES

## Where's Michael?

by Michael Checkan

I spent most of the past 6-months in Washington, DC (ground-zero south). Normally, I would be speaking at investment conferences during this period. But, many investors have been "frozen" since 911 and they have chosen not to travel to investment events.

However, this is now changing. The spring thaw is here and the "frozen" investor is beginning to travel. This means that you will find me on the road again speaking at the following events in April and May. I hope you will join me at one or more of these conferences.

### **\*\*The Wealth Masters International Financial Seminar in Orlando, Florida from April 25-28.**

Expert speakers will discuss the where and how of international private banking and the do's and don'ts of onshore and offshore asset protection; plus, an insider's view on traditional and alternative investments, retirement options, tax planning and reporting methods and privacy issues.

Wealth Masters International is a private organization created to assist forward thinking individuals who want to learn more about wealth building, asset protection, securing their financial futures as well as ensuring a legacy of economic freedom. A special \$300.00 discount will be given to all *Information Line* readers for early registration. **For more information, call Wealth Masters at 800 318 9787, Ext. 1500.**

### **\*\*The Foundation for Economic Education (FEE) National Convention in Las Vegas, Nevada from May 3-5.**

Join Mark Skousen and over 100 of the world's free-market pioneers at this first annual FEE National Convention. Listen to stimulating speakers, not just delivering speeches but leading discussions on topics ranging from economics, history and philosophy to health, music and literature.

Consider attending the FEE National Convention (May 3-5) and the Money Show (May 5-8) at Bally's Paris Resorts. **Call today Tami Holland at 888 565 8779 or visit the FEE website, [www.FEEnationalconvention.org](http://www.FEEnationalconvention.org).**

### **\*\*The 17th Annual Sovereign Society/Oxford Club Premier Offshore Advantage Seminar in Panama City, Panama from May 15-19, 2002**

With so many traditional banking havens weakening or repealing their privacy laws, the offshore landscape is changing rapidly. Join this group for an up-to-minute picture of how an offshore structure can still work to your advantage.

During five intensive days of educational sessions, subject specific workshops, and one-on-one meetings, you'll hear from over 25 of the world's top investment, tax and privacy experts. **Space is filling up quickly so contact Michael Whetstine today at 410 223 2645 or via email at [mwhetstine@agora-inc.com](mailto:mwhetstine@agora-inc.com) to reserve your space.**□

## Don't Forget

Before you know it, Mother's Day and Graduation will be here. Let First Collectors Guild's Bullion Collection solve your gift giving dilemma. There is nothing like pure gold and our 24K necklaces and bracelets are the perfect gifts for your loved ones. Visit our website ([www.firstcollectorsguild.com](http://www.firstcollectorsguild.com)) and call 1-800-831-0007 to place an order.□

## Is It Safe to Travel?

by Claus von Sickingen-Hohenburg, President, Ashby & Sterling  
[www.ashbysterling.com](http://www.ashbysterling.com)

Perception and emotion can trick the human mind. Whether in investments or in our personal sphere, we often act irrationally, while our rational mind watches and does nothing. We create, what psychologists call a cognitive dissonance: when you continue to smoke cigarettes while knowing that 155,000 people die of lung cancer every year. To compensate for this dissonance, you prove how harmless smoking is by citing your 95-year old Uncle Henry who smoked all his life.

Experiences, which we are personally and directly involved — your Uncle Henry or the continuous "re-living" of the events of September 11 in radio and TV — make us believe that these events are more likely to be repeated than is really the case. Here are a few numbers to overcome any perceptual bias about travel:

- ❖ 266 travelers died on the airplanes on September 11 (remember, the WTC and Pentagon victims were not traveling)
- ❖ There are 42,000 deaths each year from car accidents
- ❖ 20,000 people are murder victims each year
- ❖ An average of 10,000 people die yearly from the flu

What are your odds for a safe trip? Considering these facts, very good. Do you still have concerns about travel? Yes? Well, I understand, I'm still smoking...□

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### WHAT TO WATCH

Meanwhile, gold is embarking on a major rise, which appears to be similar to the rises in 1985-87 and 1993-95, and it could last another year or more.

Gold's next bullish action would be to rise above \$325. If it does, then \$360-\$380 would be the next target. If that level is broken, gold would then be entering a new potentially explosive bull market.

This scenario will continue and gold will remain bullish as long as it stays above \$273. So watch these numbers in the months ahead since they'll provide good guidelines as to what's in store.

Mary Anne and Pamela Aden are the Editors of The Aden Forecast, a monthly investment letter with subscribers in 40 countries. The Information Line Editors recommend that you subscribe to The Aden Forecast by simply following the instructions on the enclosed order form.□

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