



Retirement *Lifestyle*  
**Advocates**

---

**RADIO PROGRAM**

Expert Interview Series

Guest Expert: Alasdair McLeod  
Gold Money Inc.

Date Aired: July 30, 2023

**Produced by:**

**Retirement Lifestyle Advocates  
961 Four Mile Road, NW  
Grand Rapids, MI 49544**

Phone: (866) 921-3613

Email: [info@planners.com](mailto:info@planners.com)

Website: [www.RetirementLifestyleAdvocates.com](http://www.RetirementLifestyleAdvocates.com)

**Dennis Tubbergen:**

Welcome back to RLA Radio. I'm your host, Dennis Tubbergen. Joining me once again on today's program is returning guest, Mr. Alasdair McLeod. If you're a longtime listener, you'll recognize that Alasdair is the head of research at Gold Money. He is a prolific researcher and writer on all things currency related. And it's a pleasure to have him back on the program with a lot going on. So, Alasdair, welcome.

**Alasdair McLeod:**

Thank you for having me on, Dennis.

**Dennis Tubbergen:**

So, Alasdair, let's jump right in. There's so much to talk about. The big news, the BRICS countries, Brazil, Russia, India, China, South Africa, are having a summit in South Africa about a month from now as we're recording this, and they've announced that there will be a gold-backed currency that will be rolled out. Tell us what you know about that.

**Alasdair McLeod:**

Yeah. There's quite a lot of confusion about this, but I think the announcement on this that matters is the Russian one. Because Russia has been planning a gold-backed currency. Initially it was for the Eurasian Economic Union. And that has obviously spread. Right at the outset, Sergey Glazyev, who was in charge of that project, wanted this to be available for the wider Shanghai Cooperation Organization. So basically, he saw it initially, it was a Trojan Horse, if you like, for a new trade settlement currency for the whole of the Russia-China axis, if I can put it that way. And this is now being extended to BRICS. The thing that's interesting, at the moment, Dennis, there's a lot of confusion. I see so many comments. You've got minor officials in India saying, no, we're not looking at a gold-backed currency.

But minor officials actually aren't. They don't have the plot. The one that rarely matters is President Putin, and Sergey Glazyev, his chief economic advisor on this. And we know the way in which Sergey Glazyev is thinking because he wrote a very, very important article in a Russian business paper called Vedomosti, where he actually laid out the sense of having, in this case, he was talking about the ruble going back on the gold standard. And I could have written this, he was writing exactly what I've been saying. And so, you would think, okay, he is talking about the ruble, and I can see that there's a lot of sense in ruble going on to a gold standard. But I think initially the Trojan Horse, another Trojan Horse Act, I think is this trade settlement

currency. And the reason I think that is that this article in Vedomosti was actually co-authored by one of the other committee members on the Eurasian Economic Union Committee looking at this.

So, I think the genesis of this very clearly shows the direction in which this is going, because apart from anything else, if you are going to succeed in overturning the dollar as the medium of international exchange between the Shanghai Corporation and BRICS partnership, then you've got to offer something better than the dollar. So, I think that's really the starting point on it. There is another aspect of this, which I think is very, very important. And that is, you've got to look at it in the context of the wider battle between the hegemon, America on one side and Russia and China on the other. Now, Russia's doing very well in the war. Now you wouldn't know that from reading the Western press, but if you go to authoritative sources which are neutral, you can see that this is not going Mr. Zelenskyy's way at all.

But from the Russian's point of view, they do have a problem. Because with the way commodity prices have just generally sunk, we find that the ruble has gone weak. We find that the yield on the 10-year government bond has been rising, and we find that the trade surplus has also been falling. So, I think President Putin is under some sort of pressure to do something about the Ukraine situation, and the easiest way in which he can achieve that is to take steps to weaken the dollar. So, I think that it makes sense from the Russian point of view to introduce this into the BRICS Summit on August the 22nd. As far as China is concerned, I think I've until recently taken the view that China looks at her trade surpluses to America and also Europe and would want to protect those. But I think the priorities have changed.

Now, the reason that this is the case is slightly complex, but it has to do with the potential for America by raising interest rates to destabilize members of BRICS. Because a lot of the membership of BRICS and intended membership of BRICS owe money in dollars. And the higher the interest rates go, the worse their financial plight becomes. So as far as China is concerned, I'm pretty sure that she thinks this is a deliberate ploy by the Americans to destabilize the whole of the BRICS concept. Now, this is very important because China has invested a lot of money, for example, in Africa. If you look at the roads and rails that she's already built and those that are planned, it's like looking through a lace curtain, there are roads and rail all over the place. The whole continent is being opened up.

China does not want to jeopardize that. So, I think we've got this switch, if you like, away from trying to protect her export markets by not undermining

the purchasing power of the dollar and the Euro in particular, to trying to protect that bigger tribe, which is gathered round her, of the Shanghai Cooperation Organization and also BRICS. So I think in a nutshell, we've now got good reasons why both Russia and China are ready to promote a trade settlement currency designed very much on the lines put forward by Sergey Glazyev. Now that basically, Dennis, is where we are.

**Dennis Tubbergen:**

Well, Alasdair, thank you for that explanation. And if you're just joining us, I'm chatting today with the head of research at Gold Money, Mr. Alasdair McLeod. Alasdair, I've read from some sources that there are now, I believe, 41 countries that have applied to join BRICS. Can you comment if that is accurate from your perspective and what you know. And secondly, if so, that seems like it is a mass exodus quickly away from the dollar.

**Alasdair McLeod:**

Yes. So, the ones which I know are joining actually amount to 36. Now since the public list was available, that seems to have increased by another five. Now, I suspect that the other five are the members of the Shanghai Cooperation Organization who weren't on the original list. The point being that apart from those five, all the Shanghai cooperation organizations members, dialogue partners and associates, which basically is the whole of Asia apart from Southeast Asia, are down to attend this conference. So why would they attend a BRICS conference? Well, my view is that it's quite possible that Russia and China are going to seek to consolidate the Shanghai Cooperation Organization with BRICS. Now, that's not going to be something that happens overnight. But however, an intention could be announced. It has to have, if you like, the unanimous approval of the existing BRICS members.

Now, whether that's forthcoming or not, I don't know. But if it is not forthcoming, if for example, India might be dry dragging her heels, then it's really quite simple to deal with. And that is that there will be a new category of BRICS, those who intend to join and the intention to join. And if they are accepted as having a serious intention to join and they are acceptable to Russia and China, then they can be in that new category and included in this new currency plan as if they were members of BRICS. So I think that what we're looking at is we're looking at a total now of 41 countries attending this, seeking to join in BRICS, countries who are not already part of BRICS. This is a major thing, Dennis, and I think you are right to make the comment that we are looking at something pretty major. Because the effect of this is that they're going to be at least 41 central banks who, once these plans are official, I think we'll be dumping dollars to buy gold.

It makes a lot of sense that that's what they do. And I think that we've got some confirmation of this because... Was it two weeks ago or was it three now? Janet Yellen went to Beijing. Now when you get the head of the US Treasury to going to Beijing to talk to the Chinese, that she's going to be about selling bonds, like US treasury bonds, or trying to stop the Chinese from selling the ones they've got. And so they'll be worried about that. And then really just currently, we've had the 100 year old Henry Kissinger going over there. Now, I don't think he went there for a health cure.

I suspect that the powers that be in America thought that here was the man who basically did more than anything else along with President Nixon to bring China into, if you like, the capitalist world. He is a friend of China, he is a wise man, and this age and wisdom is a very powerful combination in China. So I think that he was sent along basically because where Janet Yellen failed, there was a hope that he might succeed. And I think this is all around this new currency because those that know about it will be extremely concerned about the consequences for the dollar.

**Dennis Tubbergen:**

Well, Alasdair, we have just a little bit of time left in this segment. I want to pick this conversation up in the next segment. It's fascinating. But in the time we have left, if you'd be so kind as to explain the mission of Gold Money and what it is that your company does.

**Alasdair McLeod:**

Yes, indeed. I'd be very happy to. Basically, Gold Money stores gold and silver and platinum group metals, but it is mainly gold and silver, for people around the world in vaults around the world. And these are all either London Bullion Markets Association vaults, or they are vaults which are fully insured and part of well-known vaulting international vaulting companies. We also have within our group, SchiffGold in New York. So, for people who want to buy coins or small bars and take them home or have them delivered to their home, there is that alternative as well. So that's basically what we do. And we store it outside the banking system. So, if the banking system falls over, your property is protected.

**Dennis Tubbergen:**

And you can learn more at [goldmoney.com](http://goldmoney.com). The clock says that we need to leave it there for this segment, but stay tuned. I'll be back with Mr. Alasdair McLeod after these words.

I'm Dennis Tubbergen and you are listening to RLA radio and I'm chatting today with Mr. Alasdair McLeod. He is the head of research at Gold Money. I would encourage you to check out his work. He is a prolific author and researcher. If you go to [goldmoney.com](http://goldmoney.com) and click on our research tab, you'll find many of Alasdair's articles there.

So, Alasdair, we were talking about in the last segment, the BRICS countries next month rolling out a new trade settlement currency that would be backed by gold. As you were talking, I'm thinking that there's US treasury bonds that countries that need to inventory dollars hold. And when they need to have dollars, they redeem those treasury bonds. And you can correct me if any of this is not correct. Won't the BRICS countries have to develop a similar reserving system for this new currency?

**Alasdair McLeod:**

I don't think so. No. It's actually very easy to do. Virtually all the central banks involved have been accumulating gold. In fact, last year there was a record amount of central bank accumulation of gold. And if you look at the central banks that were doing it, it was almost entirely Asian central banks. The other one, which is interesting, is Singapore. Singapore has rarely racked up quite a lot of gold for the size of the country it is. And what I would say is that the Chinese leadership in Singapore, or the ethnic Chinese leadership is probably better way to put it in Singapore, has always been extremely well informed of China's strategy and tensions and objectives. So I think that's probably a key indicator that gold would be eventually involved in some sort of currency revolution if you like. And so I think the easiest way I would do this is I would set up a new issuing bank, which would be a central bank.

This issuing bank would then take in gold from the member central banks, as it were within the organization, and pay out in turn a gold linked currency, a new currency always reserved 40% by gold. Now this would mean that a central bank putting gold into this new issuing central bank would receive two and a half times the value of the gold that it is actually earmarked for this purpose back in this new currency. So, it would have quite a substantial uplift in its reserves, which it would then use as the basis of expanding credit or allowing the commercial banking network under its control to expand credit, based on this new currency for trade settlement and commodity acquiring purposes. And it's important to realize that such a currency is not going to be circulating for the general public anywhere. And also because it is restricted to just trade settlement and the purchase and sale of commodities, the credit is in effect self-extinguishing.

So, you're not going to see a runaway bank credit situation, which has so often destabilized economies in the past. So it's really a very simple thing, Dennis. I have written about this and I would urge anyone who has more interest in it either to wait until the 22nd and the 24th of August or alternatively goes to one of my articles on Gold Money, and you'll find how the thing could be constructed. I don't know that Sergey Glazyev will be doing it exactly as I have suggested, but I would've thought that the lines on which he's thinking are not too far removed from the way I've put it.

**Dennis Tubbergen:**

So Alasdair, what does this mean? Many of our listeners do business in US dollars, they have their retirement savings in US dollars. What do these developments mean for someone that has virtually all their assets in US dollars? What will their personal financial situation look like moving ahead?

**Alasdair McLeod:**

Well, I think there are some quite serious threats to the value of those investments. The first is from the currency itself. You must bear in mind that foreign ownership of US dollars is considerably greater than US GDP. Now, this is something that has accumulated really since the Second World War and more particularly since the Bretton Woods Agreement was scrapped in August, 1971. Today, according to the US Treasury itself, the total of bank deposits, short-term investments and also long-term investments in foreign ownership amounts to \$32 trillion. This is an enormous figure. It really is. Now of that, about six and a half trillion is in deposit money, mainly in branches of foreign owned banks based in New York. So, this is, I think, the real problem because when the dollar begins to be sold down, then the purchasing power of the dollar will also diminish. Certainly, measured against gold, which remember is real money and provides the constancy of prices over long periods of time.

The second problem, I think in all this, is that if the bear market resumes, and I think there's good reason to say why, and I will sum it up very, very simply. When you get contracting bank credit, you get a credit crunch. What happens is that credit becomes in short supply. So, interest rates, the rates at which you pay in order to borrow money off a bank rises. And it can rise quite steeply. Now, under those circumstances, the bear market hasn't been all that obvious so far, but a bear market in financial assets is bound to resume. And that I think will be the greatest source of loss to anyone who is over-invested, overexposed, overcommitted to financial assets.

**Dennis Tubbergen:**

So, Alasdair, this dollar fell down, this purging, if you will, of foreign holdings of US dollars, when do you see that beginning in earnest?

**Alasdair McLeod:**

Well, it could well begin before August the 22nd. If you look at the chart of the dollars trade weighted, it did break down rather sharply in the week following the Russia's confirmation that this new currency was going to be considered at the summit. And I think that's a very important point to note that the timing of it, the dollar has rallied a little bit since then. But in technical charting terms, this is the sort of thing that you would expect when you break a level of support. And important level support, very often you do get a rally back up to test that support, which now becomes supply. Because people who failed to sell before breathe a sigh of relief and get out at the level at which it broke down. And then of course the trend, in this case a downtrend, then resumes. So, we're seeing quite a lot of confirmation from disparate sources that this indeed is what is happening. The dollar does not look good. I would sum it up that way.

**Dennis Tubbergen:**

So, Alasdair, as far as the details of this gold-backed currency that the BRICS countries are going to roll out, I just want to use an analogy can tell me if this is appropriate or not, but when Franklin Roosevelt in the United States made all American citizens sell back their gold, it was at a rate of \$20 an ounce. And then Bretton Woods established a new price of gold at \$35 an ounce, which was arbitrary based on the conditions at the time. If BRICS makes a similar calculation, what do you think happens to the price of gold?

**Alasdair McLeod:**

Well, it's a rather different situation. I think you're right to mention Bretton Woods. Bretton Woods actually was 1944. And it was Roosevelt who set the \$35 level in 1934. So, what we're now looking at is the ending of this fiat currency era. Now, it's obviously not going to end in one huge great shift, but I think this is rather the first indication of a move back to gold-backed currencies, because I would expect Russia to follow. Just for everybody's understanding, the point about sound money is that interest rates can remain low without disrupting values. And so, in the case of a gold backed currency, typically a basic interest rate of around about two and a half to 3% is the sort of level that you'll be looking at.

Now, Russia at the moment on its 10-year bond has to pay something like 11.5%. So you can see that there is enormous advantages and enormous



advantages for the Russian economy as a whole, if interest rates are fixed at a stable, low level because of the introduction of a sound ruble as opposed to a fiat ruble. So, this I think is going to be an important development. And I think it's going to be widely understood by non-Keynesians by, if you like, the people who haven't bought the Kool-Aid from Keynes general theory, which was published in 1936. This, I think, Dennis, is a very, very important development.

**Dennis Tubbergen:**

The price of gold in dollars is a relative thing, but do you have a forecast?

**Alasdair McLeod:**

No, I never ever forecast because I would be the first to admit as a stockbroker of longstanding that you can pick a number out of the air. But all I can say is that the consequence of this will inevitably to undermine the purchasing power of the dollar. So, if you just look at the chart of gold, this would suggest that fairly quickly we could be challenging the old highs, which are somewhere around about 2050, 2070. And if that breaks on the upside, then it could actually go a long way further because the consolidation from hitting the high in August, I think it was August the 8th, 2020 until now, has been quite a long solid confirmation. And it's quite a powerful looking pattern. Silver similarly has a pretty powerful pattern underneath it. And it's worth bearing in mind if you want to speculate that silver tends to move at slightly less than twice the speed of gold, both down and up.

So, if gold is looking good and you buy into that argument, then silver could be a way of maximizing the return. But what I would say to everyone is that the real point of buying physical gold is to get out of credit. It is credit which is losing purchasing power. And I think another point which is worth making is that if you put a currency onto a gold standard, then under normal circumstances you'd want to see the currency settle at a rate which you could maintain. With this new trade-based settlement currency that's not required at all. It really doesn't matter. So this is actually something which is very, very new. And I think it's at the point which very few people really have grasped.

**Dennis Tubbergen:**

Well, the clock says we're going to have to leave it there. My guest today has been Mr. Alasdair McLeod. He is the head of research at Gold Money. You can learn more about his work at [goldmoney.com](http://goldmoney.com). Alasdair, it's amazing how fast 24 minutes flies by when I'm talking to you. I'd love to have you

back down the road for an update. And I know the listeners appreciate all your perspectives as well. Thank you for joining us today.

**Alasdair McLeod:**

It's very much my pleasure, Dennis. Thank you for having me on.

**Dennis Tubbergen:**

We'll return after these words.