



# JIM RICKARDS' STRATEGIC INTELLIGENCE

## The Green Fraud: How Climate Alarmists Are Scamming You

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#### The Green Fraud: How Climate Alarmists Are Scamming You

This month, Jim explores one of the most fraught and contentious issues of our time — climate change. He shows why alarmists are scamming you and how you can position your portfolio with both short and long-term goals. Read about it all inside...

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Readers don't need an introduction to the topic of climate change. It gets saturation coverage in the media and is impossible to avoid. What is needed is careful consideration of the claims and counterclaims combined with real scientific data — not the bogus data you hear so much about. That's what we will detail in this edition of *Strategic Intelligence* as we explore one of the most fraught and contentious issues of our time.

The topic of climate change also requires some explanation of our interest. *Strategic Intelligence* is dedicated to economic analysis, asset allocation, and ways for readers to profit in uncertain times. We are not the Journal of Climatology. Yet, the linkage between climate change and markets could not be more direct.

### What The Greenies Want

Those yelling the loudest about climate change want to destroy the oil and natural gas industry, destroy nuclear power plant construction, shut-down coal-fired plants, end coal mining, mandate electric vehicles (EVs) on very short deadlines, eliminate gas stoves in your kitchen, fireplaces, and even outdoor barbecues. They also want to build wind turbine arrays offshore and on deserts, plains, and even mountains near you.

They want to install solar module fields on every rooftop and open space near a population center. The climate change radicals want to increase the mining of lithium, nickel, cobalt, copper, rare earths, and other dangerous chemicals to feed their obsession with EV batteries. They're spending hundreds of billions of tax dollars to subsidize the EVs, battery manufacturing, and a coast-to-coast network of charging stations to keep the EVs moving (even if they do have to stop for a charge every 180 miles).

The greenies want to mandate "15-minute cities" where you can walk everywhere in town within 15 minutes, which means you won't need your car to visit a doctor, dry cleaner, grocery store, pharmacy, or any of the other locations we routinely visit for errands and necessities.

That may sound attractive if you chose it voluntarily. That's not what the greens have in mind. They want 15-minute cities as a Trojan horse to eliminate automobiles entirely and force you to ride bicycles or use public transportation. In the end, you'll need a permit to fly to another city. The permits will be rationed and you'll have to put yourself on a waiting list until your turn. You can pay for your ticket with the new central bank digital currency (CBDC), assuming your social credit score is high enough and you didn't vote for the wrong candidate in the last election.

**In short, the climate change agenda is not about climate change.** It's about total political and economic control of the population. So-called climate change is an elite scare tactic to get you to fall into line and obey government orders (as most people do).

## Fear Prompts Obedience

The recent pandemic was a trial run to see if citizens would follow orders that made no sense based on fear. It worked.

There is zero evidence that masks do anything to stop the spread of an airborne respiratory virus that can only be seen under an electron microscope. The vaccines were not vaccines. They were experimental gene-modification therapies that did not stop infections and did not stop the spread. Lockdowns made things worse by keeping people inside where the virus could spread instead of letting them get sunshine, exercise, and fresh air that have high therapeutic value.

Everything the government said about the pandemic was a lie. Yet, people obediently followed orders from frauds like Dr. Anthony Fauci, who helped to finance the creation of the virus in a Chinese laboratory in Wuhan.

Children suffered worst of all because they lost two years of school and social interaction and development for no reason (children almost never get COVID or have mild cases if they do). That lost development will never be made up. The educational and social development loss of children in the pandemic is permanent.

The climate change advocates were taking notes. They saw how fear can prompt obedience even when the fear factors were invented and had no scientific support. Now those

techniques are being applied to the climate change debate.

Elites claim that if we don't radically reduce CO<sub>2</sub> (carbon dioxide) and CH<sub>4</sub> (methane) emissions, global warming will melt the ice caps, raise sea levels, put island nations underwater, and flood the New York City subway system in ten years or less. They've been making similar claims for forty years and they've been wrong every time. That doesn't stop them. Fear works.

## Companies (And Investors) Will Feel The Heat

What is new is that the climate crowd now has the political power they need to push their agenda using fear and the regulatory state to attack your means of transpiration, your personal conveniences, and your consumer choices.

This is being enabled by a senile Joe Biden and thousands of bureaucrats buried in the Environmental Protection Agency (EPA), the Department of Energy (DOE), the Federal Trade Commission (FTC) and scores of other agencies.

The U.S. Treasury, SEC, and the Federal Reserve have even joined in by regulating loans to the oil and gas industry and requiring financial disclosures about climate change and other ESG (Environment, Social, and Governance) metrics.



*Your Editor during a recent expedition to Antarctica. Consistent with the best scientific evidence my observation was that ice sheets and glaciers are normal, and wildlife including whales, seals, birds, and penguins are thriving. I doubt that many of the hysterical voices on climate change have ever been to Antarctica. They prefer to regurgitate the bad science that feeds the fear machine.*



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The World Bank (controlled by the U.S.) is being encouraged to deny loans to industries that involve carbon-based development and to steer financing toward projects approved by the climate mavens. This is called the “all of government” approach in which every agency gets involved in pushing the climate agenda, even if it’s not the primary job of that agency. The pressure never stops.

In short, the climate change debate could not be more relevant to investors. Those calling the shots in the Green New Deal (what I call the Green New Scam) will decide which industries win or lose, which projects get financed (or not), which initiatives are subsidized by the government or left to wither on the vine, and which companies will feel the regulatory heat if they don’t get with Biden’s programs. Climate change is not a sideshow. Nothing is more relevant to markets, investors, and asset allocators today.

## Yes, The Climate Has Always Changed

Let’s get one thing cleared up before we go further. The climate does change. It always has.

During the Medieval Warm Period (950 AD to 1250 AD) the Vikings had farms and settlements in Greenland. Today, those settlements are covered in ice. From 1300 AD to 1850 AD, Europe and parts of North America experienced the Little Ice Age (not a true ice age but a distinct cooling period). The Thames River routinely froze and Londoners held frost fairs on the river itself with merchants’ booths filled with goods for sale. Locals could cross the river on ice without using a bridge.

I lived for over ten years in a house on the water in Long Island Sound. The beaches were rocky as they are through most of New England up to Canada. I grew up in New Jersey where the beaches have fine sand and almost no rocks. Why the difference?

It’s because New York City is approximately the southernmost point of glaciation during the last ice age (the Pleistocene glaciation) that ended about 11,700 years ago. Glaciers are ice flows that push rocks to either side.

When the glaciers melt, the rocks remain in a formation called moraine. Long Island Sound has a rocky shore because it was a glacier that melted. Today you can fish, swim and sail in the Sound. That’s climate change. But it took thousands of years to unfold.

When some ideological climate cultist calls you a “climate denier” because you don’t buy into their hysteria, just say that you don’t deny climate change. You just deny the fake science they are peddling.

Climate change is real but it’s slow, powerful, and has nothing to do with trace gases such as carbon dioxide and methane. It’s caused by the interaction of complex systems such as sun cycles, ocean currents, wind patterns including the Jet Stream, volcanic activity, salinity levels (in turn caused by ocean current subduction) and other mega-systems over which humans have no control.

**We’re living in a world where major forces beyond our control have been hijacked by elites to create a climate of fear to achieve their agenda of total government command over your life. It’s time for Americans and citizens around the world to learn the facts, push back on the elites, and reestablish public policy based on real science. It’s time to push the flawed models, phony data, and bogus warnings out of the way.**

The goal should be to get the science right and stop picking market winners and losers based on a political agenda instead of proper analysis. That’s the purpose we are detailing in this month’s issue.

## The Peddling of Pseudoscience

The climate is changing as it has for billions of years. Climate change is one of the most complex phenomena ever addressed by science and perhaps the most difficult to model.

The nature and causes of climate change are a worthy challenge for the best scientists using the most sophisticated tools available. Unfortunately, the study of climate change has been co-opted by pseudoscientists using flawed models, rigged data, and hyperbolic claims echoed by ill-informed media and politicians with hidden agendas.

Among the best-known boosters of climate alarm are Gillian Tett at the *Financial Times* and BlackRock’s Larry Fink. Fortunately, there are rigorous scientists using hard data and robust models to address the phenomenon. This more scientific group includes Michael Shellenberger, Steven E. Koonin, Bjorn Lomborg, Bruce C. Bunker, M. J. Sanger, and many more.

These sober voices mostly agree that slight global warming is detectable, but it’s not a crisis and will not become a crisis in the foreseeable future. They concur that it’s unclear whether CO2 emissions are the main cause of warming even if they are a contributing cause. They point to other causes, including solar cycles, ocean salinity, ocean currents like El Niño and La Niña, cloud cover, aerosols, volcanoes, agricultural practices, and natural methane release.

There are also numerous official reports that reach the same conclusion, although you may have to scan the footnotes to discover that; official reports produce scary headlines heav-

ily diluted by detailed content. The single most important contribution of real scientists is to demonstrate how badly flawed the models used by the climate alarmists are.

A climate model divides the surface of the planet into a grid with squares of about 360 square miles each over land surfaces, and 36 square miles each over the oceans. That's about 101 million squares. Each square is extrapolated into a stack about 30 miles high to the outer edge of the stratosphere. All weather occurs in this zone, with most weather occurring within 10 miles of the earth's surface, in the troposphere.

The vertical stacks are sliced horizontally into thin layers like pancakes, and each layer is analyzed separately for climate conditions in that slice, the impact of such conditions on adjacent pancakes in adjacent stacks, and so on. One has to model this activity to a first approximation before getting to recursive functions.

If each pancake is one mile thick, that comes to 3.03 billion pancakes. Analyzing one pancake is tricky. Analyzing 3.03 billion pancakes is mind-boggling. Analyzing the interaction of each of the 3.03 billion pancakes with each of the other 3.03 billion pancakes, even allowing for attenuated interaction at a distance, is a superlinear function that borders on the impossible in terms of computational complexity!

One scientist estimates that if we had supercomputers one thousand times faster than today's computers the run time on the problem described above would be several months. Climatology is complexity theory par excellence.

So how do scientists actually work with models that cannot be run with today's computers? They make assumptions. Lots of assumptions.

This process begins with a recognition that there are no direct observations of most of the atmospheric slices. We have satellites and weather stations recording temperature and precipitation, but those inputs include only a small fraction of the surface areas and heights described.

The point is that climate models are so complex and so sensitive to assumptions that scientists can get almost any result they want by tweaking inputs and running multiple scenarios. It also means the outputs are mostly worthless because of unfounded assumptions, computational complexity, and flawed model design.

Most climate models are so deficient they can't even simulate the past based on known data let alone forecast the future. If a model of your own design can't back-test correctly, why should it be relied on to forecast?

Yet these models are routinely touted as showing an "existential threat to mankind."

## The Phoniness of Hysterical Alarmists

Let's begin an overview of the climate alarmist position by considering a few of their claims in the light of real science:

**Surging sea levels will inundate the coasts.** This is false. Sea levels have risen at the same pace for one hundred years, unaffected by climate change or human activity. The rate of increase is about seven inches per one hundred years. That's barely enough to get your feet wet in 2121 if it persists, which it may not.

**Hurricanes are becoming more powerful and more frequent.** This is false. The 2014 U.S. National Climate Assessment said, "There has been no significant trend in the global number of tropical cyclones nor has there been any trend identified in the number of U.S. land-falling hurricanes." There is evidence that property damage from hurricanes is increasing. Does this mean hurricanes are getting stronger? Not at all. It just means that rich owners with subsidized insurance are building mansions on sandbars where they don't belong. That's not climate change. It's stupidity.

**Tornadoes are more powerful and more frequent.** This is false. National Oceanic and Atmospheric Administration (NOAA) records from 1954 to 2014 show the number of tornadoes in the United States of EF1 or greater (EF is the Enhanced Fujita Scale of tornado strength) is fairly consistent at about four hundred, with occasional spikes in 1973, 1982, 2008, and 2011. The number of tornadoes in the United States of EF3 or greater has been steady at around forty with spikes in 1957, 1965, 1973, and 2011. No correlation has been shown between tornado strength and CO2 emissions.

**Snowstorms are becoming more frequent with greater accumulation of snow.** This is false. Snowstorms are highly localized so, of course, measurements vary, with some locations getting more snow, some less. A chart of annual snowfall in Washington, D.C., from 1889 to 2018 shows the annual snowfall in inches has been trending downward for the entire 130-year period. If climate change has any impact at all, it is causing less snow. And there is no correlation between climate change and an increase in CO2 emissions.

**Wildfires are destroying larger areas more frequently than ever before.** This is false. Satellite data from NASA reveals that the global area burned annually by fires from 1998 to 2015 has declined by about 25 percent.

Similar data exists for ice sheets, droughts, floods, and other weather-related outcomes. **In short, none of the extreme outcomes that the climate alarmists shout about are true.**

**And there is no conclusive evidence that any extreme weather when it does occur is caused by human activity or CO2 emissions.**

It is true that CO2 emissions are increasing. It's also true that scientists have detected a slight trend toward global warming. There is no clear evidence that human-caused CO2 emissions are the principal source of global warming, although emissions could be a contributing factor along with sunspot cycles, ocean currents, and other natural causes that are difficult to measure. What is clear is that global warming, if any, is proceeding slowly; there is no looming catastrophe. Some evidence even suggests that a new cooling period has begun.

**Renewables Have Their Place...  
But There Are Problems**

Despite climate alarmist claims, renewable energy sources are on the rise. Solar power is efficient and can make a valuable contribution to reducing CO2 and CH4 emissions. It is useful in remote locations and for powering single buildings or complexes where the photovoltaic system with batteries is in close proximity to the facility. Yet, when used at scale, solar power is an inefficient contributor to the power grid. Solar has a use-it-or-lose-it dynamic that is unavailing in darkness or bad weather. When the solar field is producing electricity, it may not match the grid's needs at the time.

Huge amounts of land are needed to build large-scale fields. Batteries are a solution to unreliability, but they create their own problems in terms of expense, maintenance, and space. Also, the manufacture and disposal of batteries with poisonous chemicals and metals create environmental problems at odds with the problems it is intended to solve. Solar has its place, but the contribution is marginal. It cannot replace carbon-based fuels.

Wind turbines are less efficient than solar panels and are not practical in terms of a robust replacement for oil and gas. Wind turbines are capable of generating significant amounts of energy without CO2 and CH4 emissions in their operation.

Of course, this ignores the enormous amount of carbon-based energy used in the manufacture, transportation, and installation of turbines. Wind turbines are an efficient substitute or alternative to photovoltaic systems in terms of the amount of space utilized relative to electrical output.

Despite that efficiency, wind turbines are subject to the same problems as solar panel systems. They produce power on an intermittent basis. For solar power, that means when the sun is shining. For wind power, that means when the wind is blowing. While engineers will search for optimal

locations, it's the case that the wind doesn't blow at all times even in the windiest corridors.

This leaves wind power in the use-it-or-lose-it category also. Wind power can feed the grid, but it cannot be relied upon by the grid operators. Power cannot be stored without expensive batteries, which are impractical on a large scale.



*Wind turbines are assembled from huge individual components including blades, rotors, generators and shafts that can be 600-foot tall or higher. (Some non-conventional designs are more compact but the three-blade horizontal axis rotor design is by far the most common). An enormous amount of energy is consumed in the manufacture and transport of the turbines, partially offsetting the benefits of use.*

Electric vehicles, or EVs, are not an efficient solution to carbon emissions either for two reasons. The first is that the EVs need to be charged with electricity from the grid, which is still powered by oil, natural gas, and coal.

In fact, China has the largest potential market for EVs, and over 50 percent of China's domestic energy comes from coal-fired plants. China is building new coal-fired plants at a rate of two per week. The supposedly clean EV is just a battery-powered intermediary for coal-generated electricity.

The other problem is the same issue we have encountered with solar power and wind turbines — batteries. Unless you are feeding the grid on an intermittent and unreliable basis, wind and solar depend on batteries.

If neither renewable sources such as wind and solar nor the EV is a complete answer to the issue of carbon emissions, why do global elites insist on a radical overhaul of the existing energy system? What accounts for the climate hysteria of the political and media elites despite the lack of scientific evidence for human-caused global warming?

Some of those repeating outrageous claims are doing just that — repeating things they've heard from other media or political leaders without independent inquiry or investigation.

Unfortunately, the public relies on media elites and political leaders for their information. As decades roll by and scare stories are discredited time and again, public skepticism will rise, and the alarmists will lose credibility.

The danger is that alarmists may pass legislation, limit choices, and impose costs in the name of climate change before the public catches on to the scam. At that point, the economic damage becomes semipermanent even if alarmism fades.

## They're In It For The Money

Some scientists who espouse alarmist positions on climate change are in line for large research grants from activist foundations and NGOs. Executives who take alarmist positions may find their stock prices boosted by institutions making ESG-style investments (for environment, social, and governance criteria). Wealth advisers who promote ESG funds profit from management fees and performance fees as the money rolls into those investment schemes.

Academics who caution that the climate threat is overblown may be denied tenure or publication and be subject to cancel culture disparagement. Media anchors who promote climate alarmism can improve ratings. Websites that feature climate catastrophe stories get clicks. Politicians can get votes by appearing to "do something" about a supposed existential threat.

Financial elites claim the climate is a threat as a basis for garnering power. A powerful echo chamber of academics, wealth managers, bankers, regulators, celebrities, politicians, and CEOs who talk up climate threats has emerged. They create feedback loops in which media attention justifies bank regulation, which supports green investing, which supports research grants, and so on until the world is thoroughly convinced that a climate catastrophe is real. It's not real, but the narrative thrives.



*This is what the Green New Scam is doing to the whale population. They're using sonic shocks to build offshore windmills and destroying whales' ability to navigate with sonar. The greenies don't care about the environment. They're only in it for the money.*

## Consumers Will Bear The Costs Of The Scam

One of the most potentially damaging developments is the creation of the Glasgow Financial Alliance for Net Zero, an elite group using climate alarm as a Trojan horse to pursue global financial control.

The head of GFANZ is Mark Carney, previously the head of three central banks — Canada, UK, and the Bank for International Settlements — and de facto leader of the global financial elite. His co-chair is Michael Bloomberg, multimillionaire of the eponymous information network and prominent climate alarmist.

The GFANZ principals list includes the usual suspects: Brian Moynihan, CEO of Bank of America; Larry Fink, CEO of BlackRock; Jane Fraser, CEO of Citi; Nili Gilbert, board member of the David Rockefeller Fund; and their ilk. The complete membership controls over \$130 trillion in assets. GFANZ's convening power was the United Nations.

GFANZ plans to pressure central banks and bank regulators to issue rules that will steer asset allocations and bank lending away from oil and natural gas providers and ancillary businesses such as pipeline and crude oil shipping toward unreliable energy sources such as wind turbines, solar modules, and batteries built from poisonous chemicals.

The real purpose of these efforts is centralized control of global finance by an elite group. Climate alarm is a convenient platform. What better way to impose global control than to rely on a global catastrophe, even an invented one?

GFANZ is just the beginning of a series of steps to employ unified financial control to squash dissenting voices and push unpopular agendas such as gun control, population control, world money, and world taxation.

These efforts will fail, as they always do, but not without damage in the meantime. Predictable results include higher energy prices, energy shortages, disruptions in transportation logistics, and tax burdens imposed on reliable sources of oil and natural gas. Consumers will bear the costs.

In light of unsettled real science, what conclusions can be drawn? The following appear:

1. **The climate is changing.** It always has and always will. There's plenty of room to disagree with the climate alarmists without falling into the trap of being a "climate-change denier." Yes, climate changes, yet it's a slow process and quite complex. What's needed is observation and experimentation, not hysteria.
2. **Carbon emissions are increasing.** These emis-

sions consist mainly but not exclusively of carbon dioxide (CO<sub>2</sub>) and methane (CH<sub>4</sub>). The quantity is small relative to the composition of the atmosphere: nitrogen (N) and oxygen (O) together make up 99 percent of the atmosphere; argon (Ar) makes up over half the remaining 1 percent, but the reflective heat-trapping qualities of carbon dioxide and methane are significant. So, humans are contributing to carbon emissions, but they are not the sole source, and the impact on total warming is unclear.

3. **Sea levels are rising.** This is true, but they have been rising for one hundred years at about the same pace and there's no evidence for the impact of global warming on sea levels. The current pace is about seven inches per century. That's far from an existential threat and, no, cities will not be underwater.
4. **Solar modules and wind turbines can contribute renewable energy to the grid to reduce carbon emissions.** Yet they are not a substitute for oil and gas. They are intermittent sources and therefore unreliable. Battery storage is too expensive and causes its own increase in the use of poisonous chemicals. Even as solar and wind capacity increases, global demand for energy will increase faster. EVs have limited range, and charge with electricity provided by oil, gas, and coal, and therefore do not reduce overall emissions.

Far from the hysterical claims of climate alarmists, the prospect of climate change is straightforward. Climate change will continue despite efforts to reduce emissions. Wind and solar power will grow, yet they will not replace oil and gas. The more extreme remedies of the climate alarmists such as global carbon taxes, caps on carbon emissions, and a ban on oil and gas exploration and development will fail because they lack popular support and are unnecessary according to the best available science.

Shutting down the Keystone XL Pipeline project is a high-profile political theater, but it won't change anything. Alberta tar sands oil will still arrive in the United States. It's just that it will come by rail instead of pipeline. (By the way, Warren Buffett owns the railroad that will carry most of this oil). Rail transportation is dirtier than pipeline transportation; the alarmists don't care — they just want the show of shutting down a pipeline. So, there will be costs imposed and inefficiencies locked in because of political posturing.

In the end, CO<sub>2</sub> emissions will continue to rise but at a slower rate. Sea levels will rise for reasons unrelated to

emissions, but at such a slow rate as not to be noticeable. Average global temperatures may rise slightly for reasons that science does not fully understand, although we could just as easily flip to a cooling trend.

Energy demands will increase as developed economies continue to grow in order to support aging populations. Developing economy energy demands will grow even faster to support a youth cohort looking for at least a middle-income lifestyle. Oil and gas are not going away. They are too important, have too many embedded structural advantages, and have huge economies of scale.

Once politicians and the media become more aware of the real science of climate change and distance themselves from climate alarmists, the oil and gas industries will regain their footing. While climate alarm may fade, the damage to the economy will not.

## The Elite's Endgame

The material above explains why the climate change scare is a hoax and why any actual climate change is non-threatening, not caused by humans, and poses no risk of an existential apocalypse. **That said, it's important to bear in mind that the elites don't care about real science. They are driven by ideology, cult-like rituals, and a hidden agenda of total control of society.**

What does that control look like in practice? What actual steps will be taken that impact asset values and investor returns (in addition to the obvious lifestyle changes)?

The answers to those questions are on vivid display in the chart below. (Note: For purposes of space, this is only a partial list of key sectors that will be impacted. If you are interested, you can review the entire chart and the full report titled *Absolute Zero* from which this chart is reproduced [here](#)).

The chart has a top-lined scale that shows particular industries and activities such as Road vehicles, Rail and Flying. The left-hand scale shows time periods for implementation such as 2020-2029 out to Beyond 2050 with intermediate periods included.

By selecting a particular activity from the top-line scale and a particular time period from the left-hand scale, and looking at the intersection of the two, you can see what this playbook expects the future to be.

When the vertical bar narrows through the passage of time, it means that activity is being phased out. When a red circle with a white bar appears, it means that activity has ended. The material at the bottom of the red circle (in a slightly different hue) shows the replacement for the discontinued activity.

Some of the projections are simply impossible to achieve. That doesn't mean the elites won't try nor that they won't cause enormous economic harm in the process. Other projections are possible but frightening in their implications. Again, that doesn't mean the elites won't try nor that they will not destroy certain parts of the economy. If you want to know what dystopia looks like, study this chart.

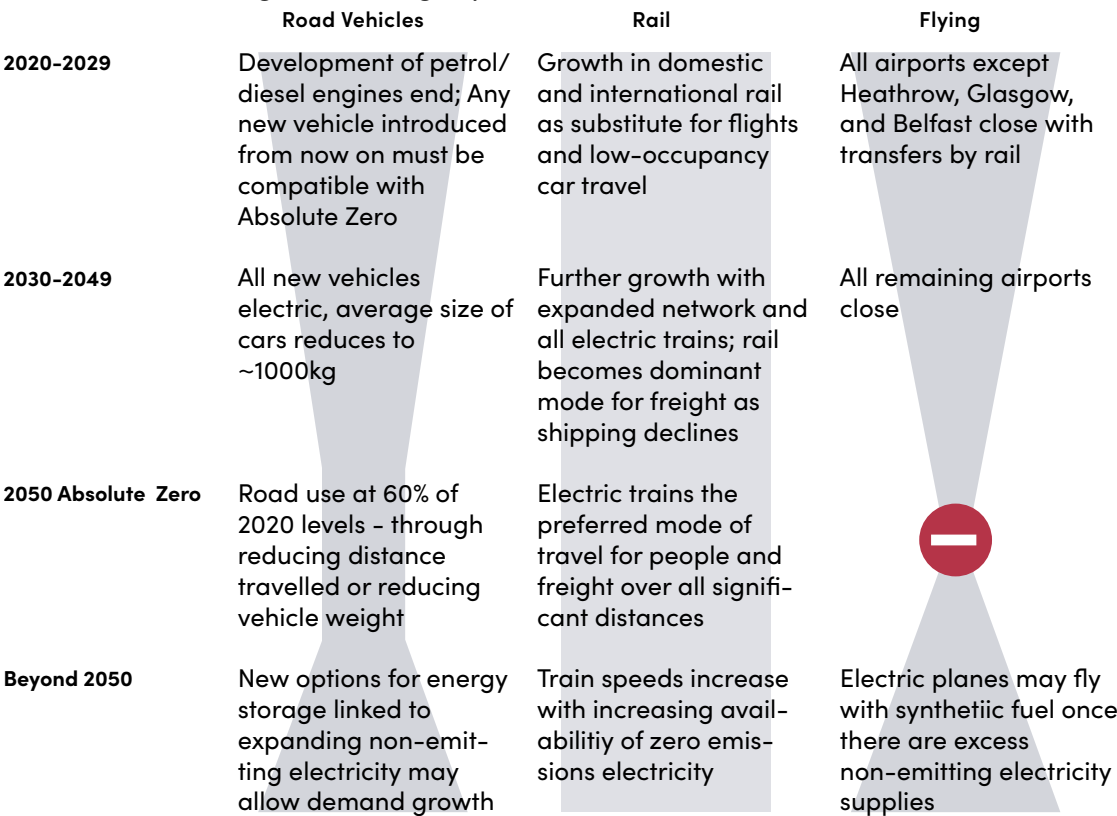
It's important to know the source of this chart. If you were an opponent of the Green New Scam and wanted to raise awareness of the craziness to come, you might produce this chart as a wake-up call to everyday citizens. That's not what this is.

This chart was produced by a group of academics called UK FIRES, which is a collaboration of faculty from Oxford and Cambridge Universities and other leading universities in the UK. It is funded by the UK Engineering and Physical Resources Council, a government agency.

(Today the average midsize car weighs 3,300 pounds, and a large car or full-size SUV weighs between 4,400 pounds to 6,000 pounds). By 2050, road use will be reduced by over 40% compared to 2020 levels by reducing vehicle weight, and reducing distances motorists are allowed to travel.

Under the heading of Flying, the plan says all airports in the UK except Heathrow, Glasgow, and Belfast will be closed by 2029. Those three remaining airports will be closed by 2049. Flying in the UK will come to an end beginning in 2050. Beyond 2050, air travel may resume in electric planes with synthetic fuels assuming there is "excess" electricity produced with zero emissions: (an unlikely outcome).

When you look at the entire chart [here](#), you'll see in the category of Food, the plan is to cut consumption of beef and lamb by 50% before 2029. In the period 2029-2049, beef and lamb and eliminated completely. Bugs, anyone?



You can review the remaining categories at your leisure. (There are ten more sectors represented on this chart). One is more extreme than the next. What is not included in the chart are the coercive measures that will need to be applied in order to achieve these goals.

Citizens will be confined to small towns or cities for extended periods. Travel will be tightly restricted. Appliances will be downsized with no consumer choice allowed. Taxes will be imposed on targeted activities to discourage use. Education will be turned to indoctrination to raise

a generation who believe in the climate lies needed to gain support for these measures; (that kind of indoctrination has been underway for some years).

**Welcome to the world of the green elite. It's coercive, restrictive, arrogant, and apparently not much fun. It's a world where the elites control everything and you do as you're told. It's a world based on lies and fear. It's coming sooner than you expect unless citizens can join hands, reassert the truth, and push the elites back into a corner where they belong.**

**In substance, this is the government playbook for the Green New Scam.** Note the goal is Absolute Zero. This is not the same as Net Zero where some emissions have been cut while others are allowed. Absolute Zero means no emissions whatsoever. None.

To understand how threatening this vision is, look at some of the details. In the category of Road vehicles, the elite plan calls for an end to the development of internal combustion engines by 2029. After 2030, cars will have to be electric and cannot weigh more than 2,200 pounds.



## The Pro-Green and Anti-Green Choices For Investors

The assault by the elites on our basic freedoms and lifestyles using fake climate change data is real and unrelenting. Increasingly, honest scientists are starting to produce research that shows that climate alarmism is a scam and that there is no cause for concern.

Even with that new science, it's difficult to cut through the propaganda and the climate of fear that has been created. The media are a big part of the problem. They mimic what the elites tell them with no independent research or journalistic ethics. The public itself is part of the problem. They are easily misled and happy to do what they're told. When you have malevolent elites, compliant media, and complacent citizens, that's a recipe for dictatorial outcomes.

The good news is that the climate change agenda, as demonstrated in the FIRES chart above, must fail in the end. This is not a matter of opinion. It's a matter of physics and math.

The power grid can't run on solar and wind because there's not enough non-intermittent baseline power. Cars can't run on batteries because there's not enough lithium and cobalt in the world to make the batteries needed. Citizens will not voluntarily confine themselves in 15-minute cities; they'll want to see family and friends or just see the world.

People won't eat bugs; (I've tried friend grasshoppers in Korea; they were tasty, but I wouldn't make a steady diet of it. I enjoy a medium-rare hamburger as much as the next guy). In time, the Green New Scam will fall of its own weight if people don't put an end to it sooner. Either physics or people power will end it, hopefully both.

In the meantime, we're stuck with what complexity theorists call the "interesting in-between." The climate scam will certainly fail but it will just as certainly be tried in the years ahead. This puts investors in interesting choices.

Short-run demand for lithium, nickel, cobalt, and copper will be strong even if those commodities cannot possibly create all of the batteries needed. China will demand coal to run its coal-fired electricity plants no matter how much the U.S. and Germany destroy their own economies by banning clean coal and natural gas use.

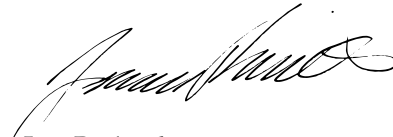
Demand for EVs will crash once enough drivers get tired of waiting two hours or more for a battery charge to finish a three-hour trip. (The 30-minute chargers won't help if you have to wait two hours in line to use one. Don't forget to bring your dinner with you while you wait).

These choices are different from the ones investors usually make. Should I invest in something that will fail in ten years if it makes huge profits in the next five? Should I invest in the oil and gas industry even when the U.S. government is out to destroy it? The answer to both questions — one pro-green and one anti-green — might be "yes" given the strange mix of short-term madness and long-term sanity we are facing.

F. Scott Fitzgerald once wrote, "The test of first-rate intelligence is the ability to hold two opposing ideas in mind at the same time and still retain the ability to function. One should, for example, be able to see that things are hopeless yet be determined to make them otherwise."

We know our readers have first-rate intelligence. The test, therefore, is the ability to see that the Green New Scam is hopeless, and still work for sensible solutions. Our job at *Strategic Intelligence* is to guide you through this process and help you make first-rate investment decisions in a world of weird conditions created by an out-of-touch elite.

All the best,



Jim Rickards  
Editor, *Strategic Intelligence*

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***Strategic Intelligence is a deeper perspective on geopolitics & macro investing than is available from most public sources. From an editorial point of view, Jim identifies causes and machinations that are ignored in mainstream media. - Nigel B.***

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## Buy The Company Powering The U.S. Battery Belt

By Dan Amoss, CFA

Meet America's battery belt. It's the epicenter of America's manufacturing revival.

The Southeast United States is not just a top destination for retirees and young families seeking refuge from high-tax, high-cost, and increasingly lawless blue states.

This region will host massive electric vehicle (EV) battery manufacturing and auto assembly plants. Auto company executives who select the Southeast as the ideal plant location cite many reasons, including access to rail transportation and ports, proximity to auto assembly plants, and cheap electricity.

This month, we recommend a North Carolina-based company. It dominates production of the ingredient — lithium

— that's needed in all battery belt plants. No matter which auto brand or model leads the future EV market, each unit will contain at least 20 pounds of lithium (some models will need even more).

Multiply 20 or more pounds by millions of EV units, and that's a large, growing market that can only be satisfied by a few companies at a large scale.

Before we explain why so many plants are breaking ground in the Southeast, we must credit the "battery belt" name to an insightful *Wall Street Journal* video (linked [here](#)). It was tucked into a story on auto company investments.

## The Importance Of Sensible Power Grid Design

Affordable, reliable electricity is required for any industrial process. EV battery plants guzzle electrons by the megawatt. It would be nice if EV maximalists acknowledge that the "energy transition" they dream of will, by necessity, stand on the shoulders of giants.

Many of these giants get their fingernails dirty in the oil, gas, and coal industries. But that may be too much to ask of folks who believe they can create their own custom-made reality if they wish hard enough.

Politicians and voters in the Southeast, for the most part, have not suffered sleepless nights after hearing hysterical claims from climate scientists that the ocean will boil if the world does not switch to 100% EVs by 2030.

As a general rule, Southerners are practical and levelheaded. This is why the Southeast's power plant fleet is a diversified mix of nuclear, natural gas, hydroelectric, and, yes, even coal. Coal is slowly being phased out. Gas plants are taking their place.

With sensible regulations and mature enough politicians, we may even dare to dream of a future in which small modular reactors (SMRs) anchor the electric grid. I'd bet on the Southeast U.S. being first to accept this practical technology without howls of "Not in my backyard!" protests.

A dash of solar panels here and there is like a nice garnish. Solar works well in niche applications. But solar panels are not dense enough to satisfy the massive power needs of an industrial hub — one that includes EV battery plants and the aluminum smelters required to construct EV frames and panels.

The main reason for the battery belt's geographic location was revealed in this *Wall Street Journal* story from October 2021: "[Why Ford Picked Tennessee for Its New Electric-Vehicle Plant.](#)" Ford has hitched its future electric truck business to the states of Tennessee and Kentucky largely because they have some of the lowest-cost power in the country:

*"Tennessee has stepped out in front in large part because of years-long efforts by state leaders and the federal Tennessee Valley Authority, which provides power to the region. The state promoted its extensive workforce-training programs, a right-to-work law and proposed \$500 million in incentives. The TVA offered inexpensive, relatively reliable energy and at least \$100 million in power upgrades and other incentives, according to state and TVA officials.*

*"Energy costs were a big consideration for the battery factories because of the immense amount of electricity they use: five times more than Ford's typical assembly plant," Ms. Drake said. TVA officials said they charge some of the lowest industrial energy rates in the country.*

*"About eight years ago, Lamar Alexander, who was a Tennessee senator at the time, talked with then-Gov. Bill Haslam and pushed the idea of electric-vehicle production. The two Republicans were thrilled at the growth of the state's auto-manufacturing sector. Nissan Motor Co.'s first U.S. plant in Smyrna, Tenn., which opened in 1983, has been followed by large manufacturing operations for auto supplier Denso Corp., GM and Volkswagen.*

*"Hundreds of suppliers followed. Thousands of Tennesseans were employed in vehicle manufacturing."*

I live in an East Tennessee community that's an eclectic mix of God-fearing conservatives, physicists at Oak Ridge National Laboratory, engineers at Denso, farmers, coders, and university professors. It's a harmonious, successful model of what the rest of America could look like when the current round of culture wars ends.

This civil war — if it qualifies as a war — is really a war of ideas. It won't become an 1860s war of the blue vs. gray within shooting distance of each other. I have an opinion about which side of this conflict will win the competition for the best ideas. I bet you do, too.

One side's ideas are so bad, they feel compelled to *cancel* all challenges and critical questions. How has censorship worked out in the past? Not well for the censors. The other side is, in its better moments, faithful to America's founding ideals.

One side dreams that globalist organizations will team up with bureaucrats at the Treasury, CDC, EPA, and every other three-letter agency to micromanage your personal life ever more completely. This control is deemed necessary to ensure you strictly adhere to the "correct" ideas (as defined by whom?)

Through cycles of growth and contraction, flourishing and decay, history tends to settle on ideas that work — ideas

that attract people of diverse backgrounds to cooperate and build civilizations. If you are a person of faith, you may call this providence. If you are not, you may call it the victory of common sense over failed, re-tread ideas from the envy-industrial complex commonly known as socialism.

By the way, the Tennessee Valley has always enjoyed cheap electricity. Cheap electricity pays dividends that you often can't foresee. Partial credit for the TVA goes to the influential Congressmen who convinced President Franklin Roosevelt to establish the TVA during the Great Depression. Conservatives may call the TVA a boondoggle or wasted money that could have been better spent by the private sector. That may be true if we could rerun history as an experiment. But we are where we are.

## The Endgame: A Healthy Mix of EVs and GVs

What will the vehicle fleet look like ten or twenty years from now?

It's likely to look similar to today's fleet, but with a higher mix of EVs. You'll still see many gasoline-powered vehicles (GVs!) in rural areas where it makes little practical sense to drive EVs. You'll see many more EVs in urban and suburban environments where it makes economic sense.

And you might even see Americans acting a bit more chill about the topic of global warming when the "Al Gore who called wolf" does so one too many times. At least one can hope that the temperature of culture wars will cool as the best ideas win the war. We may even have a renewed sense of national purpose to *build* more and *speculate* less.

My point is: You can make money without taking a morally self-righteous stance about the stocks you own. That's what the left does with ESG investing, and it's delusional. There are surely Republicans who work at Google and Democrats who work at Smith & Wesson. You won't find moral purity in any single company or any single product this side of eternity.

It's best to accept that certain trends are likely to stay in place and profit from them — even if you don't personally approve of everything they do. Many people clearly value EVs, and the late Walter Williams put it nicely that capitalism is about "serving your fellow man." **So, you can make money in the companies that provide EV building blocks while also holding stakes in oil companies, refineries, miners, manufacturers, service companies and tech companies that all help to make modern life possible.**

## Albemarle: The Exxon Mobil of Lithium

Jim described how there's not enough lithium in the world to make the batteries needed by those throwing a tantrum to get the Green New Deal. That's true. But thankfully,

there are constraints on leftists' plans — including the supply of scarce goods available at a given price.

The free market pricing mechanism has an intelligent way to address shortages: Higher prices limit demand. Higher prices also reward producers if they boost output. Voila. No deconstructionist literature degree is needed to understand that.

We have watched the recent progress and plans at **Albemarle (NYSE: [ALB](#))**. Its recent correction offers an attractive entry point.

Few companies have the technical capability to process crude lithium into a useful form, and Albemarle is one of them. You can think of it as the Exxon Mobil of the EV battery supply chain.

A combination of high lithium prices and rising lithium production volume will result in fast earnings growth in the years ahead.

Albemarle converts lithium and bromine from their raw forms into fundamental components for mobility, energy, connectivity, and health. It operates in three principal segments: Lithium, Bromine, and Catalysts.

Its elemental bromine business includes a joint venture with a Jordanian company to extract it from the Dead Sea. This is an extremely low-cost (and profitable) source of bromine.

Albemarle owns mines, concentrators, and chemical plants to create lithium batteries that power consumer electronics and EVs.

The lithium division has the most growth potential. It has some of the lowest-cost mines around world. Albemarle benefits from numerous federal subsidies. They will partly finance the construction of a lithium concentrator at an existing plant in North Carolina. With a large local footprint and workforce, Albemarle meets the federal government's requirements that a certain percentage of an EV's supply chain be based in the U.S.

Over time, ALB stock moves up and down with the benchmark price of lithium carbonate. When the supply of refined lithium for batteries is scarce, suppliers gain negotiating leverage. **The number of automakers with big battery plant investments exceeds the number of refined lithium specialists, so Albemarle is likely to benefit at the expense of auto companies.**

Investors who fret about lower lithium prices have sold down ALB to a level that will attract long-term investors. While the futures price of lithium off its highs, it's still at a level that is quite profitable for Albemarle.

Going forward, Albemarle's capital investments will expand

its revenue and earnings potential. We can be confident that Albemarle will reach its production growth goals because it's done it before — **even through the COVID-driven supply chain disruptions**. CEO Kent Masters delivered an impressive presentation at the BMO Global Metals & Mining Conference on February 27. Here is a highlight:

*"The durable competitive advantages we bring to this moment include a diverse global portfolio of world-class resources and manufacturing facilities, industry-leading safety and sustainability performance, deep process technology and product applications knowledge and a strong balance sheet and financial flexibility to enable growth. We continue to build on these strengths and develop additional areas of competitive advantage.*

*For example, we've developed expertise in capital projects execution. We've delivered capital projects on five continents, including during a global pandemic. In energy storage, our customer-centric collaboration includes partnerships across the value chain, including major cathode, battery, and [auto] OEM customers. One of the added benefits of our move to indexed reference contracts has been to shift our commercial discussions from short-term pricing to long-term value creation around innovation and sustainability. These competitive advantages have enabled our strong financial and operating performance. In 2022, we delivered net sales of over \$7 billion, up more than two times the prior year and adjusted EBITDA of \$3.4 billion, nearly four times the prior year."*

Management's 2023 guidance includes nearly \$13 billion in revenue and \$5 billion in EBITDA. With a tripling of production between 2022 and 2027, Albemarle's earnings can rise even assuming lower lithium prices.

At the BMO conference, Albemarle's CEO answered a question about China's dominance of the EV battery supply chain, and what it means for the re-shoring trend in manufacturing:

*"We have been saying for some time the Albemarle, we were pivoting towards the west. The lithium business and the battery business kind of grew up in China. And now it's shifting outside of China towards the West, Europe, North America. Everyone wants to localize the supply chain to the extent possible. So those investments will move west. And the product will come from where the resources are. We can build conversion facilities cheaper and operate them cheaper in China, **but there's some geopolitical risk about that, plus our customers want localized supply chain.** So that's going to lean toward North America and Europe investments."*

Investors willing to hold ALB for a few years to capitalize on EV production growth can reasonably expect the stock price to double or even triple. And if you're a trader, we think it's plausible to buy ALB for a gain of 20% to 40% as the stock rebounds from oversold levels by late 2023.

### ACTION TO TAKE:

Buy Albemarle (NYSE: ALB) up to \$200 per share.

Best regards,



Dan Amoss, CFA  
Senior Analyst, *Strategic Intelligence*

***Strategic Intelligence has become one of the best resources I have available and resulted in my cancellation of several other services because Jim Rickard's advice and immediacy provide great insight into world affairs. - Lori S.***

## Don't Let the Banking Crisis Go to Waste

By Zach Scheidt, Contributing Editor

Winston Churchill is famously quoted as saying "*Never let a good crisis go to waste.*"

I often think of his words when things get dicey in the stock market. Because every time a certain area of the market trades sharply lower, investors can find a "silver lining" — or an opportunity to lock in big profits — from the situation.

Last month, I related a story of how the last banking crisis impacted me and my family as well as my career in the financial industry.

Today, I want us to take a closer look at our current banking crisis. (And no, the crisis isn't over yet. There will likely be several more bank failures over the next several months.)

But under the surface of this challenging period is a unique opportunity for investors to lock in income — starting with one stock that actually stands to *benefit* from the banking crisis.

Before we get to today's income play, let's take a look at how this banking crisis will continue to unfold.

## The Banking Crisis is Not Over... (Not by a LONG Shot!)

Silicon Valley Bank's demise may have been spectacular. But it certainly wasn't unique... Not when you look at the actual details of what caused the bank's failure.

As you know, we had exceptionally low interest rates in the U.S. for many years. And consequently, banks had to lend out their capital at these low rates. Banks also buy treasury bonds with a portion of their capital — which are essentially loans to the U.S. government.

Fast forward to our current market...

The Fed is hiking interest rates aggressively. And higher interest rates cause the current value of loans and treasury bonds to move lower.

Think of it this way...

Now that rates are higher, banks can lend out money at higher rates. So why would they want to own loans (or bonds) that pay a lower rate??

They wouldn't. And that's conceptually why the value of bank loans and bonds have moved lower. And here's why that's a problem.

When bank depositors want their money back, banks must oblige. And if the bank doesn't have enough cash on hand, it has to sell its bonds — or find a buyer for some of its loans outstanding.

In today's high-interest rate environment, those bonds and loans can only be sold at a discount. This means when depositors pull money out of their savings, CDs and checking accounts, some banks must sell bonds for tremendous losses.

Some won't get enough to pay back their depositors. And that's when bank failures happen.

## A Slow-Moving Train Wreck

In today's banking crisis, there's both good news and bad news.

The good news is that the FDIC has implicitly guaranteed all deposits. This isn't a "sure thing" but there's certainly a precedent already set. So, consumers and small businesses can rest relatively easy knowing that deposits will be honored — even above the FDIC's published \$250,000 limits.

But here's the thing... FDIC insurance claims can take time to process. And that's the last thing you want to hear if you need access to your cash.

Especially if you're a small business with \$1 million in cash that's needed to cover your payroll, pay for equipment or merchandise, pay your rent, keep fleet vehicles on the road, or for any other business purpose.

**And so I expect to see more deposits leaving small community and regional banks.**

Those deposits will find a new home — in the blue-chip national banks that are perceived as "too big to fail."

Sure, it's not fair to the small banks. But that's how the system works today...

Large banks get the support they need from the government. And small banks have to fend for themselves.

Which is why I would avoid investing in small banks — even with stock prices trading at extreme discounts. There's just too much risk to their entire business model.

## My Favorite "Banking Crisis Opportunity"

Here's where things get interesting...

Large institutional banks are actually in the enviable position of receiving capital as the deposit refugees move money to the perceived stability of blue-chip financial institutions.

**A year or two from now, I expect us to look back at this spring as the time large U.S. banks cemented their dominance and put the majority of regional banks out of business.** It's sad, but that's how it's likely to turn out.

But Wall Street hasn't figured this out yet.

Shares of large banks are still off sharply. Investors have thrown the proverbial baby out with the bathwater. This creates a great opportunity for us to buy before the attention turns to how big banks will actually *benefit* from the crisis.

Today, I'm unofficially recommending shares of **Bank of America Corp. (NYSE: BAC)**.

This blue-chip bank is in great shape, and you can buy shares at a deep discount to where the stock was trading before the banking crisis.

Earlier this month, BAC released a strong quarterly report. The company generated earnings of \$0.94 per share compared to expectations of \$0.82.

Its revenue was also higher than expected. \$26.39 billion compared to \$25.13 billion expected.

A big part of the bank's profits came from higher net interest income — or the difference between the interest it pays to depositors and the interest it receives from loans.

Bank of America had also set aside \$931 million for credit losses in the first quarter. The bank said net charge-offs remained below pre-COVID levels.

More importantly, Bank of America's deposit base remains relatively stable. And since consumers believe that Bank of America is a stable and safe place to keep their money, BAC doesn't have to pay a high rate of interest to convince customers to keep their balances with the bank.

At a very basic level, BAC's stability means it can "borrow" money cheaply from deposit customers and lend it out at higher interest rates. That's a perfect scenario!

## Locking in Income (and Capital Gains) From BAC

As I mentioned, BAC's stock is off sharply. Investors are still worried about all banks — even though clearly not all banks face the same level of risk.

Bank of America Corp. (BAC)



This creates a unique opportunity for us.

Eventually, BAC should trade back up to its high from October of last year — near \$38. That's roughly a 33% gain from where the stock is trading today. And BAC could eventually trade *much higher* thanks to its loyal deposit base and growing net interest income.

Quite frankly, I'm surprised Wall Street hasn't caught on to this opportunity yet - driving a rebound for shares of BAC. I wouldn't wait too long before buying!

The other advantage of buying BAC right now is the *income* the stock generates...

BAC currently pays a quarterly dividend of \$0.22 per share. And even though the stock is off sharply, the bank's dividend is still the same! This means you can now get *more income* for every dollar you invest in BAC.

If you buy shares of BAC at today's price, you'll be locking in a dividend yield near 3.1%. And that income is on *top* of the gains I expect from the stock trading higher.

Also, keep in mind that BAC is expected to generate profits of \$3.40 per share on an annual basis. And *for now*, only \$0.88 is being paid through dividends this year. So there are plenty of excess profits available for BAC to *increase* its dividend over time.

As a shareholder, you'll benefit from the higher dividend payments *without* needing to pay more for your shares. And if you *reinvest* your dividends — automatically buying new shares of BAC with each payment — your profits will continue to compound.

Bottom line, BAC is an excellent long-term dividend payer with plenty of room to increase payments over time. And today's banking crisis gives you a unique short-term opportunity to invest at a discount.

Just make sure you buy your shares *before* Wall Street sounds the "all clear" for large blue-chip banks — sending shares sharply higher.

You don't want this latest crisis to go to waste. Use it as an opportunity to profit!

Here's to growing and protecting your wealth,

Zach Scheidt

Contributing Editor, *Rickards' Strategic Intelligence*

Hi, Jim Rickards here...

No president has sabotaged America's hardest workers like Joe Biden has.

With high inflation and even higher taxes, most can't make ends meet.

That's why I'm urging you to watch this urgent presentation.

Because one of my legendary financial contacts whom I call "The Banker" may be the only man who can solve this American Income Crisis.

Now you can learn his short-term income strategy...

His strategy has led him to hundreds of returns of up to 54%... 85%... even 166%...

[CLICK HERE](#) to learn how The Banker made

\$6,492 in 4 days... \$10,617 in 6 days... and \$13,203 in 2 days.


**BEST OF FIVE LINKS**


## This Financial Threat May Be Bigger Than the Banking Crisis

The new global financial crisis as exemplified by the successive failures of Silvergate Bank, Silicon Valley Bank, Signature Bank, Credit Suisse and the potential failure of First Republic Bank is well underway. Despite a brief hiatus after the UBS-Credit Suisse shotgun wedding on March 19, the crisis is far from over. Other big bank failures and continued stress on the system should be expected in the coming months. That financial crisis comes on top of an emerging recession as shown by shrinking world trade, declining manufacturing output, monetary tightening, continued inflation, declining housing prices, and many more hard data points. The combination of a financial crisis and a recession is similar to the global financial crisis of 2008. Investors are rightly concerned about this combo crisis, but there's another threat that may be more dangerous than a recession or panic that will make 2023 a Trifecta for the ages. That threat is the possibility of the U.S. Treasury going broke and defaulting on U.S. government securities and other payment obligations of the government. This threat comes from the failure of Congress to raise the debt ceiling, as described in [this article](#). The debt ceiling is a statutory limit on the total amount of debt the U.S. Treasury is allowed to issue. The debt ceiling is reached every few years because the Treasury keeps issuing more debt to finance ongoing budget deficits. The total U.S. debt today is about \$31 trillion. That's the amount of debt in the form of U.S. Treasury bills, notes and bonds. Of course, there are tens of trillions of dollars more in contingent liabilities in the form of promised social security benefits, Medicare benefits, student loan guarantees, and mortgage guarantees. But let's leave all of those aside for now and focus on the \$31 trillion of so-called bonded debt. When the Congress and White House are controlled by the same political party (as was the case in 2021 and 2022),

raising the debt ceiling if needed is routine. But, when one party controls the White House and the other party controls one or both houses of Congress as is the case today, a game of political chicken can result where both sides make demands and bargain down to the final days before the Treasury goes broke. This has happened before in recent decades. Why are things so much more dangerous today? First of all, the debt is bigger than ever and growing faster than ever. Of the \$31 trillion in debt, about \$10 trillion was added just in the past three years, mostly under the guise of "COVID relief" and the Green New Scam (wrongfully called the Inflation Reduction Act of 2022). The spending is out of control. The second reason is that the Republican-controlled House of Representatives is guided by more fiscally conservative members who belong to the Freedom Caucus or were part of the Gang of Twenty who held up Kevin McCarthy's election as House Speaker through 15 ballots, the most in over 100 years. Republicans are demanding fiscal accountability and reductions in planned spending on domestic discretionary items. The White House is demanding a "clean" debt ceiling bill, which means no concessions to the Republicans. Both sides are dug in. Right now, the Treasury can issue new debt to replace maturing debt (that does not increase the total debt) but no more. Treasury is paying bills with slush funds (such as the Exchange Stabilization Fund) and with positive cash flow resulting from tax season. Those gimmicks will run out soon. Treasury is getting closer to the "X-Date" when it really does go broke. No one knows the exact day of the X-Date, but estimates converge around July 15. Investors will soon start to demand much higher interest rates to compensate them for the risk of default as July 15 draws near. This is just one more critical risk for securities markets on top of the bank crisis and recession. Gold is a good safe haven until the crossfire stops.

<https://bloom.bg/3Lxz7Sg>

## Uneconomic Climate Change: It's Costly, So Let's Make Some Money Out of It

By Byron W. King, Senior Geologist

This month in *Strategic Intelligence*, we cast a critical eye upon the so-called "Green New Deal" movement. Any more, being green is not just an evolved form of environmentalism. We're not trying to save the whales, preserve old-growth forests, and clean up dirty rivers. No, green has become a cult focused on hating carbon and loving so-called alternative energy.

That is, being green means that you must despise and shun fossil fuels, and love and embrace renewable energy. Of course, sunshine and wind are nice because they come free from the sky. But alas, systems to gather and utilize photons and moving air are quite expensive. So whatever is coming down the line, it's going to cost you.

In many respects, what's happening is far above any of our paygrades. Some might say that the new energy-industrial cultists reflect ignorance and miseducation, certainly among

politicians and policymakers in the forefront, many of whom never took a physics course in their life. But now these high priests of the newest secular religion have rigged the legal and economic rules to help themselves and their friends.

As you likely know, a cascade of green government policy — federal, state and local — has put trillions of dollars in play. That’s certainly the case in the U.S. where, for example, the oil industry is under existential attack and the auto industry is transforming at breakneck speed. Heck, even your gas stove, if not your previously reliable electrical service, is now problematic.

To quote Victor Hugo, author of *Les Miserables*, “No force on earth can stop an idea whose time has come.” I’d simply note that alas, there are times in the affairs of mankind when there’s simply no stopping even bad ideas, especially when they become embedded in law, regulation, the tax code and monetary policy.

Still, we can look for ways to benefit from the massive economic dislocations that are occurring and will continue. That is, we may not agree with the ideologues or their ideology... but how can we make some money here?

## Changes Loom for Life as We Know It

Earlier, my colleague Jim Rickards dissected some of the underlying premises of so-called manmade climate change, which is based on the idea that carbon dioxide (CO2) from combusting fossil fuel is somehow the enemy of life as we know it on earth. Among other things, Jim eviscerated the underlying credibility of so-called climate change “models.”

Not to put too fine a point on things, we’re all being played by nefarious forces that want to control entire societies, from the car you drive to the money in your bank account. (And some people even say that the carbon they really want to eliminate is YOU. Hmm...)

Frankly, it’s far more arguable that life as we know it is in jeopardy not so much from CO2, as from astronomical levels of government debt, along with enormous levels of business and private debt. Meanwhile, as things currently stand, rising interest rates mean that the U.S. government alone will soon pay more to cover the costs of debt than it spends on the Defense Department.

Or we might also be concerned that life as we know it is in jeopardy from a looming war between the U.S. and allies, versus Russia, China, or both. Because currently, as things stand, the U.S. and NATO are directly aiding Ukraine against Russia in ways that are a *cassus belli* under international law. Indeed, World War I started for less than what we see over there. All this, while the drumbeat for war with China echoes as well.

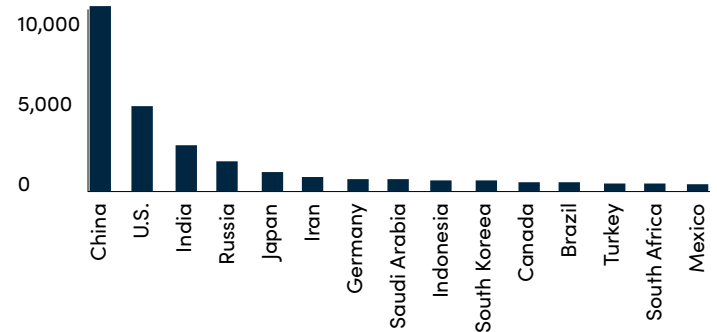
But for some strange reason, much of the world is focused on CO2. Forget about unpayable debt and massive war. A single, humble molecule, comprised of one carbon and two oxygen atoms, has become the *bête noire* of our culture.

Here in the U.S., the Biden administration has waged a policy jihad against all things fossil fuel, because burning carbon molecules yields the dreaded CO2. No doubt you recall President Biden canceling the Keystone XL Pipeline on his first day in office. Or consider the ongoing Biden effort to pursue a national philosophy of so-called “environmental justice,” which can mean just about anything to an elderly demagogue and his power-mad handlers.

In the U.S. and across the developed world, we’re in the midst of an energy, industrial and economic overhaul, if not upheaval, to reduce and eliminate CO2 from smokestacks and tailpipes. Trillions of dollars are in play, all to battle against CO2.

It’s strange though, because for all the self-hatred we hear about the big, bad U.S. and its atmosphere-destroying carbon footprint, the world’s single largest CO2-emitter is China by a long shot. Here’s the chart.

**Top CO2 Emitting Countries**  
in Metric Tons of Carbon Dioxide



Source: Investopedia

Indeed, China blows more than twice as much CO2 out of its exhaust pipes every day as the U.S.; and you could add in the CO2 from India, Russia, Japan and more, and still not equal China’s daily levels. Just sayin’.

So let’s discuss a little bit more about CO2, and get into some of the implications of “reducing” its levels, considering that China’s gonna do what China’s gonna do.

And further along, pertinent to the global search for ways to get away from CO2, I’ll relate a story that helps to illustrate what’s happening out at the level of basic industry. Towards the end, I’ll offer ideas on how to make some money while things unfold.

## The Scary Chart of CO2

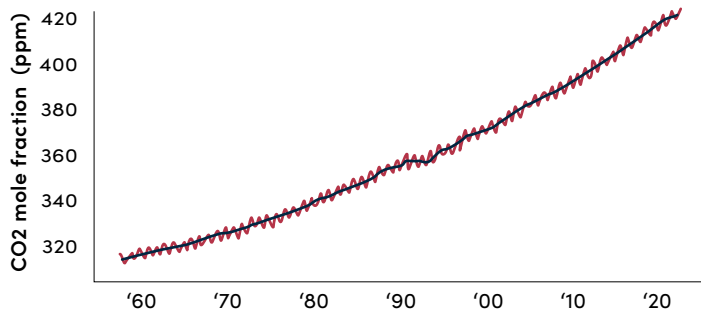
First, yes... Obviously, human activities affect the atmos-



phere, as well as land and water. And when it comes to CO<sub>2</sub>, it's easy to look at a chart like the following, and get worried:

### Atmospheric CO<sub>2</sub> at Mauna Loa Observatory

Scripps Institution of Oceanography NOAA Global Monitoring Laboratory



Source: <https://gml.noaa.gov/ccgg/trends/mlo.html>

This chart begins in the late 1950s and continues to the present. The direction is all up and to the right. Is this a good thing? Bad? It certainly shows a consistent rise in CO<sub>2</sub> levels. But what does this chart really mean?

In terms of pure science, the chart reflects long-term amounts of CO<sub>2</sub> in the atmosphere, as sampled and measured at an observatory perched atop volcanic Mauna Loa, on the island of Hawaii. The facility is run by the National Oceanic and Atmospheric Administration (NOAA). Up there, devices sample the air and calculate the mixture of gases (more on that below).

The numbers are what they are. Yes, CO<sub>2</sub> levels are rising in the atmosphere. All the coal, oil, gas and biomass that the world has burnt over the past 60+ years is reflected there, in the numbers that make up the graph.

For example, consider, say, coal. Somebody mines it and hauls it to a power plant, where it burns. Once the coal combusts, CO<sub>2</sub> goes into the atmosphere where it remains for geological time, meaning hundreds of thousands of years to millions or more. Sure, you can reduce CO<sub>2</sub> by planting trees across the world, but that's a minor tweak to a global energy-industrial phenomenon that encompasses the overall atmosphere of the earth.

Now, speaking of the atmosphere, what exactly is in the air that we breathe? Fortunately, NOAA keeps track of that as well. Here's a list of gases:

### Chemical Makeup of the Atmosphere Excluding Water Vapor

Gas	Symbol	Content
Nitrogen	N <sub>2</sub>	78.084%
Oxygen	O <sub>2</sub>	20.947%
Argon	Ar	0.934%
Carbon dioxide	CO <sub>2</sub>	0.035%
Neon	Ne	18.182 parts per million
Helium	He	5.24 parts per million

Methane	CH <sub>4</sub>	1.70 parts per million
Krypton	Kr	1.14 parts per million
Hydrogen	H <sub>2</sub>	0.53 parts per million
Nitrous oxide	N <sub>2</sub> O	0.31 parts per million
Carbon monoxide	CO	0.10 parts per million
Xenon	Xe	0.09 parts per million
Ozone	O <sub>3</sub>	0.07 parts per million
Nitrogen dioxide	NO <sub>2</sub>	0.02 parts per million
Iodine	I <sub>2</sub>	0.01 parts per million
Ammonia	NH <sub>3</sub>	trace

Source: <https://www.noaa.gov/jetstream/atmosphere>

Notice that CO<sub>2</sub> number, .035%. And yes, it's less than what we see on the Mauna Loa measurement chart above; probably because the NOAA people who make charts don't talk with each other.

Still, consider that most of the atmosphere is nitrogen and oxygen, over 99% of it. And there's over 26-times more argon in the air you breathe than CO<sub>2</sub>.

But-but-but, goes the counterargument, CO<sub>2</sub> is a greenhouse gas. Just a tiny fraction in the air is enough to trap solar radiation and raise global temperatures. Ice caps melt, sea levels rise, bad weather becomes worse, rainfall patterns change, we get droughts, and other awful things like that. Consider the California drought, right? Oh wait. After a winter of what are called "atmospheric rivers," California's problem is too much water just now. Whoops.

Meanwhile, when it comes to global temperatures, more than a few scientists look at things like solar flux, or how much energy comes our way from the sun, depending on sunspots and more. Or scientists examine very subtle aspects of the earth's precession, meaning slight offsets to the axis of rotation as the planet spins daily and orbits around the sun. And other scientists examine natural phenomena like volcanic activity, which releases all manner of gases and particles into the atmosphere.

**The point is, all of these things affect overall temperatures on land and at sea, as well as wind and weather patterns. What happens within the atmosphere, and with climate and weather cycles is distinctly not due just the bogeyman of CO<sub>2</sub> emission, a facile scapegoat on the best of days.**

In short, nobody really knows why the earth does what it does in terms of day-to-day weather and long-term climate. As any freshman geology student can tell you, 12,000 years ago much of the northern hemisphere was covered by mile-thick sheets of ice, and sea level was as much as 400 feet lower than today. Yet 10,000 years ago, much of that ice had melted and sea levels rose to what we see now, more or less.

So you wonder, what triggered that glacial warmup and

melted? Well, some things remain mysteries of science. But one point that's totally safe to say is that 12,000 years ago, Stone Age people were not burning industrial scales of fossil fuels. *And yet, the ice still melted.*

## The Lithium Story Is Mainly A China Story

We could discuss glaciers all day, and I'd love to. But let's pivot to one of the industrial manifestations of the anti-CO2 movement, namely the global drive (so to speak) toward electric vehicles (EVs).

Depending on whom you consult, about 25% of global CO2 emissions come from the exhaust pipe of a car, truck, piece of heavy equipment, locomotive, ship, airplane, or whatever else. So of course, one key idea from policy drivers everywhere is to electrify the transportation fleet. And right now, the bread-and-butter technology for EVs is grounded (again, so to speak) in lithium-ion batteries which require large amounts of... yes... lithium.

Which brings up a story from a geologist friend, about something that happened to him last year, during a field trip down in Argentina.

This fellow was part of an exploration team, working on behalf of a large, international mining firm that wants to expand its efforts in *la Albiceleste* — the “white and sky blue” country, also the nickname for the world champion Argentine soccer team.

For part of the trek, the team spent ten straight days in the field, high in the Andes. The scenery was spectacular, of course; one of the heavy crosses one must bear when working in the arena of exploration geology. They drove around in trucks, camped out under the stars, grilled food over an open fire, and did a lot of field mapping and sample-gathering. Okay, yes; it's fun if you're into things like that.

But exploration geology is also serious work. These field efforts could pave the way for immense levels of future investment in more exploration, development and mineral production. And I mean billions of dollars and up. Big money. Big developments. Things that change economies and nations.

Eventually, the team made their way down out of the hills to a large town, where they rented rooms at a hotel. After getting cleaned up, they all went out for dinner at a nice restaurant.

About halfway through the meal, the *maitre* de came over to their table with a bottle of expensive wine. He told the geologists that it was compliments of another group at a different table.

Politely, my friend walked over to the other table to thank these gift-givers and ask what was the basis of their generosity. Well, it was two Chinese geologists and their Argentine colleagues.

After a bit of small talk, it became apparent that this other group knew quite a bit about my friend and his exploration team. This included the route my friend had traveled up in the mountains. And they inquired knowingly about what my friend's team had seen out in the field, with eerie levels of detail.

Anyone who has ever worked in the energy or mineral exploration business knows that other companies are also out there, looking for whatever insight they can gain from whatever they hear. Call it competitive espionage. Everybody wants to get ahead of the next guy, right? So early in one's career, you learn to keep your mouth shut about what you're doing.

Still, it was apparent that the Chinese side had tracked and surveilled my friend and his group. And the takeaway is that there's a new spin on the old business phenomenon of competition for information, namely that it's now geostrategic.

In particular, it's fair to say that China approaches the search for future energy and mineral supplies with a military level of intelligence gathering and surveillance. Indeed, China has plans for long-term investments in Argentina, particularly in the lithium space but also in the search for many other minerals and elements.

Again and again, I've heard stories like this; about how Chinese agents come into an area, look around, and then flash the cash and buy up resources. It's aggressive, targeted, well-funded resource procurement, far beyond what we're used to seeing in the allegedly “free market” system of the West.

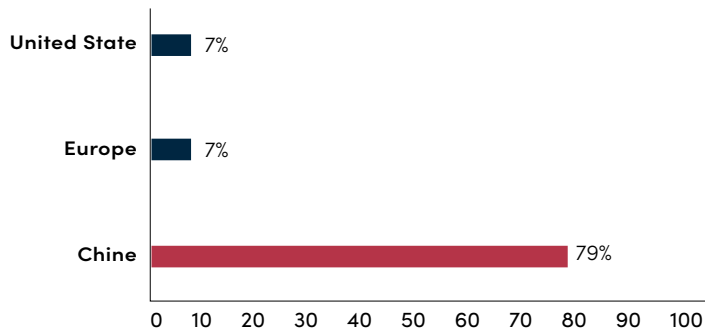
**The bottom line is that the Chinese approach to mineral exploration and resource security comes down from the top, from the state level, embodied in a disciplined, nationalist, strategic outlook that's absolutely coordinated back in Beijing.**

Meanwhile, for all the green dreams of Western policymakers, the industrial fact of life today is that most of the world's lithium processing capability (along with more than a few other key elements) resides in China.

Here's an illustration that shows China's lithium dominance in battery cell manufacturing. As you can see, the graph shows that right now lithium is a China story. China-China-China.

## Stage Four

Lithium-ion Battery Call Manufacturing



Source: American Lithium presentation:  
<https://americanlithiumcorp.com/wp-content/uploads/2023/04/American-Lithium-Investor-Presentation-2023-V8.5.pdf>

For all the talk and bluster about how “we’re gonna build” a grassroots, ground-up lithium industry here in the U.S., it’s a hard slog from here to there. And we’re a long way from “there.”

## What’s an Investor to Do?

In this issue, my colleague Dan Amoss recommends a superb, domestic lithium play, **Albemarle Corp. (ALB)**. The company has been in the lithium business since World War II and right now it’s a solid, up and running U.S. play. The share price fell recently due to news from Chile about potential political meddling in that country, but I see that issue as a short-term dip with upside due to return. Call it a buying opportunity.

Meanwhile, let’s look at two other companies. They’re not in the lithium space but are destined to do well in the overall Western effort to build out entirely new industries in the renewables and EV space.

The first is **Alphamin Resources Corp. (OTC: AFMJF)**. This is a Canadian company that works in Africa, in the Democratic Republic of the Congo, processing tin. Yes, tin; essential to solder which is the sine qua non of all electronics. No tin, no solder, no electronics, let alone no EVs and everything else. You must have tin. And I assure you, China buys lots of tin.

**Alphamin market cap is in the range of \$840 million, so it’s not a small play. The share price is about \$.65 but use limit orders to buy and don’t chase it. Even better, Alphamin is profitable and pays a dividend with a current yield over 6%.**

The second mention is a company that I’ve followed for many years. It works in the rare earth space, and is called **Ucore Rare Metals, Inc. (OTC: UURAF)**. In the late 2000s, Ucore began as a mineral play in Alaska. (Yes, I visited the site if you’re wondering.)

But then, as the 2010s unfolded and the Western, non-Chinese rare earth sector slowly evolved (very slowly!), Ucore spent the decade pursuing newer and better methods to process ore into end product. In the past few years, CEO Pat Ryan has focused the company towards becoming a key supplier to the auto sector, which transformed Ucore into a chemistry and technology play.

Recently, I visited Ucore’s up-and-running demonstration plant in Kingston, Ontario, where the chemical engineers actually separate rare earth metals — element by element! — out of a variety of ore samples. I saw the process with my own eyes, and it all works.

Also, again very recently, Ucore announced that it will build a full-scale production plant at the England Industrial Facility near Alexandria, Louisiana. It’s adjacent to a massive runway, part of a former U.S. Air Force base. And quite near interstate highways, rail and river transport.

Ucore plans to import mineral sands from a range of mine suppliers in North America and elsewhere, and process the material onsite into rare earth metals. The customer base is private just now, but it’s safe to say that it includes major automakers that must nail down long-term metal supplies for decades to come.

Ucore is pre-revenue just now. Its market cap is small, about \$50 million. It just raised funds which led to a selloff in shares. The current share price is very much a buy-level, at about \$.75, so if you buy, use limit orders and never chase momentum.

Looking out about 18 months, I foresee one after another strong developments for Ucore: building the Louisiana facility, making long-term supply deals with automakers, and securing feedstock from other rare earth projects across the world.

**Yes, Ucore is speculative in that small-cap sort of way; but with strong upside over time, and definitely as the green movement works its magic.**

Remember... There’s a massive political agenda at work behind the green rhetoric, and many questions of fundamental feasibility when it comes to green energy policy and the grandiose plans. But as investors, we need to go where the money is flowing. Meanwhile, stay carbonized.

That’s all for now... Thank you for subscribing and reading.

Best wishes...

Byron W. King  
Senior Geologist, *Rickards’ Strategic Intelligence*



## Do the recent bank collapses put CBDCs on an even faster track to implementation by the Federal Reserve?

This is highly likely. The push toward Central Bank Digital Currencies (CBDC) is well underway in all advanced economies and some developing economies including China, Bahamas, and El Salvador.

However, there are two major obstacles standing in the way of the CBDC rollout. The first is cash. The second is cryptocurrencies. These are both alternatives to CBDCs. The government must eliminate cash (or make cash impractical for all but small transactions).

And the government must eliminate cryptos entirely. This cannot be done all at once. It will be done in small steps so that most people don't notice.

It's already the case that many retailers have "No Cash Accepted" signs in their store windows. Self-checkout in big box stores and supermarkets also does not permit the use of cash.



The U.S. government took a big step toward eliminating cryptos when it seized Signature Bank on March 19, 2023. Signature operated a payment facility

called Signet, which acted as a portal between the mainstream banking system and the world of cryptocurrencies. As part of the rescue, the FDIC left the fate of the Signet portal up in the air. It may or may not be acquired by another bank when the FDIC sells the assets.

This caused a panic in the crypto stablecoin called USDC, (although the USDC price recovered by late March after dropping to \$0.85. The USDC sponsors promised that the price will not fall below \$1.00).

Extensive investigations and massive new regulations are on the way, and they will not favor crypto. As Rahm Emmanuel said in 2008, "Never let a good crisis go to waste." Faster implementation of CBDCs will be the result.

Biden Bucks is not only a threat to your money but to your freedoms as well.

Will you be ready when the Fed takes over your ability to spend your hard-earned money?

I suggest you get ahead of the crowd. That means getting your hands on physical gold (and silver) now before the panic begins.

I also recommend that you get it from the good people at **Hard Assets Alliance**.

They not only offer you the choice of taking personal possession of your gold and silver... or storing it domestically...

*They also give you the option of storing it in overseas vaults, away from the Fed's sticky fingers.*

That's right, you can safely and confidently store your gold and silver in overseas vaults if you choose. It's an option you might want to seriously consider given current trends.

If that doesn't interest you, that's fine too. You can take easy delivery of your gold and silver to store as you please.

Don't be caught in the Fed's crosshairs without any options left to manage your own wealth.

Learn more about the Hard Assets Alliance and all the options they offer you by [clicking here for all the details](#).