

Alps Precious Metals Group

Monthly Commentary and Update

June 2020

Madness and Chaos



Source: theliterarygiftcompany.com

“There is a place. Like no place on Earth. A land full of wonder, mystery, and danger! Some say to survive it: You need to be as mad as a hatter.”

“Which luckily I am.”

The Mad Hatter, Alice's Adventures in Wonderland by Lewis Carroll



“Madness is something rare in individuals — but in groups, parties, peoples, and ages, it is the rule.”

— Friedrich Nietzsche, [Beyond Good and Evil](#)



“Men, it has been well said, think in herds; it will be seen that they go mad in herds, while they only recover their senses slowly, one by one.” “Three causes especially have excited the discontent of mankind; and, by impelling us to seek remedies for the irremediable, have bewildered us in a maze of madness and error. These are death, toil, and the ignorance of the future..”

— Charles MacKay, [Extraordinary Popular Delusions and the Madness of Crowds](#)



“Now, your Honor, I have spoken about the [Civil] war. I believed in it. I don’t know whether I was crazy or not. Sometimes I think perhaps I was. I approved of it; I joined in the general cry of madness and despair. I urged men to fight. I was safe because I was too old to go. I was like the rest. What did they do? Right or wrong, justifiable or unjustifiable -- which I need not discuss today -- it changed the world. For four long years the civilized world was engaged in killing men. Christian against Christian, barbarian uniting with Christians to kill Christians; anything to kill. It was taught in every school, aye in the Sunday schools. The little children played at war. The toddling children on the street. Do you suppose this world has ever been the same since? How long, your Honor, will it take for the world to get back the humane emotions that were slowly growing before the war? **How long will it take the calloused hearts of men before the scars of hatred and cruelty shall be removed?**

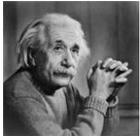
We read of killing one hundred thousand men in a day. We read about it and we rejoiced in it -- if it was the other fellows who were killed. We were fed on flesh and drank blood. Even down to the prattling babe. I need not tell you how many upright, honorable young boys have come into this court charged with murder, some saved and some sent to their death, boys who fought in this war and learned to place a cheap value on human life. You know it and I know it. These boys were brought up in it. The tales of death were in their homes, their playgrounds, their schools; they were in the newspapers that they read; it was a part of the common frenzy -- what was a life? It was nothing. It was the least sacred thing in existence and these boys were trained to this cruelty.”

— Clarence Darrow, [Attorney for the Damned: Clarence Darrow in the Courtroom](#)



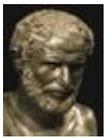
“People who smile while they are alone used to be called insane, until we invented smartphones and social media.”

— Mokokoma Mokhonoana



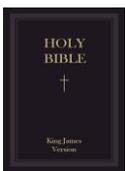
Albert Einstein called (The 2nd Law of Thermodynamics) the most *basic law* of science: “...the only physical theory of universal content which I am convinced will never be overthrown, within the framework of applicability of its basic concepts...”...Closely related to the *second law of Thermodynamics* is the fact that **everything in our universe, when left to itself, tends toward more and more disorder**.... Things fall apart. They do. It’s the [second law of thermodynamics](#): all closed systems move toward entropy, meaning they move toward disorder. Trees grow and then they die, falling apart in decay, feeding other organisms. Stars form, they super nova, then explode into billions of particles shooting out into the void. Even our bedrooms tend toward disarray – leave them alone for a month, a year, and see what kind of mold grows on your walls. The universe expands and unravels without any help at all and what are we to do?

<http://www.religiouslyincorrect.com/Articles/LawOfDisorder.shtml>; <https://physics.stackexchange.com/questions/91017/why-are-the-laws-of-thermodynamics-supreme-among-the-laws-of-nature>; <https://www.rageforexplaining.com/second-law-of-thermodynamics/>



“Πάντα ῥεῖ καὶ οὐδὲν μένει
(All is flux, and nothing abides)”

— Heraclitus



“...This is an evil among all things that are done under the sun, that there is one event unto all: yea, also the heart of the sons of men is full of evil, and madness is in their heart while they live, and after that they go to the dead....” *Ecclesiastes 9:3*

My story is unique, as are all the stories of individual men – Where and when was one born?; What events in his life were the primary ones that formed him and made him the man he is? Why does he believe what he believes? I was born in August of 1963 in Birmingham, Alabama and primarily raised there; “primarily” because I was also raised in Boston, Massachusetts where the majority of my Mother’s family lived, most importantly my maternal Grandmother and Grandfather. I claim to have been partly raised there because of the copious amount of time I spent in New England during summers and Christmas time.

Additionally, my Boston-based Grandfather was a Physician; and not just any physician, but the Physician-in-Chief and Chairman of the Department of Medicine at the Deaconess Hospital (now the Beth Israel Deaconess), as well as being a Professor of Medicine at Harvard Medical School. The point of mentioning my beloved Grandfather’s credentials is not to toot the family horn, but to relay the sense of gravitas associated with what I learned from him.

The following truths all flowed from my Patriarch: “Boy, if you want to stay healthy, don’t go anywhere near a hospital; if you’re not really sick before you get there, you definitely will be after you leave!” “The absolute best exercise is walking in the fresh air.” “Less is more when it comes to drugs and Doctor visits!”

The Beantown family dinner table was the home of lively discussions about all sorts of topics – with politics and religion absolutely included in the subject matter. Medicine and financial markets were also frequently visited as matters considered. So it is upon this foundation that my thoughts this month emanate and stand.

What is one to make of the world he sees on his screen and in the streets upon which he drives and walks? Wear a mask and socially distance? Or congregate in massive, shoulder-to-shoulder/face-to-face crowds? Is the virus a slowly creeping Bubonic Plague by another name, or a really bad cold that is deadly to small subsets of the global population? Is the United States populated by a majority of drooling, half-witted homo sapiens who wish to lord it over a smaller percentage size group of other homo sapiens who happen to have a different amount of skin pigmentation? Or are most people, irrespective of skin pigmentation, generally respectful of others? Take all of these issues and then add in an economic depression, and where should financial markets be valued – at sober forward P/E ratios and price levels, or at/near all-time highs in both?

“Cognitive Dissonance” is defined as *“psychological conflict resulting from incongruous beliefs and attitudes held simultaneously.”* I would argue that while Cognitive Dissonance was, is and will be ever among the sons of fallen men, we are currently living in a period of time in which its presence is ablaze in neon, flashing lights – and once ensconced upon such a blindingly bright stage, Cognitive Dissonance leads to what we observe all about us. That state of being that Nietzsche thought to be the default mode for epics and masses of men – Madness.

Charles McKay published his book almost 200 years ago, and yet his analysis is timeless in terms of what we can observe in man's behavior in our attempts to "remedy the irremediable"; we simply don't deal very well with "death, toil, and ignorance of the future". So we do this:



<https://goldenageofgaia.com/wp-content/uploads/2020/03/social-distancing-300x200.jpg>

And simultaneously do this:



<https://dailyhive.com/toronto/coronavirus-panic-buyers-gta-toronto-march-2020>

And this:



https://www.dailymailinboxing.com/wp-content/uploads/2020/06/1591834109_Riot-Games-Executive-Says-George-Floyd-Was-Murdered-By-Police-758x426.jpg

Which turned into this:



<https://duckduckgo.com/?t=ffnt&q=george+floyd+riots&ia=images&ia=https%3A%2F%2Fimages.indianexpress.com%2F2020%2F06%2Fgeorge-floyd-protests2.jpg%3Fw%3D759&pn=1&iax=images>

What Clarence Darrow argued over a century ago concerning the consequences to the children of the War could be argued today about the children and young adults of American inner cities, while their compatriots in the suburbs are zombified on some electronic device as they watch the “play-by-play” of the protests/riots in between an Instagram “story” or a video game.

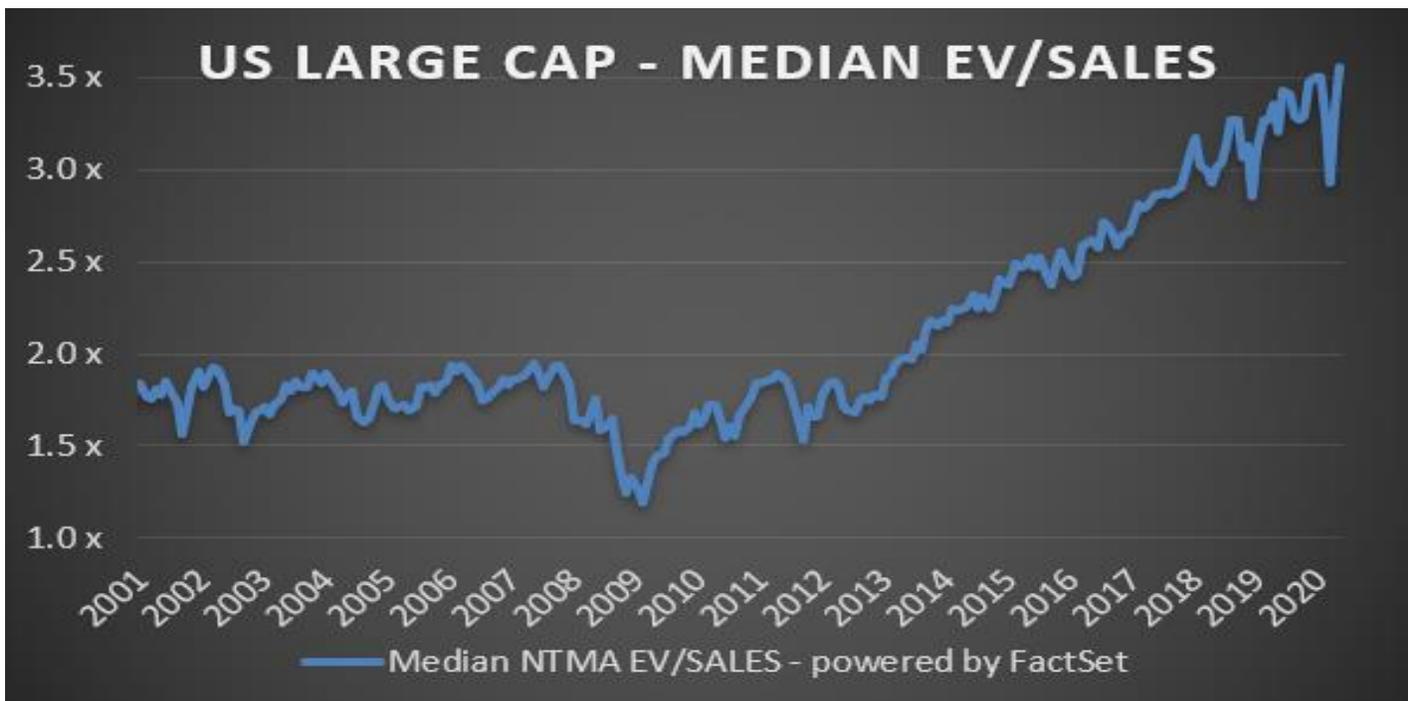
Held in tension with this sober reality check, the “markets” show forth the following array of “valuations” after a rally for the ages in response to “re-openings and promises of vaccines”, and maybe just a little help from Jerome Powell and friends at the Mariner Eccles building in DC:

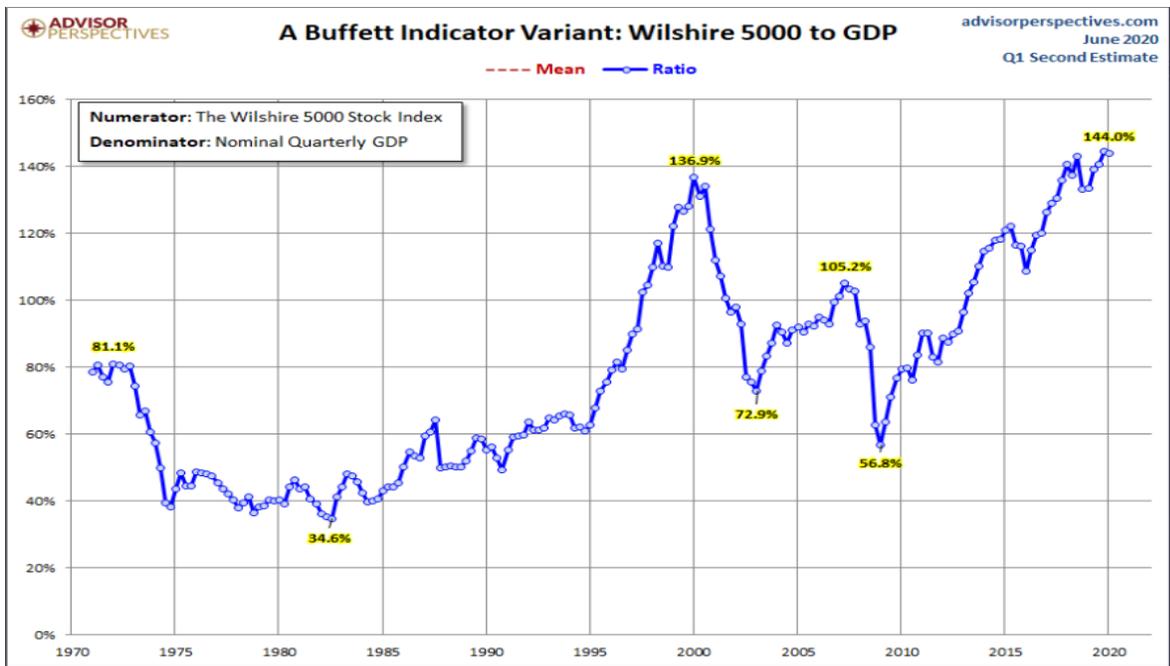
“Markets” or Madness – Highest 24 month forward P/E in history



Source: Bloomberg Finance LP, DB Global Research

3 All-time Highs in the middle of a Global Depression?!?!?!?



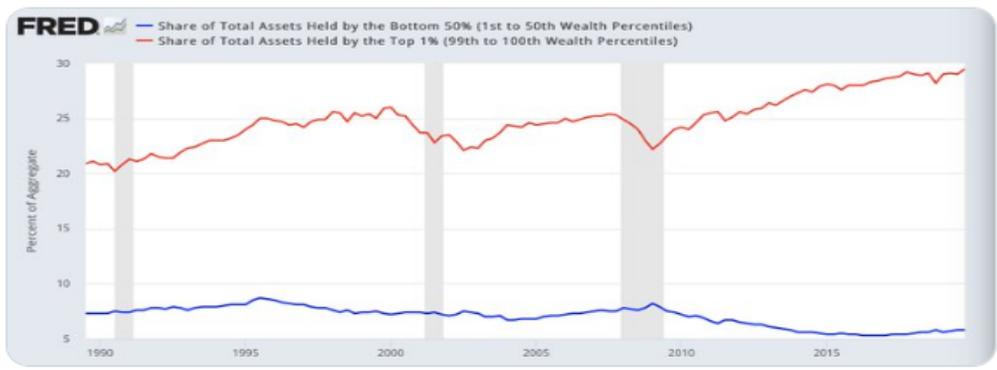


This is the sort of chart that precedes revolutions



Sven Henrich ✓
@NorthmanTrader

How societies get destroyed.
 The top 1%'s share of total assets has never been higher at nearly 30% while the bottom 50% barely own 5.8% in aggregate.
 Chart prior to Covid.
 And now many of the ones in the bottom 50% have lost their jobs.



9:46 AM · Jun 2, 2020 · Twitter Web App

George Carlin once said “They call it the American Dream ‘cause you have to be asleep to believe it”. Is it any wonder that whether one speaks to his clients, his friends or his family, there seems to be a sense that maybe the late comedian was right, given size and scope of the madness all around us? And as a result, are we in the middle of a rather enormous and omnipresent manifestation of the Law that Einstein believed to be the most fundamental of Science?

The Scriptures proclaim what the Ancient Greeks later realized - something is not right with the human heart and permanence is fleeting in the affairs of men and the universe. Science similarly confirms that in our world, things default to disorder, NOT order. Yet in the midst of this madness and chaos in our souls and universe, we also know that much good, much beauty and much goodness are all around us. And that is worth preserving and perpetuating.

How can that be done from an asset allocation perspective? By acquiescing to wisdom from and for all ages which suggests that an imperative form of investment is that which has been embraced by all men and all societies on every continent of the world since history began. A history that has been filled with Cognitive Dissonance and decay in some form or fashion no matter where men have been found. A history that also says that there’s often only one asset left standing when the smoke of the madness and chaos clears - Physical Precious Metals. Without at least some of it in our portfolios, we may all wind up wishing we were lucky enough to be a Hatter in Wonderland.

Alps, LPMG, St. Joseph Partners and Monetary Metals

Alps Precious Metals Group via our partnerships with Liechtenstein Precious Metals Group (Global and Offshore clients) and St. Joseph Partners (U.S./Canadian focused clients) is dedicated to providing the global standard for the finest and most secure storage and trading of Physical Precious Metals. Our Vaults have some of the highest security standards in the world (“Class 10” at LPMG) and, via our insurance partners, each client’s specie is insured at 100% of its market value. Our trading desks provide liquidity on each and every business day with as little as next day settlement. All of these benefits are enjoyed while simultaneously being freed from the status quo global financial system.

We have an additional partnership with Monetary Metals (“MM”). MM has a unique niche in the Precious Metals markets, which is summarized in their motto: “A Yield on Gold, Paid in Gold”. For investors who would like exposure to the Precious Metals sector but require an income flow from the investment, our partnership with MM can provide the same.

Contact us (www.alpspmg.com) to discuss how Alps can become a trusted partner in the creation, protection and utilization of the hard money portion of your portfolio.

James P. Hunter
Managing Partner
Alps Precious Metals Group