

Transcript of Maurice Jackson Interview with Jayant Bhandari (02 November 2019)

Maurice: Joining us for a conversation is Jayant Bhandari, the founder of the world-renowned Capitalism & Morality, and a prominent, highly sought out advisor to institutional investors. We have a number of topics to address today, from geopolitics to unique buying opportunities in the natural resource space.

Beginning with geopolitics, let's begin in the Middle East. Syria has a number of events that are unfolding there at the moment. Jayant, you and I had a discussion offline prior to our interview, and you had a number of concerns regarding the turmoil in Syria, specifically with the U.S. expatriating their troops from there, and yesterday the U.S. confirmed that they have killed the leader of ISIS. What has you concerned about Syria right now?

Jayant: I am actually extremely impressed with what Trump has been doing in the Middle East. He is reducing American influence and presence in the Middle East, which is exactly what you need to do. What you need to do is to let these people be forced into a situation where they talk with each other. It is not the job of Americans to sit in the Middle East and negotiate and arbitrate problems between these people.

Now, here is the problem. Islam is divided into something like 60, 70, or 80 different sects. The Middle East is an extremely tribal area and they are fighting with each other all the time. They have, indeed, been fighting with each other for the last millennia or more, probably two millennia or more, and they will continue to fight, because these are very tribal people. And, in fact, the problem is that the fight is not just between those 60 or 70 sects, the fight is within those sects as well, because the problem with tribalism is that everyone wants to be the tribal leader.

So the wars and problems in the Middle East are never, ever going to end, and it is best that America leaves the Middle East and lets these people run their affairs. The job of America is only one thing, and that is to make sure that they don't let problems increase to a level that those problems become a problem for Americans and other Western allies. And this is, in my view, exactly what Trump has been doing. He wants to focus on problems that can become a problem for America, and the rest we should leave for the local people to deal with themselves.

Maurice: How does the killing of ISIS' leader impact the power struggle here in Syria?

Jayant: There will always be a power struggle in the Middle East; there is no escape from it. The people there will always fight with each other, and there is nothing, absolutely nothing you can do about it. And I'll go beyond the Middle East: Islam is an issue, but the problem is tribalism and irrationalities of people of the Middle East, Africa, the Indian subcontinent, and most of Latin America. These people are socially structured in a way that they will always, always fight, and you can, by imposing your ways—Western ways—on these people, only delay their problems and actually subsidize their problems, which means that their problems will increase to a limit that you can no longer control anymore.

So why let these problems increase in the first place? Let them fight with each other, and that will keep the population low. Now, that's a very inhuman kind of a statement in a way, but really, there is simply no other possibility. They will always, always fight with each other. I am sitting in a Third World country right now, Maurice, and this is the way these societies operate.

Maurice: Truly unfortunate. A lot of innocent lives are going to be lost in situations like that, and they have been for, as you mentioned, millennia. Staying in the region, there are protests in Beirut. What's going on there?

Jayant: Another Arab Spring is starting in the Middle East, and it's a really big problem. Three legs of problems are considered good in the world today, [and] are quite erroneously, and those three things [are] democracy, education and prosperity. And all these three things, democracy, education and prosperity, [are] leading actually to a lot of problems in the Third World. Lebanon is striking and protesting against corruption and it sounds so good, we feel so warm when we hear about it, that these people are finally on the street. In fact, as much as one fourth of the population of Lebanon, in many cities, is out on the streets protesting against corruption.

Now, that should tell us that these people are waking up. They want to get rid of corruption from their societies. But really, if you interrogate these people—and I again tell you, I'm sitting in a Third World country, I will be in the Middle East next week—the problem with these people is that they indeed want corruption to stop, but they want other people to stop being corrupt. They don't want themselves to not be corrupt. And that doesn't really add up, because everyone wants to be corrupt, they just want other people not to be corrupt. And the concept of democracy has corrupted the minds of these people. They think that democracy is some kind of magic wand. They don't really want to understand the details and nuances of public policy, but they think all they have to do is to vote for the right people and make their country good. That does not work. And there is another problem, and that is increasing prosperity, and I know you want to talk about Chile as well.

The problem is the more prosperous people become, the less they have, the more distractions they have, the more tired—the more intellectually tired—they are because they have nothing else to do in their lives. How much time can you spend drinking and watching the TV? And that is actually exactly when people go and they start creating troubles, that is exactly when revolutions happen. . . . When prosperity increases, revolutions have a higher probability of happening, and that is exactly what is happening in Lebanon. It is not going to end well.

Maurice: Before we leave the Middle East, how about the situation with Saudi Arabia and Iran? Any comments?

Jayant: We always complain about why America enables a dictatorial government to stay in place in Saudi Arabia. I am actually completely on the side of America. This is one involvement America has got to do, and the problem is that if America leaves Saudi Arabia, Saudi Arabia is going to disintegrate. But worst of all, Iran will become the superpower in the Middle East, and compared to Iran, Saudi Arabia is a saint.

You have to have a presence in Saudi Arabia to make sure Iran behaves and does not develop nuclear weapons. And it is indeed America's job, very charitably, and the rest of the world should thank America for it. It is indeed America's job and the job of the rest of the world, to stop Iran from developing nuclear weapons, because they will develop it if they are not under pressure to not develop it, and that will be a massive nuisance for the world if they develop it. So everyone should thank America for doing charity work for the rest of humanity.

Maurice: Moving on to Kashmir. What is going on there?

Jayant: Kashmir is an interesting topic. It is a Muslim majority province, which was a part of what was the British Indian empire, and in 1947, when India and Pakistan became independent, Kashmir became an independent country. There were actually several other small, independent countries, which were subsequently subsumed by India and Pakistan, but Kashmir was left alone because it was a much bigger province, and at a certain point of time—I think sometime in late 1947 or '48—Pakistani insurgents started to occupy Kashmir when Kashmiri king decided to merge with India.

Now, here is the problem. The Kashmir [were a] Muslim majority and the king was a Hindu king, and that creates this strange problem between India and Pakistan, because Pakistan

thinks that Kashmir legitimately belongs to Pakistan, and India thinks Kashmir belongs to India. Now, when Kashmir was incorporated into India, the understanding was that Kashmir would stay a special place within India, which means that Kashmir will have its own constitution and own flag. In August this year, Indian government removed that specialist status for Kashmir, and incorporated that fully into India.

And I have to say that every time I have talked with you in the last five years, I have talked about how bad the situation in India is, and how bad Modi is. And I will continue to say that, because Modi is an evil, horrible person for India, and India is getting degraded continuously. But at the same time, I must praise what he has done in Kashmir, because Kashmir has been suffering terrorism throughout these decades. And there was actually an expulsion of Hindus from Kashmir in 1990 under the supervision of Indian government, which was absolutely crazy, because a Hindu majority country allowed Hindus to be torn out of Kashmir in 1990. So what Modi is doing is that he's trying to restrict this control terrorism that has been happening in Kashmir, and Pakistan clearly is a big supporter of terrorism. And so Modi, by trying to fully incorporate Kashmir into India, is trying to reduce that problem. My view is that he will fail; my view is it will not work out. [The] Kashmir problem will become much worse, but someone had to do something, and that's what Modi is doing.

Maurice: Let's shift the narrative on to South America, where there are riots ongoing as we speak right now in Chile. What has your attention there?

Jayant: As you know Maurice, I completely dislike democracy. Democracy is the worst concept possible to govern a country. Augusto Pinochet, now, he had his own negative sides, but he tried to bring sanity to Chile. Chile would not have been what it is today without Pinochet. Now, Pinochet is seen as a negative character, but you have to remember that Pinochet came into power in Chile exactly when Marxists were trying to take over Chile. Pinochet has been out of the scene for the last two and half decades, and my view is that the sanity that Pinochet imposed on Chile has slowly gone away. Chile has become much more prosperous and it has become much more democratic, and neither of these two things work very well, particularly under democracy, because people start to think that there's something called a fair share, and I'm talking about the underclass. The underclasses start to think that because they have a fair share in the voting rights, they must also have their fair share in economic situation of the country, but that isn't the way universes are structured. We should get paid for how much we produce, not based on our vote. But, that is today the problem in Chile. They are fighting because the underclass wants more money, but unfortunately, money doesn't grow on trees, and this means that this will be a suicidal path for Chile because they will fight for more money while destroying the economy, which means that they will actually have less money for everyone. And I feel sad for Chile, but again, in a democratic system, that has to happen, because populism is what rules democracies and populism means that the underclass—the least competent people—decide public policy, which is very, very ironical.

Maurice: Well, if you feel sorry for Chile, let's move north onto Venezuela. What are the latest developments there?

Jayant: Well, I have a Venezuelan friend, Jose Nino, who will be speaking at Capitalism & Morality, a seminar I run every year in Vancouver, Maurice, and I hope he will talk a bit about Venezuela. But whenever I talk with my Venezuelan friends, they just tell me the same thing—that the problem is that Venezuela is now in a vicious cycle. And that is actually also a problem with Brazil as well. The smartest people from these countries have been leaving these countries for the last 10 to 20 years now, which means that the brain drain has been a huge problem with Brazil and Venezuela, and you see a lot of Venezuelans and Brazilians in Miami, Houston, London. and Portugal. This is not going to end very well, because once you

have lost your leaders in your country, your society just completely becomes incapable of governing itself, and that is exactly what happened to Venezuela.

They will do more wrongs to correct prior wrongs, and that is the problem with lack of leadership and existence of a democratic system. They will continue to do more wrongs and you can also see the same thing in Argentina, where Marcio was removed a couple of days back from his presidential position. He will lose his seat, and the extremely populist people will come back into power in Argentina, because the common guy simply does not understand economics and public policy, but he still has the vote.

Maurice: Truly unfortunate situation there. Before we leave geopolitics, Canada recently held their elections, in which the left won. Where are you surprised, and what type of implications will the results have on the natural resource space?

Jayant: Oh, I am heartbroken with what's happened in Canada, and I think Canada has had only one last chance to correct its scores. Leftists have destroyed that country over the last 10 to 15 years. Canada has opened the gates wide open for refugees and immigrants. That is not how you can keep a society together, because you just destroy your society by bringing in all kinds of people into your country who bring in crime, disease, and worst of all, [a] cultural system that is alien to Western culture. And that is what Justin Trudeau has done over the last five years, and I think it will continue at a bit more acceleration over the next five years.

Now remember, Canada brings in about 1.5% or so new people into the country every year. So in the next five years, he will have brought in something like 7% to 10% new people in Canada. Canada brings in more people into it than any other country that I can think of, and Canada will culturally get destroyed. I really see no way out for Canada now because the proportion of leftist, left-leaning people is massive in Canada, and unfortunately, immigrants tend to predominantly vote for the left, which means that Canada will become more and more leftist as time goes by.

Now, what will happen to the natural resource sector? The natural resource sector will continue as it has. It will suffer in some parts of the country, like in Alberta. Now people in Alberta now want to leave the country, they want to have their own country, and I can fully understand that, but the problem is that leftists have become the base of basic value, even in Alberta. So I'm not even sure if a separation of Alberta will help Albertans.

In terms of natural resources, Maurice, natural resource nationalism is a problem everywhere in the world. Environmentalism is becoming a religion, a very, very fanatic religion, and you have to be careful everywhere now.

Maurice: You know, I asked that question because we often view Canada as being a safe jurisdiction, and this is one of the vices of that, when you have elections that come out this way and people don't realize the ramifications longer term.

Jayant: Canada still has the rule of the law, and that is the great thing about Canada. The degradation will happen slowly because there are checks and balances on the government; they just can't do anything they want to do. So fortunately, there are checks and balances, but one thing is for sure, that Canada is on a downward path right now and it will continue to get degraded unless something happens very quickly. I hope the government falls within a year, and that gives an opportunity for something like Maxime Bernier of People's Party of Canada to come to power.

Maurice: Switching gears, what are the precious metal prices indicating to the market?

Jayant: There is a huge amount of geopolitical uncertainty in the world. The Middle East is in a crisis, and the more America reduces its involvement in the Middle East, the Middle East will get worse and worse. And exactly the same will happen on the Indian subcontinent as well, and these are exactly the people who consume most of the precious metals. . . . With economies of these countries deteriorating and the social problems of these countries getting

worse, there will be a huge interest among these people to buy gold. Of course, the problem is that if the gold price keeps going up, they have that much less economic capacity to buy gold and silver. But I certainly see a huge amount of interest in gold and silver in these countries, and that will continue, and I think that is already reflecting in the price of gold and silver.

Maurice: Speaking of buying opportunities, within the five precious metals, silver, platinum and numismatic gold are on fire sale, relative to palladium and gold bullion. Do you use the price anomalies and distortions as buying opportunities for platinum and silver?

Jayant: I don't even think there is anything called price anomaly. I think prices are what they are, and I don't really try to play the ratios between these matters. I, of course, still think that gold and silver are precious metals, they are not commodities, and they will go up as social problems increase, but I am not sure which metal I should take a side for, because I don't believe in those ratios and I don't think they necessarily work.

Maurice: Jayant, a number of readers don't understand the prudence and merit of owning physical precious metals. For someone that's never purchased precious metals, what would you like to share with them?

Jayant: It's extremely important that you protect your savings. Now, how do you protect your savings? If you don't understand the stock market, you are very likely to lose your money in the stock market. A lot of people buy properties and flip properties, but this does not always work. It might have worked for a certain number of years, but it does not mean it will continue to work in the future. So what other opportunities do you have if you contrast the property market and you contrast the stock market? And you should not, because if you don't understand these markets, you will be the sucker.

What is left [is] keeping your money in the banking system, or [buying] something that you can hold with yourself. Now, if you keep your money in the banking system, the problem is that you are owning a negative yield on your investment, which is absolutely crazy, which means that you will have less money in the bank in real terms, in the future, than you have now. So that brings you to gold and silver, because gold and silver at least give you zero yield, and more importantly, that wealth is in your own pocket, in your own control at your own house. That is why I think precious metals have a very important place in your investment strategy and diversification strategy.

Maurice: For [readers] that are interested in purchasing physical precious metals, please visit provenandprobable.com. We're licensed through the state of Minnesota and proud to be an independent contractor for Miles Franklin Precious Metals Investments to service all your precious metals investments.

Moving onto junior mining companies. Jayant, you recently wrote a musing on the health of the space and a number of opportunities that you see. What are you noticing in space that has you so optimistic?

Jayant: What is very interesting is that over this year, the exploration and junior development-stage companies have fallen in price. If you look at the Venture index, it is actually as low as it was in the first week of January, despite the fact that the gold price has gone up 10% to 20% in the same duration, which means that in terms of profitabilities, the projected profitabilities of these companies has actually improved very significantly, particularly because cost of mining [hasn't] really changed much.

Oil price continues to be low, and as a result, the projected profitability has gone up, and as a result, the valuation of these stocks should have gone up, but they have actually fallen. That is always very interesting opportunity, because there is blood running on the street, people are feeling very pessimistic, and that is exactly when you can make the easiest and best money, if you can identify good companies run by good management, companies that have

good projects. If you can do that, you can actually make a lot of money, and this is truly the best opportunity that you can have. I want to be selling when the prices go up. Most people like to buy when prices are going up, I like to start selling at that time.

Maurice: Absolutely. Jayant, this is everyone's favorite part of our interviews—when we discuss arbitrage opportunities, because you're the most respected name with a proven pedigree of success here. Do you have any to share with us?

Jayant: The year is coming to a close, there is a lot of pessimism in the market, and the end result is that there are not many mergers happening right now. I think they will pick up again early next year. But something that people might want to have a look at is a company called **Core Gold Inc. (CGLD:TSX.V; CGLDF:OTCQX)**. Core Gold is trading at about \$0.22 [per share], and it has a hostile takeover offer from an Australian company, and that offer values Core Gold about 90% higher than the current share price of Core Gold, which is a very nice upside. But, of course, there are a lot of risks, because this offer has not been accepted by Core Gold. Core Gold is looking at other opportunities, but at \$0.22, I think the downside risk is limited and there could be a nice upside in owning Core Gold—particularly if this hostile takeover offer is accepted by Core Gold management.

Maurice: It kind of reminds me of last year with **Maritime Resources Corp. (MAE:TSX.V)** and **Anaconda Mining Inc. (ANX:TSX)**. Besides arbitrage opportunities, which junior mining companies have your attention at the moment, and why?

Jayant: You just mentioned that two companies. Anaconda and Maritime Resources are two companies that I am paying a lot of attention to, and people should actually try to understand what's the geographical situation between Anaconda, Maritime, and **Rambler Metals & Mining Plc (RMM:AIM)**. And the interesting thing is that these people crisscross each other to deliver, they have projects and mills in that area, and they pass each other all the time, and they waste a lot of resources in moving these trucks and processing at faraway places, when they could be doing processing next door.

In my view, the three companies should merge. . . Anaconda and Maritime eventually have to merge; both offer an upside anyway. If the merge is actually economies of scale anyway between the two countries, there is a double upside if a merger happens. I think this will happen, and I am happy to just invest in them for the current upside anyway.

Another company, which you and I both like is **Miramont Resources Corp. (MONT:CSE)**, and Miramont today fell to \$08.5 per share, and that is not much higher than the cash value per share of this company. And these are always good opportunities when other people don't care about these companies.

Maurice: And we're proud to have Miramont Resources as a sponsor, and we are also very, very proud shareholders, and I'm actively buying Miramont Resources as we speak.

All right, moving on to philosophy. Mr. Bhandari, you are the founder of a philosophical forum focused on reason, argumentation and liberty. Sir, please introduce us to **Capitalism & Morality**.

Jayant: I have been running this seminar in Vancouver, Canada, for the last 10, 11 years and it gives me a huge amount of satisfaction to run this seminar. I want to invite people who speak on subjects to do with the greatness of Western civilization, and, in fact, the only civilization I have known in my life. And I want to do whatever I can to protect the concept of Western civilization. . .and hopefully to help people understand why Western civilization is so prosperous and peaceful compared to what happens elsewhere. And the next seminar will happen on the 25th of July next year in downtown Vancouver.

Maurice: Who are the featured speakers next year, and can you share what they will be discussing?

Jayant: I'm still working on the speakers, but the confirmed speakers are Marco Wutzer, Rick Rule, Adrian Day, Doug Casey. There will be a lot of other speakers. It will be a very interesting seminar, Maurice.

Maurice: Bob Moriarty, I know you're listening to this interview, sir. I hope we get you in there finally.

Jayant: I would absolutely love to have Bob Moriarty come and speak one day. Maurice, there is a discount of 10% for your audience. They have to use coupon code JACKSON.

Maurice: All right. Mr. Bhandari, last question, sir. What did I forget to ask?

Jayant: We have covered a lot. I think what people have to really start understanding about societies around the world is to pay attention to the fact that these three things, *democracy, education and prosperity*, are actually having a negative effect on social stability around the world. Now, I'm not saying we should not have education and prosperity, all I'm saying is that understanding the problems that education and prosperity create, and democracy of course, which is a horrible, evil system, helps us alleviate the problems that we are facing today. Of course, that's not going to happen because these are the three gods of today's world—democracy, education and prosperity—and certainly democracy's a complete, evil system of ruling societies.

Maurice: Jayant, for someone listening that wants to learn more about your work, please share the website address.

Jayant: Everything I do goes on my website and it's jayantbhandari.com.

Maurice: Before you make your next bullion purchase, be sure you call me. I'm a licensed representative for Miles Franklin Precious Metals Investments, where we provide a number of options to expand your precious metals portfolio, from physical delivery, offshore depositories, precious metal IRAs, and private blockchain distributed ledger technology.

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Maurice Jackson is the founder of *Proven and Probable*, a site that aims to enrich its subscribers through education in precious metals and junior mining companies that will enrich the world.