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updates on the insane world of money and power

*"Oh, the World Owes Me a Living"—Grasshopper And The Ant*

Unfortunately, the world owes us nothing. If things work-out as planned, all we get are death and taxes—hopefully not in that order. Any perks along the way are left up to us.

If only someone had told us, when we were really young, to save rather than spend, identify trends that would make us money, and get into those. And, at times when we got the trend wrong, get out with small losses rather than take a ride all the way down.

Instead, buried under a credit/debt cycle that began with abandoning the gold standard in 1971, young persons have been slow—coming to reality. Assuming credit will always be there, they spend freely, not thinking about tomorrow. With abundant credit they hadn't to bother identifying trends. In an economy where all assets/most bets go only up, historical norms no longer apply. Thinking in terms of thrift is for the old folks.

Something named *compounding interest* doesn't *lift one's boat*. Not in a world of bitcoin and Tesla—a world of insta-fortune. That monster box of silver you bought for less than \$10K, that's now worth \$20K—what good is \$20K when a trillion in debt gets added each 3 months? No, you gotta find that thing that outruns inflation—like bitcoin.

A big problem with those kind of things is how difficult that trend is to identify. Something like bitcoin, that was not, and then was—how do you know to get into that? And because it has nothing to do with productivity or even existence, how ought we view it?

Granted, it shares some characteristics with gold and silver. Once it's mined, procured, and placed in a private wallet, nobody knows you have it—and that's a good thing. But, given that it's something every nation wants to control (because it messes with the currency), powers that be will take every step to control or even get rid of it.

You say they'll do the same thing with gold? Well not exactly. Gold messes with currency in that the price of gold doesn't go up—monetary inflation reduces the value of currency. But, when push comes to shove, any nation with a plan to attach its currency to gold/silver, more likely wants its citizens to own precious to increase national wealth.

In nations with smaller but growing productivity, ideas of incremental wealth gain is of obvious importance. Looking at the world, we are reminded of the grasshopper and the ant. In the global economy, the East (BRICS) represents the ant, and the West, the grasshopper—*"Oh the world owes me a living—Deedel dardle doodle needle dum."*

What is so pernicious for the West is an unseen rampage across the East to acquire gold, as they have identified a coming trend of economic debt collapse, where their

gold holdings, once re-priced, will be the thing that eliminates debt in one swell swoop.

Central banks don't hold bitcoin (not as a *tier-one asset*). They view crypto as something to be foisted onto the public to gain control of all wealth, after setting-up *toll booths along the bitcoin expressway* such that any with a bitcoin wallet that want to redeem bitcoin into currency—will first have to subject themselves to third-party control.

As with gold, bitcoin is barter-able among individuals willing to accept it as payment. But severe penalties (sanctions), put in by central banks, will scare holders out of bitcoin—dramatically dropping the price. For gold, elites work for control, not to eradicate.

Consider the consequences of being a young person in the West. Like the 1000s in high school sports who foresaw their future in the NBA, only 1 in 10,000 realized that dream. The rest, not in tune with reality, find themselves without a paid-off mortgage—or any mortgage at all. And, with Western economic elites having backed themselves into a corner, while economic crocodiles advance across the room—what's the future?

If your car is dirty and you go to the coin-op wash, what used to cost \$3.50 now costs \$9. And it doesn't stop there. Everything goes up in price while many sit on the sidelines waiting for interest rates to go down. But interest rates in the land of the dollar, were they to go down, would function as political ploy. Adding \$ trillions yearly to an unproductive economy informs rational minds that this is the beginning of price rises.

Prices rise because a currency becomes *worth-less*. And those who kick themselves for buying 500 ounces of silver instead of getting into Apple, bitcoin, Tesla, will once again miss the trend. Because silver is \$30 now doesn't indicate it will stay \$30. Say you got into real estate early and made a bundle, then the elite raised taxes/fees/insurance, which, taken together cuts deep into profits. That's when you sell your silver.

Five years down the road, you still have your real estate (some of it), but it's difficult (given mounting costs), for it to sustain any lifestyle for you. But, that silver you sold, after a re-pricing of precious metals to back currencies, has gone up by a factor of 10/20 times. Under a perception the world owes you a living, you missed another trend.

Let me share a little story. My good friend (a hugely talented guy), tells it that no one ever told him about compounding interest, or if you spend it you won't have it to invest, or, of a need to identify the trend and jump-in while he was young. Now, he finds himself at the mercy of the economic elite who are busy at the levers. Now, when it is difficult enough to sustain oneself, with nothing left to invest, these become the hard times.

On the other side of it, as a fearful luddite, I lived frugally, forsaking the good life for safety. Because thrift and fear worked for me—I am more comfortable than most. But, what about my fears around the Great Depression with which I was imbued as a young man? Has my economic success lessened my fears—in terms of adjusting lifestyle?

It has not. I haven't sold 1 ounce of gold or silver since the turn of the century. And though I make agreements with myself that I will buy no more silver, when there's enough for another \$250 face of dimes, I head out for the local gold/silver exchange.

On the other hand, I don't keep the same requirements for my wife, who has been there supporting my role as treasurer—all the way through. I don't at all mind doing the Queen's bidding. She grew up lacking, and I get off on lavishing on her—to a degree.

I'd rather be well-off than poor. When I was poor, anxiety was never far off. As for acting out my role of Scottish spendthrift, when it all comes down I'll be able to help.

I was well into an article about Trump when they tried to take him out. Next article.

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