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## *Deflation Cannot Fix Out of Control Inflation*

After 12 days on the road visiting with readers, I'm heading back to Oregon with a few observations: Today, I'm in Nebraska, 'the heartland', where people drive huge, pickups (soon to be a thing of the past), way too fast, and where 'low budget' motels smell and look like the Tijuana of my childhood, and no longer offer bread at the breakfast bar.

I view inflation and deflation in simple terms: Inflation occurs when currency supply increases and more buyers are chasing the same amount of goods. Deflation occurs when currency supply contracts and there are less buyers. To understand why deflation can no longer fix our out of control inflation, we first have to understand the magnitude and complexity of the problem—and the consequences for us, in the future.

The government tells us that inflation is expected to be lower before the November elections, using a rhetorical device to hide the fact that, although the rate of inflation may adjust downward temporarily, inflation is now, and going forward, out of control.

As an example, say the Fed Funds Rate is 2% while the actual rate of inflation is 12%, dropping back to 10%, temporarily, then back up to 12%. The disparity between 12% and 2% is because the Fed is powerless to raise rates beyond a certain point without destroying the markets and the dollar. So, if the dollar loses 10% of its purchasing power a year, while the cost for necessities rises 10% yearly, after 10 years, the dollar buys only 1/10th of the items, for which prices have doubled.

Interest rate projections assume the velocity of US inflation will not increase. But, with decreased productivity and owning half the world's debt—a world scrambling to get out from under 'dollar hegemony', we are at the beginning of what inflation will do.

Which brings the question: Does the magnitude/complexity of US debt have within it a fix that could be employed. The answer is no. .75 interest-rate hikes, along with Fed balance sheet reductions, are incapable of fixing a problem that worsens with time as interest rates increase with rising costs. Like a private debtor, with an ever-growing credit card balance, the Fed hopes for a miracle while making the 'minimum payment'.

Meaning, the Fed fast approaches that place where they have to end tightening and reverse to credit creation, or destroy the bond/stock markets, the dollar, and us with it.

It's such a mess that remedying the problem is impotent to any tactic not ruinous, leaving us to come up with similes/analogies to depict a hopeless reality, and how we got here. Shooting from the hip, what comes to mind is a situation so bad that swap-

ping the heads of government and the agencies (including FBI, CIA, and HS), social networks and news media, with each other—would change nothing. And why is that?

The leadership in each of those entities shows a complete dearth of data-driven expertise. They base little or nothing on factual data, instead relying on 'ideological rhetoric' which makes things worse because, with ideology, there is no room for justice, fairness, or compromise. Consider that Trump came under impeachment for asking Ukraine to take a look at the Biden family (which was needed), and of far more consequence than whatever 'papers' Trump may have had in his possession at Mar-a-Lago.

Politics exacerbates the coming economic nightmare because, for decades, US political decision-making has been made for short-term political gain and not made in terms of the Constitution. This is easily seen in the legislature where few decisions are made in favor of the American people. And too many 5-4 Supreme Court decisions.

With little or no plan for the future, the US and the West have created a hopeless situation. Try to find a rationale for sanctions in the Constitution. The founders warned us about getting enmeshed in the internal problems of other nations, but now we look upon sanctions, not as what they are, an impediment to needed 'free trade' and good relations, but something we inflict though 'force of arms' using our 'rules-based order'.

With few friends or options, and seen as global 'pariah', the US/West arrives at a reality of energy price hikes (10X in Europe). In a world dependent on energy, the cost of everything must rise, along with energy prices. This makes for an untenable situation.

And here comes the 'winter of our discontent'. In Britain and Europe, projections are for more than half of small businesses to be forced to close before spring—and that's just from energy bills. And sanctioning makes it worse. China pays \$60-70 for Russian oil, and though China has an oil shortage, they resell some of that oil back to Europe (and the US), through middlemen—at a profit. This results in even higher oil prices.

In terms of energy, the US seems immune, for now, from the fate of Europe, but US energy resources are not endless, US NG price increased 4-fold, yet we ship LNG to Europe to support our 'arms lobby' and a myth that 'sanctions will make America great'.

The US has no energy plan. We burn-off NG at wellheads because we have no transport means or additional storage. Do the elite even discuss whether or not we have resources to liquify and ship-out our energy supply—to maintain sanctions?

Ideological sanctions are destroying what's left of this nation, which will result in a US unprepared for what is coming (sooner than we think), for a population with no memory of how to deal with a crisis in acquiring day to day necessities. Something the 3rd World understands. With no 'data-driven expertise', America will be rudderless in a storm, mismanaging the crisis to where we slip past '3rd World' into '4th World Status'.

Things are convoluted and it's difficult to find sources that understand how a lack of 'data-driven' facts in one area affects another. Weapons inspector, Scott Ritter, with accurate takes on Ukraine, misses the mark on what happened in DC, January 6th. He accuses Trump of subverting the Constitution by not accepting election results and supporting protest that questioned a peaceful transition of power. I'm thinking Scott went to bed too early election night, missing out on a story of an election gone wrong.

In an economy, already shattered from lockdowns and mandates, our government continues with a 'vaccine' genocide on our children and on 100s of 1000s of Ukrainian mothers who are losing all that is precious to them in a 'carnage' of 'rules-based order'.

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