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Klaus Gets Ready to Take on the Russian Howitzers

Back when the Soviet Union was weak compared to Russia today, and China was insignificant, the US was an economic powerhouse. When Russians made cars that were unfit to look at and ran like tractors, we treated the Soviets with deference, knowing they had the means to end civilization. Now that Russia could do that 10X over, and China could add 5X to that, we instead act towards both with reckless abandon.

We do that because the US/West has gotten itself into an economic morass for which there is no fix. Knowing that, we willingly take great risks with Armageddon. In a bifurcated East/West world seeking resolution, the underlying question overshadows who wins the midterms. Instead, the future of our world pivots on whether or not a US economic collapse gets here before the West is able to push us into a nuclear war.

What is the state of the US economy such that reckless action is preferable to facing reality? Over these last few weeks of traveling backroads I can only guess at how many signs I saw in windows begging for workers, with offers of cash incentives and higher wages. Signs that were everywhere, Oregon to Ohio, in cities and small towns.

What does it mean? I suspect there is no dearth of workers in Russia, where 1000's of howitzer shells need to be produced daily, or in China, where economic viability relies on getting goods by rail, from deep inside Asia to Europe, not in the 30 days it used to take, but 3 days. So, what is it that closes-down US business over worker shortage?

Not long ago there were 2 million open, skilled-worker positions, unfilled in the United States—jobs that do not require a college degree, but do require training. That number has now risen to 11 million, and understanding why that is so, we understand much of what is actually wrong with this nation and why it will and must end in disaster.

Today the Fed raised interest rates 3/4 percent, to rates not seen since the 2008 debacle, causing the stock market to sell-off significantly because 'those who know' know the Fed would have to reduce debt \$95 billion a month for 2 1/2 years, just to reach an equilibrium. And, just a few \$95 B months would tank the stock market and economy.

Production determines consumption—and production has collapsed. Why has production collapsed? Over-regulation, overtaxation, monetary expansion, market manipulation, and out-of-control tax and spend policies. The simple fact is that we consume more than we produce and now we are paying workers more to produce less. In fact, the last quarter of US productivity growth was down more than in 74 years—7.4%.

Here is where the economic waters get murky. On the 1 hand you have the Fed, with its insipid understanding of how an economy works, a Fed responsible for allowing their Keynesian dream to devolve into spending what we have—just to get by.

Or, we can place blame on the 'Baby Boomers 2'—1955 to 1964—73 million—58 to 73 in age, who were massively productive but committed the crime of retiring/dying. In their wake, given overregulation, over-taxation, etc, the remainder of the US labor force has come to the awareness/recognition 'that hard work is not going to get you there'.

As a consequence, Generation X—1965-1980—65.2 million—42 to 57 in age, the 1st generation to use computers, are tech savvy, peer-oriented, concerned with social change. Along with Generation Y (Millennials)—1981-1996—72.2 million—26-41 in age, the attitudes of these 2 groups control the market. Among the X/Y 34% have advanced degrees (not necessarily in productive subjects). Women outperform men—57% have college degrees. Diverse with liberal-leaning views, X-Ys are highly educated, but less trained. Less loyal to companies. Jobs are not a measure of their success. Competitive, indebted at beginning of careers, labor must offer them more than pay.

Why am I putting out all these stats? Along with ongoing missteps by the Fed, and Western central banks, came decades of complacency where government could be counted on to right any economic transgressions—which morphed into something else.

The workers at Apple Inc, now resist returning to the office, demanding Apple account for: diversity of workers, family situations and individual needs. Flexible work schedules to support diversity. More civic orientation. Consideration for disabilities, environmental considerations. Each worker and job comes with its own unique needs.

But productivity requires workers be on the job. Productivity requires that management makes tough decisions. Just as football is 'a game of inches', business is a game of increments, where success and failure is measured in a gain or loss of a couple %.

Branch Rickey, manager of the Brooklyn Dodgers (who brought the 1st black player, Jackie Robinson, into the major leagues), used to say: "Luck is the residue of design"—a sentiment to be deeply trusted. So, what was the design that left us with this residue? 2 things: moronic leaders, too numerous to list, who, for the sake of personal adventurism abandoned the gold standard, creating a workforce, though often unskilled and not engaged in actual production, feel nevertheless entitled to demands.

From here it gets worse: Generation Z (Zoomers)—1997-2212—10-25 in age—72 million—are all about 'trans' rights, BLM, etc. And more left-leaning. women's rights.

But in reality: "It's the economy, stupid." It's always the economy. You don't get a Hitler without a bankrupt Germany in 1925. You don't get what is coming to the EU next spring without witless Germans, driven over a cliff like hapless buffalo, by US neocons. But tragic-comically, neocons, along with the Davos Bunch/Klaus Schwab don't see that like NATO—'they got nothin'. Schwab and the boys against the Russian howitzers.

The Great Reset is 'fangless'—2030/50 is as likely as Zelensky taking back Crimea. How 'fangless'? The Western workforce' is the source for a Western military—who are we kidding? Soon, the BRICS, who constitute 2'3s of global population, with most of the natural resources, will revalue currencies into commodities, headed by gold.

Putin and Xi have had enough of COMEX and the London Bullion BS. In world about to shake-loose of the West—best get yourself some silver—and hang on tight.

This is a good time for contrarians to get on my email list: You find my articles somewhere today—but will they be unavailable tomorrow? erik@neverhadaboss.com.