



## updates on the insane world of money and power *No Ballast—And Rudderless*

I remember being out on the Sea of Cortez in a small sailboat with my son, when, over minutes, the sky turned black, and the sea became an ocean of concern. Not an experienced sailor, I was doing my best try to reach a stretch of beach, on a small island, away from the rocks. But, with little success—each tack took me—farther out to sea.

My son, no more than a boy, was terrified, and I told it to him, straight. I didn't know what was wrong, but I needed him calm, to take down the jib, slow the boat, while I tried to make land. At some point he asked me why the daggerboard was not lowered?

A daggerboard on a small sailboat is what functions as ballast in a larger boat. Ballast is lead weight built into the keel, lowering the center of gravity, literally giving you traction in the water. The thing that holds you on course towards your desired heading.

So, why am I telling this story? To make an comparison between crypto and gold. When I was a young man, if we could get an 8% return on anything, we were ecstatic. 8% over 12 years, doubled your money. Back then, wealth accumulation was incremental—accomplished over time. Small, consistent gains provided for a good future.

Consider young Americans, in 2025, as young sailors in small sailboats. They neither understand tides/currents/the art of sailing, nor the vehicle carrying them forward.

A young friend that I convinced to buy a monster box of American Eagle, 1oz silver coins, later told me (in a joking manner), it was the worst investment he ever made. His silver had only doubled while his friends were making unprecedented gains in bitcoin.

When did incremental wealth accumulation begin the shift into casino madness—now seen as investing? In August, 1971, the US went off the gold standard, and credit replaced hard assets. Since that time, investing has become a credit/debt experiment.

I began this article with one term—ballast. Though not altogether certain where this article leads, I remember, as a teenager on Newport Bay, when my rudder drifted off, and that has to be part of the story. Without gold for ballast, nothing is holding the dollar on course for wealth accumulation. Ballast holds course and the rudder sets course.

A dollar, backed by gold, is ballast in a storm. No matter the wind's intensity, the dollar, with the ballast of gold, made for calm seas, a middle class—an American Dream.

For this analogy, what is the rudder? The thing that steers the boat, but with full sails and no ballast, the rudder doesn't matter. Without a gold ballast, steering is impossible.

Present dollar circumstances are as a sailboat without a keel/daggerboard. Gone are strategies for long-term wealth accumulation as dollar integrity can no longer be trust-

ed. Without ballast, and rudderless, young investors tack towards short term gains.

For young investors, what's the strategy to gain wealth? Something that resembles gaming tables—not markets. Without a collateralized dollar, backed by gold, investing has become something akin to the internet—virtual, non-visceral—without substance.

Isn't that what bitcoin is? Something that doesn't exist—at least not in a physical sense. Wealth is now found in an imaginary coin—valued at more than \$100K. Accompanying bitcoin is online gambling, where investors place their bets—on spreads.

Incremental wealth-gain has become a thing of the past with young persons bereft—of even that idea. What instead, is the play? They don't invest in bitcoin which has bumped-up on \$105 thousand dollars—that boat is gone with the wind. Instead, they gamble on speculative coins they hope will increase by 1000 times—before they wake.

But, gambling meccas are also built on players *taking a flyer* on what they don't understand. Casinos understand that 500% gains will, over time, become losses. Case in point—Trump coin. Trump exuberance tells us that buying Trump-coin as penny stock is a no-brainer. Deftly in—deftly out. But, you bet on long term—Trump exuberance...

A CBO report shows modest improvement in US fiscal picture over the next decade, not because the fiscal picture is actually improving, instead to entrap the Trump Administration. The picture is bad for a Republican administration, bent on cutting taxes that further widen deficits unless paired with major spending cuts. Extending Trump's 2017 tax cuts, set to expire after this year, with new cuts, could easily exceed \$4 trillion. Treasury nominee, Bessent, warns us that without the cuts, the economy could crash.

By way of illustration, the CBO report is a sailor *pissin in the wind*. Nobody knows which of the gray/black swans out there is that thing that will bring down the US economy—sooner or when? And the only thing that might turn round the ship of state, into a tailing wind, is a productive economy based on a sound dollar—backed by gold/silver.

Sanctions, dressed up as tariffs, won't make that happen. Tax cuts help—but only with small business deregulation and a sound dollar backed by precious metal. All that matters is for the republic to have a fighting chance to regain productivity. And because America has fallen so far behind the world in terms of ability to manufacture, the US needs to abandon illusions of empire—and use our wealth to save the United States.

Without productivity the US will become an economic servant to our adversaries—then a slave. Having military bases across the globe does little good when China buys the DOW and possesses America's domestic assets. All that's required is dollar purchasing power to become that of a dime—forcing helpless Americans to succumb.

This from a friend in Ireland: *Consider Trump's rallying call yesterday compared to policy in China where Xi encourages his people to buy gold. Imagine the wealth of a country of over a billion when the people all strive to own a bit of gold. And we in the US own a load of computer code—a wanna-be anti-establishment/anti-rigged currency.*

Makes a body wonder? If half the world (BRICS), wants nothing more than to trade dollars for gold (so as to have something based on historical reality to settle trade), what is the West doing with crypto? Bitcoin was appropriated by young investors for the same reason as gold—to prevent 3rd-party interference/manipulation in our lives. Now, with Western scoundrels wading into bitcoin—is bitcoin being used to set us up?

The hegemony, promoting, not quelling bitcoin, is at cross-purposes. As with open borders, the loss of real money (gold), regulation thereof—predicts loss of sovereignty.

Get my articles by email with a request: [erik@neverhadaboss.com](mailto:erik@neverhadaboss.com). And thank you.