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Repression or Depression?—"One of Each, Please."

Yesterday was a day of nationwide gun protests, and I was chastised for leaving a back-yard party early to get fingerprinted for a 'non-resident', Arizona, concealed-carry permit that I can use when I travel outside of my home state, Oregon, which does not recognize any other state's concealed-carry permits. Few states recognize Oregon's concealed-carry, but Arizona offers a non-resident permit, reciprocating with 37 states.

Chastised, sort of, but not really. I'm learning to not get into it with the incurious and uninformed. Tragic as things are, I tell it like it is, but playfully—like I'm doing standup. Yesterday, I explained, with a smile, that I was going to do something legal under the Constitution, while the push to put firearms over Federal control was illegal. I suggested that the Constitution contains ways to amend it—and maybe they ought to read it.

If I refrain from politics and economics, I get along fine with my neighbors because it's all fine until you scratch the surface—then the recriminations begin. If I had to come up with one truism for the 'left', it would be that they need at least 1 or 2 good rationalizations daily, to avoid dealing with questions, or just to get through the day.

But it won't be long before the 'left' is forced to let go of an ideology that elites have their back, as it comes clear the elite never had their back. On their own and unprepared to protect and sustain themselves, leftists will experience a crash course in fear.

They will come to know that debt slavery is a one-way incremental progression—where real slaves are those taxed 100%. That Klaus Schwab's nightmare comes to be through inflation and scarcity, where goods, if you can get them, cost more than the day before. Finally, the elite, caught in a 'death-spiral' of their own making, are unable to raise inflation enough to reduce or maintain debt. Then they do 'whatever it takes'.

Thinking only of themselves, they initiate a wealth tax, even though it was they that pumped up the stock market and home prices. Hungry for tax revenue they institute a wealth tax—not to be paid after one sells—but before—now. And because they 'bled the citizenry dry', few are able to pay, so most become 'happy folks' who 'own nothing'.

Enormous debt, hidden behind pumped-up asset prices, makes for abnormally-high tax revenues, but after deducting entitlements and the defense budget from collected taxes, nothing is left. Any other government-funded liabilities, require borrowed dollars.

For now, fear of economic collapse is not endemic because government propaganda has underwritten a consensus view that inflation is controlled and inflation will be

tamed. But, with US debt amounting to more than \$2 million for each taxpayer—\$778K for every American, amidst supply constraints, rising energy and food prices, and interest rates seen as a measure of risk, there is no way that inflation gets tamed. Bill Holter describes it best: inflation in the things you need, deflation in things you have.

This will cause a recession (likely a depression), and recessions necessitate 5 to 8% more treasuries be issued. Few will be enticed to buy that debt until interest rates go much higher. Historically, when economic times got tough the US could rely on a melt-up in its markets. Now our every action is suspect—by lost allies and lost trust.

What we are left with is an 850 billion defense budget, which, given the mess we've created, will not be going down soon. And with tax receipts of \$4.3T—70% of which goes to health and human services (entitlements)—this circus is not sustainable.

Even with less energy demand from China's shut-down, and fracking ramped-up, the price of oil did not drop—an ebbing of global faith in the system. Everything in the US, 'everything', is worth \$193T. With US debt at \$90T and unfunded liabilities of \$259T, we owe \$69T more than our total net worth. Forget 2030: 'we own nothing' right now.

Can politics save us? Doug Casey offers 12 things that made America a bastion of freedom. Can we fall back on that? 'Free thought' is disallowed. 'Free speech'—less each day. 'Limited government'—done away with by aberrations of the 'commerce clause', 'general welfare', and corporations with the rights of an individual. 'Free markets' have been destroyed by 'crony capitalists'. 'Individualism'—taxed and regulated out of existence. 'Rationality'—replaced with 'fact-checking'/'established narrative'. 'Liberty'—traded for feudal slavery. 'Progress'—now judged by 'gender neutrality'. 'Privacy'—something bothersome to police, Homeland Security, and 'No Knock Raids'. 'Property rights'—soon to be taken through value-added wealth tax. 'The rule of law'—gone to wherever 'due process' went. 'Entrepreneurialism'—what America used to be. None of these 12 things exists in any meaningful political context. Repression rules!

Gold, at best, is holding its own against the dollar amidst palpable fear the public has yet to identify. Conditions would seem to support gold, but gold price is measured in relationship to currencies—in this case the dollar—which is held-up by twin-travesties: a paper market, and an expectation for lower inflation. Two illusions that, like a petrodollar, made the dollar viable, no matter the outlook for debt, as long as energy was purchased in dollars. That illusion, like this one, for a time, allowed for dollar dominance.

Even among those reputed for having an overview, I see data presented that bears scrutiny. Data analyst, Edward Dowd, when asked whether or not he would hold gold, at present, as wealth, indicated he would not, not now, unless one had the stomach to watch one's gold halve in value when the economy goes down, as gold did in 2008.

That's not an accurate description of what happened in 2008. Gold vacillated up and mostly down during the housing debacle—but not 50%. After some months of negative price action (20%), gold took off late in 2008 from the \$700s to where it approached \$2000 within 36 months, then, over 60 months, gold almost halved, back to \$1050.

What's wrong with Dowd's analysis is that gold recovered faster than other assets in 2008, but years later was driven down as dollar credibility was maintained by printing into a \$259T debt. Telling us 2 things: The demise of gold has been greatly exaggerated, and the collapse of the dollar may have been postponed one time too many.

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