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updates on the insane world of money and power
The Economy—This Must Be Where The End Begins

As much as I would enjoy watching WallStreetBets bring down Wall Street, I know the objective is revenge and profit—and not the needed restructuring to bring sustainability back into a broken system. Non-productive profit from taps on a keyboard?

That said, I do recognize the possibility for shaking-up a system—that needs shaking-up. But these youngsters don't understand markets—most of them has never experienced an open market. More than that, they are just now learning about the power brokers they are up against. An elite that allows huge hedge-funds to use disinformation to drive down a stock to benefit their short, supposedly overseen by regulators that allow stocks to be shorted well beyond the total amount of stock issuance.

To possess shares that never existed, it has to be loaned-out by stockholders, much the same as fractional reserve banking that lends more dollars than they have. And, a shorted stock is owned by two persons, but when it gets sold into the market it is owned by the buyer. Sadly, because the elite are on the side of the hedge-fund conglomerate short sellers, platforms are put in a position where millennials, on the long end of the trades, could only sell but not buy from a list of stocks in which the shorts were being hammered. And though retail traders wanted to hang together—they sold.

Younger trend traders, who do not understand value, trade the ups and the downs, not recognizing what they are investing in. And not knowing when to get out, they ride a stock all the way up, then all the way back down, unaware when to 'stop the game'.

But, it is with hedge-fund, short traders, that lunacy resides. With ample funding at their disposal, they go after companies, impugning reputations, and knocking down share prices so as to acquire them for pennies on the dollar. All done, with government acquiescence, under the rubric that the 'big boys' are within the rules to conduct 'skimming from shorting' rackets. At the same time, others who seek to make a profit 'going long on the shorts', are looked upon as criminals to be brought up on charges.

To that end, Nancy Pelosi, who allegedly has benefited from congressional insider-trading, and Janet Yellen, who is paid massively for lunch talks from the same people who benefit from shorting markets, are the ones looking into this. Looking into what?

Riding markets up and all the way back down is reminiscent of precious metals where some of us learned valuable lessons a decade ago. I was invested in gold way beyond 50% of my net worth, and, when it went above \$1900, I hung in—all the way

down to \$1050. The difference being that although I had to wait a long while for gold to reach a new high, unlike GameStop (which has little chance of existing five years from now), gold will always be there, with no chance of losing its status as sound money.

Why did I title this article, 'this must be where the end begins'? The level of political and economic lunacy is becoming exponentially worse, almost by the day. For example, long term bonds. Nations, some of which are already in dire economic straights, issue 100 year bonds with a couple of percent interest. If that nation happens to be in a region where bonds are already being bought at negative interest rates (which is much of the world), and if investors are looking only at yield, 2% looks good.

But isn't that analogous to the GameStop guy who goes long, unconcerned for value? Suppose one were to buy a hundred-year Euro bond on an EU already deep into negative rates. Add to it that Mario Draghi, who promised to keep the euro afloat—whatever it took—is back. How does that bode for the euro lasting another 100 years?

Remember "Ghostbusters" where Bill Murray administered electric shocks to volunteers in an experiment, when they got the answers wrong? Of course he didn't shock attractive girls. That's today's markets. Only the menials get shocked, since they don't understand the rules of the game being played. Shocked by a Fed with no concern for savers, and by government that views our existence as an embarrassment to the state. The Fed should be required to display a logo that tells the story: 'Savers are Suckers'.

Nations are governed by information and money. Any entity that controls both is the ruler. In the US, 'big tech' and the social networks have a 90% chokehold on information. And they pump a great deal of capital into denying that fact, though it is apparent to anyone involved on the questioning side of the equation. But what about the money?

The creation and distribution of money is, historically, under the control of government. But, at the end of the US empire, everything is up for grabs. Just as we have a difficult time discerning whether an administration, intelligence services, or the Pentagon are calling the shots in the Middle East, the creation of money has become opaque. Banks create some, Bitcoin claims some, and government controls the Treasury. But, corporations are having a shot at controlling money. Mark Zuckerberg (Facebook) tried his crypto, 'Libre', and now he's back for another run with 'Diem'. And in China, Jack Ma (Alibaba), promotes 'Alipay' which is the major payment vehicle in China. What happens when a private entity gains control of both information and the issuance and control of a nation's currency?

It likely won't happen in China where power is centralized, but what about the US where power is fragmented, and where it is difficult to tell who is running the show. Is it the networks, the congress, the Pentagon, the intelligence services, the president? With a Congress already devolved into single-digits of credibility—could the government lose total control to corporations—ending any vestige of American democracy?

Unsound money corrupts a nation. First, through debt and credit, it corrupts the economy. Then citizens are corrupted, with Americans wanting short-term profit. But someone is always on the wrong side of a trade, and soon the United States will be the wrong side of the trade, as our empire succumbs. Do you have sound money?

I'm taking a road trip beginning Sunday. Back roads of southwestern states, no particular place to go. Any who want to have a coffee and talk about our world can send me an email about where you live, and maybe I will get there. erik@neverhadaboss.com