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updates on the insane world of money and power  
*The Political Fallout of Unserviceable Debt*

US treasuries are selling like hotcakes, but Americans account for most of the purchases. Most of the world are net sellers of US paper while the Fed is on a bond-buying spree, along with US banks and investment funds that are both required by law to hold a certain amount of safe assets—which are delineated as treasuries. Also, foreign investors seeking yield, which they cannot find in their own jurisdictions continue to buy US bonds. But US treasuries are no longer investment grade because we purchase much of our own debt—which, if continued to a logical conclusion, has a bad outcome.

So what would happen if US banks and investment houses were not required to buy treasuries? Who would then buy them? At a certain point the absurdity would become apparent if the treasury issued and then bought all of the debt.

At this point, more than a trillion dollars in treasuries is being held by private entities just so they can lend them out, at interest. They lend them out, holding corporate bonds as collateral. But they require more corporate bonds than the amount of treasuries borrowed, because more than one-third of corporate bonds are rated junk, meaning the corporation makes little or no profit—and is unable to pay, even the interest on the debt.

This is another illustration of an economic system on the rocks. The rest of the world knows the difficult circumstances of the US economy and the US dollar, better than do Americans. Over the past months, in the US, anxiety about the economy is becoming apparent, but incrementally. The real problem will come when, because of a further slowing of the global economy, made worse by the Wuhan virus, the Fed is forced to lower interest rates in support of US banks, which will result in foreign investment in US paper drying up, because investors will no longer be able to make even 1% for risking their money.

Economies derail in stages as central banks condone bad practices in an attempt to remain solvent. Take the example of Switzerland, which, for decades, was the place for sound money policy. Now, much of Swiss public investment is in the stock market, something unimaginable in decades past. As a result, the entire Swiss future relies on names such as Apple, and Facebook for economic viability, which is not sound fiscal policy.

Is our economy a Ponzi scheme? In one sense it is: the salient feature of a

Ponzi is that its resources are outstripped by what is owed the investors—much like a pyramid scheme—where more and more influx of capital is needed, just to keep up the appearance of sustainability. The US economy is worse than a Ponzi or a pyramid because, at least there, investors buy-in of their own free will, whereas, in the US, taxpayers are unsolicited investors in our Ponzi scheme—one that has a Fed charter, which only looks out for the banks, and not private investment.

QE (printing) is unsolicited tax burden that encumbers every American for the sake of keeping this Ponzi going a while longer—something that each member of the Fed must know, will end in unmitigated disaster.

And what are we doing to fix it? Trump announced today that a naval blockade of Venezuela is back on the drawing board. Can someone please remind me what it was that Venezuela did to deserve this, besides being the natural recipient of the world's largest oil reserves? Also, Trump is cheerleading for Erdogan and Turkey to stop those Syrians and Russians from murdering children again.

Erdogan made a bet: he bet that the US would be successful with its regime change in Syria. A bad bet as it turned out. Now, one last ditch effort for those who supported the so-called rebels (who are terrorists), is being contemplated by Turkey to stop the Syrian Army, which is supported by Russia, from taking back Syrian territory—the last terrorist stronghold, Idlib province. This final assault will send more than a million Syrians into Turkey, so Erdogan is threatening to come into Syria with force, to stop something for which he is to blame .

It's almost humorous to listen to the network war machine speaking about Turkey as a member of NATO—these guys could somehow portray Jack Nicolson's character in *The Shining*, as a friend and ally. Turkey, which is threatening to kick the US out of Incirlik, a US air force, nuclear base. How's that for a NATO ally?

Is Trump so dense that he would cheerlead and goad Erdogan (who may be insane), into a confrontation with Russia? Does Trump think it would go unnoticed by Putin? And all this disinformation about Syrians and Russians killing civilians. Russian airstrikes are highly accurate strikes on terrorist strongholds. Will civilians die? As Biggie Smalls told it: "Somebody's gotta die." They will die, but these innocent deaths are caused by US foreign policy. About phony chemical weapons murder. About phony targeted strikes on hospitals and schools. About continued destabilizing of a region to promote regime change.

It's sad to think that our future rests on a growing global tyrant that is Trump, and a DNC that inserts an atavistic presence of Michael Bloomberg, on a stage, in a spot earned by Tulsi Gabbard, while the frontrunner, Bernie Sanders, again blames the Russians for what happened to him in 2016. Is he the only one left who doesn't know it was Barack Obama and Hillary Clinton who did him in. The poor man.

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