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There is a Silver Lining—But Only For Some

Anyone recognizing there is no way out of the coming economic calamity needs to understand a reality, that other than a food source, the most important elements will be silver, gold, and, unfortunately, lead. Those, and anything that can be used as barter.

Bill Holter offered a view this week that urbanites will not be able to go into a store and spend silver dimes—but coins will become a standard of barter with farmers. In other words, trade will no longer be with Amazon, instead among individuals—1 on 1.

Writing these words takes me back decades to when the roof of a rural barn might read: 'Get us out of the UN'. Back then those conspirators were seen as whack-jobs, but now, as the curtain goes up, what we see is no conspiracy theory—this is for real.

A dollar collapse will be pervasive but mainly affecting the West, where only skills and tangibles will matter. The bloated stock and housing market will not save us. Millions, without stock certificates will find their investment was loaned-out on the day they made it, and stocks they thought they owned are held in the name of someone else. Even those with certificates, when they go to sell, will be paid back in worthless dollars.

That home you bought for \$400K, in which you owe \$300K, and is now worth \$100K—if you were able to pay-it-off, you have a place to live, but only until the elite, in an attempt to hold onto control, change the taxing structure and take your home from you.

Most people who considered themselves as homeowners will then face the reality that the bank was the owner and they were the renter. When 80% of those folks are on the street, what will they have to barter with? Maybe cigarettes or those little 1oz. bottles of airline booze? And, as rule law breaks down, whatever they can find in the night.

If this sounds bleak, it is. But all that matters is whether or not this is the reality. What about self-defense? Any out there expecting to be protected by the police, need to understand that the entire world we know is run on credit, and with a worthless dollar there will be no credit. The trucks will not run; the planes will not fly; the cops won't come. The Minneapolis/Portland hope becomes reality. Defunded police don't respond.

With all of this in mind, today, for me, is a milestone. The gold I bought back at the turn of the century for \$250, at \$2500, is re-priced exactly 10X what it cost back then. But it's a mixed blessing because the price of gold did not rise. Instead the dollar fell.

While gold's been running between \$2000 and \$2500, silver more or less languished in a holding pattern. Silver that comes out of the ground at maybe 8 to 1 compared to

gold, and was recently valued at 80 to 1 compared to gold—now is closer to 100 to 1.

How can that be? If silver (in a world of economic risk), was the cheapest investment on the planet at 80 to 1, what is happening to drive the price of silver down? Consider 2 things: Americans are cashed-strapped. Many are months behind on credit card and auto payments. Americans are tapped out—and they have no gold. But many have some silver, which they are selling to stay solvent. Is that a short-lived phenomena?

It is, but there is another factor at work. As with holders of gold who complain that they should have invested in bitcoin, the downtrend in silver price shakes out tired holders who sell putting further downward pressure on the price. And the BRICS, investing in silver as well as gold, love it. Available \$30 silver ends up in offshore vaults.

Given economic calamity, how does it play-out for the metals? The BRICS, at some point make good on a promise for a settlement currency backed by 40% gold. This causes the price of gold to rise. To what price? Maybe, in the 1st leg up—above \$3000, further weakening the dollar/expediting its demise. But what does that mean for silver?

Silver, in an economic calamity becomes the paramount barter item. What about until then? Silver is up against 2 things: though it defines the dollar constitutionally, it has lost some of its luster as money. Because of that, its value is mainly judged industrially. And, because silver is an industrial metal, no matter how high the gold price, the price of silver needs to be kept under control because high silver cost curtails the economy.

So what's going on with silver now—and what is the outlook for the future? Presently, sellers of silver outnumber buyers, maybe 5 to 1. But when, of necessity, the price of silver (actually the younger brother of gold), needs to rise, the elite will do anything possible to keep silver price down for economic reasons. But will they be able to?

No, and any price suppression will be reflected in premiums for silver. Bags of pre-65 coins, not that long ago, came with a premium of more than \$10. Now, that has fallen to a \$2/3 range. But silver premiums are like the VIX (volatility index), where everything is fine until it isn't. Complacency in the silver market goes along until fear enters the equation and reality shifts into something dangerous—like being attacked by a *bear*.

That's when we see unimaginable premiums—in an attempt to hold down the spot price of silver. That's when it becomes apparent that the bag of dimes you bought is not going to make you rich—but it may be one of a few things that can keep you alive.

Meanwhile, globally, the BRICS move to a 40% gold standard—involving 3/4s of global population—controlling 3/4s of global energy. This comes with a realization that the spoof of an energy rich US is little more than squeezing remaining oil from rocks.

Given global conditions and the holocaust of debt, BRICS cannot employ a settlement currency of more than 40% because conditions necessitate there be ample room for credit creation. How credit creation plays out across the globe is anyone's guess.

Where does that leave us? Our future lies somewhere along the frightening/horrific scale—for which there is no silver lining. If you live in an urban environment, your future is bleak. If you live in small town/rural US, where you know others to help with what you cannot do, and you have access to farmers, and you got silver while there was some, and you can defend yourself, maybe then, you can survive what is coming.

To so many, hoping to buy a house or put kids through collage, this article will seem to be madness—but is it? When we take good, close look, have any of us ever seen anything like this before? Is this late 1930's in the Warsaw Ghetto? Do you have silver?

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