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They Destroyed Our Economy—Now They Want Our Souls

For the 1st time, I'm standing at my computer, unable to produce an article—with several under construction. What I need is a fact to build on. Bill Holter assures us the coming 'economic collapse' will be a 'credit event'? What is it he terms a credit event?

Back when credit cards were close to being maxed-out, another came in the mail (with an offer to transfer the entire balance to the new card—but at a greater rate of interest)—which didn't matter because there was no foreseeable end to the 'credit cycle'.

To continue the illusion of renewable credit cards, the government had to print endless dollars (purposed to sustain the dollar rather than the economy). Rising debt, both on the government's balance sheet, and for mortgages, auto loans, and credit cards, made structural (fiscal) changes a mathematical impossibility (changes would collapse the system). Leaving 2 choices: print into collapse—or admit that policies had failed. The United States, on the brink of economic collapse, is the result of the choice made.

There is not better place to see the function of credit than in 'private transportation'. Unlike real estate, which can be an 'appreciating asset', cars are assets that 'depreciate' over time, and became more of a necessity for Americans than buying a home.

When did buying a car become a credit event? I bought a new 1963 Dodge Dart (beautiful, reliable car). My dad and I bought white Dodges on New Year's Eve, 1963. What were the loan terms? There were none. 'Cash on the barrel-head' and drive away. I was 17 years old, working in food markets—where I saved the needed \$1700.

America was on a gold standard where both wages and prices were kept in check by limits on dollar printing. To 'the little guy', the world was as good as it had ever been. For perspective, think back to the 1950s when President Eisenhower mandated the federal highway system. Before that, there was no way to drive across the US except 2-lane state/rural roads. Now Americans could 'See the USA in your Chevrolet—America is asking you to call.' And we could see the USA without having monthly payments.

For a template to show where we are with credit and personal transportation, there's a quote from our trusted Great Depression observer, Will Rogers who said: "We are the first nation in the history of the world to go to the poorhouse in an automobile." For the 1930's, he was prescient, but not nearly as prescient as he will be shown this decade.

The history of 20th and 21st century is about the automobile. It was our coming of age—the thing that defined our 16th birthday. Cars made it possible for us to diffuse

across the nation seeking employment. But cars are now poised to tell a different story.

Because we are geographically spread-out and find ourselves working more than 1 job, we need a car more than ever—and buying a car costs way more than it used to. But incomes haven't kept-up with-price increase—in fact our income is no longer a given. And that car, that not long ago could be had at zero % over 6 years, now has an interest rate reflecting a banker's risk/doubt whether or not you will be able to pay back that loan. And, once out on the streets, gas cost 2-3X the last time you bought a car.

All of which would be difficult enough without war being waged on fossil fuel that jeopardizes whether your car will be of use to you in year 4 of 7 years of payments. If I sound alarmist, think about the powerful fools out there who want to restrict us to 15/30 minute cities—rendering cars useless. And yet another host of fools that want all cars to go electric (without a plan)—and not possible given grids/commodity restrictions. Were it possible, what they want, for 'the likes of you', is no vehicles—owned privately.

Once the credit card is maxed-out and payment is due, if the resources to pay do not exist—that assures a credit collapse. 'As above—so below' defines where we are economically. Bad policy came from above: The government never paid debt down in 'good times'—instead, after closing the 'gold window' in 1971—they printed all the time.

The Fed's 2% inflation target (unless matched with increasing productivity), functions to put off 'a day of reckoning'—that gets ignored until it can no longer be ignored. A collapse in an ongoing debt-based system is inevitable—just a matter of time. And, given darker aspects of human nature, 50 years without a gold standard—doomed the USA

Bankers (the Fed), even when they see 'the day of reckoning', opt to support the currency rather than the economy: for that they continue to print and raises rates, not on behalf of American workers—instead to allure foreigners to continue to hold dollars.

As a result, most Americans are living paycheck to paycheck: 55% of rural dwellers, 69% of urban dwellers—which is 25% more than the suburbanites. Why are we having such a hard time? Car repair costs are up 20% year to year. Average mortgage rate costs are up 19%, year to year. Buying a home costs 20% more than year ago. Credit card debt is up 7% in 2023—rising 4% in 1 month. There's more than a \$ trillion in credit card debt (and rising), with an average rate of more than 20%. Since April 2020, household income fell nearly 10%. Emergency 401K withdrawals are up 36% this year.

To appreciate what underlies an 'arriving credit collapse', it is imperative we understand the psychological events that caused the nation (Western world), to get to this place. Something is obvious: there is palpable fear/anxiety across the culture, wherein we are each aware that something ominous comes our way—and everybody is scared.

We an need an analogy here: a 'soiree' (dinner party) in "War and Peace" where Russian gentry are sitting down to dinner, when someone rushes in with a dispatch from the front—a reminder that Napoleon is 'at the gates'. The dispatch begins: Sergei Kuzmich: "From all sides", 3 words that sends the entire table into nervous laughter—each person knows that their fate is closing in 'from all sides'. This is America's fate.

I think I've come to simple terms as to the psychology behind a 'looming economical collapse', but it will require 2 articles to explain. It has to do what happens to human nature devoid of sound money. What happens to the size of government when credit/debt run wild. And, what are the results for 'parasitic behavior, pathology, and psychopaths? Then, once we see it for what it is—what are we to do about it? Next article.

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