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Waiting On the 2nd 'Grapes of Wrath'

I have to thank Richard Werner for this article. And for his 3 hour interview with Tucker.

Every few years I re-read *The Grapes of Wrath*, by John Steinbeck. For me, fiction works better than non-fiction. Well-done fiction tells the same story, and brings it to life.

Grapes of Wrath consists of 3 elements: class hatred, a dustbowl, and banks. Working backwards, once the 'Okies' reached California, where they hoped to find a new start, they were met with hatred/fear that made them unwelcome. The novel ends in grave doubt as to whether these displaced, migrant farmers would be able to survive.

The crash of 29 coincided with the *Dustbowl* in the central US that lasted until 1939. It's widely assumed the 'Okie' migration was caused mainly by the dustbowl, but that's only part of the story. *The Grapes of Wrath* is a tale of class warfare, and dust. But more-so, it's a story of banks—the role banks played in perpetuating a decade of pain.

In 1929 the stock market crashed and government did not allow markets to sort it out for themselves. Instead, socialist fixes (that didn't work), were applied—causing the Depression to extend another decade—until the US industrialized to enter WW2.

Few Americans understand the role of banks—and how they work. In terms of the economy, banks, because they create currency, are the most powerful entity. Banks have the *public privilege* of creating money through making loans. But, under the law, banks make no loans. We depositors make no deposits—deposits are loans to banks. For loans, no currency is created—a simple notation is made to a borrower's account.

The Fed was voted into existence during Christmas recess—1913. Between 1913/1929 the Fed purposely caused 10,000 small banks to go out of business, as being insufficiently-collateralized. Another 15,000 small banks disappeared post WW2.

What's missing in the tale of the Fed takeover is a necessity for a multitude of small banks. If there is only 1 central bank (or a few central bank locations in a nation), loans required for development are restricted to cities—and rural areas remain undeveloped.

The Chinese economic miracle is portrayed as China stealing US jobs/technology, but four decades of prosperity came from 1000s of newly-created small banks, and a host of loan officers making loans to 1.4 billion people. Most, being startups and rural.

For US farmers battling dustbowl/homebuyers servicing a mortgage, there was no insurance. Homebuyers lost their homes/farmers lost farms—some died of starvation.

Federal Reserve policy saw depositors lose their savings—but debt remained (the

big boys never lose). That was Fed policy back then, and will be the policy next time around. What exactly are consequences around banks creating currency from nothing?

Bank-currency creation is a *little shop of horrors*—Ponzi, where all that matters is ever-growing balance sheets. BIS advocates for bank-lending for unproductive assets, to expand the balance sheet. Why is that? When the expansion cycle stops, banks, with only 10/20% equity, go bankrupt. Analogous to a credit bubble, banks grow or die.

Neither banks nor government are able to quit digging the hole they're in. Bank credit for consumption is inflationary—but it doesn't matter. In fact, research to find peer-reviewed studies as to what effect lower interest/higher interest rates have on the growth of an economy (as with searches for efficacy of mRNA vaccine), yields no such study.

The FED Banking Act created the condition for banks to create currency—with the focus on quantity, a process that drives asset prices (stocks/real estate), ever upward. Like any Ponzi scheme, when upward momentum ceases, the economy ends in crisis.

What's being done to us as we are taken to the cleaners? When you sign a loan contract, that's a debt instrument. The bank then trades that instrument for securities. There is no loan. Banks are exempt from protections offered in the client-money rule. There is no loan liability for banks—unlike non-banks with a liability to balance assets.

What's in store for us? When the banks stop lending for unproductive assets the system fails—resulting in a 1990s Japan scenario—where a small holding of real estate in Tokyo was valued at half of California. Japan didn't recover—they yet live in the 1990s.

These factors help to explain why the US has a nonproductive economy. Real estate and stocks have been driven into the stratosphere—to the point where home buyers or stockholders, having to sell, will be shocked by asset price decline in a credit collapse.

Just as placeholders in sequential administrations abandon their ethics to keep their jobs, the big names in economic punditry do the same thing. As significant shareholders of private equity, they obfuscate what they know to be the truth—so as to protect themselves. Keynes backed away from the truth, avoiding the reality that banks create money, for a more comfortable position where banks are simply lending intermediaries.

The US economy (as in 1929), was on its way to ruin when Nixon temporarily closed the gold window in August 1971—defaulting on its international obligations. French warships showed up at NY for French gold being held in the US. The world understood the US dollar was under stress—so US elites lied. They were *temporarily* closing the gold window so as to stop *speculation*. They initiated non-custodial transfer of gold (as does Comex), where gold is moved, one pile to another—without ever leaving the US.

The US, burdened with debt, is now into the crisis stage. All the Trump talk about lower rates is BS. High growth makes for high interest rates—low growth results in low rates. Smart-coins are but a substitute part of a plan to get rid of small banks, with a preconceived result of control to monied interests/banks—classic definition of fascism.

Elites want a programmable tool (CBDC), where the C (Central), gives them the power to make the rules. To slow this, state level central banks are needed to support small banks in each state. The US has reached a final battle in the war of the citizen against the state. Battle lines are drawn—death awaits at a some disputed barricade.

Fortunately, the elites are going down. Americans need to stop them coming back from the dead. That will be the difficult. Elites will only stay down—kicking/screaming.

Each day I envision the price of gold/silver doubling before my eyes. You got some?

Get my articles by email with a request: erik@neverhadaboss.com. And thank you.