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updates on the insane world of money and power

While Rome Burned

It's a myth that Nero fiddled while Rome burned. He was on the outskirts of Rome at the time. But fiddling, prior to the burning, led to the Fall of Rome.

My town is totally unaware of economic collapse. Realtors and stock pickers *fiddle*—spending money and vacationing as if *happy times are here again*. In a housing environment where nothing sells, where few qualify for a loan, and not enough dollars to take a flyer on a stock—they're not deterred.

They don't understand that the real estate market is crashing. Instead they see another short-term correction—not the reality. Unless home prices drop dramatically, to where buyers can qualify for a loan, all hell is getting ready to break loose. And markets where home/stock prices have been historically/artificially held up for appearance sake—will come crashing down.

Exacerbating the situation, the government steps in (to hold markets together), making it such that those who can't qualify for a home loan—qualify for short-term bankruptcy death traps. And those who can't make their mortgage payments get a short-term fix to make numbers look better for an administration fixated on economic collapse and staring into a midterm abyss.

Not that long ago, junk bonds were being financed at 4%. Now it's 8%. What does the administration do to hide real numbers? Annualize GDP to make it look good. But they don't annualize inflation. With monthly inflation

at 6/10ths of 1%, they don't multiply that by 12 to give us the actual inflation. That would be telling the truth—allowing us to see that inflation is 8%.

The US economy is like a once wealthy guy who got himself into a deep hole, filled with unsavory characters. He'll take any chances to get out. Politicians that took an oath to uphold the Constitution, then voted for counterfeit printing, are involved in a crime. Quantitative easing is nothing but *unlimited taxation without representation*—the same thing we fought a war over with Britain, so as to have control over American wealth.

It's worse than most of us know—the whole edifice is about to come down. We are aware that on the federal level, printing that seemed preposterous in 2008 to save us from the housing crisis, has, over 18 years, multiplied by a magnitude of more than 120 times (don't hold me to that).

Phony printing relies on confidence, and this *confidence game* has lost its credibility. During Covid the elite could print because there was just enough confidence in government to allow runaway spending to allay massive fear that was in the air. Confidence that had no business even then—is gone.

What we face is a Ponzi Scheme operating on 2 levels. We know there is no way to pay even the interest on federal debt once *risk interest* goes beyond 10%. What we we don't know is at the state and local level school bonds have been patterned on what the Fed does—namely print with no recourse to accounting. On the local level, that's called school bonds.

School bonds are not paid off with receipts from property taxes. They get rolled over. As with the federal debt, the interest mounts to where new taxation for a new school bond is not dispersed to schools. It goes to service unpaid school bonds. And US/school bonds underpin American pensions.

There is no wealth stored in bonds. Recent Supreme Court action (they know what it would mean if they did), denied taking up this Ponzi because,

what if the phony printing were found unconstitutional? Gun-toting US citizens who lost their homes to property taxes would see they are victims of a government RICO racket—and remember the real 2nd Amendment intent.

When we hear that the stock market and housing prices are kept up so as to install confidence in governing bodies, that's both true and false. Absurdly high stock valuations and rising home prices give Americans an undeserved sense of security (those values could come down much faster than they climbed up). Something more than a feeling of well being drives-up prices.

It's a quid pro quo thing—every dollar of debt (credit), ends up in someone's pocket. And from there (as inflation's consequence), finds its way into assets. Although China is buying between 5/20 tons of gold a month, that's not where Western wealth settles. Only in nations with a historical memory of privation/war/poverty is gold (and nothing else), seen as one's security.

In the West, inflation dollars find their way into stocks and homes, causing stock and home values to spiral upward—but with unanticipated consequences for homeowners. Consider an 82 year-old man (not me), who bought his home for \$24K, no mortgage. Yet he's losing that home because he can't pay \$3900 each year (and rising), for property taxes.

Consider what that means. The great percentage of his property taxes goes to schools—which get none of his tax dollars. But that doesn't stop him from losing his home that may be valued at maybe 10X what he paid for it.

What is the actual value of that home? Not what a tax assessor says—what someone is willing to pay for the property. It needs shown in terms of actual value what people could pay for (illegal), property taxes—but it's not.

Property taxes are not in line with actual value—instead, it's *unlimited* tax based on assessment without full disclosure of the rationale behind how real estate values are assessed—or public discourse on where our taxes go.

As I was saying, the Supreme Court just refused to hear a Texas suit brought on behalf of homeowners. The man who brought the suit advises us to contact Trump/Bessent for relief. Really, two of the greatest (alleged), crooks in US economic history—will find a remedy for American poverty?

What's not being understood by the elite is the degree to which confidence in any branch of the USA government—is over and done. With that credibility gone, the whole thing could come down in 3 weeks, which might be the better outcome—before they have time to make things even worse.

How many of us are prepared? The good mayor of NYC, Mamdani, defines socialism as government providing everything needed for a dignified life—the ultimate communist stage defined by Marx. But before Marx was Charles Dickens: 'It was the best of times—it was the worst of times'

A 'Global South' panel I tuned into today touched on Dickens' novel, *David Copperfield*, with panelists agreeing the poverty/privation portrayed there was unimaginable. And, I just finished George Orwell's novel, *Down and Out in Paris and London*. Just how bad are things getting ready to become?

I'm unprepared for what's coming. I save all year to pay property taxes on my properties. This year I have less than half because I'm spending to get my real estate into better shape. My friend and I do the labor, but it costs.

My fallback position is gold and silver—both of which are falling like lead. When prices were high, did I sell enough to fill my coffers? Not an ounce. I assumed that I would never sell ounces—I would borrow against them. In a major collapse, gold and silver could be beaten down in the short term—to that place where irrational markets outlast personal solvency. Even assuming there will be someone to buy gold and silver is not *a for sure bet*.

Here it comes. Before was just a warning. Now it's dark at the edge of town.

Request my articles by email, or comment: erik@neverhadaboss.com.