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updates on the insane world of money and power

Thar She Blows

'Thar she blows, Capn Ahab. Killers man the boats. Boatswain prepare to lower boats. Stay that order, Moby Dick, she's coming at us, Capn! Prepare for collision amidships.'

For any who haven't noticed or don't understand, control has been lost and like Moby Dick, the white whale, this is not an event, rather a mythos that goes down in the annals of mankind, as an event, because it's global, not seen before—not seen again?

It may or may not be fortuitous for those holding gold, but for those without gold—it will be just what it is. Not simply a run-up of gold from \$2500 to \$4000, a paradigm shift for the dollar as the world reserve currency. For the dollar—the beginning of the end.

Does it suggest an incremental demise for the dollar, or an acceleration into worthlessness? Thus is probably what it felt like in 1922 Germany when it cost 1 Reichsmark to ride the Berlin trolley—a year later that ticket cost the entire money supply of 1922.

With Trump attempting to hold-down interest rates (they need to be higher to account for the risk of holding government debt), he tells he's looking out for the Treasury and the dollar. Whatever his motive may be, it's too little, too late. The end is nigh.

Americans are oblivious. I have a young friend I convinced to not spend 5 years at San Diego State to become a realtor, when his mother had the most prosperous realty office in Ashland. With rising interest rates, reality is on the way out, but he joined his mother's firm, enjoyed 3 prosperous years and bought a nice duplex with the proceeds.

He doesn't know how good he's got it. A nice place to live (he has a roommate). He rents the other unit. When all said and done, he pays \$500 a month for utilities, taxes, insurance, just a trifle towards the mortgage—that's his total share of responsibility.

He's not too happy with that. He's waiting for interest rates go down so he can re-fi and have the rents pay for everything. When I tell him about coming inflation, that's just another opinion. It doesn't matter that I began trying to get him to buy silver in the low \$20s. Mine is just another of 8 billion opinions. Besides, he has his own opinions.

Another young friend I convinced to buy an American Eagle Monster Box at \$12 spot, later called it the worst investment he ever made. He later sold that box. I surmise he got caught up in a crypto margin call/bad advice/lost it all. That's a bad investment.

Something that abandoning the gold standard did was to accelerate the rush into high yield investments. Bitcoin was a dollar a coin and the fellow with the monster box wished he bought in. But he didn't—like me he probably hadn't even heard what it was.

But no matter, this was the era of 22 year-olds with Lamborghinis—a time when only old fools waited around for gold to multiply 16X since 2000. It's still not enough return?

How do I explain to kids (who've never experienced a downside), Richard Russell's take that *compounding* is crucial for retirement because it creates

exponential growth, where your investment earnings also start earning returns, leading to a snowball effect, creating significant savings over time—easy old age. Starting early/consistently reinvesting earnings allows initial investments to grow—making for a good retirement.

But, *compounding's* no longer relevant unless (as in 1920s Germany), you cash your check at lunch to buy gold. It's the same now, with dollars losing purchasing power faster than you can accumulate them, what's left for the young is a fixed rate mortgage (it will prove a blessing), and trading dollars you can't afford to lose for gold and silver.

My young friend has a fixed-rate 7% mortgage. I never had that. Once I got 8%, but it was mostly 10/12%. And those mortgages were hard to come by. Just the idea of buying a clean duplex at 7% when I was 22 would have been right over the top for me.

Viewing the economy with a *required* jaundiced eye, how long will he wait for interest rates to fall enough for a re-fi to become feasible? If you owned a bank, conditions being what they are, would you be inclined to loan a youngster a \$400K/30yr M@ 4%?

Learning is harsh, especially if you joined CIA at 22 because your dad did? You didn't know, unfortunately, you'd be dead by 24. Or, following dad into the mafia....

Our kids, maybe their choices won't kill them, but arriving at 65 (only to find what old age entails), with debt rather than savings, is a grim prospect at best. Slow accumulation from *compounding* was the way. Now, gold and silver damper some harsh facts.

My realty friend, after my convincing, bought bitcoin (maybe at \$120K). Investing for the young (not all), is a casino where crypto is the bet. Last week (even with high valuations), Americans were still rushing into equities.

Make it big—get you that M BMW.

I'm out on the road today, between Boise and Pocatello—on my way to Newcastle, Wyoming. From there I likely head south. Anybody in that area want to have a coffee?

Coming through Boise, I had a conversation with one of my subscribers. He's 30, and he does what I do—he writes and he's into commodities. But, unlike me, he does what he does for a living. He's in a small group who look for stock opportunities, balanced with holding metals. I've thought about having an account like that with Michael Pento/Craig Hemke, but when it comes down to it, I buy the cheapest lot, build a rental. Other than that, I put everything into gold/silver. The writing is/has been on the wall.

Most young persons I find, are dismissive of capitalism. At best, they pay it lip service—it *worked back then but not now*. They don't understand the early republic when workers saved to invest in a business. On that idea the nation was built. Even with robber barons and captains of industry—small business was what built the republic.

The credit/debt cycle transferred wealth from citizens to elites, accelerating a dollar collapse, precipitating the ruination of the republic—and gave capitalism a black eye.

What's going to happen (amidst severe times), after the elite conglomerates finally lose control, is a return to small—local. After we get used of trading silver dimes for poultry, when Amazon no longer ships, then by necessity, we return to small business.

If not, respect for human decency will be lost—forever? Opting for a monarch/strong man betrays non-understanding about what our founders left us—the only form of government where power resides in the hands of citizens—the 1 government under God.

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Thank you.