A political and economic blogger is either an opponent of power or a supporter of power. The supporters come across with consistency while the opponents are journalists, digging for the facts, reporting what they see, and having to admit, often, that last week they were wrong.

This is a period of feel good, hopeful inflation, destined to become a hyperinflation (a short-time event), that will grind into a crushing deflation—and a kicking and screaming reset where reality imposes itself—outside of third-party control. This is when everybody loses—but not equally. Creditors do not get paid, investors lose their stake in uninsurable currency assets, and debtors, hoping for a debt jubilee, see their debt reset to the price of real money (gold), as happened in 1933 when the government, in effect, did that same thing by resetting the price of gold. The Fed is flooding the markets with a trillion dollars over the last ten days (the yearly deficit these past few years), while suggesting they could bring a trillion dollars in one day—if necessary.

On the global stage, Russia is confronting US sanctions and NATO by refusing to cut oil production, in a dangerous move to bankrupt US fracking. Attempting to parry, the US is reaching out to Saudi Arabia to form the new oil cartel to rule the world. Likely a hopeless gambit by the US, which is in the process of squeezing the last drops of oil out of rocks, and for its efforts, acquiring debt that would cause Elon Musk to blush. What could there be in such an alliance for oil abundant Saudi Arabia? Nothing apparent. The Saudis produce oil for a couple of bucks less than Russia, but who wants to buy it? Is the US thinking that China (the largest importer) will throw its ally, Russia, under the bus for a couple of dollars?

There's another breaking development concerning Russia: during this Coronavirus pandemic, the US, under Crown Prince Pompeo, is going full-tilt-boogie to take advantage of foreign nations while they are down—namely Iran, where multitudes are sick and dying of the virus because they have not been allowed to import (for years) the things that sustain life. And Venezuela, where today ROSNEFT (the Russian oil giant), passed its Venezuelan holdings to the Russian State. Which could pit Russia against the United States in a US invasion attempt of Venezuela.

The US has accused and abused Russia again and again since we expanded NATO to its borders, and now Russia is up-ing the ante. Not with the type of issues where ad-
versaries sit down at the table to negotiate and compromise. This is realpolitik, where
the negotiation is done with confrontation—as in the scene from "Rebel Without A
Cause", where two cars face-off, then race towards one another to see who will flinch
first and turn away from a head-on. What’s different this time is James Dean is playing
Putin, and the guy in the other car is Mike Pompeo.

Economically, China is the nation with little time to act. Because of the trade war and
a huge debt, China’s falling currency can only be supported by adopting a gold stan-
dard. This will not be easy, because, over the past decade, China has followed in US
footsteps and danced the Keynesian two-step to the tune of a 41 trillion dollar debt. To
move to a gold standard, China has to clear its debt, because gold is pay-as-you-go—
where you cannot spend more than you have. Even for China, with a possible 37,000
tons of gold, held privately and publicly, this would involve huge lifestyle costs—but
they have no choice. Imagine what paying-off 41 trillion would do to the price of gold?

For Russia, it’s a different matter. They have no debt, abundant oil and natural gas,
lots of gold—and they are aware of the consequence for being an unwilling vassal to
US hegemony—they are already sanctioned to the full extent of the lawlessness. Mak-
ing it likely they move to a gold standard with China, backing the rouble with gold. In
that process, the dollar will become something that does not spend, to the degree that
Turkey, India, Iran, and other nations, will see their future as joined with Asia.

All global risk is measured against the safety of US treasuries, and we continue to
print currency, seeing no possibility that our debt will need settled. But, when we no
longer are able to service or add debt, interest rates will reflect actual risk, which is
closer to 12%, than the 2% (with jiggered inflation rates), which we claim. When actual
inflation becomes the measure, interest rates will adjust by multiples of 2%.

US gross output (GO) is the measure of total economic activity in the production of
new goods and services—and is a much broader measure of the economy than gross
domestic product (GDP). The GO number, each year, is more than 40 trillion dollars.
What happens when 25% of that 40 trillion becomes losses that need to find their way
onto a balance sheet? Does the Fed add another 10 trillion to an already insane 5+ tril-
ion? In addition to the one trillion we add each year—which has now become two tril-
ion. We are seeing the beginnings of hyperinflation as I write, while the Fed and the
government exert whatever control over the herd mood, that they have left, persuading
investors to behave as did millions in World War 1, obeying the whistle, up out of the
trenches, charging across no-man’s land, into the wire and a hail of machine-gun fire.
So much for my hyperbole, but what about theirs? This headline appeared this morning
and should come as a warning: "It's Safe!"—FDIC Urges Americans To Keep Their
Money In The Banks. If it's so safe, why does it need to be a headline?

My novel, The Audit, is told around the lunacy I blog about. Within the novel is a literary
gimmick, my pamphlet, Probable Cause, a discussion of your rights during a police
stop. With an email request, I will send to you, The Audit, in paperback, at no cost
(nothing to sell here): erik@neverhadaboss.com. My website is home to my blogs,
plays, fiction and poetry—neverhadaboss.com. Thanks for reading.