

Bailouts Have Already Started

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Forty plus years of central economic planning guarantee a severe economic depression. Stimulus is only a word. No genuine stimulus occurs. Stimulus is a euphemism for lobbyist inspired government spending. Fancy explanations will emerge but what I just wrote is the root cause of the coming depression. Tampering with the economy, especially the financial markets guarantees an economic collapse. This is the least

popular explanation so it will be replaced with countless volumes of fancy explanations. That happens when the truth is unappealing.

Bailout number one are the tariffs. Interest rates are so low and so much borrowing has been done at under the market level rates that a return to market driven rates would break the back of government as well as preferred private borrowers who have borrowed mountains of money at no cost at all. When government and favored borrowers are over extended high inflation will bury debt and pass the cost on to the general population.

There is already panic in the financial markets but there is no crash. This is because equities are getting unlimited organized support. Anytime there is weakness in the market the level of organized support for the stock market is increased. This could continue until the entire economy collapses but eventually stock prices will give way.

I believe bailouts will be announced prior to the time in at which market is down as little as ten percent, possibly even less. I have speculated in the past about what the nature of bailouts will be but it doesn't have to play out exactly that way. I suspect central banks will come together and announce that they are buying stocks outright to save the world. You and all others will be expected to do their patriotic duty and absorb the losses of all who have borrowed heavily and spent unwisely. That doesn't mean it won't be explained that it is all for your benefit. One war or another may very well be started as a means of diverting attention. However it plays out, bailouts are coming. I believe it will be very early on. If it takes a while, tap you foot. Bailouts will be announced.

Are there any facts at hand? Yes, there are the kind main street economics disregards. Those facts are the known existence of incentives. What do we know about incentives? In the absence of counter influences people act on them. For decades government has been used primarily as a means of rigging markets and extracting wealth out of the large population. This is the primary tools of top down socialism. The balance of power in the country favors all who will want to be bailed out. Is there anyway the group that has high jacked the government and now uses it as a marketing and life

enhancing tool, is not going to find a way to use government to bail them out of their losses? Just be ready.