



Our Rulers Have Lost Their Minds

Description

Have a look at the shock on people's faces as they leave the grocery stores these days, or the look as they stand filling up their tanks at the gas station. Their jaws drop and they wonder what is happening to the world.

The answer is the policy disasters of the last two years. The bill is coming due and everyone but the masters of the universe is paying it. The value of the dollar is sinking rapidly, more rapidly than in our lifetimes.

Nor is it coming back.

The people who hold power today seem completely clueless about why this is happening. Actually, that's a charitable interpretation. They might just think it is great.

High gas prices are pushing a shift to electric cars, presumably to manage global climate (I'm a serious doubter that anything like that is possible by policy). Or maybe there is an impulse here just to redistribute wealth and disorient people to create new levels of dependency.

Whatever the reason, I'm seeing absolutely no signs that anyone at the top has any intention to put a stop to this.

Kill the Snake in the Garden!

The Biden administration — total geniuses up there! — have been hunting around for the source of price increases, as if there is some single greatest offender out there in the markets.

They won't blame the Fed of course because the Biden administration considers a monetary policy war against inflation to be a potential political disaster. It would drive the economy into a statistical recession. Then they would doom themselves at the midterm. Better to let inflation rip than risk that.

So instead, they are looking to scapegoat market actors. It's preposterous: Markets are linked in ways

that are impossible to trace and understand. You cannot map it. It's too complex. It cannot be designed. It cannot be gamed. But tell that to the credentialled experts who believe that they have it all going.

So some geek in the White House noted that shipping prices are through the roof. They reasoned that these high costs are putting pressure on all producers, which in turn is being passed on to consumers.

What to do? Crack down on the shippers! That's exactly what they have done by unleashing the Federal Maritime Commission, "an independent agency that polices international ocean transportation on behalf of American companies and consumers," according to *The New York Times*.

What the heck is the FMC going to do? Oh, harass people. Send letters. Investigate. Make big demands. But this much is clear during inflation: Everyone, without exception, has a thoroughly valid reason to raise prices.

In this sense, they are all telling the truth that it is not their fault.

Finding some single or several or many key offenders during a hyperinflation is like hunting for the offending cloud during a hurricane.

Another Stimulus

One of the great independent journalists who has really found his mojo during this crisis has been Jordan Schachtel. His Substack account seems often ahead of the major news. He drew my attention to something so bizarre that I never imagined it would happen.

He believes that the politicians are, right now, plotting another stimulus check drop on citizens as a way of helping people deal with inflation.

True story! It's actually a level of policy insanity I've not seen in my lifetime. This would be like pushing a drowning man deep underwater:

Far from coming to terms with their mistakes and acknowledging their errors, the rulers of our fiat system, in their infinite wisdom, may soon decide to fight inflation with... you guessed it, more inflation.

Sounds crazy? No way they would be that ridiculous, right? Well, I have some news for you. It's already happening in Canada.

Quebec has announced that they will give a \$500 stimulus check to everyone that makes \$100,000 or less. This handout, which is expected to reach 6.4 million Canadians, will "help Quebecers cope with the sharp increase in the cost of living that we have seen in recent months," Finance Minister Eric Girard said Tuesday.

Following Canada's lead, a group of Democrat congressmen have just introduced a bill to hand out "gas price stimulus checks" to Americans. The timing of this new bill should not go unnoticed, as midterm elections are just around the corner in November.

Two congressmen are hyping a bill to give \$100 a month to all citizens who live in areas where gas prices are above \$4 per gallon. Do the math on this and you end up with an annual bill of \$168 billion. This comes after many people in Congress have started to slightly worry about their spending programs.

And of course, once you do this with gas, there is no reason not to do this with food, rent, medical bills or anything else. You end up with a mind-blowing system in which government is forever printing up the currency to compensate people for the consequences of previous money printing.

CNN is helping to drum up support:

The administration should ask Congress to authorize a payment of \$1,100 per household to pay for four months of higher prices going forward, and provide an option for the president to provide a second or even third check to low- and moderate-income families for an additional four months in the event that prices remain high. We don't know when this crisis is going to end or when prices for essential goods and services will return to more affordable levels.

It's the Interwar Period All Over Again

Here we have a scenario straight out of the history books. We are talking about Weimar-level insanity here. But what's to stop it?

The current political winds all lean in this direction. So long as Democrats are in control and the Republicans are stupid and afraid, even as the Fed is embarrassingly bowing to every political pressure, something like this cannot be stopped.

If this continues, we could be looking at a full-scale monetary crisis of epic proportions as we approach the midterms. Even then, Congress under Republican control simply cannot manage the Fed, which owes its entire allegiance to the executive in the White House and the deep state.

That means two more years even after November of utter policy disasters.

Wow, I really do get tired of reporting terrible news! I wouldn't have to if the major media could cover these topics with any level of intelligence or honesty. But they don't. And the failure to do so is having a major impact on the standard of living, which is taking a hit much harder than we have seen since the early 1930s. This is both in the U.S. and Europe. Really all over the world.

We can hope and pray for policy rationality to return. But we must also be realistic. This is a crisis with no end in sight.

by Jeffrey Tucker

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