

# Value is Meaningless in Our World of Free Credit

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POITOU, FRANCE – What does our [Doom Index](#) tell us now?

Here's a quick update from Joe Withrow in the Bonner %26 Partners research department:

We are still waiting for second-quarter data to come in before we can update the index for the new quarter. But I have monthly metrics updated... and there was one interesting change. The Fed quietly restated bank loan growth for Q2. It was originally reported as 1.5%. It is now reported as NEGATIVE 0.6%.

Credit growth going negative bumps the index up to a 6 – which is our warning level. There have been a number of times where the index hit this level and then cooled back off. So we aren't definitely in dangerous territory yet. But this may be the second-quarter data especially interesting for us.

If doom is coming for a visit, the stock market is unprepared.

The music is still turned up loud. Investors are still partying. Stocks are still selling near peak prices despite a bit of nervousness in the tech sector.

But just because you don't see an unwelcome visitor coming doesn't mean you shouldn't tidy up and put away the empty wine bottles.

Sometimes, guests show up unannounced.

## Recommended Link



### **QUESTION: Why Did 1 Ordinary Stock... Shoot Up 1,218%... In UNDER 9 hours?**

**ANSWER:** Because of [this extraordinary phenomenon](#). It's perhaps the most powerful force in the entirety of the stock market. With a history of sending specific stocks STRAIGHT UP... on specific, pre-arranged dates. Our backtest spotted rare and MASSIVE single-day gains: 726% on January 26th... 433% on April 9th... 1,177% on May 20th... The very best part? They are COMPLETELY regular stocks... And once [this happens](#), they virtually MUST go up.

## Steady Creep

Meanwhile, the media is abuzz over President Trump's meeting with Russian President Vladimir Putin... and Donald Trump's previously undisclosed meeting with a Russian lawyer who offered to give him dirt on Hillary.

Information is valuable only when it surprises you; nothing in the foregoing is at all surprising or interesting.

The only newsworthy thing to come out of Trump's European tour was in a speech in Poland. Mr. Trump took aim at the steady creep of government bureaucracy that drains the vitality and wealth of the people."

"He's right about that," says our gardener. "Here in France, you can't even [go to the bathroom] without filling out a lot of paperwork."

But the creeps go far beyond the federal bureaucracy; they infest the cronies' world, too... and the whole economy.

It's not just the GS-1-through-GS-15 civil servants who drain the wealth and vitality of the people. Add the sectors of the

that are under the feds' control, and you have about 60% of the U.S. economy.

That's more than half of all economic activity that is heavily persuaded by politics, most of which produces little or nothing.  
*The Wall Street Journal:*

America doesn't have a worker shortage; it has a work shortage. The unemployment rate is at a 15-year low, but only 15% of Americans [sic] adults 18 to 64 have full-time jobs. Nearly 95 million people have removed themselves entirely from the labor market.

According to demographer Nicholas Eberstadt, the labor-force participation rate for men 25 to 54 is lower now than at the end of the Great Depression. The welfare state is largely to blame. More than one-fifth of American men of prime age are on Medicaid. According to the Census Bureau, nearly three-fifths of nonworking men receive federal disability benefits.

#### Recommended Link



#### [Shah Gilani's Monstrous 95% WIN RATE Continues](#)

We've never seen anything like it... Since April 21, Shah Gilani has helped **Money Morning** readers make more money than maybe anyone in history. His last trade recommendation closed out for a 995% win. And he's got seven more trades lined up right now. To date, his **win rate is 95%**. And they expect him to continue this incredible achievement for at least the next few months. [You have to see this.](#)

#### Waste of Time

Don't stop there. Think of all the thousands of students in colleges and universities who produce nothing.

They borrow money (credit subsidized by the feds) to stay in school and believe (erroneously) that their degrees in political science (oxymoronic) or English literature (entertainment) will improve their productivity.

And think of all the thousands of people who work for tax-favored nonprofits, think tanks, and charities. They all believe that their work is doing "good." But without market pricing to guide them, probably most of what they do is a waste of time.

And think of how the feds have distorted the whole economy... so that even things that are subject to price discovery no longer provide honest information.

What is anything worth when credit is almost unlimited and dirt cheap?

#### Recommended Link



#### [New Law Could Affect Retirement Accounts Starting August 1st](#)

*Will a new law put your savings at risk?* The man who created the first 401(k) savings plan believes Congress may soon "stealth" attack on your retirement account. Prominent members are already talking about it. And it could come as early as August 1st. [Click here for full story...](#)

#### Wrecking the Economy

The 95 million people in America of prime working age who do no work at all – thanks to the feds' many programs that keep them from working or make it possible for them to live without working – are just part of the picture.

There are another 25 million or so who have jobs but do no useful work. They labor directly for the government. Or they busy themselves trying either to obey rules or dodge them.

Together, they measure the height of toilets... rifle through your underwear looking for bombs that aren't there... front run central banks and arbitrage the distorted financial markets... gin up wars... game taxes... and tax games.

Let's see: 95 million not working... plus another 25 million doing useless work... out of a total of 205 million working-age people. That leaves 85 million of us to carry an economy of 330 million people.

People wonder what has gone wrong with the 21st century.

Why have productivity and GDP growth slowed? Why are most people unable to earn more money? Why are so few good new jobs created? Why do people no longer start up new businesses?

Hey, wrecking an economy is easy: Pay people not to work. Make it hard for them to learn how to work, too, by setting minimum wages and workplace regulations.

Then, put up roadblocks to starting new businesses by increasing paperwork... and by giving trillions of dollars in easy credit to their big, entrenched competitors.

And, oh yes, the most insidious part: Flood the economy with fake savings (\$130 trillion of new credit worldwide since 2002) to discourage real savings.

No will know what anything is worth... and young, ambitious people will focus on speculating for short-term profits rather than creating real, wealth-building businesses over the long term.

Then, blame the Mexicans.

Regards,