

The Domestic Debt Crisis Has Begun

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LONDON – Illinois is in trouble.

It has \$14.6 billion in unpaid bills... not including a pension liability of \$130 billion. The state is running a \$6 billion deficit. The government is dysfunctional, operating without a budget for two years.

Illinois is America's first failed state. Our guess is that it won't be the last...

...which causes us to reflect, briefly, on what's a.

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[Rick Rule's "Tell All" Event Creates Pandemonium in Our Baltimore Offices](#)

Last week during a **historic live event**, investing legend Rick Rule revealed seven lucrative deals that we project could stake into \$492,120. The phones have been ringing nonstop ever since. Everyone wants to get a chance to invest along with Rick Rule, one of the richest men on the planet. That's because the companies behind these deals will create billions of dollars in profits for ground-floor investors. But there's not much time. If you want the chance to get in on the earliest stakes, you need to hurry. [Go here right away.](#)

A Model of Financial Integrity

Government is always a way for the few to exploit the many. But since the widespread use of cheap guns and cheap money, the few have had to bribe, bully, and bamboozle the many in order to hold on to power.

They call it "democracy."

Typically, states borrow and make promises – pushing the costs into the future. Two years ago, *Forbes* estimated total unfunded pension liabilities of all states at \$3 trillion. And that excludes local government obligations such as those of cities and counties.

Typically, too, state and local governments have to balance their budgets. Like families and private companies, they don't have so much credit available. That means they must work with "real money," not fake credit dollars.

Real money limits the ability of the government to tax, borrow, and spend... which also limits the size of the inevitable problem. Fake money is easier to get your hands on... and easier to promise – especially if you can "print" it yourself.

That's why national governments can dig themselves into much deeper holes... and it's why, compared to the U.S. government, Illinois, with its paltry \$130 billion pension liability, is a model of financial integrity.

The feds have promised some \$200 trillion in pension and medical benefits – all of it unfunded.

These promises are win-lose deals. The win happens when the promises are made. The lose doesn't come until the bill is due.

"In Germany in the 1870s and 1880s," explains a colleague, "Bismarck set up a great system.

"The older generation wins. The young lose. It works great as long as the population is growing. Young people believe t

be winners when they get older.

“But now, German women don’t have enough children to even maintain the population. There’s no way to pay for all the things that have been promised. They’re counting on immigrants. But that’s not going to work.”

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[The Hidden Health Threat Inside Your Cell Phone](#)

Your cell phone could be the cause of a [rapidly spreading epidemic](#), according to brand-new research from the CDC and *Scientific American*. It kills one person every 24 seconds. [But this has nothing to do with cancer, radiation or tumors.](#)

To Observe, Mock, and Ridicule

Back in the USA...

Dear readers still want to know what’s wrong with us. We paraphrase:

Hey, Bill, all you do is complain. Why don’t you stop criticizing the president and get behind him? At least he’s trying to do things... and he needs our support.

First, we would like to deny the allegation. We do not complain. We only observe. And mock. And ridicule. And hit below the belt whenever we get a chance.

Second, we deny all responsibility for whatever happens. No matter what we think or say, it will have zero effect on what happens.

And third, we don’t have anything against Mr. Trump. But what we’ve observed is that human progress depends on win-win deals. Only win-win deals deliver what people want (such as it is).

All a government can do is protect life, liberty, and property – that is, your freedom to do win-win deals – and provide honest money. Otherwise, it should butt out.

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[A special invitation from Bill Bonner](#)

“I would like to invite you to join together with me in an experiment of sorts. It will cost you some time... and our success is guaranteed. Chances are, you and I could both lose every penny we risk. But it may also be the most exhilarating (and profitable) venture of both our lifetimes.” [Details here.](#)

So when the president proposes to make win-win deals easier to do – by cutting spending, taxes, and regulations – we get behind him 100%. When he proposes more wars, walls, and witless meddling... we doubt it will take us where we want.

It’s nothing personal.

Mr. Trump is the chief executive. He’s a government that is headed toward Illinois. It has set up more than \$200 trillion worth of win-lose deals... which will soon tip over from win to lose.

Already, Social Security is running in the red. Medical care costs are already way out of line with costs in other countries. And the federal government is already scheduled to add \$10 trillion to the national debt over the next 10 years.

The president has pledged to not cut the “win” part of deals. Perforce, the “lose” part follows. And the economy – weighed down by win-lose deals forced upon it by the feds and their cronies – struggles to move a.

This is not the whole story, but it is an important one.

Nothing personal... but it would be nice to hear someone tell it.

Regards,