

The Three Ingredients for Win-Win Deals

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GUALFIN, ARGENTINA – The Dow was flat yesterday.

Investors must have been distracted by the latest tempest in the Washington teapot.

Did President Trump say something he shouldn't have?

He told the Russians that terrorists were trying to make bombs out of laptop computers.

No kidding!

Trump was careful to get the gunmen and the moneymen on his side; he's stocked his team with generals and Goldman Sachs.

He's stayed on the course set by Bush-Obama. But he's alienated a big part of the Establishment.

They regard him as reckless and unreliable. They'd prefer more of a dull Deep State team player, such as Vice President Mike Pence.

Who knows? Maybe they'll get their wish.

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This [unusual video](#)... is the talk of the office... This publisher thought it was a good idea to give an 8-year-old child access to an online brokerage account... you won't believe what happens next! [Click here to see it now.](#)

Progress = Learning

Meanwhile, we return to the basics...

Win-win deals get people more of what they want. Win-lose deals – usually imposed by government – bring them less. (The insiders) use government to exploit the many (the rest of us).

Win-lose deals also depress economic progress for every. Partly, this happens for an obvious reason.

Dropping the atom bomb on Hiroshima was a technical milestone, but not the kind of progress we're talking about. Progress only makes sense if it means that people are able to get more of what they want.

By definition, when a person is forced into a bad deal, he gets less of what he wants. (Later this week, we'll look at how Venezuelans are getting a lot less of what they want as a result of their government's win-lose programs.)

Progress is also a learning process. You try something. You see what works and what doesn't. As people experiment in a new way, they learn... and the economy accumulates knowledge and wealth.

They learn to get to work in the morning, for example... to say please and thank you... to save their money... and to invest.

wisely.

Win-lose deals interrupt the learning process. That's why welfare programs fail: People get money without learning.

Temptation to Cheat

That is the real reason the Soviet Union failed, too.

Consumers were forced to buy whatever shoddy products were made available to them; producers had no way to learn to make good ones.

Toward the end, products available for purchase in the Soviet Union were worth less than the raw materials and labor that went into them.

What do you need for win-win deals?

Three things:

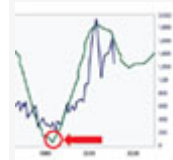
- 1) People must be free to make choices with their time and money.
- 2) They must have money they can trust.
- 3) They must trust each other to respect their rights and property.

Yesterday, we described how these things [don't happen smoothly and without interruption](#).

Progress is cyclical. Win-win deals add wealth and move society forward. But they depend on trust. And as trust increases, so does the temptation to cheat. When everyone leaves his liquor cabinet open, for example, who can resist having a drink?

Then trust declines. Barriers go up. Costs increase. Win-win gives way to win-lose. Progress goes into reverse.

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[America's Third Bull Market](#)

Since the Great Depression, there have been only two long-term bull markets in America. During the last bull run, some investors made 30 times their money or more. One indicator predicted the start of both bull markets. [And now it says America's third bull market is beginning.](#)

Money You Could Trust

The invention of real money – based on gold – gave a boost to win-win deals... and to progress.

Why?

It was money you could trust.

If you are paid a gold coin for a day's labor, you don't have to trust the person who pays you. You don't have to wonder if the money in his account to cover his check... or what will happen to his money in the future.

You don't have to trust him; you put your trust in gold. This allows you to do transactions more freely – and speeds up economic progress.

Gold-backed dollars were trustworthy for nearly 200 years (setting aside Lincoln's phony "greenbacks").

People became so confident in the integrity of the dollar that they hardly noticed when the gold backing was removed (in 1933, 1968, when President Johnson signed a bill eliminating the "gold cover" for Federal Reserve notes).

But that's the way it works: The more trusting people become, the easier it is to rip them off.

Set Up by the Elite

Of course, as trust expands and win-win deals proliferate, some people gain more than others.

The typical Chinese day laborer makes six times as much today as he did in 1999. The typical American day laborer has lost a little.

And job competition from overseas made him feel like a loser. Now he wants walls – to keep out foreigners and foreign products. He wants win-lose deals that guarantee to make him a winner again.

He has no idea that he was set up by his own elite.

Former Fed chiefs Ben Bernanke and Alan Greenspan got their pictures on the cover of *Time* magazine. Most people think they are heroes, not rascals. Most people think they saved the economy from another Great Depression by dropping interest rates and injecting it with trillions of dollars in quantitative easing (QE) money.

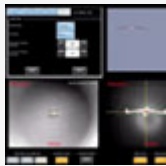
Most people – even the POTUS – believe we need more fake money to "prime the pump" and get the economy rolling again.

Almost no one realizes it, but it was these stimulating, pump-priming, new credit-based dollars that fueled the trends that hurt America's working-class wage earner.

Overseas, his competitors used cheap credit to gain market share and take away his job. At home, the elite imposed their boondoggles... their regulations... and their win-lose deals – all financed with fake money.

The average American's medical care now costs him more than seven times more than it did in 1980. His household debt is nearly 12 times since 1980.

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[Legal ruling ignites defense stock gold rush](#)

One week before Trump's election, a federal judge passed a historic legal ruling... A ruling that's turned the conventional wisdom on military order upside down, unleashing a flood of defense stock profits. But while everyone is talking about Boeing or Raytheon... Thanks to this historic ruling, a new class of military stocks is moving to the front lines of the Pentagon's trillion-dollar gold rush. Tiny companies called "penny defense stocks." [Click here for the top four.](#)

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Subtle "Bezzle"

He blamed the Chinese, the Mexicans, the liberals... the media... and the government.

He wanted change.

But who would have guessed that he had been ripped off by his own untrustworthy money?

After you account for inflation, the American worker has not had a significant raise in 40 years – almost since the new money system was put into place after 1971.

But the rich – as measured by the inflation-adjusted Dow – are 10 times richer.

Who would have imagined that after 3,000 years, the elite would have come up with money that betrayed his trust... a “
so subtle that he didn’t even notice?

More to come... including a win-lose deal right here at the ranch.

Regards,

Bill