

The new mattress economy

Jen Psaki is about to wrap up the White House Press Briefing when she gets a last minute question from the Wall Street Journal financial reporter. He asks, "We have just been informed that the inflation rate is now the highest since June of 1920 when it hit an all-time high of over 23%, this according to the Labor Department's Bureau of Labor Statistics. Do you have any comment from the President? And second, please tell us why the U.S. Treasury has suddenly bought over \$500 billion worth of Bitcoin?"

Psaki: Inflation is only one small measure of the entire economy. This Administration is aware that the price of certain goods may be a little higher, but that's because of the Coronavirus and to the unwillingness of people to get vaccinated. **Reporter:** Excuse me, but are you saying that \$7.00/pound ground beef and \$5.00/gallon gas is the fault of unvaccinated people? **Psaki:** No. What I'm saying is that we have to 'Build Back Better' and pass the \$3.5 trillion infrastructure bill and then we can give work permits to a few million undocumented workers who can enter our workforce and occupy all those jobs that haven't been filled. Then inflation will go down because we'll have more truck drivers to drive America's new green trucks on America's soon-to-be newly refurbished highways. **Reporter:** I'm sorry, but I have to stop you there. Just which economist is suggesting this fix to our present situation?

Psaki: One of them is the Council of First Ladies of which Dr. Jill Biden is Chairperson assisted by Michelle Obama and Hillary Clinton. The other is Transportation Secretary Pete Buttigieg and his husband, the eminent LGBTQ rights advocate Chasten James Glezman Buttigieg. **Reporter:** I'm sorry to belabor the point but what bona fides do these people have to be giving economic advice on the state of inflation? **Psaki:** They all buy stuff. Now to your next question. What was it again? **Reporter:** Yes. Why is the Treasury buying over \$500 billion worth of Bitcoin?

Psaki: That's more like it, an easy question. The Treasury and the Federal Reserve all agree that it's a wise move as a hedge against inflation and a possible run on the dollar. **Reporter:** Are you saying there's going to be a run on the dollar? **Announcer:** We interrupt this program for a special commercial message. "Hi, I'm Mike Lindell, inventor of 'My Pillow' and I'm here to tell you of a brand new product that's sweeping the nation, something we're pretty proud of here in Minnesota. We call it the *My Pillow Always Safe*. And just as its name implies, it's a safe built right into your My Pillow pillow or your My Pillow mattress - perfect to store all that cash you're taking out of your bank account - away from the prying eyes of the IRS! Here's how you can get yours..."

Americans are nothing if not innovative and adaptable. We've been stashing away money in mattresses, cookie jars and in a number of creative places ever since the Great Depression when our banks began to fail, but recent announcements that the IRS will soon begin peeking into the average American's bank account trolling for transactions over \$600 has spurred a new run on the banks by worried customers. About six years ago CBS News ran a story about the 'home banking' trend and estimated that 28 million of us had decided to give our banks the heave-ho because "...of mistrust, cultural and language barriers or a belief that by the time all the bills are paid, there will be nothing left for an account." By the way, during the thirties over 9,000 banks failed (along with over \$140 billion of depositors' money), and in 1933 almost 4,000 bit the dust.

Researchers don't believe that the prospect of bank failures is the primary reason why customers will soon be withdrawing cash from their accounts and it's not solely because of the IRS spying either. This time it's due to our lack of faith in our institutions, our government and our government's ability to manage its part of our economy. (And no, Jen Psaki, it's not due to the Covid pandemic.) And while the Federal Reserve and the Treasury may not be investing in crypto-currency like Bitcoin it's interesting to note how fast those alternative currencies are gaining in popularity. Just what is a crypto-currency you say? According to Investopedia, "A crypto-currency is a digital or virtual currency that is secured by cryptography, which makes it nearly impossible to counterfeit or double-spend. Many crypto-currencies are decentralized networks based on

blockchain technology—a distributed ledger enforced by a disparate network of computers. A defining feature of crypto-currencies is that they are generally not issued by any central authority, rendering them theoretically immune to government interference or manipulation." If that was difficult to wade through, here is another stab at how those currencies work (again from the same source)...

"Crypto-currencies are systems that allow for secure payments online which are denominated in terms of virtual *tokens*, which are represented by ledger entries internal to the system. "Crypto" refers to the various encryption algorithms and cryptographic techniques that safeguard these entries. The first blockchain-based crypto-currency was Bitcoin which still remains the most popular and most valuable. Today, there are thousands of alternate crypto-currencies with various functions and specifications. Some of these are clones or *forks* of Bitcoin, while others are new currencies that were built from scratch."

Crypto-currencies are not backed up by gold or silver reserves so they have no intrinsic value. The value comes from the backing of the state, the trust that people have over the government and something called a blockchain ledger as mentioned above. Every regular currency has a specific value with which you can purchase goods and services. Currencies have operated for centuries on the basis of TRUST - trust in the financial system, in the government, in banks, and in people in power. We accept regular currencies without being sure about the value they will hold tomorrow. But our trust is receding into the background and many Americans are fleeing the dependency on government and are migrating to an off-grid lifestyle where self-sufficiency is the goal.

How many of us will close our bank accounts this year and head for the countryside? And next year? No one knows for sure, but one thing is for certain, the Biden Administration is pushing millions of us into a corner with its intrusive policies from vaccine mandates to FBI overreach. At some point, there will be a national pushback to the Left's abuses of power and I for one don't want to be around when it happens because no amount of crypto-currency and My Pillow mattress safes will keep us out of harm's way. Neither will our dollars. There's a reason it doesn't say "In government we trust" on our greenbacks. Think about it.

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