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Bubbles: Approaching Gossamer Limits

There are two great bubbles out there. One – the financial mania that is becoming obviously reckless, but being a party in prosperity is widely celebrated. The other is the bubble in the political markets which has become amazingly radical. But going the other way, a rapidly growing number are beginning to understand the existential threat to ordinary life, which is making the Left's promotions desperate.

Why are Dems forcing unpopular measures rather than running on policies that would be popular? Campaigning on popular ideas would place control back in the hands of the electorate, which is verboten.

Since they started in 1720, every great financial bubble reached a compelling mania and collapsed, leaving many speculators ruined within an economic contraction. One could say that the bubble reached its gossamer limit and collapsed.

The first one prompted some witty doggerel:

*"My shares which on Monday I bought
Were worth millions on Tuesday, I thought
So on Wednesday I chose my abode;
In my carriage on Thursday I rode;
To the ball-room on Friday I went;
To the workhouse next day I was sent."*

Called the "Gilded Age" by Mark Twain, the fourth example climaxed in 1873, with the "Roaring Twenties" mania becoming exhausted in 1929. Each was followed by a lengthy post-bubble contraction. All six, including the present example have common features, which methodically identifies today's mania as fully extended. One of features has been fewer people trading aggressively as fewer stocks are rising. As recorded by the "Advance/Decline" line, the number of rising stocks stopped going up in November.

Over in the political markets, the action has become reckless as control freaks and their monolithic media have commandeered the Democrat Party. And as with previously crazed political movements is compelled to control every aspect of life. It is a "crazed" movement because every previous example reached a climax of bureaucratic intrusion that became politically and economically destructive.

Essentially, during the Third Century just such a mania destroyed the magnificent order and prosperity of Rome. Conditions had become so corrupt and unfair that within the

City's population of around one million, almost half were on the dole with free bread and grain as well as olive oil.

With tribute no longer arriving as the Empire's expansion ended, taxation was raised to confiscatory levels. Finding this inadequate, the bureaucracy resorted to chronic depreciation resulting in massive inflation and rampant speculation in anything that could be bid up. Including real estate, commodities, mortgages and the equivalent of stocks.

Then both the political and financial markets collapsed and ordinary folk fled the City as it had become unlivable. Regionalism followed centralization and within a few hundred years the population was down to around 100,000, making the Eternal City an irrelevant relic.

Actual damage done by "barbarians" was minimal. Rome fell apart because there was no money for maintenance.

The next experiment in authoritarian bureaucracy ran through the 1500s and in becoming too intrusive by the early 1600s, prompted popular uprisings that accomplished a great reformation. That era of chronic inflation ended with the Crash that began in 1618.

And through the 1600s the bubble in political control faded, with England's "Glorious Revolution" of 1688 getting rid of the last absolutist king.

The secular side of the reformation has been called the Enlightenment which led to liberalism which meant individual freedom and limited government.

Sadly, this ended in the early 1900s when Communist and Progressivist movements fronted another authoritarian experiment that as with its predecessors could be now climaxing in another political bubble.

In order to fund ambition that has now become reckless, authoritarians have ramped up currency depreciation which has exaggerated the action in highly speculative stock, bond, commodity and property markets.

Despite the raves, failure in the financial markets is beneath the surface. A year ago, some 82 percent of Nasdaq stocks were trading above their 200-Day moving averages. Now, at only 25 percent many traders in speculative stocks are suffering losses.

The financial bubble is faltering and could fail.

It seems that only way the Dems can win is by importing millions of potential voters and federalizing control of the election. However, there is not enough time until November midterms for either ploy to be successful.

Some headlines suggest that the Left's political bubble has reached a reckless extent and has become precarious.

“Sens. Sinema and Manchin Defend Filibuster, Likely Crashing Hopes Of Passing Voting Rights Bill” – USA Today.

“Supreme Court’s Rejection of Biden’s COVID Vaccine Mandate”, “A victory for separation of powers.” – National Review.

“Biden compares those who disagree with to racist terrorists, to enemies of bygone eras, and Biden now has his attorney general targeting millions of Americans as domestic terrorists.” – Democrat politician Tulsi Gabbard.

Essentially, “domestic terrorists” are those who oppose Democrats.

“Democrats’ Problem is Not That They Have Bad Leaders –They Have Bad Followers” – Paul Begala, Democrat strategist.

These outline this year’s excesses, and polls record a distinctive shift of support away from Dems to the GOP, including, Asians, Black and Hispanics.

Quinnipiac has Biden’s approval down to 33 percent, and a Gallop poll of 12,000 people reports that in the first quarter of 2021, almost 49 percent supported Democrats, essentially a 9-point spread. However, it has been, as Gallup states, a “rare” shift to 5 points in favor of Republicans. That was for the last quarter of 2021 and the biggest such change since this measure started in 1991.

Bubbles in financial and political markets have become wildly extended and are beginning to falter. A financial and economic contraction will be costly to all, but the collapse of the authoritarian mania will provide wide-spread political relief.

A wonderful step towards political reform was symbolized by the fall of the Berlin Wall on November 9, 1989. And even bigger is the potential failure of the global Left with America’s elections this November.

For those who enjoy freedom the reform will be “Glorious” – again.

