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SL: The Green Tragedy... and Red Momentum

Dear Fellow Expat:

This morning's CPI reading didn't surprise anyone except for Paul Krugman.



Garrett Baldwin
Financial Adventurer



Index Momentum

S&P 500	RED
Nasdaq	RED
Russell	RED

The embarrassing (but never embarrassed) economist has said over the last few months that inflation is falling.

The same message goes for sycophants who are:

1. Protecting their political asses.
2. Doing all they can to deflect from the inflation they caused by printing and borrowing trillions of dollars (and running massive deficits for Keynesian spending nonsense.
3. Failing basic economics when it comes to how money works.

Yes, the Consumer Price Index (CPI) came in at 3.7%. That's "Down" from the 8.5% we saw at this time last year... But it's a 3.7% increase on top of the 8.5% increase from last year if you choose to believe their numbers.

Inflation is still GOING up. Someone get the Nobel Laureate a compress for his head, as it's clear he bumped it hard while trying to claim that two years of inflationary pressures is still somehow "transitory."

Today, we saw momentum turn back negative after one day of neutral readings. Capital seems to be staying in the market, but there's been a big pump into utilities and energy in recent days. A lot of people think that the Fed is done raising interest rates.

But they're still missing the big picture. We're running massive deficits, liquidity remains ample in the global system (collateral quality isn't great though), and this spending just isn't sustainable.

The Treasury Department has trillions of dollars in debt to roll over in the next 12 to 18 months. And they need that debt to roll over at longer-term periods (see 10 years). The problem is that you're way better off buying short-term debt than long-duration bonds. And... eventually, you'll have to roll that same debt over again... and over again... and over again.

The Treasury is trapped in a cycle of its own doing. You can thank Janet Yellen, our Treasury Secretary, for this mess. History will not be very kind to the period where she went from a boring academic to an outright politician and face of reckless spending.

Speaking of Reckless

Secretary of Energy Janet Granholm is also a disaster. She's the product of a period where we now politicize everything.

Rick Perry wasn't a good predecessor. He thought that becoming the head of the DOE meant that he'd fly around the world and talk up U.S. oil and gas investment.

But running the DOE means that you're in charge of the United States' nuclear weapons supply.

Now, we have Granholm, who thinks her job (aside from massive insider trading on government spending bills) is to drive around the country and tout Electric Vehicles.

Which is what she did last week. The problem is that the EVs ran out of juice rather quickly. The DOE will not promote Tesla (the

Biden Administration hates Musk, even though Tesla has the best EVs and chargers on the market). So, Granholm traveled from South Carolina to Georgia - and planned a stop in Augusta to charge the vehicles.

There weren't enough of the chargers available. So, the people traveling ahead of the DOE - which planned to create a big photo op spectacle - blocked off the chargers (with gas-powered vehicles) until Granholm arrived.

Turns out, a family needed that charger (including a pregnant passenger). The family called the police on Granholm's caravan.

Despite the billions we've spent on this transition, we still have plenty of infrastructure problems and a lack of chargers.

And when your entire schtick is to play public relations - instead of fixing the problem - nothing will get done.

We have a competence problem.

And it's about to get worse.

Good News and Bad News

Now - there is good news in the alternative energy world.

If the U.S. wants to achieve this energy transition, it will require an incredible amount of [lithium, copper, cobalt, and other materials](#). There's just one problem.

The U.S. is [overly reliant on foreign nations](#) - especially for lithium. That could change... in a big way.

On August 31, scientists from Lithium Americas Corporation, GNS Science, and Oregon State University reported something remarkable.

They might have discovered the single largest deposit of lithium... not just in North America. But in the entire world. The so-called McDermitt Caldera - roughly 22 miles by 28 miles in size - sits on the border of Oregon and Nevada.

There could be between 20 million and 40 million metric tonnes of lithium, enough to create a vehicle battery for about 50% of the global population.

This would dwarf the amount of lithium in Chile and Australia.

What incredible news, right?

Well - let's see how this administration operates. Remember, our head of the Bureau of Land Management is a creative writer who ran a salsa company and became a lawyer and career politician. She's the one with so much knowledge about land formations that she canceled all drilling permits in Alaska.

She's also welcoming the shuttering of oil-and-gas projects in [the Permian Basin over a lizard.](#)

Meanwhile, courts out West have rejected calls to protect other endangered species in the region where this lithium exists. When it comes to D.C. these days - you never know what the rules will be, and you have zero idea if they are going to shut down mines or energy projects over a spotted reptile or bird at any given moment.

[This administration plays Calvinball with U.S. energy policy](#) regularly, and it wouldn't stun me to see a lot of dark money pour into the non-profit legal centers that do nothing but stop to promote economic development in the United States.

We could be the richest lithium producer in the world..

But watch these people mess it up.

They can't even charge a vehicle properly..

Let alone promote the development needed to fuel the EV transition that they are forcing on all of us.

Meanwhile... be sure to see this article from the Census.

They're likely celebrating this one too. Income inequality is dropping... because everyone else is getting poorer. Slow clap.

U.S. Census Bureau @uscensusbureau · 7h

Income inequality declined in 2022 for the first time since 2007, due primarily to declines in real median #HouseholdIncome at middle and top #income brackets.

Learn more about income inequality and how it's measured on #AmericaCounts: [census.gov/library/storie..](https://www.census.gov/library/stories/2022/08/2022-income-inequality-decreased-for-first-time-since-2007.html)

#CensusData



AMERICA COUNTS
**2022 Income Inequality
Decreased for First Time
Since 2007**
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