

Why Tariffs Miss the Real Story

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The excerpt below paraphrased from Kevin Bambrough's twitter page. Kevin was founder of Sprott Resources & Consulting.

Gold is replacing shitty US Bonds as a safe haven. Bonds and stocks seem to be increasingly correlated (both overvalued and dependent on QE) because both are heavily influenced by Federal Reserve and central bank purchasing activity. Ponzi stock market, Ponzi bond market. 60/40 is dead. "Bonds are guaranteed certificates of confiscation." — Franz Pick. Only an idiot wants to own US government debt with these terrible yields given the huge debts and tax cuts / lack of willingness to pay debts.

The current system of letting banks own bonds based on fractional reserves is a scam. Plain and simple. The average guy pays tax and it flows to interest rate payments that flows to banks. But the banks get to own the bonds due to 'the system'. They don't actually have the money. People need to understand that they are being ripped off by this system and then take steps to change it. US dollar hegemony is ending before our eyes.

The safe haven in my opinion is going to be real assets. Bonds are not real assets—they are liabilities owed by other entities. Frankly, I don't trust the United States to repay its debts.

Historically, the U.S. has broken trust multiple times:

- In the 1930s, they betrayed their own citizens by ending the dollar's convertibility to gold for individuals.
- In 1971, they betrayed foreign central banks by canceling the dollar's convertibility to gold entirely.
- Over the last decade, they've demonstrated that they will simply print bonds as needed and monetize them—what they like to call "quantitative easing" (QE).

QE is just a fancy term for printing money and devaluing everyone's savings by expanding the money supply.

This trend is deeply entrenched, and there's no realistic scenario where angry citizens in the U.S. willingly pay back these debts through taxation.

Op-Ed by Carmine Lombardi

Imagine a reality TV show where affluent couples don hardhats, grab sledgehammers, and gleefully demolish perfectly functional homes to replace them with mass-produced furniture from IKEA and Wayfair.

This spectacle mirrors the United States' approach to global trade and monetary policy: smashing a functional system, exploiting its advantages, and then blaming others for the resulting mess. The irony is palpable.

While the U.S. accuses the world of unfair trade practices, history reveals that it has long wielded its "exorbitant privilege" as the issuer of the global reserve currency to extract wealth from other nations.

The U.S. dollar's dominance was cemented at Bretton Woods in 1944, where the dollar became the linchpin of global finance, convertible to gold at \$35 per ounce. This arrangement allowed America to finance its post-war ambitions by effectively printing money that other nations accepted as valuable. However, by 1971, the U.S. abandoned gold

convertibility under President Nixon, breaking its promise to foreign central banks and shifting to a fiat currency system. This move unshackled America from fiscal discipline and enabled decades of unchecked monetary expansion.

Since then, the U.S. has leveraged its dollar hegemony to run massive trade deficits—importing far more than it exports—while exporting inflation and financial instability to the rest of the world. Over the last 50 years, America has consumed approximately \$46 trillion more in goods than it has produced, financed by issuing debt denominated in dollars. This system allows Americans to enjoy cheap imports while other nations toil in sweatshops producing goods for a currency that can be devalued at will.

The Federal Reserve's quantitative easing (QE) programs exemplify this exploitation. By printing trillions of dollars to buy bonds and prop up financial markets, the U.S. devalues global savings held in dollars while inflating asset prices domestically. Emerging markets bear the brunt as capital floods out of their economies, destabilizing currencies and fueling inflation. Meanwhile, U.S. consumers click away on Amazon and Wayfair, oblivious to the labor exploitation underpinning their purchases.

Yet, in a stunning act of hypocrisy, American policymakers now decry being "ripped off" by trading partners like China or Mexico. Tariffs imposed under this narrative are



counterintuitive; they disrupt global supply chains while ignoring that America's trade deficits are self-inflicted by its overconsumption and underinvestment in manufacturing. The real "rip-off" lies in decades of monetary manipulation that enriched U.S. elites while hollowing out domestic industry.

This cycle cannot sustain itself indefinitely. Bonds—essentially IOUs—are liabilities dependent on trust in America's ability to repay its debts. But with mounting deficits and no political will to raise taxes or cut spending, that trust is eroding. Real assets like gold, silver, and commodities are emerging as safer havens because they are tangible stores of value immune to currency debasement.

The U.S.'s history of breaking promises—from ending gold convertibility for individuals in 1933 to abandoning it for nations in 1971—shows a pattern of prioritizing short-term gains over long-term stability. As global trust wanes, de-dollarization efforts are gaining momentum. Nations are exploring alternatives like bilateral trade in local currencies or digital assets to reduce dependence on the dollar.

In truth, America's "grift" has been remarkably effective—but it is also unsustainable. The world is waking up to this reality, leaving the U.S. with fewer walls left to smash and fewer excuses for its self-inflicted economic woes.



Kevin Bambrough  @BambroughKevin · Apr 8



In fact.... They have the nerve to print all this fucking money for the last 50 years and spend it buying approximately ~\$46 trillion of more goods than they produced for the rest of the world. (Inflation adjusted)

So... it's pretty amusing when you understand what's actually happened. The reality of the situation is that the USA created trillions out of thin air and spent it around the world. But now they are pissed off and are spewing a narrative that they've been ripped off.

Completely ignorant of the fact that people around the world worked their fingers to the bone in sweat shop factories making goods for them only to receive dollar bills that just rolled off a printing press after a few key strokes by banker.

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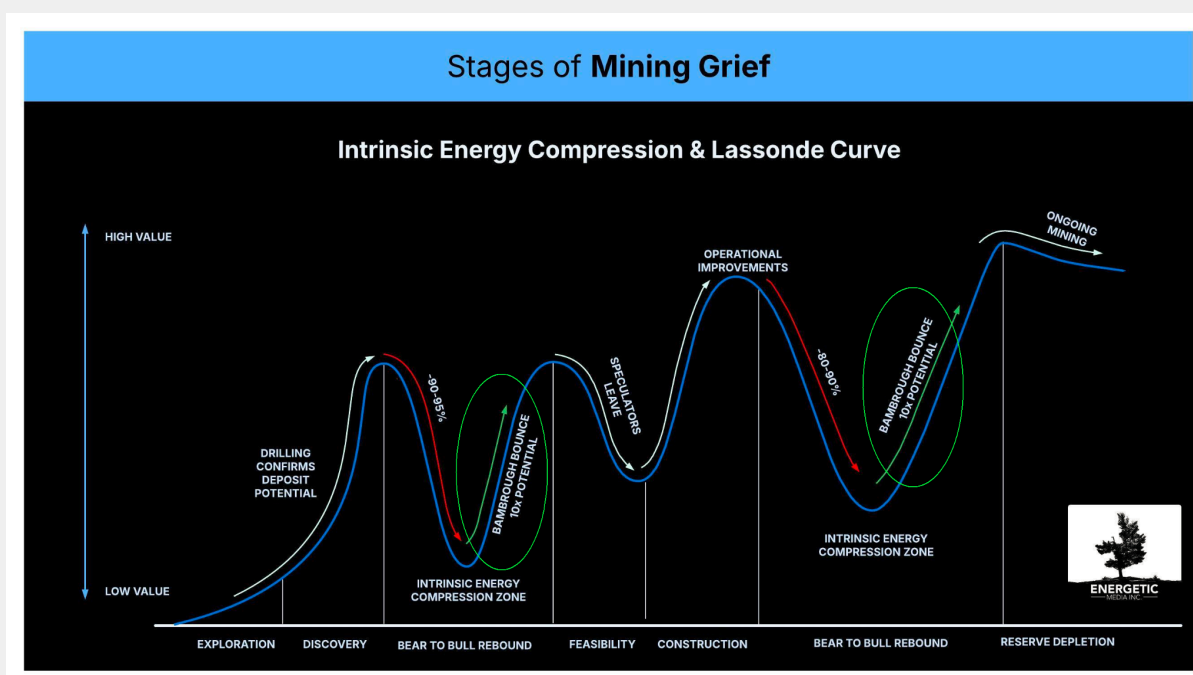
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Intrinsic Energy Compression Zone



When it comes to mining, all I really care about are the Green Arrows in this chart I've made. Exploration works well in some commodities where the geology is consistent.

But the best risk-reward comes from buying in what I call the '**Intrinsic Energy Compression Zone**.' That's the point where someone else has invested a huge amount of energy in a property, and it's trading at a massive discount to that value. The snapback or bounce-back is my bread and butter. Life is short, so I focus on these moments in different commodities and spend the rest of my time away from the office, out exploring the world.

It's very rare that I'm not rewarded when I follow this strategy. Dilution while waiting for the rebound is the main risk. But when you buy things at a ~90% discount to the energy invested in a good asset, it's just a matter of time until you get paid.

Over 5-10 years, I'm always confident I'll get 2-3x at least. But very often, you can see 3-5x in a couple of years or +10x when both demand explodes and supply suffers in your chosen sector.

FYI, I've arbitrarily drawn in a couple of bear markets on the typical Lassonde Curve. They can happen at any time. During exploration, expect a 90-95% loss or more. When producing, 80-90% losses are common.

I like owning things that are thrown away and only need time to revalue them. Uranium stocks, in particular, are in this phase right now despite the bull market in nuclear power just ramping up. Stocks got way ahead of themselves and have corrected sharply—so I've been buying.

Note: I stopped the green lines short of the peaks. I don't try to get every last dollar out of a bounce. With eyes open, we can often find another sector to roll into that presents far better risk-reward after the bulk of the recovery has occurred