

**THE
LOCKDOWN
DIARIES BY
BILL &
ELIZABETH
BONNER**

The Lockdown Diaries

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and

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We visit Gualfin, our ranch in Northwestern Argentina, once a year, just to make sure things are running smoothly.

It is a remote place, five hours from Salta city on a dirt road. Because it is so far from civilization, we always imagined that it would make a good refuge if things got really tough. A serious war, maybe... a global computer or internet breakdown... fuel shortages... riots...

Our only worry was that, when a crisis came, we wouldn't be able to get here. Planes would stop flying. Borders would close. Credit cards would be useless.

But in March 2020 we were lucky. International flights didn't stop until just after we landed in Salta. We made it to the ranch a few days later, and were told we couldn't leave.

Which was just fine by us. We had nowhere to go, anyway.

SOCIAL DISTANCE

March 16

Your editor has a long history of lung trouble. Were he to get into mortal combat with the C virus, he would put his money on the bug. Yet, by dumb luck, he has found a refuge so remote yet beautiful that he's beginning to look forward to three-months' house arrest...

Flights from America and Europe have been banned. Argentina has a few cases already; it doesn't want more. We arrived the day the ban was imposed, spending two nights at a nearly-deserted hotel before setting off for our exile.

"I don't know if we'll be able to get back home," said an American woman at the hotel. She and her husband had come as tourists. But now, being a tourist has become a challenge. Flights are canceled. Events are postponed. Museums, theaters, and bars are shut. We'd hoped for lunch at a well-known restaurant, but were turned away.

"A tourist showed symptoms," explained a guard. "We had to close."

We drove from Salta to Cafayate (the center of the wine business in the Calchaquí Valley), and then up the valley to the tiny settlement of San Martín. Rain had washed out the main road in places. We put on the 4×4 drive and plunged through the mud. But, when we finally got to our farm, the river was too swollen to cross.

Typically, when the water is high, we cross either on a tractor or on horseback. But the water level was so high, and the current so swift, that we couldn't do either. Fortunately, there is a rickety footbridge a mile downstream. A wreck when we bought the farm, it has since been repaired, though still felt a little funky.



Elizabeth crossing the river



Last leg of the trip

We bought the farms at San Martín two years ago. They had been abandoned 20 years before, but it looked like the old irrigation canals could be cleaned out, and the fields cleared, so that we could plant alfalfa. Our cattle at Gualfin nearly starved to death in drought years and, since there is a rough trail over the mountain from the ranch to the farm, we figured we could drive them down here in the winter months to give them more to eat. So far, the plan is working. We have 300 acres of green grass, and the young steers that we sell are twice as heavy as they used to be.

San Martín also had a broken-down adobe house. We had no use for it, but it was too nice to let go to ruin. We put a local crew on the case, giving minimal instruction. But things have a way of getting out of control, especially when you're not on the site. One "might as well" turned into another "might as well." And, when we arrived at the house, we found they had rebuilt the old ruin into a delightful, even elegant, place to live.

"What a place to enjoy the end of the world," said Elizabeth.

Talk about social distance! We are in a dry, sparsely-populated area. And we are on the far side of a river, with only the footbridge that most people are afraid to cross. Nobody is going to "drop over" for a visit. No postman delivers the mail. And we have no reason to leave. Here is where we fatten our calves. We grow onions, lettuce, potatoes, and beets. We have a spring for water. And we've brought down a stock of our own wine, enough for a couple of months.

No conferences. No coffees. No drinks. No PowerPoint or meetings. No cocktails. No tête-à-têtes. Nowhere to go. Nothing to do. What a charming interlude! Most of our life is spent getting and spending. Now, we can do neither. A period of enforced idleness; a pause in the rush of life. Like moments spent in a quiet graveyard, or on the edge of a cliff, we are only a step away from eternity.

In *The Decameron*, 14th-century author Giovanni Boccaccio sets his tale in an abandoned countryside villa, to which ten young people have fled to escape the Black Death. They pass the time with tales, some of them so racy they were scrubbed clean by translators.

And now, here we are in San Martín, waiting, and wondering how it will all turn out...

TIMES OUT OF JOINT

March 17

We walked back over the bridge, retrieved our truck, and drove up to the ranch in Gualfin. The two properties touch, but it takes two hours to drive from one house to the other. Normally. But the times are out of joint. The madness in the markets and the battle with the bug seemed to have spilled over into the weather.

This is a desert. But a storm on Saturday night brought so much rain that it washed out the roads and swelled the rivers. We arrived at the Molinos River about a half hour after leaving San Martín, bumping over deep ruts and gunning our 4×4 through puddles up to the door frames. On the far side of the river, we saw a truck and a motorcycle. An old man stood beside the water.

"Can we make it across?" we asked.

"Nobody's getting across. Where are you going?"

"Gualfin."

"Oh, no way. The road is cut. You'll never get up there."

Then a young man approached. He had another message.

"You have a 4×4? I saw one get across. You can probably make it."

We decided to take a chance.

"Can we go with you?" the young man asked, as a woman and a small child appeared out of nowhere.

"Sure, hop in."

He might have regretted it. It turned out to be a long, difficult trip.



Your editor on the right not helping

We made it, just about, in the end. But we couldn't stay long. More storm clouds were gathering. And, if it started raining again, who knew where we'd get trapped, unable to get back home?

A LETTER FROM ELIZABETH

March

Dear Friends,

We arrived two weeks ago, just shy of midnight, here in the valley of the Calchaquí river. Our plane landed in the small provincial airport of Salta city. An official stood waiting to take the health forms all passengers had filled out on the flight from Panama, though with no apparent interest in the condition of any of the new arrivals. Tired families, worn-out shoppers, and three foreigners, we streamed through immigration with no questions asked and no temperatures taken. But within the next 24 hours, Argentina had barred all flights from the United States and Europe. Days later, the border closed to all foreign travelers.

By then, we were safe in the fastness of San Martín, our new farm on the banks of the *río* Calchaquí. Worries about an epidemic seemed as remote as this house on the far side of the violently rolling river, swollen by a season of uncommonly heavy rain. It's hard enough for a healthy person to get here. It was actually impossible for any vehicles in the vicinity, including our largest tractor, to get to our side of the river.

We crossed the stream over a swaying suspension bridge, strung from the bank of the river to the side of a cliff on the facing side. The last time we'd set foot on this contraption was six months ago. One of the cables had frayed loose and, like a big pompom, the rusted end was twisting in the wind. Most of the floor boards were missing or dangling over the waters below. We went a short distance. Then prudence overwhelmed us.

The bridge is almost a hundred years old. The grandfather of our neighbor built it. One day, it's said, he rode his horse across it. Of course, those were heroic times... when Indians still came down from the high *altoplano* every summer with mule trains loaded with skins and salt, and bartered with the farmers for flour and sugar. When the old Spanish families, descendants of the *primeros pobladores*, were still ensconced in their *fincas* as *terratenientos*, the landholding aristocracy of northwestern Argentina. When there was yet to be a Peronist Revolution, let alone compulsory schooling or buses linking the Calchaquí Valley with Salta and the rest of the nation.

The bridge had been repaired. The descendant of the great man, whose force of personality had overwhelmed a horse's natural caution, had fixed it. Or rather, Don Ramón's own forceful personality had coerced the Municipalidad of Molinos into sending heavy machinery to pull the broken cable back into place and tighten the other.

The municipal cement-mixer had poured in a new footing to anchor the cables. Our own Monzón and his brother had written their names in the cement, repaired the treads, and strung new wires for wavering. The bridge is now a safe if spectacular way to enter the *finca* of San Martín.



Monzón and his brother repaired the bridge

The farm's driver, Miguel, drove us down through the rough pasture to the water's edge. The dirt road was passable, but it ended at the ford – now too treacherous to use. We got out of the truck and

began to walk up the planks of the bridge. Between the chinks, we could see the brown roiling depths of the stream. Above, the vast blue sky was filling with dark clouds. They were accumulating in the mountains that loomed to the west. The wind picked up. We swayed onward to take foothold on a ledge in the cliff.

Our porters followed. Miguel and Cristián, Pablo and Antonio carried the new coffee maker, four suitcases, a wooden *caja* of vegetables, and boxes of books on their shoulders. They are part of the seven-man crew that work our farm, the twin *fincas* of San Martín and La Arcadia.



Welcome help with our luggage

La Arcadia, now dwindling into the distance, is on the west side of the river. Here, marshy pastureland borders the water. In the rich bottomland out of reach of floodwaters, fields of alfalfa and corn grow for our cattle. In other fields, *la gente*, the five or six families that live on the *finca*, grow the cash crops of the Calchaquí Valley, onions and peppers. From our height on the cliff, we can see the bright white walls and even brighter silver-colored roof of the village church, with its two steeples – one framing a cross and the other supporting a bell to call the faithful to prayer.

As it was our first entrance into San Martín since our visit last year, we met with a triumphal reception. The big red tractor was hitched

to the yellow *acoplado*, the farm wagon. Our luggage, followed by the farm managers – the *encargado* Sergio and the *capataz* Antonio, mounted with us into the wagon. The other porters hitched a ride with the *tractorista*, Luís. Luís, who came to shake our hands, is part of the nobility of the fincas' labor force. He is the only one who drives the big tractor and the baler; driving machinery is all he does. Miguel and Cristián may be allowed to drive the old tractor and the farm truck, but they pick up a shovel with the rest of the crew when it is time to clean sand out of the *asequias*.

In short order, we were at our new house. The last time we had seen it, the *sala* was still a construction site. We had been there to choose a hue for the adobe wash that would cover the outside walls, and to try to imagine the garden in the courtyard. We were choosing patterns and colors of encaustic cement tiles, to be made for us in Salta city, for bathrooms and the kitchen. And although alfalfa was then growing where once there were flood plains and strewn rocks, the land around and stretching for miles behind the house was desert. Monzón, the mason, carpenter, and roofer, and his crew had made their kitchen under the *molle* tree in front of the house. A goatskin dried in the branches. The goat's carcass was dripping into a bucket. A big pot was bubbling on a fire.

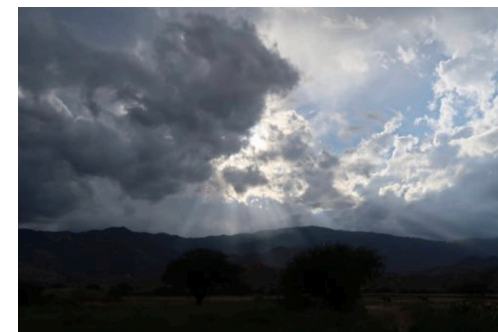
But now, the *molle* tree had been pruned into a pleasing shape, clean of broken branches, dead twigs, and goat parts. In front of the house, young lavender plants were striving to take hold. The courtyard was festooned with zinnias, purple-trumpeted penstemon and the blue sprays of hardy sage. Climbing Pierre de Ronsard roses, with soft pink and white blooms, ran up the pillars of the verandah. A fountain fed a semi-circular pool against the side of a wall. Ripples caught the afternoon light. Water overflowed the pool's edge into a canal lined with smooth grey river stones. It flowed around a patio with a millstone inset in the center, and murmured away toward the *asequia*.



The millstone set into the patio

A plump dove trilled from one of the majestic *algarroba* trees near the house as we were greeted by Ines and her husband Pedro. Ines would be our cook and housekeeper. Pedro works with the cattle and is also responsible for the garden. Ines had made dinner, an *asadito* cooked in the wood-fired oven. We turned away from the deepening twilight to go inside, taking a last look to the west.

Beyond the garden, beyond the fields bordering the silver band of the river, beyond the foothills rising behind the village of La Arcadia, loomed the mountain range that separates us from the high plane of Gualfin, our first home in Argentina. Amid the gathering clouds, rays of the setting sun burst forth, shining on the fields of San Martín.



The end of the rainy season brings a few last storms

We went inside. The house was yet sparsely furnished. But in the living room stood an immense grand piano. It had belonged to another Salteño of the heroic age, Robustiano, the grandfather of another friend. Robustiano had been the richest man in northern Argentina in the nation's gilded age. He founded what is still the largest sugar refinery in South America. He had run for president and been a political opponent of Perón. He'd also owned his own *finca* in the mountains of the Calchaquí. The piano was a gift from our friend, linking our own time to the past.

Don Bill sat down on the tapestry-covered piano stool, wondering if his fingers would remember old tunes.



Robustiano's grand piano has found a new home

THE POLICE COME KNOCKING

March 18

A rider appeared in the distance, silhouetted by the setting sun on one of the hills that separated us from the house. He rode down the hill towards us as we rode toward him. It was Pablo, the young man who takes care of the cows.

"The police are looking for you," he said.

This did not sound good. We rode back at a trot. There on the porch was a policewoman, a doctor in hospital clothes, and a couple other women, one wearing a face mask. Another group crouched under a tree not far away: local men, a couple of whom we recognized as our own farm workers.

"What can I do for you?" we asked as we dismounted.

"How long have you been in Argentina? Do you realize that you're supposed to be in quarantine?"

"We couldn't be more quarantined than we are here," we replied.

But the team was polite. The fellow in hospital gear was bored. The policewoman remained steadfastly dour. And the nurse with the mask was cheerful. We remembered her from her visits to Gualfin. And she remembered us.

She gave us a copy of the government decree, forcing us into quarantine. We signed it. She asked us to call her if we developed any symptoms of the disease, and then they said goodbye. Each of them shook our hands, and the friendly nurse removed her mask to give us a kiss on the cheek.

We turned our attention to the motley crew under the *algaroba* tree. As we approached, the leader began to speak, but he had such a local accent that we could barely understand a word. The others laughed. Including our own *capataz* (foreman), Antonio.

Gradually, though, his meaning became clear. They had come from Cafayate to work on the screen doors, but one of the men in their group, upon hearing that foreigners might have the dreaded plague, refused to cross the river.

“He must be *loco*,” said Pablo.

“If you guys come to work tomorrow, we’ll keep our distance, ok?”

The next day, only three came. The fourth must have gone home.



The carpenters at work

EASING THE DOUBT

March 19

The fever worsens. London closes subway stations. Friends in France say visits from children have been forbidden. Seattle, says *The Wall Street Journal*, is a “ghost town.” Stock markets are knocked out as investors realize how fragile the financial system has become. And politicians and meddlers become delirious, making things worse.

So we feel lucky our valley is sparsely inhabited and bordered on both sides by deserts and high mountains. Either way you go, you can only go on horseback, and it will take days before you come to another living soul...

In addition, we are on the far side of the rain-swollen Calchaquí River, reachable only by footbridge. And, as a final protection, the fever has put us under house arrest, imposed by the local health authorities. There are roadblocks on the main drag up and down the valley. Foreigners are confined to houses and hotels.

“What luck,” said Elizabeth yesterday. “We barely made it, but it’s so nice to be here.”

She’s right. The view is magnificent. And the house, though basic, is comfortable. Meat and vegetables are carried over from the farm. We heat with wood fires. And we have the financial news to amuse us. We also have a fulsome supply of our own wine to ease us through any moments of doubt and despair...

THE DECREE GOES OUT

March 20

Last night at midnight, a ban went into effect here in the Calchaquí Valley. We were already under house arrest. Now everyone is.

Yes, a decree went out from Caesar over all the land. People are to return to their homes and shelter for a fortnight. A panicky pow-wow was held on our porch.

“What are we going to do?” asked our *capataz*.

“You can’t stop working,” pointed out a neighbor who had ridden over on horseback. “The cattle must be fed. We’re farmers. We have to work, no matter what the government says.”

“I know,” continued the *capataz*. “The grapes are ready to harvest. If they don’t get picked next week, the whole year’s production may be lost. But the road up to the ranch is so bad that the truck can’t get up there to collect the grapes. I called the local government. They said they couldn’t do anything because everyone is supposed to stay home. And our grape pickers come from a different town, so they’re not supposed to come up to the ranch, anyway. If you get caught on the road, they’ll put you in jail. At least, that’s what they’re saying.”

Grapes not picked. Wine not made. Bottles not shipped, not stocked, not bought. Even in our dinky wine-making operation, it represents a whole year’s worth of work – lost. Revenue is used to pay wages, buy fuel and keep the enterprise going. Now it may disappear. Multiply that by a few billions, and you have today’s economic crisis.

And we are just at the beginning.

A PALE HORSE

March 23

This morning...

... Italy has blocked internal travel...

... three out of four U.S. small businesses say sales are down...

... James Bullard, president of the Federal Reserve of St. Louis, says U.S. GDP could be cut in half, worse than the Great Depression...

... the bond market staggers as issuers, including the federal government, desperately try to raise money...

... and the “rescue” package in Congress has grown to \$2 trillion.

It’s starting to look like Revelation’s pale horse. In fact, with a total of just 470 people dead, the U.S. is in such a tizzy, you’d think a whole cavalry of riders, white as chalk, had appeared on the White House lawn, led by the devil himself. “Emergency war powers” are being invoked to fight a “war” on a molecule.

But a pale horse appeared back in 1918 as well. In a few months, the Spanish flu killed some 675,000 Americans, equivalent to about 1.2 million today. Cities and local communities coped as best they could. But there was no panic. No state of emergency was proclaimed. No “shelter in place” orders were given. No face masks were distributed. No testing programs put in place. No stores closed. Nobody (unless he was actually sick) failed to show up for work.

The only major public health initiative, undertaken in some cities but not others, was that schools closed early for the summer. And what the authorities didn’t do for citizens’ health, they also didn’t do

for their money. No “stimulus” was given, deficit run, interest rates cut. There was no emergency spending or helicopter money. Stores remained open. Steel furnaces ran hot. Restaurants served meals.

Unemployment grew, mostly because of the soldiers coming back from the war in Europe. But, by the end of 1919, when it was all said and done, it had risen to only 4%. Otherwise, things continued as usual. U.S. debt went down. And the stock market went up!

Back in 1918, America still had a more-or-less free economy. Its price signals were still reliable. The Federal Reserve had been set up, but not yet flexed its muscles. The dollar was still backed by gold, limiting the feds’ power to print. The idea of bailing out a private business would have seemed outrageous. And the idea of sending people checks willy-nilly, preposterous and impossible.

But, come 2020, nobody questions it. The government has so fouled the economy that you can barely take a step without needing to clean your boots. And the approach of a virus gave it the green light to bring out the Seven Princes of Hell to do their diabolical mischief.

Already underway is the biggest money-printing scheme ever seen in North America. Businesses, weakened by Fed policies, will be bailed out. Bad managers, who used the Fed’s low interest rates to shovel billions to their shareholders and themselves, will be rescued by taxpayers, their jobs saved, their fortunes revived. Even ordinary families, whose votes will be needed, will be given bribes.

Yes, we are launched upon the wildest experiment ever undertaken in North America. We are going to find out how far we can go – with bailouts, fake money, stock purchases, government price controls, and negative real interest rates – before the whole thing blows up.

SACRIFICE IN THE TIME OF PLAGUE

March 24

The early light hits the mountain’s peak before marching down the side. In 10 minutes, there is a broad band of almost-white; a few minutes later, the lower hills turn orange. The sun has to brighten the entire world every 24 hours. That doesn’t leave it much time for us. In about 20 minutes, the whole valley is lit.



Sunrise over the valley

Here in the Calchaquí, legend has it that the local Indians thought it best to kill their leaders in times of famine or plague, as an offering to the gods. Today, we give them more power. Politico reports:

The Justice Department has quietly asked Congress for the ability to ask chief judges to detain people indefinitely without trial during emergencies.

The most important rule in the justice system is habeas corpus. But you can throw that one out, if the administration gets its way.

CROSSING OVER

March 25

The Calchaquí Valley is shouldered on both sides by mountain ranges. To the east are some rugged mountains, not so high, that are more like a forbidding fortress wall. Lit up in the afternoon sun, they look impassable. Unlivable. No grass or trees. No water. And what's on the other side? No one here knows. No one has ever crossed over.

“Though I'd like to,” said Antonio, who has lived here all his life.



The wall

But to the west is a different range. Higher, bigger and more familiar, these might be mountains in Arizona or Colorado. When water falls in the summer months, they turn green with vegetation. From our office in the valley, we can make out Gualfin, our mountain ranch.

As close as the two properties are, they are completely different. San Martín is a valley farm. The people here are farmers. For centuries,

their ancestors have tilled the rich valley soil, digging canals to bring water where it was needed. They go about on foot. Horses are rare.

The Spaniards arrived in the valley in the 16th century, soon taking up with the local girls and producing a mestizo race. So the Spanish presence is more pronounced down here, and the people appear more European than those in the high country. They are softer, like the easier climate of the valley floor.

Up in the mountains, meanwhile, people almost live on their horses. They are herders, not farmers. And they are accustomed to hard living, with cold temperatures and fierce winds. Different people.



Antonio doesn't ride

IF YOU KNOW

March 26

The public health nurse came yesterday, bringing two pieces of paper, one for each of us. They certified that we are virus-free.

“But you still can’t go anywhere,” the nurse explained. “The whole country is shut down. There are roadblocks up and down the valley. Better to stay here. Besides, this is probably the safest place in the world. And everything is so strange out there.”

Yes, out there...

“Poor Margaret,” Elizabeth said. “Her daughter is getting married, but they had to call off the ceremony.”

No wedding, no wedding cake. No hall rental, no party favors. No band. No caterer. No drinks. All around the world, things are not happening. Money is not being spent – or made. The virus is what it is. But there’s no natural calamity that the government can’t make worse. This is no exception.

While the U.S. Congress wisely did nothing to impair the economy during the Depression of 1920, it foolishly took up another cause: prohibition. With the Volstead Act, it outlawed alcoholic beverages. Booze was bad. It ruined lives. Workers didn’t show up for work. Marriages broke up. Violence. Indolence. Death.

But the Angel of Temperance turned out to be worse than the devil. Violence increased and mobsters flourished. Alcohol consumption actually went up, as did booze-related deaths, since bootleggers were less careful than normal distillers.

And now here in the valley, and in much of Europe and America, is a prohibition more far-reaching than any the world has ever seen. People are prohibited from going about their usual business. “Lives are at stake,” say promoters of the freeze. But do any of them know what misery they cause? How many marriages will end? How many will never happen? How many retirement plans will be forfeited?

In poor countries, how many will be forced to trim food budgets and medical expenses? In rich ones, how many will take their own lives? In America, a two percent rise in the suicide rate would be about equal to all the deaths from the C virus us far.

Regardless, the rules are being strictly enforced.

“Don’t leave the property,” our lawyer cautioned. “They put 600 people in jail for violating the quarantine. I don’t think you’ll be able to leave until after the end of the month.”

So, here we are, making the most of it.

“We’re so lucky,” Elizabeth announced, not for the first time. And she’s not wrong. We’re quarantined on thousands of acres. We have sun all day. Warm temperatures, cool nights. Spring water. Wood heat. Beef. Vegetables. Wine. What more could we ask for?

Not much. Except maybe to know what lies to the east, beyond that forbidding crest of mountains. Maps show an abandoned uranium mine. But no one here seems to know where it is.

“I’ve never been,” says our neighbor, Ramón. “But many years ago, my father made a road out there. People said he was crazy. And they were probably right. But his idea was to be able to get to Salta without having to cross the river, since sometimes you can’t.”

Intrigued, we rode out yesterday evening.

“See there,” said Ramón, pointing to where the evening sunlight shone on a large red hill, distinct from the ridge of gray. “There’s a

break. That's where the road goes. Then you get to another pass, through another spine of hills, and then you are in the valley that will take you all the way to the Black Mountain. And there is a little village there, where you'll pick up a road."



The Black Mountain

"Is the trail obvious?" we wondered.

"Oh yes," he assured us. "If you know where you're going."

DRÔLE DE GUERRE

March 27

While much of the rest of the world is at war with the virus, our old friend Byron King notes that we are fighting a *guerre du luxe*-down here in the valley, happily isolated from the enemy while enjoying the wonders of nature.

He might have a point. But we end this week by noticing that, really, the whole thing is a *drôle de guerre*. In the trenches opposite us is said to be a savage killer. But it's just a virus with a PR firm. It's gotten more press than any ailment ever visited on the human race.

If it were a stock, it would be overexposed, overpriced, overhyped. We would sell it short.

THE PHONY WAR RAGES ON

March 30

The “war” against the C virus raged over the weekend. Donald Trump called the bug “the silent enemy” and invoked war powers to force major industries to manufacture ventilators.

The Washington Post reports civilians fleeing before invading forces:

From beaches and resort towns to mountain cabins to rural homesteads, places far from densely packed cities are drawing people eager to escape from infection hotspots.

The New York Times reports the same thing in Europe, separating the haves from have-nots:

In France and across Europe, affluent city dwellers have been decamping from epicenters of the crisis to their second homes, where proximity to the sea or the mountains lessens the discomfort of confinement.

But who’s the real enemy? PR’s favorite molecule? The damage done by the feds’ reaction? Or something else, something deeper: a desperate, last-ditch war to protect a fraudulent financial system, the ersatz “wealth” of the elite and their decrepit empire?

Over the last three decades, a bogus “stimulus” program impaired the economy’s immune system and created the biggest bubble in asset price history. The “deus ex virus” has come along and popped it, like a machete through a birthday balloon.

The feds point the finger at God. And yet, while perhaps no one foresaw the approach of the molecule, you’d have to have been blind not to see the financial disaster coming.

WHEN THE GOING GETS CRAZY

March 31

We feel like a couple shipwrecked on a South Sea island paradise.

We still can’t drive across the river, but a fall in the water level made it possible to cross on horseback. We rode up to the dusty village that sits on the edge of the farm. There are about six houses, a church, and our farm buildings where we keep tractors, harvesters, disks, rakes, and so forth. We saw familiar faces, like Sergio, who keeps the farms supplied with parts and fuel, and Monzon, a builder who is raising the roof of our storage shed.



Crossing on horseback

And there, too, was Ramón. Ramón is a larger-than-life character. He knows everybody in the valley, and everybody’s business. In wide gaucho pants, suede boots, and a cowboy hat, he rides a Peruvian Paso Fino horse. He came out to greet us as we rode up the lane. He speaks with a very local accent and in very colorful expressions. But

we picked up enough to know that he was insisting we join him on a tour of the property.

The farm lies on both sides of the river. On the far side, where our house is located, we have small corrals for cattle and horses, but the rest of the land is planted in alfalfa. On this side, the property goes over to the main (dirt) road that runs from the tip of Patagonia in the South all the way to the Bolivian border: Route 40, the road Che Guevara supposedly rode on his motorcycle.

Near the road, the local people grow onions, pimienta, tomatoes, corn, squash, watermelons, and other kitchen crops. The onions, especially, are profitable for us all. The locals do the hand work. We prepare the earth with our tractors, pick up the bags of onions, arrange for sales, and handle the paperwork.

We rode along, inspecting the canals, checking the quality of the crops, talking about where we were going to rotate out of onions and into oats or alfalfa. Ramón has it all figured out, a plan for everything. Down along the river, the ground is too salty and too prone to flooding for normal crops. But we will plant *festuca*, which we presume to be what we call “fescue” in America.

Back with the others, the conversation turned in a familiar direction.

“Can you believe what’s going on?” Sergio said. “It’s like everyone has gone crazy. We have no cases here in the valley, but I had to go through six roadblocks just to get here. We’re not even allowed to go into Molinos to buy fuel.”

“Crazy?” Ramón rolled his head backward and roared. “I’ve been living with craziness all my life. One disaster after another. You’re lucky,” he continued, pointing at us. “Here in Argentina, we’re so used to craziness that we couldn’t live without it. It’s the craziness that keeps us sane. You don’t have that problem in America...”

“I’m not so sure,” was the most we could say.

“I remember,” Ramón went on, recalling the inflation of the ‘80s, “you’d go out for a beer and a cigarette and, while you were sitting at the bar, the price of the beer would double.”

He roared again.

We’ve known Ramón for at least 12 years. It was from him that we bought our ranch. The property settlement was our introduction to doing business in Argentina – that is, in a corrupt, inflation-ridden economy. The settlement took place in Buenos Aires, and Ramón was out of place. Crossing the street through the anarchic traffic, dressed in his gaucho outfit, he would step out on the street and almost defy the drivers to run into him.

“Look at him,” a big-city lawyer remarked. “He thinks he’s back in the province, walking through a herd of cattle.”

But Ramón knows “crazy” as well as anybody does.

“And you know something,” he says. “It’s never quite as crazy as you think. There’s always someone with his hand in the cookie jar.”

He might have a point. In the U.S., so many hands reached for the cookies last week, it took 800 pages in the CARE Act to list them all. Congress was giving away the equivalent of 10% of GDP. Who didn’t want a hand in that?

Perhaps the most appalling thing of all was that Congress passed this monstrous bill on a voice vote. Only one member of Congress objected, and he was widely ridiculed – as though he was stopping an ambulance from getting to the scene of an accident.

THE JOKE'S ON US

April 1

We considered writing a special April Fools' issue of the *Diary*. But nothing we could think of was as sensational as actual events.

SALVAGING THE HARVEST

April 2

Yesterday, a gray pickup truck appeared at the kitchen door.

“How did you get here?” we asked.

“I drove across the river. It looked ok, so I just decided to try.”

“It makes me feel a little sad,” said Elizabeth. “It was so nice being isolated, with only the footbridge.”



Crossing the Río Calchaquí

Crossing the footbridge brought us to our own little refuge where we could forget about the virus, neighbors, or the outside world. Like happy island castaways, we're sorry to see the rescue ship.

Down in Buenos Aires, a friend reports, people are confined to their apartments. Each evening they gather on their balconies to salute health care workers by clapping for a few minutes.

“But last night I noticed a second display. This time, they beat pots and pans, just like they did in the crisis of the early 2000s. They were calling for members of Congress to cut their pay in half and they’re protesting their confinement. Apparently, the murder rate has gone way up from people being trapped together. This quarantine is supposed to save lives. I’m not sure it really does...”

Well, it may or may not, but it certainly damages them. Income is lost. Opportunities missed. Inventions aren’t invented. Discoveries aren’t discovered. Springtime comes, but lovers don’t meet. “You can’t put a price on life,” say the talking heads. But young people must be starting to wonder: is it really worth locking up a million of us so that one sick old man lives a few years more?

“Here in Argentina,” continued our friend, “there are lots of people who live hand to mouth. In an economy with 50% inflation. They pick through the trash, wash cars, beg. We have a cleaning lady who depends on that money, but there’s no way to get it to her. They’re not even allowed out. How are they going to survive?”

Argentine president Alberto Fernández has announced an extension of the quarantine until April 13. But, since we’re in agriculture, we were able to get a special *permiso* to go visit our ranch. So this past weekend, we walked up the river bank, and crossed the footbridge to where a truck was waiting. We piled in and snaked along the riverside until we came to the roadblock.

“What are you doing?” asked the guard. Not waiting for an answer, he added: “And where are you going?” Then another guard asked his own. “And where did you come from?”

We attempted to answer the questions in order, as best we could. The first gendarme looked puzzled. The second seemed unfriendly. In the background, in a tent they had made their headquarters, a

nurse stood ready with a respirator. After a series of questions and inspections of our papers, the first policeman finally had an insight:

“Oh, you’re the owners of Gualfin. Go ahead. And tell Gustavo I said, ‘Hello.’”

We arrived at the ranch a couple hours later. The reason for our visit was to see what could be salvaged of our grape crop. The road had still not been cleared, meaning the pickers had been delayed getting up from the valley. Were there any grapes left for them to pick?

We had a hasty lunch, then set out to the valley, about another 40 minutes further along. Inspection revealed that only about a third of the grapes had dried out. If all went well, we’d still end up with about 20,000 kilos. They’ll be extra sweet for having stayed on the vine longer than they should, but the wine might also be extra-rich. So the harvest is on! It will take about a week and a half to finish.

“Move fast,” advised Ramón. “See that?” He pointed to high, wispy clouds. “Cold weather coming. You don’t want the grapes to freeze.”

DUMB IS SMART

April 3

Jobless claims are the worst ever recorded in America. Bloomberg:

Jobless Claims Soar to Once-Unthinkable 6.6 Million

Putting that number in perspective, this is 10 times the previous all-time high, set in 1982. We watched the tape. The U.S. economy is in free-fall. Stock market dip-buyers should be running scared.

But wait... No! Bad news is good news, up is down, dumb is smart. They bid up the Dow more than 400 points. Go figure. The worst economic news ever received, and the stock market rises? Have investors completely lost their minds?

Well, yes... And no. Because the other big news was that the *federales* are on the move. Hardly had Donald Trump passed out the pens – souvenirs of one the most reckless, foolhardy, and asinine bits of legislation of all time: a \$2.2 trillion boondoggle designed to get Democrats and Republicans re-elected – than the numbskulls came out with yet another \$2 trillion scheme. RealClearPolitics reports:

House Democrats want to enact a massive infrastructure package upgrading the nation's broadband, road and water systems, Speaker Nancy Pelosi said Wednesday, in the next installment of Congress' effort to help the country weather the destructive blows inflicted by the coronavirus.

And Donald Trump was right there with her:

With interest rates for the United States being at ZERO, this is the time to do our long awaited Infrastructure Bill. It should be VERY BIG & BOLD, Two Trillion Dollars,

and be focused solely on jobs and rebuilding the once great infrastructure of our Country!

Yes, Democrats and Republicans have gotten together, Trump and Pelosi, the fools and the knaves, and agreed to put an end to the way America does business. No more give and take, no more win-win, no more getting and spending. No more free markets or honest prices.

Now, the feds are in charge. The government will soon be spending over half of GDP. And they'll destroy the rest in good time. How? The old-fashioned way: a stark-naked, sh*thole-country, money-printing lollapalooza.

Dow 50,000! A cup of coffee \$25!

SO LONG SUNSHINE

April 6

You can get away with a lot in the fog of war. And, like so many of America's wars in the last 100 years, the war on the virus is phony: a smokescreen for insiders to shift power and wealth to themselves.

Here's how it works. First, both the press and the government hype up the threat. The mob becomes hysterical. It hears lurid tales of how evil the enemy is. In WWI, Americans read about Germans bayonetting babies and mass-raping nuns. Come Vietnam, we were told the reds would reach Detroit if not stopped in Da Nang. In 1975, we were warned marijuana would make us a nation of heroin addicts. In 2003, we heard Iraq had "weapons of mass destruction."

Next, as the hysteria grows, more and more of the nation's output and energy is shunted towards the war effort. In WWI, automobile factories were commandeered to build tanks. The War on Terror chewed up some \$5 trillion. The War on Poverty cost \$27 trillion, according to a Heritage Foundation estimate.

And, finally, new "emergency" legislation gives the feds more power to keep people from challenging the "war" narrative. In 1918, the Sabotage and Sedition Acts allowed the feds to punish anyone who expressed a "disloyal, profane, scurrilous or abusive" opinion. In 2001, amid the heat of the war fever, the Patriot Act was passed, giving the government broad powers to eavesdrop, seize property, and invade privacy. It was an "emergency" measure... but its worst features are still the law of the land.

Well, the new stimulus bill repeals the sunshine law for the Federal Reserve meetings. Getting it now? We're not allowed to know what they're up to – because we're "at war" with a virus.

TAIL LIGHTS? ONCOMING TRAIN?

April 7

"The worst is behind us," says an upbeat piece of stock mongering. Many must think so. The Dow closed up more than 1,600 points.

The immediate cause of yesterday's optimism was that, as President Trump put it, we can now see "light at the end of the tunnel." The flicker he thought he saw was from the taillights of Covid-19. Cases in New York, it was reported, seemed to be leveling off. Maybe the enemy is taking the Holland Tunnel out of town...

But, if the virus is in retreat, it's because we've bombed the bejesus out of the economy. People trapped at home don't get the virus, but they also don't get or spend any money. Those who say we shouldn't allow even a single death are just not thinking clearly. Thirty-seven thousand die on U.S. highways every year. If we wanted to save them, we could lower the speed limit to 20 m.p.h. We don't do that because we're not damned fools.

Unfortunately, most national and local governments have blindly adopted measures tried elsewhere: social distancing, face masks and so forth. These have led to a drastic cutback in wages, sales, profits, tax revenues, and GDP. Those losses are real and mostly permanent.

If a man misses work one day, that day's production is gone forever. He may try to make it up on the morrow, but then loses whatever he had planned for that day. A month of idleness equals about 8% of annual GDP – that's a recession. Two months is a depression. And, like it or not, that's what the feds have wrought.

READY TO TANGO

April 8

War is the health of the state, said Randolph Bourne. And here she is, fat and sassy as a barkeep's wife, pink cheeks, a little fleshy from overfeeding: the state has rarely been healthier. Why? Because she's at war... with a virus.

Our guess is that the threat of the molecule will turn out to be much over-hyped, like the threat of the Vietcong in the '60s, drugs in the '70s, and terrorists back in 2003. Nonetheless, the feds declared war. Which is no surprise. The politicians love war. It puts the nation's resources at their disposal, giving them more power and money.

And it gives them a chance to prove our dictum: there's no natural calamity they can't make worse. How? In the time-tested way of Roman Emperors and Argentine politicians. We're all gauchos now.

The "conservatives" are technically the ones in charge, but there's nothing conservative about their policies. On Friday, for example, the president proposed paying the medical expenses of uninsured Covid victims. But what about people with cancer, lung disease, or hemorrhoids? And here's the Secretary of the Treasury with a 71% increase in funds to small business. And here's another White House wannabe, Mark Cuban, who claims to be a "fiscal conservative," with yet another plan to spend other people's money:

If you have a small- or medium-sized business, we would cover all your checks and then the Fed would reimburse your local bank for anything that you bounce. That way, you could keep all your employees employed, pay all your bills, pay your mortgage, pay your rent and utilities, and things can continue, somewhat as normal...

Normal? Normally, businesses earn the money to cover their costs. That's how a real economy works. A baker makes money by baking, not by getting a check from the government.

In 1803, French economist Jean-Baptiste Say noticed that it wasn't money that made people rich: it was output, the ability to produce goods and services. In other words, money has no value of its own. It is only given value by how the number of goods and services that are available to buy with it. Give a million dollars to a castaway, and it's worthless. Give it to an Argentinian, and he can live like a king.

But now, before our very eyes, we'll see Jean-Baptiste's insight put to the test. In this Wondrous New Age, where Anything Is Possible No Matter How Ridiculous It Is, we say: free lunches? Sure! Didn't sell any cars last month? We'll make up the money. Couldn't go to work? We have a check with your name on it. Your restaurant served no meals... your cruise ship didn't leave the harbor... nobody bought your planes? Problem solved: we'll pass out some Franklins.

Can fake money replace real output? We'll find out. But he who pays the piper calls the tune. In a healthy economy, the producers call it, because they're the ones with the money. But in an unhealthy, fake-war economy, the feds become the tune-pickers.

So open your eyes... and get ready to tango.

MAROONED ONCE MORE

April 9

It rained over the weekend. The water rose in the river.

“Great,” said Elizabeth, “we’re cut off again.”

There’s something charming about being isolated. The long quiet days without interruption. Time to notice the sweep of the wind over the alfalfa fields. Time to watch the hummingbirds visit flowers in the courtyard. Time to remember. And time to forget what we were trying to remember. Time, time, time...

But there is always something that catches our attention – things we wouldn’t have noticed in pre-confinement days. Like the Nevado de Cachi, the tallest of the mountains on the west side of the river. It is the first to catch the sunlight in the morning and, in the evening, the last to let it go. It tolls the times of day, like an ancient bell in an Italian village.



The Nevado de Cachi in the distance

DON'T SHAKE ON IT

April 10

I don't think we should ever shake hands ever again.

– Dr. Anthony Fauci

That does it for us. Now we’re convinced. America’s war on Covid is being run by morons. People have been shaking hands for 3,000 years. It is a sign of good intentions, whether in friendship or sealing a deal. It is just one of the many customs and manners that mark civilized life. But Dr. Fauci seems to think that the only thing that matters in life is not getting sick. What a doofus.

If staying alive were the only aim, we would all stay home, all the time. Like business magnate Howard Hughes, we would shuffle around our houses with Kleenex boxes for shoes and use the tissues to pick things up for fear they might have germs on them.

But did that attitude prolong Hughes’ life? When he died in 1976, he was just 70 years old. Though still one of the richest men in the world, he looked as if he had starved. He was 6’4” tall, but weighed just 90 pounds. He was so unwashed, unkempt and unfed that the FBI had to check his fingerprints to identify him.

What kind of a damned fool would want to live like that?

FALLEN HEROES

April 13

Our heroes were once people who stood up to authority. Now, the heroes – Trump or Fauci, take your pick – lock up seniors in their nursing rooms and impose on the nation a kind of martial law, with curfews, bans, interdictions, and millions under house arrest.

In Michigan you can go to the supermarket, but you can only buy the “essentials.” And what’s essential? Lottery tickets! In Baltimore, thank the Lord, liquor is included.

People have been collared for conducting church services. Gone is the right to peaceably assemble. And forget about a speedy trial or due process of law. The courts have been closed!

But almost everyone goes along. If we think it extends our lives by only a few days, we gladly sit in solitary confinement, surrender our right to worship, and give the old Bill of Rights the heave-ho.

And many gladly denounce their neighbors – for taking more than one walk per day.

WAKE UP CALL

April 14

The whole aim of politics is to keep the populace alarmed (and hence clamorous to be led to safety) by an endless series of hobgoblins, most of them imaginary.

– Baltimore’s own, H.L. Mencken

Google “Coronavirus wake-up call...” and you get more than 200 million results. It’s a wake-up call for climate change. A wake-up call for global governance. For virologists. For the Post Office...

And it seems most journalists are waking up to a desire for bigger government. Their logic is simple. Government is meant to protect us, so more of it equals more protection. “Good government is the difference between living and dying,” says a Bloomberg “wake-up”.

But a better idea might be to go back to sleep. The protagonist, the U.S. Government, has begun to reveal its fatal flaw. “Hamartia” is what the Greeks called it. It’s what turns a hero’s good intentions into tragic results. For the feds, it’s thinking they know more than they actually do, and an unslakable thirst to boss, bully and increase their own power.

They were never going to let a good crisis go to waste.

GOING OUT OF FASHION

April 15

Demand for oil is so weak that the black goo is selling for less than \$20 a barrel. There's so much of it sitting around that oil tankers are now being used for storage, with rental rates as high as \$300,000 per day (about 20 times the normal rate).

But don't despair. Fake money is on its way! Japan says it will pump in \$1 trillion. Nancy Pelosi says she'll match that number. Germany promised "limitless" support for small businesses. The EU is talking about a \$540 billion program. The Federal Reserve is ready to pitch in \$2.3 trillion in new money. And, as of yesterday, more than a million small business loans have been approved.

Wow! These Small Business Administration bureaucrats should be designated "first responders" or "heroes of the revolution." They're processing the giveaways at incredible speed, carefully examining 6,547 applications each hour for the last three weeks. That's 109 every minute; one every half a second. In which time, they checked out the facts, verified the value of collateral, and assured themselves that everything was on the level. After all, they were giving out as much as \$2 million each time!

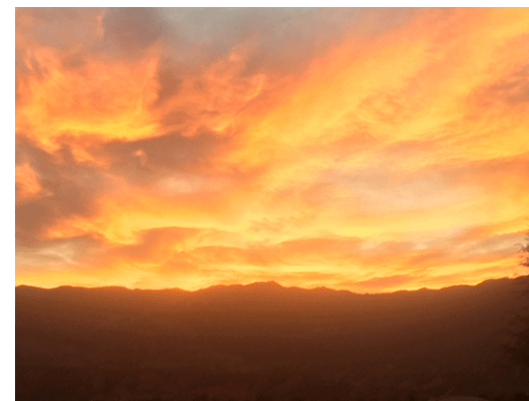
Who gets the money? We don't know. But, like subprime mortgages in 2007, all you need is a pulse. Even hedge funds are eligible. They may be reckless gamblers and inveterate speculators, run by people making millions of dollars, but still they qualify as small businesses.

Though why they need the money is anybody's guess. We suppose they must have forgotten to hedge...

THE TIMOROUS MOB

April 16

The sunset yesterday was so flamboyant, we stopped in our tracks. Nature, as well as outbursts of violence and ugliness, also has her moments of exquisite, shocking beauty.



Flaming skies over the Calchaquí valley

Elizabeth had ridden over to see our neighbor. Ramón had turned up on horseback after lunch the day before, reporting that his wife was in tears. So Elizabeth went over to see what was wrong.

"Marta's okay," she reported. "She's been isolated for a month and it's getting to her. Ramón is always out with the cattle or machinery. He's happy. But she stays inside and watches too much TV. She's not afraid of the virus. She just misses her children and grandchildren and is afraid that this lockdown is ruining their lives. And she thinks it's unfair that their lives are put on hold to protect her."

The young always pay for old men's mistakes. The war on Covid-19 has cost many young people their earnings and their jobs. And many of those jobs will never come back. Their careers are being stifled. Their families are being delayed, or not happening at all.

One of our own children can't finish his master's degree because his school is closed. Another, a performer, has nowhere to perform. One's business start-up has been delayed, while another is stuck wondering what to do next. One wants to get married but can't even meet friends for coffee.

We've mentioned the *federales'* fatal flaw: alarming the public with invented hobgoblins and using the crisis to extend their own power. But the problem is that the masses have a complementary flaw: they *want* to be scared. And once they are, they beseech authority, vote for bullies and windbags, and support jackass protection rackets.

The mob is always timorous and always ready to give up its dignity and independence in exchange for "security." We let airport goons frisk us, even though we've never once planned to blow up a plane. We don't drink a beer before driving for fear the cops will arrest us.

And now we cower in our homes, all because the feds tell us to.

CHASING A LEGEND

April 17

"How do you get up there?" we wanted to know, looking up at the *mesa*. We had heard stories about it. Archeologists said there were Indian ruins almost no one had seen because it's so hard to get up.

Another friend had explained the history of the place: "In 1659, the governor recorded that villages down in the valley were being abandoned. The Indians were being forced to work on the local plantations. Some, like escaped slaves, were running away to the mountains. They went up to Gualfin to find peace and freedom in the passes, but the governor sent troops to round them up. It was recorded only that the troops were successful in their mission."

The rest is local legend. The people retreated to three fastnesses. Two are on our ranch. The third is next door. One was called the "fortress," where the Indians were said to fight to the last. When they ran out of arrows, they threw down their pots. To this day we find pot shards at the base of the "fortress" formation.

Another last-ditch stand was made on the *mesa*, known as Peña Punta. The Indians held out. The Spaniards couldn't get close, but didn't have to: there's no water up there. The Spaniards just waited. What happened in the end wasn't recorded.

The third place the Indians holed up was in a stronghold high in the cliff-side. The Spaniards eventually overpowered them but, rather than let themselves be taken prisoner, the Indians jumped off the cliff in a mass suicide. And that was the end of the Gualfin Indians.

"I've been [to the Peña Punta] once, as a little girl," volunteered a local woman who came to visit last weekend. "My uncle, Justo, had

the *puesto* [outpost] near there. He used to run his sheep up there to graze. Once I went up with him. I remember the ruins, too.”

“So how do you get there?”

“There’s a path up the back of the *mesa*.”

“How long will it take to get there?”

“Maybe two and a half hours on horseback.”

We’ve learned that the local people have a different appreciation of time. Two hours on their clock could be five on ours. Distances and places, too, are remarkably general. “In back of the *mesa*” covers a whole lot of ground.

“Don’t worry,” she assured us. “It’s obvious.”

So we set off. It was a beautiful day as we rode through a long valley, along the river. Willows hung gracefully along the banks. *Alamos* (a form of poplar) had turned yellow in the early autumn. Several times, our horse, Bayo, plunged into quicksand and fought against it. Once, he pitched his rider into the bushes nearby. Both rider and horse got up, dusted themselves down... and got back on the trail.



Riding up river

Finally, after about two hours, the *mesa* was in clear focus, though it looked impregnable and still an hour away. We passed through a canyon with an abandoned house that looked recently-repaired. This was Justo’s place. He lived there with his family for decades until, after the children moved away to the valley or the city, he and his wife died there two years ago, within a few months of each other.



In the distance

“What a desolate place,” we remarked to Elizabeth.

“I don’t know... No road noise.”

She was right about that. The only sounds came from the trickling brook in front of the house and the rush of air through the sage. We continued our way around the *mesa*. An hour passed. Another hour. Now we had gone as far as we could, and yet there was no path up, either. By now it was mid-afternoon and, with no trees in sight, we sheltered in the shade of a huge rock to have our lunch. It was easy to imagine the Indians there. The place was impregnable.

We wondered what life must have been like. Hard, certainly. But beautiful. Did they appreciate it? Did they have any context for understanding it or anything to compare it with? They had been conquered by the Inca in the 15th century or so. Then, about 200

years later, the white man's plagues had nearly wiped them out. And finally, the desperate remnant faced off against the Spanish. They probably stood on those ramparts, letting fly arrows that bounced harmlessly off breastplates and metal helmets...

Thus engaged in reverie, we looked down. There, beneath our ham sandwich, was a broken arrowhead.



Peña Punta

DISEASED TREE

April 20

America's feds have already printed trillions in Covid relief, and now here comes another half-trillion! Yes, Dear Reader, it's capitalism on the way up and cronyism on the way down. You can tell where we are just by looking out the window.

Capitalism built the United States. People worked hard, took risks, made money, or lost money. Investors, managers and day laborers all grew richer together. By 1999, the tree of the American economy was magnificent, spreading its limbs from sea to shining sea. But the leaves were turning yellow and beginning to slide off the branches. The bugs and worms of lifelong bureaucrats, swampers and Deep State parasites had made their nests in it.

And then, after 2000, three things fell upon it like a woodsman's ax. First, the George "Dubya" Bush administration ginned up its wars against terror and Iraq. Next, the Obama administration, faced with the crisis of '08-'09, added \$10 trillion of debt to the government ledger to bail out the good, the bad, and the ugly. Had old-fashioned capitalism been left to do its magic, the fund manager up on the 25th floor might have totted his losses, reviewed his options, and left by the window that capitalism opened. Instead, cronyism sent him a check.

Then the third, the cruelest cut of them all: Donald Trump vowed to Make America Great Again. But a fierce wind began to blow in early 2020. In a matter of weeks, under the cover of Covid, the remaining leaves had been swept away. Now, the naked branches, corrupt and bent by cronyism, are exposed for all to see.

CRAZY INMATES

April 21

“What have we learned from the shutdown? The importance of a wine cellar and a bidet.”

We’d met our new friends clandestinely at the only hotel in the area. They are French, a psychiatrist and her neurologist husband. They arrived just as the country was shutting down and locking up.

“The whole thing is unbelievable,” said the shrink. “At first we were quarantined in our room for two weeks. Then the hotel closed and everybody left. The manager, the maids – everybody. But we had nowhere to go, so they just left us here. Fortunately, they gave us the keys to the wine cellar and the kitchen. As for the bidet, we realized how important that was soon enough...”

“Fortunately, or unfortunately, we have the internet,” her husband continued. “I follow the news. I can’t understand what’s going on. *Mon Dieu*. It’s just a virus. There are about a million people in this province the size of Texas. And only three cases of the virus, all of them people who had just come from Spain, and none very serious. Yet they stop you from going to work or restaurants or driving down the road. It’s crazy. A lot of these people need to work to eat.

“But we’re okay. I worked long hours in the hospital – at least I’m enjoying a rest. And my wife’s been able to keep working. She gets together with her patients via video conferencing. And her business is doing well. Her patients are trapped in their houses and apartments. They’re getting crazier and crazier...”

It sounds like the same thing is happening in Washington. The U.S. deficit was already heading to \$4 trillion this year, yet here comes another budget-buster to “top up” the aid package. Roll Call:

Congressional leaders and the White House have agreed a nearly \$500 billion coronavirus relief package and are now working through the final details, Speaker Nancy Pelosi said Monday night.

And just to make sure nobody gets in the way of their spending, the swamp denizens are out to eliminate the only member of Congress who hasn’t toed the line. Kentucky’s Thomas Massie dared to make the totally un-crazy suggestion that, if the people’s representatives were going to spend the equivalent of 10% of GDP, they should at least go on the record.

Gotta get rid of him, say Republican fixers. The last thing you want in a nuthouse is a sane person. He makes the inmates feel crazy...

SWIMMING IN OIL

April 22

Another rough day in the markets. Driving stocks down was the carnage in the oil market. West Texas Intermediate was selling for *minus* \$39 a barrel. The average pool will take about 20,000 gallons, nearly 500 barrels. If you filled your pool, you'd get paid \$19,500. Then wait until things get back to "normal" and make some more profit selling it again. Unless you learn to like swimming in goo.

Oil companies are producing far too much, so Donald Trump's big idea is to pay them *not* to produce instead:

I have instructed the Secretary of Energy and Secretary of the Treasury to formulate a plan which will make funds available so that these very important companies and jobs will be secured long into the future!

And even though the latest bailout has not yet been passed, there's another already on the way. Here's Bloomberg this morning:

The Senate sent a \$484 billion package of new pandemic relief funds to the House for likely approval Thursday.

"We have a great victory for the American people," House Speaker Nancy Pelosi said. "But we need to do more."

The "more" is where the inflation comes in. It's one thing to fake out investors with QE and fraudulent interest rates. It's another to dump trillions on what's left of the Main Street economy. In the former case, you get higher stock prices and everybody's happy. In the latter, you get higher consumer prices. Who's happy then?

HOUSE ON FIRE

April 23

A horseman suddenly appeared in the field in front of us. He was riding hell for leather to the south. A real gaucho, completely at ease, as if he and the horse were one animal.

"What's going on?" Elizabeth wondered. "That's Pablo, and he's on that *criollo*. He's really flying..."

We saw what he was after. A wild *burro*, or donkey, had gotten into the hay field and was eating one of the round bales. Our farm is well fenced. But when the water goes down in the river, the burros can get across. Occasionally, they show up in the pastures.

There are hundreds of *burros* in the hills. Like deer in Maryland and *guanaco* up at the ranch, they are a nuisance. Occasionally, hunting parties are organized to kill them. Back in the '60s, someone had the idea of turning the *burro* into business. He raised them, slaughtered them, and made the meat into a kind of spam.

"They sold a lot of it in the city," explained Ramón. "I don't think the city folks understood what was in it..."

Pablo raced toward the *burro*. Behind him, a black dog tried to keep up. The *burro* began running in the opposite direction, but it was no match for the *criollo*. The horse easily outpaced him and cut him off each time he tried to escape. Pablo dismounted and got down his lasso. But the *burro* bolted as soon as he did. Pablo leapt back on his horse, but this time he drove the *burro* forward, all the way up to the gate. The animal passed through; Pablo slammed it shut. Then he got back on his horse, waved his hat in the air and, with a shout, drove the *burro* back across the river.

A great spectacle. But Elizabeth had turned to look behind us.

“I think the house is on fire,” she said.

She seemed to be right. Smoke was certainly billowing from the roof of our office. And yet in front of the house stood Monzon, grinning. Everything about Monzon is big. His head. His hands. His smile. He has been raising the roof of a barn across the river, but today we had asked him to come over and take a look at our fireplace. It’s our only source of heat, but it smokes badly, and cold weather is coming.

“Monzon, you’ve set our house on fire!”

“No, *patron*, I just cut a hole in the roof and lit a fire to see how the smoke would rise. And now I see what is wrong. I’ll fix it.”

It’s the kind of thing we’re getting used to here. It’s why economists like to study Argentina. It’s the only country in the world to go from one of the world’s richest to sh*thole status, thanks entirely to policy.

In 1982, the military dictatorship went to war with Britain, a total disaster that caused inflation to soar when the government tried to pay its expenses with printing-press money. By the following year, it had to issue a “new peso,” worth 10,000 old pesos, and, when that failed to stop inflation, another currency, the austral, traded in at the rate of one per 1,000 pesos.

Of course, changing the currency did nothing to halt inflation. As long as the government funded itself with newly-printed money, the people didn’t care whose picture was on it. By 1989, the inflation rate hit 12,000%, and riots broke out in the streets.

Finally, the austral, too, was tossed on the monetary trash heap, and a new “convertible” peso was introduced: one new peso was equal to 10,000 australes. Convertibility was the key, because the new currency was linked to dollars. And this worked, for a time. Inflation almost disappeared. The economy began a rebound.

We remember well when this era of relative stability and prosperity came to an end, because we happened to have a meeting with the Argentine president Carlos Menem and a group of investors. We knew the “convertibility” system was under pressure. As usual, the government had spent too much money. But we also knew that, if it abandoned the “dollar peg,” all hell would break loose. So we put the question to Señor Menem directly.

“Will Argentina abandon its peso-dollar link?”

“Definitely not,” came the reply. “We depend on it. Our economy needs it. Foreign investors require it. We will never give it up.”

Three weeks later, the convertible peso was history and Argentina was on another wild ride of monetary madness. Banks were closed. Dollar deposits were forcibly converted to pesos, and savers lost two-thirds of their money.

It’s been downhill since. From one-to-one convertibility in 1991, you can now get 90 pesos per dollar on the black market. When it comes to making a mess of an economy, these Argentines are pros. (The peso was officially devalued to 1 to \$800 on December 12, 2023.

But wait... you say the U.S. is printing money to cover its operating expenses, too? To the tune of as much as \$4 trillion?

“In Argentina, we know we’re crazy,” said Ramón. “Now, we’re glad to have company.”

A HEIST WITHOUT MASKS

April 24

Masked men usually rob banks. This time, they're robbing the whole country. It isn't their first heist, and it won't be their last. They believe the world would be better if some people are given other people's money. At least, as long as they're on the receiving end...

Yes, the feds are redistributing more than 10% of GDP. Who gets it? Well, a major beneficiary so far is one Monty Bennett of Dallas, Texas. Here's the story, per Bloomberg:

A combined total of \$59 million from the small business lending package went to three lodging companies chaired by Monty Bennett, according to regulatory filings.

Of course, it's a mere coincidence that Mr. Bennett donated heavily to Trump-supporting political action committees. A coincidence, too, that the CARES Act included a special provision so carefully tailored to fit Mr. Bennett's organization that it was as if the man was in the fitting room when the deal was sewn up.

When the CARES Act came out, most businesses with 500 or more employees sighed. Alas, they were not eligible. And yet, somehow, Mr. Bennett's lawyers were first in line, as if they knew what was in the legislation before it even passed. Buried like a plum in a pudding was the crucial provision that huge hotel and restaurant chains were in fact eligible – provided they only employed 500 per location.

Instead of having to reach into their pockets to keep their businesses going, Mr. Bennett and his cronies reach into ours. Mr. Bennett gets the profits. We get the losses.

NO CRONY LEFT BEHIND

April 27

The feds' shutdown might be an honest mistake, but their "bailout" is most certainly a crime. *The* crime. From where we're standing, it is the grandest larceny in the history of the world. The feds are transferring trillions of dollars' worth of wealth from the public to their friends, clients, and cronies.

A report at Bloomberg this morning tells us that little of the bailout money actually goes to the firms that need it:

U.S. Loans Didn't Flow to Businesses Most at Risk

Instead, the money has flowed to the industries with the best lawyers and lobbyists. And, when it runs out, there's sure to be plenty more where it came from. In short, the \$2.2 trillion CARES Act has little to do with fighting a virus and a lot more to do with old-fashioned pork-barrel boondoggles. One of our Dear Readers provided some highlights of where the money is going:

\$100,000,000 to NASA – why not? \$10,000,000,000 to the Postal Service (now you know how Amazon Prime offers free shipping). \$75,000,000 to the Endowment for the Arts and the same to the Endowment for the Humanities.

\$300,000,000 for Public Broadcasting. \$500,000,000 to museums and libraries. \$25,000,000 for cleaning supplies for the Capitol Building. \$90,000,000 for the Peace Corp. \$9,000,000 Misc. Senate Expenses.

Yes, the Fed is funding Washington's Swamp Filler program...

LAST FLIGHT OUT

April 28

“The last flight out” was how the email put it. The U.S. embassy in Buenos Aires notified us yesterday that it had organized a flight to Miami. It is scheduled to leave tomorrow. But why the “last flight?” we wondered. Then we got the news. Reuters:

Argentina has banned until September ticket sales for commercial flights, according to a decree published on Monday, in a new measure the government said is part of its coronavirus response.

We only planned to come for a few weeks. Now it looks as though we may be here until September.

“It’s a good thing we like it,” said Elizabeth.

“But it would be nice to have an open door,” we replied.

Instead, the Argentine government opened something more like a cat-flap. Most people are now allowed outside – but only for an hour a day, and no further than 500 meters from home. Here on the farm, at least, we can go out as often and as far as we want.

“If we’re going to be stuck here for another four months,” Elizabeth continued, always urging self-improvement, “we should plan to do something worthwhile with our time.”

“Like what?”

“I don’t know,” she said. “Learn cattle ranching?”

MONETARY VOODOO

April 29

This morning, *The New York Times*:

U.S. gross domestic product, the broadest measure of goods and services produced in the economy, fell at a 4.8 percent annual rate in the first quarter of the year, the Commerce Department said Wednesday. That is the first decline since 2014, and the worst quarterly contraction since 2008, when the country was in a deep recession.

But don’t worry. Kevin Hassett, senior economic adviser to Donald Trump, says the feds are working on big, new programs that will put everything right. This is one thing both left and right can agree on: spending more money. Joe Biden says he would spend a “hell of a lot more.” And Donald Trump is pitching more spending for crony industries like oil and airlines, plus \$2 trillion more on infrastructure.

How will these big, new programs be funded? After all, tax revenues are collapsing. Deficits are exploding. We suppose they will just have to call on their funder of first and last resort: the Federal Reserve.

It’s a pity. But the Fed can’t print jobs. Or cars or houses or carrots. Or the “purple drink” so beloved in Baltimore’s poor neighbors. It can’t print chocolate cake, frappuccinos, sparkling water, love affairs, marriages, children. It can’t print careers or piano lessons, summer vacations or trips to the mall. All it can print is what it calls “money.”

Two days ago, for example, it set a new record. It “printed” (it’s all electronic now) \$190 billion, just like that. A few taps on the keys and... poof!... suddenly appeared an amount roughly equal to the annual GDP of New Zealand or Peru.

This is the voodoo magic the feds are pretending will “stimulate” the economy and replace the losses from their lockdown. In the last six weeks, the Fed has added \$2.26 trillion. And Goldman Sachs says the U.S. is on track to run deficits of \$6 trillion over the next two years. That’s more than the GDPs of Germany or Japan.

Nowhere in the world is there \$6 trillion, or even \$1 trillion, waiting to fund the government’s big-spending whirligig. All of it will have to be financed by the Fed, which will mean money-printing on such a scale that it will blow the doors off the entire world economy.

Because, what happens when you print that kind of money? Here in Argentina, we see how it works. Just a week ago, you could go onto the square in Salta and trade \$1 for 90 pesos. This week, you can get 110. And now the lockdown is reducing wages, sales profits, and the government’s tax receipts. Last year, the government’s deficit was about around 4% of GDP. But now, it’s exploding past 8%. (In the U.S., the deficit is running at more like 20%.)

Every gaucho and tango instructor knows what’s coming next: rising prices. People with pesos are desperate to swap for dollars to protect themselves. Alas, in their eagerness to flee their sinking boat, they have climbed aboard the *Titanic*.

IN MOURNING

April 30

“A mountain lion was wandering around your house last night,” said Inez. Inez is a charming woman of about 50 who comes over from the village. “I saw its tracks. But you don’t have to worry. Lions are cowards. They don’t attack humans.”

“Well,” said Elizabeth, “that’s good to know...”

Maybe we should stay inside and barricade the doors. That’s what the feds would probably suggest. The shame of the lockdown policy is that it imposes the costs of trying to save every last old, fat, diabetic codger on everybody, lean college students included. People who have contagious diseases are often quarantined to protect the rest of us, but lockdown policies quarantine healthy people, those who should be free to live their lives as they see fit.

Yesterday came news that Donald Trump has ordered Tyson Foods to keep working – spare ribs being deemed essential for the defense of the nation. But if the feds can use an infectious disease to force some people to work while confining others to their homes, what can’t they do? Can they take our money away to protect us from inflation? Terminate elections to protect us from civil unrest?

Why not? In New York, Mayor De Blasio threatened to lock up the mourners at a funeral. But one of the few things we know for sure is that we’re all going to die. It’s how we get there that matters. It’s one thing to live well – with courage, dignity, common sense and honor. It’s quite another to cower in our lonely homes, terrified of a bug, to forgo the common pleasures of life, and then have the mud thrown down on our faces without a mourner in sight.

TAKING FLAK

May 1

The world is made a better place simply by each of us doing our own work well, providing others with real goods and services, and looking out for those around us. As Goethe put it, “Let everyone sweep in front of his own door, and the whole world will be clean.”

By contrast, do the office seekers and grandstanders, Trump, Pelosi, Biden et al., make the world a better place? They create no wealth, so every “benefit” they give to some must come at the expense of others. As for their insights and analyses, they are too busy raising campaign funds and mugging for the cameras to have any worth repeating. And their policies? People who insist you follow their ideas are always those whose ideas are idiotic. Typically, they are big and dumb, appealing to the masses’ desire for larceny and security.

But we recognize that these are our usual gripes. And they seem to be rubbing a few up the wrong way recently. One reader opined that it was easy for us to complain while living in luxury. But ‘luxury’ is a little wide of the mark. We have no heating here other than fires. Our water comes from a spring. Often, we have to walk a mile and cross a footbridge to get to the outside world. Our only luxury is Inez, who comes every day to help with the housework. At about \$195 a month, she costs us less than parking in Baltimore.

Another mildly enraged reader recommended we read Roosevelt’s ‘The Man in the Arena’ speech. The essential part we reprint here:

It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood...

But Roosevelt is one of the saddest figures in White House history. Born rich, he never had an honest job in his life and never added a penny to the world’s wealth. In this speech, given at the Sorbonne in Paris, he lauds the risk taker, the doer, the striver and achiever, yet his own big achievements were amateurish, lethal, and mostly came at someone else’s expense.

In his hand-tailored uniforms, with his private army of dreamers, schemers, and vainglorious world-improvers, he was the picture of the warmongering martinet. It was he who was largely responsible for getting the U.S. into two pointless wars, the Spanish American War and WWI, at a cost of 120,000 dead Americans and millions of dead Spaniards, Cubans, Filipinos, Germans, and French. So of course the old Blunderbuss didn’t like critics. They didn’t just point out how “the strong man stumbles.” They told him what a clownish jackass he was.

Meanwhile, a third reader claims concern for our health. Which is very thoughtful, of course. But there are doctors here, too. Except for those at the very top end, they take the same courses as U.S. sawbones, and have the same tools. They just don’t charge as much. And, when we thought we were having a heart attack a few years ago, we found their care very sensible. Fearing that the altitude up at the ranch had put a strain on our heart, we asked the local MD for advice. “Well,” he replied, “don’t go up there.”

BIG-MOUTHS

May 4

Today, we're thinking some more about readers' objections to us. The main one over the last three years concerns our treatment of President Donald J. Trump. The claim is that we don't give the man the respect he deserves. Even that we "hate" him...

But do we "hate" Trump? Of course we don't. We find him very entertaining – perhaps the most entertaining president ever. He says the most outrageous and idiotic things. It's a laugh a day. And, from time to time, he even says something sensible. Like "America First" as a foreign policy. He criticized "Trigger-Happy Hillary" for her support of military boondoggles overseas. But then, as soon as he made the White House, he appointed John Bolton as foreign policy advisor. Bolton is a Hillary Clinton / Teddy Roosevelt kinda guy. Which is to say, an Empire Builder and a moron.

Likewise, when running for office, Mr. Trump said the stock market was "one big, fat, ugly bubble." He was right about that. But then, once president, he made it *his* bubble and pressured the Federal Reserve to make it even bigger and uglier. If he really wanted to Make America Great Again, he'd have a deficit like Eisenhower's, not like Obama's. But Trump took Obama's deficit of \$665 billion and almost doubled it, even before the C-virus hit.

So, no, we don't hate Trump. But he is a great disappointment. We were hoping for a real disrupter. Instead, he picks fights, postures and pouts, and leaves the Deep State careerists in charge. We do not "hate" him at all. We simply despise him, as we do all the big-mouth, empty-headed, know-it-all world-improvers.

THE ORIGINARIOS WAR

May 5

"This is going to be tough," said Elizabeth. "This is real."

Our war with the *originarios* has suddenly gotten hot. Two of our houses have been burned down. About a mile of our water line was pulled up and burnt. And the *sepo*, which locks the cattle in place while they are being vaccinated, was stolen. What next?

"They might burn down your house, too," suggested Natalio, our oldest and most trusted ranch hand.

The *originarios* are a group of malcontents in Argentina (mostly in the mountains) who claim "indigenous rights" above and beyond the rights of others. They say they are Native Americans who have the right to the land they live on, with their own laws and customs.

There probably are real *originarios* somewhere who deserve special consideration so that they can continue to live in traditional ways on tribal lands. But, in our area, there are no such tribes. They were conquered, dispersed, or killed in the 17th century. The people now claiming tribal rights are no different, racially or culturally, from any of the other locals, including our own employees. They drive pickup trucks, use iPhones, speak Spanish, and live off welfare. The ones on our property are not even from here. They were invited in by a previous owner to work on the farm. Now they claim they own it.

For the last few years, we've tried a policy of *détente*. That is, we left them alone, other than asking them to sign their leases and pay their largely symbolic rents (which they refused to do). And then, every time they broke our gates or caused trouble, we called the police. But the courts are reluctant to get too involved. *Originarios* are a protected

species. And nobody knows who's one and who's not. The law says you can decide for yourself.

We rode up at dawn to look at the damage. Natalio accompanied, us, mounted on one of our mules and trailed by two small dogs. The temperature was below freezing but we had dressed lightly, counting on the sun to warm us up. The sun was blocked by the mountains for the first two hours or so, however, as the trail wound around the mountainsides, following the course of the river below. Only when it finally rose over a hill did we feel the sun on our backs.

From there, it was up and up and up some more. Each time we thought we had reached the crest of the pass, we found another one ahead, higher still. At last, after about three hours, we were looking down on the broad valley in the distance.



The valley of Compuel

The *originarios* live in (and claim right to) two valleys that are part of our ranch. The big valley is about 10,000 acres, with a river flowing through it. In the dry season, the river goes underground and the grass dies. We used to keep 200 cows up there. They competed with sheep, *burros*, and llama for the grass. But three years ago a drought forced us to bring the cattle down. Then, when we tried to put them back, the *originarios* blocked the road. Our cowhands didn't want that kind of trouble, so we backed off. It wasn't worth a fight.

From the top of the pass, it takes about another hour to get down to the valley floor, and then yet another hour along level ground to where we have our corral. The inaccessibility of the place is part of the reason the damage is so trying. It is very difficult and expensive to get anything up there. There are no trees, so every piece of wood has to be carried up. A *burro* can carry only one bag of cement. We took a tractor and small trailer up when we put in the water line, but it took nearly a week, repairing the road as we went, and losing about half each day just getting to the site.

The road follows an ancient Inca path. When it comes down from the pass, it leads to some ruins: acres of squared-off stone buildings. Near them is our corral, an impressive stone structure about half the size of a football field. By the time we got there and surveyed the damage, it was 2 p.m. Like cattle bones, picked over by the condor and bleached by the sun, there was not much left of our cabin. The cattle chute was half-destroyed. The *sepo* was missing.



The cabin burned

The wind was picking up, so we took refuge up in the rocks to eat lunch. It was a natural cave, formed by an overhanging rock. At the entrance, someone had made a rough stone wall. Natalio spoke:

“Up in the mountains, you’ve got to round up the cattle on foot. And you look for a place like this to sleep. This is where I come. We see many *puma* skulking around in the mountains, but they rarely get close, though they kill a lot of calves. They jump on their backs and rip their throats with their claws. Between the condor and the *puma*, we’re lucky if half the mountain calves survive.



Don Bill and Natalio

“But one time I was looking for a place to get out of the wind. There was a nice little nook I was headed for, when I heard a *puma* growl. I looked up. It was almost right on top of me. We say *pumas* almost never attack humans, but this one was ready. I had a saddle blanket. I held it up to protect myself. I backed away and yelled at it. It just stood there growling on top of the rock. And then I realized what had happened. There were two *puma* cubs in that cave. I got out of there as fast as I could.”

Natalio then turned to the subject at hand.

“We need that *sepo*. The round-up is in a few weeks. Without a *sepo*, it’s almost impossible to vaccinate cows. And we know where it is.

Those [Natalio named the family that he thinks stole the *sepo*] must have it. They’ve always been a problem. My brother says they stole his calves. If this were the old days, we would ride out, find our *sepo*, take it back, beat them up, and burn down their houses. But those days are gone. Now, they get away with anything.”



Natalio and dog; Cachi in the background

FLIGHT OF THE CONDOR

May 6

“Never bet against America,” says the Oracle of Omaha. And it was a bad idea to bet against America through most of the 20th century, when Warren Buffett got the idea. But this is the 21st century. America’s capital industries are losing value. Its GDP growth is slowing. Its government, technically insolvent already, prints \$1 million *per second* to cover its deficits. Its military is engaged in pointless meddles all over the world. And its people panic whenever any threat, no matter how implausible, presents itself.

Yes, the Great National Hysteria continues. So does our *originario* war. But our neighbor, Ramón, helped put the latter in perspective.

“This valley has always been a battleground,” he explained. “The words change but it’s always the same battle: locals and landowners. The landowners are almost always foreigners. I mean, not from the valley. Even if you’re from Salta, they think you’re a foreigner. If you’re from Buenos Aires, you might as well be from Mars.

“You can’t possibly make a go of farming here unless you have some capital. You need machines and you need labor. Probably nowhere on Earth do you need so much labor, what with having to flood the fields manually and direct the water with a shovel...

“But the labor always gets restless. And then someone comes along with a bad idea. In the 17th century, there was Pedro Bohórquez. A complete imposter. He was from Spain, but somehow convinced the locals he was the grandson of the last Incan Emperor. Then in the 18th century were Indian uprisings up north, led by Túpac Amaru.

“And then in the 1970s it was Marxism. I was here for that one. It was strange for such a remote valley. But it was everywhere then. Somehow, one of them came to our part of the valley. And the next thing we knew, people refused to work or pay their rents. Back then, the tenant farmers were obliged to work for us one month of the year. It was just part of the tenant-farmer deal.

“Anyway, this guy came into the valley and he began agitating. So I talked to the tenant farmers. Some of them were my old friends. I tried to reason with them, but they were convinced that in the new “worker’s paradise” they would be the owners of the land. Finally, I just had to start eviction proceedings. It took a long time, but I won.

“This was back in the time of the generals [military dictatorship]. They weren’t putting up with any Marxist crap. So the government backed me and sent police to evict these guys. It was sad. We had to clean out their houses, loading their stuff onto *burros* and taking it off the property. And I remember the ringleader of the tenants had a big, stuffed condor. And he threatened us: if one feather was out of place, he was going to sue.

“Well, Natalio’s father had an idea. He put a bed frame on a *burro* and then laid the condor with the wings stretched out. I remember how satisfied we were with it. And it worked beautifully – for a while.

“We headed down the valley. But then the sun moved around. All of a sudden, the *burro* saw the shadow of the condor hovering over him, and took off, terrified! When we eventually caught up with him, he was standing under a tree. The tree’s shadow must have made the condor vanish. He was exhausted and the bed frame was hanging at an angle. The condor looked like it had been run over by a car.”

Ramón threw his head back and roared with laughter.

THE GROUND'S GETTING CLOSER

May 7

More people have now lost their jobs than during all the recessions since World War II put together. Turning off the economy is a bit like shutting down the engines on a transatlantic flight. For a long time, the plane stays in the air. Everything goes quiet. Passengers don't know what to think. Up in business, investors look to buy the dip, assuming the pilot will gain altitude any minute. But, back in economy, people aren't so sure. A few look out the window and see the ground getting closer...

Even before the virus, 100 million Americans were barely able to stay aloft. They were said to be living "paycheck to paycheck." Then the paychecks stopped. What are they to do now? No more casual trips to the mall. No more family dinners at TGI Fridays. No more filling up the tank to visit relatives or go to a football game.

Gas consumption is back to levels not seen since Nixon. Auto sales have dropped to 50-year lows. Airport traffic is down 95%. Airbnb bookings have slumped some 80% in the last 90 days. People aren't buying much of anything at all. Consumer spending, the jet fuel of GDP, has dropped more than ever before.

According to *The New York Times*, a third of renters failed to pay their rent in the first week of April. And, so far, 4 million people aren't paying their mortgages. Always quick to throw their weight around, several states have already issued moratoria on evictions. But few mortgage companies are going to want to foreclose, anyway. What would they do with the property?

A SINFUL FEAR OF DEATH

May 8

We are at the ranch, waiting for the police, hoping they come soon. It's a four- or five-hour ride just to get to the scene of the crime, where the "originarios" burned down our cabins, wrecked our corral, and stole our "sepo." And it's another two or three hours out to where we think the stolen property was taken.

Our gaucho, Samuel, has been there for the last four days looking for it. He was told to stay in the valley until the police turn up. He's a tough hombre: now that our cabins have been burnt, there's no shelter in the valley. The sun beats down by day and at night the temperature falls below freezing. And it's a huge valley. The thieves wouldn't have found it hard to hide the *sepo* well.

An hour later – at last, here are the police. Uh oh... Coming up this morning, before dawn, they ran into one of our bulls. We'll ride out later to see if the bull is still alive. They said it "ran off."



The police car came off the worst against one of our bulls...

And now we're in our office with the police, waiting to see what will happen. After spending time with their superiors on WhatsApp, the police decided on the obvious course of action. They will continue their mission, riding up to the high pasture. We'll drive them back to Molinos tonight (their truck is not going anywhere).

The decisions finally taken, we all went outside to the waiting horses. It was then we discovered that the police were totally unprepared for the job ahead. They are used to squad cars, not riding. Two of the three of them couldn't get up by themselves, and had to be pushed. Once in the saddle, they looked as though they might fall off at any moment. One had never been on a horse ever. And they were setting off on a rough, 12-hour ride.

"It's going to be a long day," we said to our foreman as they set off. We were supposed to go with them but, with all three policemen and three ranch hands mounted up, we had no more horses available.

So we're left behind to wonder about the extraordinary goings on north of the Rio Grande. The bad medicine: treating healthy 20-year-olds like octogenarians. The bad law: pretending a virus gives politicians the authority to put millions under house arrest. The bad morals: making the young pay to protect the old. The bad math: failing to add up the real costs. And the bad government: using a crisis to extend and expand the corrupt reach of political power...

But it is worse than that. Worse than a mistake. Worse than a crime. It is a sin: an offense against our gods and ourselves. A fear of death so unnatural, so cowardly, it causes us to act like damned fools.

THE WAR GOES ON

May 11

The three policemen left at 7 in the morning. By 8 p.m., there was still no sign of them. At 9 p.m., we started getting nervous. Finally, at 10 p.m., we heard the horses' steel-clad hooves on the stony road...

They had ridden up to our high pasture, Compuel, inspected our burned-out cabins and wrecked corral, taken pictures, and filed a report. But, more than anything, they had suffered. We go out on a horse every day, but even for us that ride to Compuel and back, which could easily stretch to 12 hours, much of it over rocky paths, is exhausting. For the three policemen, it must have been agony.

Almost as agonizing as the loss of our corral. Natalio rounded up his cattle last weekend but, with the Compuel corral and its *sepo* not in service, was forced to bring them down to the corral near our house. Cattle are rounded up once a year to be vaccinated, tagged, and castrated. And the roundup is a bit like Thanksgiving in America. Aunts, uncles, and cousins who have moved to the city come back to help, though they have often been "citified" and no longer have the stamina for high-altitude work.

Sunday morning, we saw the dust cloud, telling us that Natalio and his herd had arrived. We went down to help. There are three stages to a roundup. The first was completed already: finding the cattle and driving them to the corral. Out on the open range, this isn't too hard, but up in the mountains, looking for animals in the mountain folds, along tiny rivers, amid huge rocks, the process is very tiring.

In the second phase, the young boys go to work. Natalio has had two families and now has two young sons, Diego and Ramón, 10 and 8 years old, as well as Guillermo and Rodrigo, both in their 20s.



Diego and Ramón ready for work



Diego rounding up the calves with his lasso

The youngest boys lead off. In America, children this age put on helmets and elbow pads to learn to ride bicycles. Here, armed only with lassos and chaps, they jump in amongst the horned animals, run after the calves, and drag them into a separate pen. The other cows are then herded into a holding pen.

The final phase sees the cows pushed in groups through the narrow chute, packed so tightly that they can't move. There, the certified *vacunador* administers the shots with a large needle, while older boys and Natalio decide which animals will be kept, which castrated, and which sold or slaughtered. They were thus engaged when, suddenly, everyone went silent. One of the cows in the chute had reared up and knocked the hypodermic needle out of the *vacunador's* hands.



Trying to keep the cows in the chute away from the needle

The cows were tightly jammed in the chute. If one of them stepped on the needle, the roundup would be a lost cause. No needle, no vaccinations, and the whole thing would have to be called off.

We followed Natalio's lead, leaning over the wall to hold the cows away from the needle as the *vacunador* tried to pick it up with a stick.



Diego tries to reach the needle through the boards of the chute

The cows shuffled in place as Diego put his slim arm through the boards of the chute and tried to reach down to where the needle was lying on the ground. But his arm was too short. And, when the stick operation failed, there was only one solution. Someone had to jump down into the chute.

This was a dangerous thing to do. These were not calm, farm-raised animals. These cows saw humans only from a distance. They were almost wild. And jumping into the chute would put you between the hindquarters of one animal and the horns of another.

But Diego didn't hesitate. With a nod from his father, he climbed the fence and jumped down, grabbed the needle, and skedaddled back up the fence and out of the chute as fast as he could. And then the team went back to work.

THAT NAGASAKI FEELING

May 12

Last week, we were trying to understand the Universal Lockdown approach to protecting the public's health. What is it? A mistake? A crime? A sin? A social faux pas? Perhaps a bit of all those things, like dropping an atomic bomb on Nagasaki and then going to a funeral wearing a pink flowery tie...

Nagasaki was bombed, said the authorities, to "save the lives of our soldiers." But what kind of a monster would kill a child to save his own skin? And what kind of public health officials lock up millions of children and young adults to keep old people from getting sick?

We don't know. But the cost is rising. The Covid Recession has now wiped out *all* of the new jobs created in the entire 21st century. And remember: most people sell their time by the hour. They make their living not only by having a job, but by clocking enough time.

But take heart, ye poor lunch-bucket proletariat. At least the stock market is bouncing back...

COUNT, BUT CAN'T FIGURE

May 13

The excuse for locking everyone in his home is to “save lives.” But Federal Reserve policies will save no lives; not a single one. We will all die anyway. The question is when? And how?

And therein weaves our treacherous path. The air is thin, it won't be easy. What we are looking for is more elusive than a *sepo* hidden in 10,000 acres of wilderness. It's the meaning of life itself, hidden somewhere in the vast, dark universe.

If humans' primary goal were to save lives, we would never have come down from the trees. It was (relatively) safe up there. We would never have ventured out of Africa into the cold of Europe. The Siberian tribes would never have crossed into America. Columbus would never have ventured across the Atlantic.

If “being safe” were the only thing, we wouldn't go to war, wouldn't get married, wouldn't have children, wouldn't risk our money by investing, wouldn't build factories, drive cars, or fly airplanes. We wouldn't explore space, allow our children to ride bicycles or play sports, smoke cigars, drink whisky, or dare to do anything that might cause harm, pain, or loss. In short, we would not be human. We'd be like zoo animals, kept alive by the experts and authorities.

It is a caged life that the experts now offer. They will protect us from the virus by ordering us to stay home. And they will feed us with their fake money, like giving sawdust soup to prisoners of war.

Human life is necessarily a risky undertaking. From cradle to grave, we are always in danger: of losing the ones we love, our honor, our liberty, our money, our nerve, our dignity, and our place in Heaven.

But losing our lives is inevitable. It should be the least of our worries. Life always ends the same way. The important thing is not to avoid death, but to accept the risks of real life, try to make the best of it, and then, when our time comes, not to whine and cower, but to die with grace and dignity. That is why pneumonia is called “the old man's friend.” It helps him into the grave before he needs tubes and bedpans. That is also the charm of the C-virus. It is a friend to the old and infirm, not an enemy.

The trouble with epidemiologists, like economists, is they can count, but they can't figure. They can measure quantity, but not quality. Quality can only be measured by choices. And choices, whether it is interest rates, mountain climbing, hairstyles, love matches, or art, can only be registered if humans are allowed to make them.

SH*THOLE FINANCE

May 14

Today, comes news that the Democrats are pushing for yet more fake money, to the tune of \$3 trillion. That's on top of what we already have. The federal deficit is expected to be over \$4 trillion this year, four times last year's deficit and about three times the worst of the 2008-2009 crisis. When this new \$3 trillion debt bomb is dropped, it will blow up the deficit to more than 30% of GDP.

This is sh*thole finance, for sure. And we know where that will lead, just as it does in every other sh*thole country. Inflation? You got it, Dear Reader. (America's inflation rate soared to 9.1% in June 2022.)

For now, though, we are still in a deflationary downdraft. One poll showed that half of all U.S. small businesses expected to have to close up shop within six months. Two of our favorite restaurants in Baltimore have already closed and say they won't reopen.

Surviving businesses, especially in the hospitality trade, will only reopen slowly, if at all. They've taken huge losses. They won't be eager to lose more. And consumers, too, will be reluctant to spend. They'll worry about "double dip" recessions or another wave of covid.

Under these circumstances, consumer price inflation will have to wait. But we don't think it will be waiting too long...

GRANDEST LARCENY

May 15

"If it bleeds, it leads," say newspaper guys. Horrors and hobgoblins get the mob's attention. Threats sell papers, elect politicians, and elevate functionaries to Elvis status. It is the End Time, the North Pole is melting, a calf is born with two heads, and Covid is mutating into an even deadlier strain! And it is racist and sexist, too!

The result of all this is that nobody notices the grandest larceny in history. Already we're looking at a \$4 trillion deficit. Add another \$3 trillion in borrowing to muddle us through the Christmas season, as Democrats are proposing, and it starts to look like real money...

And where does it all go? Wherever the elite wants it to, of course. This is not a market economy where you get by creating value. This is a political economy, where you get it by taking it from someone else, by knowing someone, hiring lawyers and lobbyists, playing the angles or giving donations to the deciders.

And remember, cars, houses, restaurants and TVs don't suddenly appear just because the Fed has printed up more money. The new money is only a claim on old wealth. The average American has a net worth around \$70,000. Multiply that by 330 million people and you get \$23 trillion for the whole country. So give \$7 trillion of purchasing power to a select few, and they can buy nearly a third of the private wealth of the entire United States.

And, as prices fall in the deflationary recession, they will have an opportunity to buy farms and businesses at bargain prices. The smart ones will take advantage, getting as much of the feds' fake money as possible, then dumping it before the low prices turn into high ones. That's when the fake cash will quickly lose value.

GENERATIONAL CYCLES

May 18

In the Panic of 1857, the yield on the U.S. 10-Year Treasury Note rose to 6.6%. It took a lifetime for it to reach the next top in 1920. Then another 61 years passed before the next high came along.

In other words: one generation learns, the next forgets. In a week, we forget where we left the car keys. A couple of weeks later, we've forgotten where we left the car. Forty years on, and we can scarcely imagine the 15% mortgage rates of 1980. And, if the pattern holds, in a few years we'll regret not having locked in today's low mortgage rates. If we can even remember them...

Yes, it's back to school. Now we learn, again, why it was that, for 180 years, U.S. dollars were linked to gold rather than mere government promises. Because the generation of 1791 (when the U.S. dollar first appeared) knew something the generation of 2020 has forgotten: power corrupts. And the power to create "money" is so irresistible that no race, no nation, no genius, and no government official has ever resisted it for long.

Sooner or later, a "necessity" arrives, usually a "war" or threat of insurrection. Rudolf von Havenstein, in charge of money-printing in the Weimar Republic, said he had to do what he did in order to head off the Bolsheviks. Instead, he brought on the Nazis.

DEAD METAPHORS

May 19

We're running out of metaphors.

The old standards – printing money "out the wazoo"... "to beat the band"... "like nobody's business" – no longer seem up to the challenge. We've seen fake money before, but this is something else.

America's paper money system began on August 15, 1971, and the whole scam probably would have blown up by the 1980s but for then Fed chairman, Paul Volcker. In a rare display of courage and fortitude (for a public official), he forced the dollar to act as though it were real money. While inflation and interest rates rose to double-digit levels in 1980, he put the Fed's key lending rate up to 20%. It caused a recession. But it saved the fake-dollar system.

This gave the dollar a longer lifespan than expected and led people to think that it was a reliable currency long-term. If ever there were another crisis, they said to themselves, there would surely be another stiff-necked public servant like Volcker to set it straight.

But now we're 49 years into the fake-money system. The printing presses are running hot. And we've passed the point of no return, without a Volcker in sight. Necessity is the mother of invention, but it is also the deadbeat dad of catastrophic mischief. Their backs to the wall, people are ready to do almost anything, no matter how idiotic or preposterous...

POLICE STATE PRACTICE

May 20

We decided to take the five-hour drive up to the city of Salta. After ten weeks of Deep Freeze, things are starting to thaw. Salta province has no active cases of the virus. It, along with a few other adjoining provinces, now allows you to move around. But you need face masks and written authorization, and you have to go through roadblocks every 20 or 30 miles. It feels a little like a rehearsal for a police state.

“Where are you going? Why are you going there? Where did you come from? How long have you been in this country?”

But yesterday only one *gendarme* made us produce our *permisos*. The others just waved us through after seeing that we were wearing our face covers. Here in Salta, people seem to be going about their business, but in a kind of restrained way. We were the only diners in a restaurant last night. And, at 8 p.m., the owner closed the doors.

“We’re not allowed to serve anyone after 8,” he explained. “If the police see you in here, they might arrest us all.”

ON OUR WAY

May 21

Time is speeding up. Things we thought would take decades happen in months, weeks or days. And, here in Northwest Argentina, we get a preview of the fast-approaching future.

“I remember the late 1980s,” said our administrator in Salta. “I was a student in Buenos Aires. My parents had to send me money every day so I could eat. I’d rush to the supermarket. They had staff who spent all day changing prices, trying to keep up with the inflation.”

While the Argentine currency collapsed, the U.S. dollar was king. It had already become fake money, but fake money is fine as long as it acts like the real thing, with interest rates falling and prices looking stable. And it’s especially easy when it’s the world’s reserve currency. People are happy to take it in payment for goods and services. They are happy, too, to leave it in bank accounts or under mattresses. And when there is a crisis, they want more of it. But that gives it power, and power corrupts...

Americans, with only faint memories of mild inflation in the 1970s, expect a return to “normal” soon. But the Argentines know better. They know that, when people catch on to the money-printing scam, they will rush to get rid of their dollars and prices will soar. Inflation here has been as high as 50% per month.

After all, Argentina was once the seventh richest nation in the world, and once had a decent currency, too. In 1881, President Julio A. Roca brought out the Argentino de Oro, a gold coin with 0.2334 ounces of gold. Our friend Eduardo Elsztein, one of the country’s most successful businessmen and property owners, gave us one of them when we first met him in the 1990s.

At that time, some were still in the vaults of the Argentine Central Bank, but the country had been buried under repeated blizzards of paper money. The peso and the austral had come and gone. Zeros had been added and stripped away. Yet the Argentino de Oro, the gold coin minted more than 100 years previously, never lost a dime of value. Eduardo explains:

This Argentino de Oro, whose original price in 1881 was 5 pesos, would be valued today at 452.3 quadrillion (that is 15 zeros) pesos, a 9.4 quintillion percent “return” on the investment, measured in the original currency.

The important thing, though, is not that the gold coin was a good investment. It wasn't. It was exactly the same coin in 1990 that it had been in 1881. It had produced nothing. And yet, if you had held the gold coin, rather than the paper peso, it would have prevented the loss of 99.999% of the wealth represented by the original peso.

It's the primary problem for business in Argentina, and it could be coming to the U.S. We have the good fortune to be included in the exchanges of a group of Americans doing business in Argentina. One drew on painful memories to predict what will happen next:

The peso currency known as *Peso Ley* lasted from 1970 to 1983. In 1983, the *Peso Ley* was replaced by the *Peso Argentino* and four zeros were dropped. All this took place *before* the hyperinflation of 1989 and 1991. Imagine what will happen in the next few years. We are on our way!

Yes, we're on our way. Since we've been in the country, only three months, the peso has lost 30% of its value against the U.S. dollar on the black market. But the dollar is doomed, too, and for the same reason. The U.S. feds print even more money than the Argentines, and decide who gets it.

Most Americans may be blind to reality, but those who do business in Argentina can read the writing on the wall: *Desastre!*

STOP CHECK

May 22

Yesterday, we left Salta. Life in the city is agreeable, but everything seems to be operating at half-speed. Traffic is light. Opening hours limited. Lines form in front of stores, with people keeping six feet apart. We had to stay in an Airbnb because the hotels are all closed.

We headed south, the idea being to take a different route back that would allow us to check on some farm equipment. We drove along, enjoying the autumn scenery: fields covered in yellow wildflowers, the leaves turning red. The sun is bright but the days are cool.

The drive was idyllic. But we were halted in every small town by *policia* wanting to know where we were coming from and where we were going. About two hours into our journey, a young cop decided to go above and beyond, asking where we spent the “quarantine” and how we had gotten so far without being stopped. Then he told us we couldn't go to Cafayate, the town we were hoping to visit.

“But we have a *permiso*,” we protested, holding up our authorization.

He called his superior in Cafayate on the phone. We could hear the conversation. “They're foreigners? Then they can't come in.”

Odd and pointless as it was, we were turned back. The policeman apologized, but insisted that that was the law and we could go no further. Instead, we had to take the long way around, up and over the mountain and down into the valley from there.

Along the road, in the middle of nowhere, was an old man.

“Where are you going, old-timer?” we asked.

“To Payogasta.”

“*Bueno*, get in.”

The law says that everyone must wear a face mask, but the old man had none. It might cause trouble if we came to a roadblock.

“Don’t you need a mask?” we asked.

“No, I don’t pay any attention to them.”

After an hour or so, we turned off the road to Payogasta, leaving our passenger in the middle of a vast, open valley. With no buildings, no trees, no shelter of any sort, and temperatures dropping well below freezing...

“There are a couple cars a day,” he assured us. “No problem.”

THE MIRACLE OF TABACAL

May 25

Stuck here in Argentina, we have been learning as much as we can from a failed economy. But that’s not to say that everything has failed. What follows is a brief history of one of the most successful investments of all time. It was daring, bold, difficult, but ultimately very profitable, creating one of South America’s largest fortunes and nourishing the political career of the man who might have kept Argentina from going broke.

We’re talking about “Tabacal,” an enormous sugar cane operation in Northwest Argentina. We bring it up because it tells us something about the world as it was in the early 20th century... and the world as it is 100 years later.

The story begins in 1916. It was then that Robustiano Patrón Costas got off the train in Orán, Argentina, and became convinced that the area was suitable for a modern sugar mill. It seemed very unlikely at the time. The surrounding countryside was a wilderness, with very few people and none of the support infrastructure that a large plant would need: no towns, no skilled laborers, no roads, no electricity. Nevertheless, he got together a group of investors and began a breathtaking project that today seems almost impossible.

They had to clear thousands of acres, with much of the work done with shovels and pickaxes. An extensive irrigation system had to be built, with a river diverted into canals, gates, dikes, and hundreds of miles of ditches. The land had to be plowed and planted. Pests and plant diseases had to be identified and defeated. A railroad, with 16 engines and 1,500 freight wagons, had to be built to transport the cane to the mill.

And that was just the beginning. In cutting season, 8,000 laborers were needed. Where would they live? What would they eat? And what about the thousands of permanent employees? Where would their children go to school? Where would they pray? And what if they were sick?

So Patrón Costas and his associates built a whole town, too. Houses – clean, neat, modern, laid out on tree-lined streets – churches, schools for 1,200 students, bakeries, sawmills, two barber shops, wood shops, metal shops, a theater, tennis courts, polo fields, and a hospital that provided not only nursing but X-rays and surgery, too.

A dairy provided milk. A farm provided fruit and vegetables. The bakery processed 12,000 pounds of flour each day. And the sugar mill itself was similarly immense, powered by its own electric plant. In 1945, it produced 51 million kilos of sugar and 4 million liters of alcohol. By the 1980s, it was the largest sugar mill in the world.

The investors and workers prospered together. The mill brought in thousands of local people with no skills and no money, many from the indigenous tribes of the area, and turned them into carpenters, cooks, machinists, bakers, drivers, and even chemical engineers.

Patrón Costas gained such a reputation that he ran for president of Argentina in the 1940s. Alas, the appeal of risk-taking, hard work, and real growth was already waning. People like capitalism on the way up; they prefer socialism on the way down. Patrón Costas lost to the socialist Juan Perón. The country has been sliding ever since.

The remarkable thing is that, even with 100 years of technological advance, and an abundance of capital, it would be nearly impossible to build Tabacal today. It took 17 years of struggle for the project to prove itself. Who would risk his money for such a long-term payout now? Instead, the ambitious young man becomes a fund manager or develops a new app and plans to go to IPO within 36 months.

Someone with an idea as big as Tabacal would be doomed to failure. The “indigenous people” would stop him. The “environmentalists”

would stop him. The tax men, labor unions, banks and lobbyists, the politicians and bureaucrats, the whole “community,” all would stop him from putting a stake in the ground.

And if, by some miracle, he did overcome such powerful opponents, he would be regulated and controlled, his margins would evaporate in the heat of inflation, and his profits would be taxed away. He would realize that, in order to survive, he’d have to become a crony. He’d say he was combating climate change with “green” technology, that he was putting women and minorities on his board, that he was creating a safe place for his employees...

And then, instead of making money selling sugar at a competitive price in a free market, he’d ask the government for low-cost loans, tariff protection, and emergency subsidies.

Sic transit gloria capitalista.

A MEANINGFUL MEMORIAL

May 26

One of the charms of a late, degenerate empire is that it gives you an assortment of cynical amusements. Each day, reading the news is like choosing from a buffet of buffooneries. You only have to decide which to laugh at first.

Baltimore provided a good example at the weekend. Mayor Young had outlawed any sort of meetings on grounds of public health, yet there was The Donald drawing a crowd, celebrating Memorial Day in the city of Francis Scott Key and the “Star-Spangled Banner.”

We used to know the mayors of Baltimore personally. Now they go to jail before we get a chance to meet them. It’s a shame. Otherwise we might have gotten on the phone to Mayor Young with some advice: send the boys in blue to arrest the president and everyone in attendance! The president could then have retaliated by sending in the National Guard to protect citizens’ rights to peacefully assemble.

He might have even taken a page from the book of Eisenhower and ordered the National Guard to reopen the nation’s schools. Either way, it certainly would have made the occasion more entertaining. And it might have helped to clarify the imbecilities in conflict.

On the one hand, Baltimore has imposed a lockdown that is almost certainly unconstitutional. On the other, the scofflaw president was participating in a festival of sacred claptrap. Not that we dispute the need to remember the fallen. We just think it should be done with more candor. Instead, Donald Trump went to Baltimore and said the same empty-headed baloney that presidents always say.

Because the truth is that only once in the entire history of the U.S. did a war seriously jeopardize American lives or freedoms. That was when the Yankees invaded Virginia, which led to the death of one out of every four white men of fighting age in the South and the defeat and occupation of all of Dixie. Aside from that, America’s military history is sordid, clownish, and futile. Never was there any real danger of invasion. And never were Americans’ liberties at risk, except from their own government.

The real danger, then as now, was not the foreign invader, but rather the domestic bamboozler. In World War II, the U.S. government put 112,000 of its own citizens in concentration camps. Today, it has nearly a million prisoners locked up in its 50-year “War on Drugs,” and has put millions more in house arrest in the war on Covid-19.

You can see how its taste in wars has changed. After World War II, the atomic bomb and threat of “mutual assured destruction” made real wars too risky. So the U.S. turned to fake wars against enemies who posed no real threat (Vietnam, Iraq, Afghanistan, et al.) and to wars against drugs, poverty, terrorism... and now a molecule.

So we humbly suggest that, instead of the usual claptrap, Memorial Day should pay homage to *all* the victims of these various wars. Not just the poor soldiers fed into the military maul, but also the millions of civilians, mostly foreigners, who died as “collateral damage”, the millions of poor people turned into welfare addicts by the War on Poverty, and the millions who died from drug overdoses or spent years of their lives behind bars.

And this year the highlight of the Memorial Day festivities should be the president’s visit to Arlington Cemetery. There, with solemnity worthy of the occasion, he would lay a wreath on the Tomb of the Unknown Covid-19 Victim. Perhaps one of the 10,000 driven to such despair by the feds’ war on the molecule that he took up a gun and blew out his brains.

SURVEYING THE RUINS

May 27

“There are Indian ruins up there,” say the locals. “But almost no one still alive has ever seen them.”



The sheer stone wall surrounding the mesa

We were growing more and more determined to get up to the top of the *mesa* and find out for ourselves. Trouble was, we still didn't know how to get up there.

“There's a secret path. But nobody remembers where,” said Natalio.

“I do,” said Martha, the cook. “Though it was many years ago...”

So we set off. The air was crisp but the horses were sluggish. Your editor and his wife rode out the front gates, across the valley, and then down a steep, rocky path. Martha, meanwhile, took a faster route, riding a motorcycle across the desert to where the land turned rugged. From there, she went on foot over the rocks to the base of

the *mesa*. We met her there and she led us around the side of the mountain. The red cliffs rose like the walls of a fortress.

After a half-hour or so, we came to some stones arranged in semi-circles, designed to hold earth and water in place so that crops could be grown. They are relics of not just another culture and another epoch, but also another climate. Now, it is much too dry to grow anything in these “terraced” hills.

We tied up the horses and Martha pointed up at the cliff. But, after we'd clambered about 200 vertical feet to get to the base, Martha halted at the rock face, looking puzzled.

“I thought it was here,” she said. “But now I don't see it.”

Certainly there was no visible path. But your editor had spotted a possibility: if he could pull himself up onto one rock, and then edge across the face of the cliff to where some tumbled rocks gave him more of a footing, he might have a clear shot at the top.

“No, that's not it...” Martha began, but your editor was already engaged. The trouble was that the cliff face was not stable. He grabbed a rock, only to have it break off and fall to the ground. It only took a few minutes of climbing for him to see his error. He could climb up. But it would be a lot harder to go down.

“Don't try to follow me,” he called to Elizabeth.

“Don't worry,” she yelled back, in a tone that told us that she had no intention of imitating something so stupid.

By now, your editor was already halfway up. He continued, carefully placing his feet on the available ledges, holding on to the rocks above, until, finally, he scrambled to the top. He found himself on a strange, flattish, bone-dry surface, worn by millennia of wind and weather. Here and there was a dried-out bush, a delicate flower, or a clump of cactus. There were also ridges and gutters worn in the rock, some squared off, as if by human hands.

Alone in this deserted world, he looked back at where he had come up. He wasn't sure it was safe to go down the same way, but he had no choice. He decided he would worry about it later. For the moment, he just needed to fix in his mind the look of it so he could find the spot again.



On top of the mesa

This accomplished, he began exploring with a light heart and an easy step. The land sloped gently to the east. He followed it, looking at the ground. Looking for something, but not sure what. There were odd rocks, and huge boulders lifted up as if on display. The whole *mesa* must have been elevated on a huge piston of molten lava.



Some strange shapes awaited

Interesting as these were, it was the ruins your editor had come to see. They were said to be in the center, so he directed himself thither – and found the *mesa* to be bigger than he'd thought. He followed the northern rim, still on a downward slope. And then, suddenly, saw a row of rocks.

But this was not a terrace. This was a circle. For what? Ceremonial purposes? That's what archeologists say when they don't understand what use a place might have served. (Some day, the ruins of Las Vegas will be identified as a religious center. It will be impossible to imagine people going to such a place for entertainment.)



A stone circle

Further down, a shallow depression funneled what little rain there is over the edge of the cliff. There, the Indians had built more familiar terraces, but they were very small. The rain must have been meager.

We crossed over to the other side of the *mesa*. This time, we studied the lay of the land, following the drainage, guessing that the ruins would be near the lowest point, where ancient people might have captured as much water as possible. We found a more extensive sequence of retaining walls as we traced the likely course of runoff. There, we discovered a *mortero* for milling grains...



The mortero

... and something that looked like a child's tomb.



The (possible) tomb

At one time, there were trees growing on the *mesa*. The remains of them, well-weathered stumps, as hard as the rocks around them, are still there. The Indians must have been able to build shelters, partly under the overhanging rocks. But we couldn't imagine a permanent settlement. The fields were tiny. Even hundreds of years ago, there was probably not a lot of water. And, when the winds of winter blew across the unprotected expanse, it must have been painfully cold.

Most likely, it was a seasonal outpost, perhaps used as a place where the local tribe protected itself against its enemies. Perhaps they grew what little they could and then carried up more food and water, using the place as a keep: the last stronghold of a threatened people.

By now it was time to go back. We had been exploring for two hours, leaving Elizabeth and Martha down below. But we had been distracted by the ruins and were no longer sure of our bearings. We crossed to the other side and began looking for the landmarks we remembered. After a while, we became nervous. Where were they? Where did we come up? Had we gone too far and missed them? We edged over to the rim, lying down so we could get as close to the sheer edge as possible without falling over.

"Hell-ooo" we yelled. No reply.

After a few more minutes, we decided we had gone too far. We knew we were on the right side and vaguely in the right place, for we could see the dry river bed where we had approached the *mesa* down below. But there was about a mile of cliffside in that area, and it was all beginning to look alike. We tried calling again.

"Hello... Anybody there?"

The sun was already ebbing lower. We had left our heavy coat down below in order to make the climb easier, and now a chill wind was picking up. But the image of the landmark was getting muddled in our mind. It looked a little like the guard tower. Or was it more like a teapot? We had seen dozens of landmarks. Each was different, but even more similar. So it was with great relief that we saw two figures approaching in the distance.

"Martha found the secret path," Elizabeth announced as we drew near. "It's easy, but well hidden."

Martha had brought a backpack with water and some dry sausages. We sat down among the ruins and had a little snack. The air was

chilly but the sun was still warm on our faces. Then, as we were getting ready to leave...

“Let’s leave a little for the gods and the ghosts,” said Martha, putting some sausage on a rock.



Martha, our guide, on the “secret stairway”

MAIN STREET CRONIFICATION

May 28

Today we sneak up on our usual tale from a slightly different angle. Why, we wonder, do the working stiffs put up with it? Their incomes haven’t increased in 45 years, while the rich have gotten much richer. For the last 10 years or so, Wall Street and big business have been in high clover. But it’s been barren ground for the average guy.

How come he doesn’t revolt? While the stock market has risen 300% thanks to the EZ money dished out to big banks, big business and big investors, the economy has grown a paltry 50%. Mr. Trump maintains that it was the greatest economy ever. But it was a mirage and a fraud. The capitalist economy was perverted into a crony one.

Lobbying paid off. Borrowing, too. Insiders could borrow money at ultra-low rates and use it to jack up their own shares and bonuses. Forget investing in new plants and equipment. Forget hiring more labor. It takes years to build a new factory, train new workers, develop new products, and master new markets. Why take the risk? And why wait for a payoff?

Yes, the working classes and left-leaning press grumbled a bit. But few really understood what was going on. And, as long as the stock market was going up, nobody really cared. Most of the voters, like the president himself, thought the nation was booming.

But now, with 43 million unemployed, the grumbling gets louder. Menacing, even. This should spell danger for the feds of all kinds. But the feds are no dopes. They’re applying the same techniques that worked so well with the cronies to silence the proletariat. That is, paying them off, vowing to “replace” income lost to lockdowns.

State unemployment benefits of \$400 per week, average, are already not bad for many of these workers. Add on the \$600 per week that the feds are chipping in, and many wage-earners are delighted to be laid off. In some states, like New Mexico and Maine, the total take-home pay for *not* working averages 135% of the pre-crisis wage.

What we are witnessing is the cronification of the American people. And, if we want to know where that leads, we need only turn once again to the pampas. Because, when it comes to economics and politics, the Argentines don't mess around.

They play Russian Roulette with a bullet in every chamber. Now the *yanquis* have picked up the pistol.

PERONISM DOESN'T PAY

May 29

“That’s the secret of Peronism,” says our neighbor, Ramón, “Keep the people dependent on the government. And then, go broke.”

We see how it works in the Calchaquí Valley. Many here neither toil nor spin. This is partly because there are no jobs, and partly because they don't have to. Instead, they get money from the government. Not much, but in a place where living costs are very low, a little bit of cash goes a long way.

“And it’s not even that little,” our neighbor goes on. “I pay my farm foreman 40,000 pesos [about \$285 at the most recent black market rate] per month. He’s a good worker and has been with me for 20 years. But he has a sister who lives up in the mountains. She has six children and gets more in welfare than her brother does for working.

“It’s a disaster. People used to be independent and hard-working, taking care of goats, cows, and sheep and planting their corn and potatoes, but now do nothing. They used to spin the wool from their sheep or llamas and knit beautiful ponchos and sweaters. Now, a lot of young people don't even know how to do it.

“And they expect the government to come and look after them. If they have a medical problem, they want the government to send an ambulance, even way up in the mountains. They get free food [the local government hands out sacks of lentil beans], and they get money every month that they can use to buy whatever they want. That’s how these *originarios* can afford not to work.

“It wasn't like that before. It was give and take. They worked. They got paid. And, if they had a problem, they'd go to the landowner

and he'd try to work it out. We'd take them to the city to see doctors. We'd give their children scholarships. They looked after us; we looked after them. People said it was 'paternalistic' and maybe it was. But we respected each other and looked out for each other."

A week ago, Argentina defaulted for the ninth time in history and third time this century. At root of it is former president Juan Perón. Perón was sent to Italy before World War II to observe military tactics in alpine settings. But he seems to have taken more of an interest in politics – especially those of Mussolini and Hitler.

At that time, Argentina was rich. Most of the money was earned by the old landowners who exported beef and grains to the rest of the world. But the votes were in Buenos Aires, where there were millions of recent immigrants. Ideas, like viruses, work their way through a population, especially in dense urban areas. And many of the voters quickly succumbed to "Peronism."

The formula was simple: rob the rich, give to the poor, get elected. After Perón became president in 1946, real hourly wages rose 27% the first year and 24% the next. Minimum wages, price controls, pensions at 55, vacations, limits on firings... It was a great time for the Argentine working man.

But investment dried up. The more the government interfered in the economy, the lower tax revenues went. So Perón paid for the spending the usual way: by printing money. And thus, in just a few decades, did Argentina go from the seventh-richest country in the world, with incomes higher than those of France, Italy, or Spain, to number 38 for median income, somewhere below Belarus.

MOCKING COMMON SENSE

June 1

What joy for a cynic! Here is proof that the human race is every bit as stupid as he always thought it was. On their own, people are passably competent and tolerably intelligent. They drive at 70 mph, balance their checkbooks, and get along with one another. But hit them with "public policy," and they suddenly shed 50 IQ points...

Everybody knows that, if he makes a copy of a \$1 bill, it is worthless. But he thinks that the feds can create trillions of them and they will represent real wealth. He avoids conflict with his neighbors. But let the feds come up with a "war", and he'll back it with all his heart.

On March 13, President Trump proclaimed a state of emergency. At the time, it looked like it might be the best thing to do. After all, we were told the new plague could kill millions. But by March 17, it was obviously a mistake. The Italians brought the evidence. It was us, those over 70 with pre-existing health problems, for whom Death had come a-calling. Not the entire human race.

At which point, Dr. Fauci and the president should have looked the nation in the eye, told the truth, and reversed their Universal House Arrest policy. Instead, the "mistake" turned into a scam. The media, governors, health experts and feds induced war hysteria. Wearing a mask became patriotic. Dissent was "crackpot" or treasonous.

Lunatic regulations were issued, as if to mock common sense. You were allowed on "wet sand" but not dry sand. You were allowed to drive in a car with your family but not to get into a boat. You could be put in jail for violating the lockdown, but criminals were let out, because staying in prison might be a risk to their health...

WHEN THE MONEY GOES

June 2

Half of states have called out the National Guard. The President of the USA went into hiding in an underground bunker. *USA Today*:

President Donald Trump was briefly moved to the White House's underground bunker Friday night to shelter in place for a brief period of time as the protest grew outside the Executive Mansion.

The protests over George Floyd's death hit the nation's capital as angry protesters arrived at Pennsylvania Avenue, leading to a lockdown at the White House.

Riots and protests... 4,400 people arrested as the president urges the local government to "get tough"... What gives? Another Freddie Gray incident? We're not so sure. Our theory is that this is more about money than it is about race. As our dictum says: "When the money goes, everything goes."

The monetary foundation of the U.S. (the Federal Reserve balance sheet) began the century at only \$674 billion. That is where it had gotten since the Fed was set up in 1913. Now it is \$7.1 trillion, and it's headed to \$10 trillion by the end of the year.

Every calamity, caused by the feds themselves, will now be met with more money-printing and "war". Every time, the feds go back to doing the only thing they know how to, the thing that increases their power and enriches their friends: running the printing press. And every time, they make the situation worse.

The current round of riots and lawlessness are probably not just a reaction to Mr. Floyd' death. Instead, they are an inchoate reaction

to an inherently corrupt and unfair system. "Racism" is something they understand. They were indoctrinated about it in school. But "racism" may be just a focal point for deeper resentment. Money represents time and life. And, when people can't trust it, they lose faith in their institutions, in the system, and in each other.

A similar thing happened here in Argentina. By 1976, after 30 years of Peronism, Argentina's inflation rate was edging towards 500%. There were riots, abductions, kidnappings and shoot-outs. Domestic "terrorists" were on the loose. The military stepped in and began a "Process of National Reorganization." But it soon became a "dirty war," supported by the U.S. government. By the time it was over, seven years later, 30,000 people had been "disappeared."

Back in the U.S., as the money-printing continues and the financial crisis worsens, there will be more and more dissension, kvetching, and insurrection, leading to softening in the center and hardening on the edges. Riots are inevitable. Lawlessness is just part of the process. It gives the authorities another "war" to fight, another reason to assert their authority and spend more money.

Call out the Guard! Get tough! Announce a "state of emergency"! Curfews. Martial law. Declare U.S. groups "terrorist" organizations, arrest their leaders, put the nation under house arrest...

And then: disappear the bastards!

STRUGGLING FOR AIR

June 3

According to press reports, poor George Floyd was handcuffed and killed because he tried to pass a \$20 bill that was counterfeit. On that same day, like every day for the past three months, the Federal Reserve passed out \$1.5 billion. Fueled by the oxygen of \$3 trillion in counterfeit money, the S&P 500 has been doped back over 3,000.

Meanwhile, the U.S. economy in which Mr. Floyd tried to make a living has been struggling for air. The Fed's giveaways to Wall Street, including its artificially low interest rates, discouraged saving and stifled the kind of real business investment that might have created good-paying jobs. Instead, corporate boards decided to borrow, pay themselves bonuses, and buy their own shares to jack up the prices.

In times of war, counterfeiters will print fake currency to destroy the enemy's economy and promote civil unrest. Now, we're doing it to ourselves. Who will suffer most? The George Floyds of America. Young people, Blacks, and less-educated people typically don't own stocks, bonds or real estate. They sell their time by the hour. And the real hourly rate has scarcely changed since 1975.

And just wait. Now the feds are "printing" money like never before. Expect more corruption, more dependence, more unfairness, and (sooner or later) runaway inflation, depression, poverty, chaos, riots, maybe "civil" war...

Then the victims will put up a fight, the feds will get tough, and the knee will be on all of our throats.

FINANCIAL KAMIKAZE

June 4

Here in Argentina, we live under one of the strictest lockdowns in the world. Perhaps the gauchos really do believe in the Lockdown Theory, in which you delay the deaths of a few by stopping normal life for the many. Or maybe the new fantasist government is eager to destroy the economy completely so it can rebuild it in another form.

We don't know. But the economic rut on the pampas gets deeper. As in the U.S., the government has only two options: honesty or larceny. And, as in the U.S., it will choose the second. Which, of course, just digs the hole deeper. Perhaps catastrophically, Venezuela-style.

Conservatives versus liberals... *New York Times* versus Fox News... red versus blue... Americans are encouraged to square off against each other, while the real enemy steadily advances, unrecognized: the Fed with its financial kamikaze. But other countries are on their own suicide missions. They're all printing money to cover their deficits. And many of them will blow up their currencies before the U.S. And then their citizens will seek safety – in the dollar, of course.

Here in Argentina, the printing presses are already running hot and the black market currency traders are doing a steaming business, taking in pesos and handing out dollars.

This demand for America's fake money is likely to keep the value of the dollar high, despite the feds' money-printing. But at some point (your editor is not fool enough to say when), those fake dollars will be shown to be every bit as worthless as that \$20 counterfeit bill that George Floyd tried to use to buy a pack of cigarettes.

SONS AND DAUGHTERS

June 5

One country; two systems. One financial; one economic. One for Wall Street; one for Main Street. One for the elite; one for everyone else. One fraudulent. The other just a rip-off.

The two-system system works for us, the top 10% who benefit from it. Many of us are retired. What's it to us if there are no jobs? We have financial assets. We're happy to see the Fed pumping them up. We don't even mind (for now) that the economy was shut down by the Trump-Fauci double-act. We didn't have to go to work anyway.

But what about the others? The 90%? Our sons and daughters? Those who need jobs and earn minimum wages? And don't forget the middle classes. The ones in the middle suffer most when a nation goes nutty. They have something to lose but not enough wealth or financial savvy to protect themselves. There's a good chance they'll lose everything in the money-printing lollapalooza.

But if such a disaster is so obvious, how come others don't see it? How about this for a naked reason: the deciders, influencers, economists, columnists, politicians, academics, captains of business, and sergeants of well-meaning nonprofits – almost none of them understands what is really going on. Why not? Because it's amazing what you can't see when your wealth depends on being blind.

Each of them, whether Democrat or Republican, Trump-lover or Trump-hater, is part of the upper 10%. They all benefit from the fraudulent, fake-money system, and none wants to think about it too hard. They've built their careers, their reputations, their fortunes on a lie. They're not about to open their eyes now.

ONE COUNTRY, TWO SYSTEMS

June 8

It was like waking from a bad dream. As if the last 90 days never happened. No Covid, no lockdown, no job losses, no market crash, no freshly-printed \$3 trillion, no \$4 trillion budget deficit...

Whew! There, in the headlines, everything was back to normal. The Dow, the S&P 500, the Nasdaq, bonds: all just as we left them in February. Birds sang in the trees, diners packed restaurants, the sun shone. Even the price of oil was back up to \$40.

But wait. What about the people who have to work for a living, the people who don't own stocks, how are they doing? Well, we got a bit of insight from our colleague, Tom Dyson. Tom is driving from Florida to Alaska, which has him passing through the Heartland, where people live in the economic system, not in the financial one.

Tom stayed with a woman named Sherry who rents out her lawn to passing campers. Tom reports:

Sherry lost her waitressing job in the lockdowns. She was trying to make a little side money by hosting campers on her property for \$14 a night. We were her first customers.

"I've got job applications all over the place," Sherry said. "But these restaurants are run by 30-year-olds. They don't want anyone older. And I don't have a lot of experience. I've been cooking for 40 years, but not in restaurants."

If you look at Wall Street, you'd think the last three months was just a bad dream. But on Main Street? The nightmare continues.

THE TRUTH OF PATERNALISM

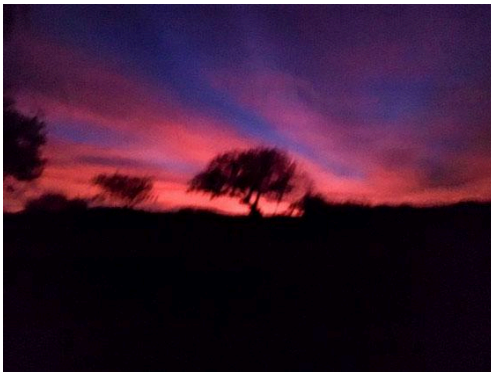
June 9

The nights are getting cold. Over the weekend, we marveled at the brightest moon we have ever seen.



The moon rising over San Martín

And in the morning, the sun lit up the clouds overhead.

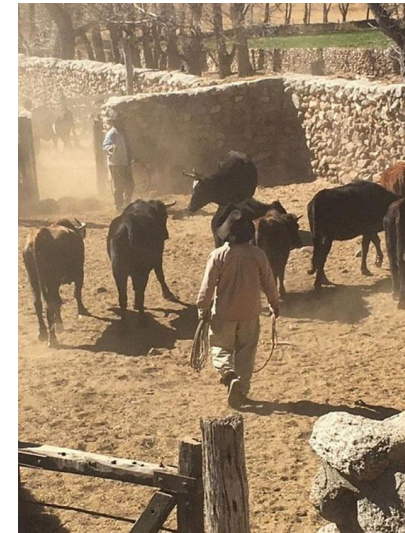


A fiery sky greeted us in the morning

After a cold night, our office is chilly. We make a fire in the fireplace. Then we eat breakfast in front of it before beginning work. We have good phone signal down in the valley, and can use the internet without problem. We can keep up with the news and write our *Diary*.

On weekends, we drive up to the ranch, spending most of our time cutting firewood and trying to understand what's going on. For a place so remote, there is a remarkable amount of activity. People come and go. Cattle appear in the corrals, then disappear again.

“It’s that time of year,” said Gustavo, the ranch foreman. “Everyone brings a couple of cows down from the mountains for slaughter.”



Selecting an animal for slaughter

Typically, people lead the cow to the shade of an *algarrobo* tree, then plunge a knife into the animal’s throat, cutting the artery. The cow quickly loses consciousness. It is skinned, gutted, cut into pieces, and left hanging from the tree to dry.

But the cows, perhaps suspicious of what lies ahead, do not always cooperate. On Saturday, Pablo and Augustin were driving a cow up

the driveway when, suddenly, it turned on Pablo and rushed at him with its horns down. Pablo, used to handling these semi-wild animals, dropped his lasso and ran for his life while Augustin tried to whip the cow in the head to get it to stop.

But it was too late. The cow was out of control. It chased Pablo behind a tree, then took flight back down the driveway, dragging the rope behind it. Pablo pursued, hoping to get a hand on the rope before the cow got away. But the cow didn't slow down and quickly reached the end of the driveway, where the stone walls stopped. Once there, it had 10,000 acres of free range.

We, too, now have access to thousands of free-range acres. But our release from house arrest has brought new challenges. Priest. Social worker. Counselor. Boss. Judge. Bank. We're asked to be all those things, and we do our best. We didn't intend to get involved in others' lives at the ranch. But it's a different world, with different expectations. "Paternalism," some call it. Now widely condemned as condescending and exploitative, in most places the landowner's role has been taken over by the government.

But our ranch is behind the times. While the government has got involved in many ways, local people still come to see us when they need help. We lend money to help them buy motorcycles and cars. We take them to the hospital. We give scholarships and jobs to their children and grandchildren. We fix the church roof, provide pipes for running water, and rams and bulls to improve their herds...

And we don't do these things because we're nice, but because they're what is expected.

NO RETURN TO NORMAL

June 10

"Defund the police!" Protesters want to cut the gendarmes' budget. And here at the *Diary* we're all for it. But defund the Federal Reserve while you're at it. And the Pentagon, Department of Education, FBI, CIA, CDC, Homeland Security, and Congress. You see where we're going with this, don't you? Drain The Swamp! The feds are over-fed, wasteful, foolish – and a whole lot worse.

The core of the American experiment was that government should be limited. The People's servant, not their master. But our government has now grown so big and bossy that it decides who gets what, who trades with whom, what we can ingest, and what we learn in school. It even tells us when we can go outside. It undertakes wars and sanctions against people with whom we have no quarrel. At home and abroad, the feds try to push everybody around.

During the Great Depression, the Roosevelt administration never ran a deficit over 7% of GDP. The Trump administration is headed for 20%. Even in the middle of World War II, the U.S. government spent only 40% of GDP. In the second quarter of this year, 2020, the U.S. is borrowing and spending 61%.

And it's not going back to "normal" anytime soon. While the media and mobs focus on the struggle between red and blue, liberal and conservative, Republican and Democrat – Joe Biden goes to the George Floyd funeral; Donald Trump visits the police – the battle that really matters is not even noticed.

It's the battle between the Deep State, with all its beefed-up military hardware, unlimited funding, and self-serving crackpot ideas, and the people of America.

WHAT THEY ASK FOR

June 11

Dear readers have raised an objection to our ranting. They say that what people in America get is not a result of public policy – it’s what they deserve. The gist of their remarks is that hard work, grit, and clean-living can still lift people out of poverty, and that most of the poor are poor because of their own bad choices.

We agree. An individual, with luck, brains, and determination, can beat the system. And, even if that isn’t true, he should still believe it. He is the only one who can really improve his life. If he ever loses that faith, he’s finished. He can march in all the demonstrations he wants, vote and write letters to the editor, and ask his congressman to take the knee. But he, and only he, is likely to improve his life.

No one will polish his shoes for him. No one will get to work early for him. No one will save money, learn new skills, or comb his hair for him. And certainly not the feds.

But, in the *Diary*, we only try to understand what is going on. And what we see is that the elite have ceased being useful stewards of our institutions. They have become predatory, exploiting the two-system system. The question is: will the masses ever figure it out?

Probably not. Instead, they will howl about greed and racism, rant against capitalism, and vote for a scalawag who offers a Universal Basic Income, more stimulus, and more money-printing.

And then they’ll get what they ask for...

... good and hard.

PRECARIOUS MYTHS

June 12

Human history is largely a story of myths and delusions. They made possible some of our greatest achievements, and our worst mistakes.

The Egyptian pyramids wouldn’t exist, for example, if large groups of people had not believed that Pharaoh was divine and monuments should be built to him. They devoted nearly the entire surplus of the rich Nile Delta to putting up huge piles of stone in his honor. But then again, World War II wouldn’t have happened without Hitler’s “Übermensch” delusion. It proved to be great fodder for the History Channel, but resulted in a world war with 60 million dead.

The trick is to keep a clear head about it. Some myths are useful; some sinister. And some, no matter how absurd, can be played for a profit. Someone must have prospered from building the pyramids, even if it meant a life of hard labor for the common man. Today’s speculator, anticipating money from the Federal Reserve flooding the stock markets, might figure he can catch the rising tide.

But watch out. Our hypothesis is that the myth of money-printing is ruining the economy, undermining its social stability, and corrupting its government. And so we urge caution. Eventually, if we’re right, there will be Hell to pay. There will be no monuments for tourists to admire 1,000 years from now. Instead, there will just be the sordid, sorry history of a gigantic fraud...

... and the stories of speculators who forgot to get out when the going was good.

SUNDAY STROLL

June 15

Yesterday, we got up on our horse, Bayo, who is about as old in horse years as we are in human years. He can still do a comfortable canter, but he walks slowly. Bayo and your editor have been acquainted for more than a decade. We understand each other. But that doesn't mean we always agree. We rode out onto the plain to the southwest of the ranch house, and Bayo proved a little reluctant. He knew that journey can take four hours. And this did not appeal to him.

So instead we directed ourselves to the little mountain at the center of the valley. It is almost solid rock, a reddish conglomeration, once molten, with other boulders embedded in it.



El guanaco

As we approached, we heard the strange *ouee-ouee* of a male *guanaco*. He was on the rocks ahead of us, with unusual white markings on his rear legs. We came closer and he called out again, warning us to stay away. And then, as we kept coming, he jumped surefooted from rock to rock, then slipped away onto the great valley floor.

Our goal was to circle the mountain and find some ruins we had seen 10 years earlier. The going was hard, picking our way through the rocks and prickly sage. But we stuck to the *guanaco* trails and had gone about a quarter of the way around when we saw what we were looking for. There was a round shelter, very small. Perhaps just a way to get out of the wind.

A little further on, we stopped for a picnic. The sun was shining. The air was cool. We tied up the horses and sat down. Gazing out on the dry pasture below us, we had cold empanadas, cold pieces of pork, raisins, toasted maize, and a half bottle of wine.



Bayo (right) and Elizabeth's horse waiting patiently

"I'm so glad we aren't cooped up in an apartment for lockdown," Elizabeth remarked, speaking for both of us.

Our meal completed, we still had most of the afternoon available.

“I think over there is where the *casas coloradas* are,” said Elizabeth.

Across the valley, there was a greenish area where an ancient river washed down from the mountains. Nearby, a piece of the mountain had collapsed into the valley, revealing a pinkish dirt. We guessed that the pink houses had been built not far away. So we tightened our cinches, mounted up, and headed across the valley to explore.

Our hunch was wrong. There were ruins, but not of the pink houses. These were older and made of stone instead of adobe. There were stone terraces on the hillsides, left by Indians, as well as *morteros* in a huge rock, typical of the pre-Columbian tribes. But there were traces of 20th century people, too: houses whose walls were still upright, higher than any we’d seen from the ancient period.

We tied up the horses again and explored on foot. We had seen the *casas coloradas* many years before, but had never stopped for a closer look. This time we spent an hour or so. We wanted to go higher into the old river bed, too. While the *arroya* was dry at the bottom, we could see green leaves up higher, meaning there must still be some water. Most likely, there would be some traces of life there, as well...

But we didn’t have time for all that.

Bayo was asking: “Can we go home now, Boss?”

MYTHS COLLIDING

June 16

We live by myths. “All men are created equal” is a myth. Anyone with eyes and ears knows it’s not literally true. And yet it is a very useful myth, providing a foundational principle of “fairness” by which people expect to be treated equally under the law.

That they are “endowed by their Creator with certain inalienable rights” is also more myth than fact. But again it is not a bad myth. It too seems to limit what the rich and powerful can get away with. Even if they’re wearing a police badge, for example, they’re not supposed to choke you to death.

Governments are founded on myths. And a good rule-of-thumb is that the bigger and more ambitious the government, the bigger the myth needed to hold it together. But myths, being myths, are subject to mischief. Hitler replaced “all men are created equal” with a “master race” that was supposed, he thought, to rule the less gifted races. When put to the test, this proved a dangerous conceit. It led Hitler to believe he could defeat the lower races in war and take their land. We know what that got him.

And today our myths collide like runaway trains. Taken together, they shatter the “social contract” – the collection of myths that hold the empire together. Barely two months ago, the great and the good, esteemed scientists and world improvers, insisted that we protect ourselves and others by cowering in our houses and not venturing outside except on “essential business”. In Maryland, our home state, Ubergovernor Larry Hogan laid down the law:

We are no longer suggesting Marylanders stay home; we are directing them to do so.

Those who violated the order faced charges carrying a penalty of up to one year in jail and a \$5,000 fine. And this message was repeated all over the country. Every right-thinking / left-leaning person, encouraged by the media, his neighbors, and science, was told that it was not merely unwise to go out, but a social sin. Even going to the beach or a graveyard risked punishment or public shaming. Those few people who dared to insist they had a right to assembly, given to them under the First Amendment, were branded as right-wing sociopaths.

But then, all of a sudden: forget Covid! This was the time to take to the streets *en masse* to “protect Black lives.” Now it didn’t matter. This was a cause worth (other people) dying for!

What gives?

A COMMONPLACE EMPIRE

June 17

Today we’re looking at the “social contract” that holds the America together. And we do so gingerly, like probing the earth with a bayonet, trying to find a landmine... Because of course the “social contract” is a myth. There is no such contract. We never saw it. We never agreed to it. And what kind of “contract” can be forced on people, then changed by one of the parties but not the other?

Still, some myths are important. And the “social contract,” vague as it was, summed up the basic bargain: the feds treat us fairly and we let them take our money and boss us around. But the bargain has shifted over time, little by little, in the feds’ favor.

Senator George Frisbie Hoar saw it coming in 1898. Thanks to its foreign wars, he predicted, the U.S. would be “transformed from a Republic founded on the Declaration of Independence, guided by the counsels of Washington, the hope of the poor, the refuge of the oppressed, into a vulgar, commonplace empire founded on physical force, controlling subject races and vassal states, in which one class must forever rule and the other classes must forever obey.”

One of the lessons of history is that an army put to work trampling on the helpless abroad will one day be used to trample on the helpless at home. And there is never a lack of opponents who need to be trampled.

Covid needed to be stamped out immediately, and neither the First Amendment (guaranteeing the right to assembly), nor the Sixth (guaranteeing a fair and speedy trial before punishment), nor the Ninth (guaranteeing your rights that are not specifically in the Constitution), were seen to have the slightest bearing on the matter.

LOCKDOWN ROUTINE

June 18

Life here has developed an agreeable routine. We began quarantine by looking at the half-full part of the glass: it was an opportunity to disconnect, to think, to learn Spanish better, to see how the ranch functions, to read, and to take up the piano again...

Or, as Walt Whitman put it, to “loaf and invite our souls.”

So how has that worked out so far? Well, we spend the week down in the valley, working remotely, like millions of other Americans. It's not until the weekend that we get the chance to disconnect.

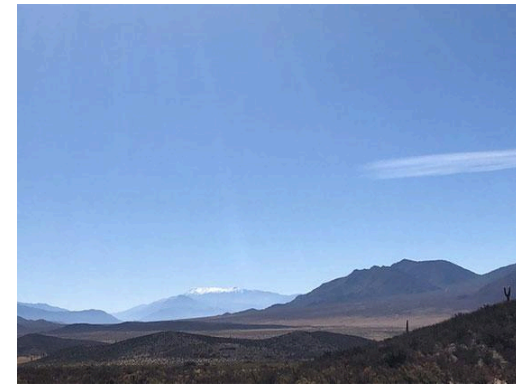
On Friday afternoons, we get into our Toyota 4×4 and head up the road to the ranch. We can see why the Toyota pickup has been the favorite of ISIS warlords and Colombian drug cartels. It is solid and reliable, sturdier than its Ford competitor, and much cheaper and more maneuverable than the armored personnel carriers favored by U.S. police departments.

Each trip up to the ranch is an adventure. The river, though now crossable, is still an obstacle. We put the truck into “lo” 4×4, second gear, and then plunge into the water. At first, the truck sinks, water splashing the windshield and rising into the bottom of the doorways. For a moment, it seems as though we will get stuck. Then the wheels find the soft bottom, get a grip, and pull us through to the other side.

There are only a few miles between the farm in the valley and the ranch higher up. But the two are separated by a range of mountains and foothills. The ranch is to the south of the farm. But to get there we first take a dirt road to the north, driving up the valley.

About 10 miles on, we come to a roadblock, quickly put on our face masks, as required by law, and roll down the windows. The police are generally friendly and often just wave us through. But sometimes they ask to see our papers, though they've seen them many times.

This is completed, we give the cops a fond “*Hasta luego!*” and drive through the village of Molinos, which is dead as Pompeii. Then we cross a dry river and arrive at an intersection, where two valleys branch off. The one to the south leads to our ranch. Once there, we can only go further on foot or horseback.



Cachi in the distance

Then on Saturdays, your editor repairs gates, rebuilds stone walls, and cuts firewood. The alamos trees that line our driveway and our pastures, planted long ago, are dying from lack of water. The drip hoses don't seem to get the water where it needs to go – or the crew is just not attentive. They regard the trees as a nuisance compared to the more serious concerns of cattle and grapes...

And then Sundays, with the church closed, is the day we go exploring.

REFLECTIONS ON REPARATIONS

June 19

Many years ago, during the anti-war riots of 1970, we attended a student rally at the University of New Mexico. Jane Fonda had come to Albuquerque to support the protest. Speaker after speaker stood and railed against the war and racism, each careful to include the “Chicanos” (Hispanics) and “Native Americans,” an important minority at the University.

Then, after Ms. Fonda herself had finally left the podium, we heard drums and saw a contingent of Indians headed toward the stage. A stout young man took the microphone: “Stop using us, man,” was all he said. The crowd fell silent. What did he mean? They were trying to help! As the Indians marched away, and the rally went back to its windy complaints...

Today we’re thinking about a point where bad ideas and bad money come together. That is, in “reparations”. For years, it has seemed like just another dumb gripe, but now it’s becoming real. Last week, the California Assembly agreed to take the case seriously. Joe Biden says he’s not opposed to the idea.

Settling the debt for centuries of mistreatment involves a substantial amount of money. The numbers we’re seeing mostly range between \$40,000 and \$60,000 per Black person, meaning about \$2.5 trillion in total. Would that be a good “investment?” Would it right the wrongs committed over so many years?

At first, you will think this is absurd. You did nothing wrong, Dear Reader. Why should you reach into your pocket to give money to someone you never met and never harmed? People are not normally required to pay for the wrongs committed by their forefathers. Nor

do people usually receive recompense for their ancestor’s suffering. Besides, many Americans are descended from someone who died in the War Between the States, fighting (supposedly) to end slavery. And the forebears of many others arrived long after slavery ended.

Reparations would also be a marked departure from the “social contract” that binds the nation. The Declaration of Independence, the 14th Amendment and the Civil Rights Act of 1964 contain the idea that all people are supposed to be treated equally by the government. Martin Luther King described it when he said:

I have a dream that one day, this nation will rise up and live out the true meaning of its creed: “We hold these truths to be self-evident, that all men are created equal.”

Of course it was always a myth. But it was a useful one. Equality is a physical impossibility. But the idea that we should be *treated* equally was a guiding principle. Like the North Star, you never get there, but at least it keeps you headed in the right direction.

But if the claim for reparations is counterfeit, so is the money that would settle it! The Trump Administration distributed about the same amount, nearly \$3 trillion, to people with no real claim to the money at all. And the Federal Reserve gave a roughly equal amount to the top 10%, boosting their capital asset values by about \$10 trillion. Why not give reparations to the Black Americans who make up 13% of the population?

There’s no doubt, after all, that Blacks have been badly used as a group. Slavery was common in the ancient world, but race-based slavery was an American innovation. And even after slavery was abolished, the Black man still didn’t get a fair shake. The Ku Klux Klan, Jim Crow laws, “Separate but Equal”: all seemed designed to keep him in his place.

Not that they succeeded. During the hundred years that followed the Emancipation Proclamation in 1862, Blacks continued to make progress, more or less like every other immigrant group, learning

skills, entering the professions, setting up their own businesses, and closing the gap between themselves and Whites.

But then do-gooders and world-improvers began to use Blacks in a novel way, and with disastrous consequences. In 1964 came the War on Poverty, giving money to Blacks, but only if they didn't marry or work. Then, in 1971, the War on Drugs brought a whole new level of violence, as gangs fought for market share, and put millions of Blacks behind bars.

And then came the funny money, which shifted manufacturing jobs abroad. It was easier and cheaper to buy things from overseas with printed money than it was to make them here, and this, along with minimum wages, kicked the bottom rung from under the working classes, both Black and White.

And now: what to do? Well, the elite and the opinion-mongers, the very people who created this situation, have a new solution. What else? More fake money!

Crazy? Sure. But when you can buy votes, temporary peace, and crony support by passing out counterfeit money, even the craziest scams seem to make sense. That's why the "reparations" argument is not likely to go away. It excites the grubby self-interest of the elites. And it wouldn't cost them anything. The money is free.

Meanwhile, it would give the average Black person a buying spree – while leaving him more dependent on the elite than ever. It would help destroy the economy, shifting another \$2.5 trillion of resources from investment to consumption. And it would cause resentment between White and Black America.

Reparations? Just another jackass idea. We have a better one. How about we all simply stop using Blacks? End the War on Poverty, end the War on Drugs, and finally take the feds' knee off their necks?

LEAVING LURACATAO

June 22

These ranches were once much more heavily populated than they are now. Gualfin has had two periods of major de-population. The first came after the Spanish conquest when thousands of people were forcibly removed, killed, or died from the Europeans' diseases. The second came when a severe drought in the 1970s put an end to the livelihoods of the remaining small tenants. Their crops dried up, their cattle died, and they had to leave for the cities to get work.



Typical recently abandoned house

Nearby Luracatao was different. Blessed with more rain, there were still hundreds of locals in the 1990s, working as sharecroppers and splitting their revenues with the landowner.

But then liberation ideologies started to spread. The sharecroppers claimed to be "*originarios*". And finally, pressured by threats of violence, the landowner made a deal with the government. The feds bought the land from him – and gave it to the locals.

MONUMENTAL IMBECILITIES

June 23

The long downhill march probably began in January 2000 with the collapse of the stock market. Back then, you would have had to sell nearly 40 ounces of gold to get enough money to buy all the stocks in the Dow. Now it's under 15, despite much higher dollar prices.

In real terms (gold), America's capital industries are worth barely a third of what they were 20 years ago. For the last score of years, the U.S. has been stumbling down the mountain with huge slips and falls along the way. Today we examine the worst of the bruises.

In December 1999, the U.S. was tootling along an open road with no enemies worthy of the name. We had more money than ever. More scientists and engineers (many imported from China!), and more technology, including the fabulous new internet, which put a world of learning at our fingertips. Our capital markets, like our military, had no real challenger. Even our federal budget seemed to be headed in the right direction, with surpluses rather than deficits.

But by the first month of the first year of the 21st century the empire was already coughing and sputtering. After spending billions on no-hope dot.com companies, investors got the shivers. The Nasdaq, home of the liveliest fantasies, fell nearly 80% over the next three years. And scarcely had it begun to recover than George W. Bush announced the first of the Four Monumental Imbecilities of the 21st century. He declared "war" on terrorism and a military intervention in Iraq.

Then in 2008 came the collapse of the mortgage finance industry. Misled by the Federal Reserve's artificially low interest rates, lenders and homeowners had gone too far. But, when the reckoning came,

instead of allowing markets to correct and re-establish a sensible balance between asset prices and debt levels, the Fed committed the second FMI. It went all-out to increase the debt in the system, blowing the century's biggest bubble yet. Stocks quadrupled, but the underlying economy had been impaired by reckless money-printing. It was the weakest recovery in U.S. history.

The third and fourth of the FMIs came in quick succession earlier this year. The feds shut down the whole economy, as if Covid were the Great Plague. And then, realizing the catastrophe its Universal Lockdown orders were causing, the Trump Team began printing money on a scale never before seen in North America.

Of all four Imbecilities, this last one will have the greatest and most long-lasting damage. How so?

First, rampant money-printing divides America into two: those who get the money and those who don't. Fake money can make a few people rich, but it can't make a society richer. The 10% who get 90% of the money will be just fine. But the rest will resent them.

And it destroys the real economy, since fake money favors connivers, gamblers, predators, and cronies, while disfavoring savers, workers, innovators, long-term investors, and the patient entrepreneurs on whom tomorrow's Main Street economy depends.

NO CLAPTRAP

June 24

Elizabeth has started teaching classes. All the schools around here are closed. Children are supposed to learn via the internet but many have no access to it. And the level of education is pretty low, anyway.

So Elizabeth, unaware that she may be defying a government order, offered to give lessons in English and math. Most of her students are young children, but there are adults who want to learn English, too. Victor was working in a hotel nearby (an hour and a half on a dirt road). He thought learning English would help him.



Some of Elizabeth's students

"I grew up next to your ranch," he told us. "Over the mountains. It was rough, especially when my mother died. I remember one time one of the people went crazy and wandered over to your ranch. When he didn't come back, we all went to look for him. But then it started snowing. There wasn't much we could do.

"They didn't find him until seven years later. You know Laetitia? It was her mother who found him when she was out with her goats. Just bones and some clothes."

Tales from the Calchaquí Valley are like this. Real life and death. No complaints. No claptrap. A welcome relief from the news media.

"What's your favorite animal?" Elizabeth asked her English class.

"Dog," all agreed.

"Who here has a dog?"

All the hands went up but one. It was little Jose.

"Jose, you don't have a dog?"

"No. I used to have a dog. But he was bad. Then he disappeared. I found him down by the river, hanging from a tree. I guess he killed somebody's chickens."

And our own Calchaquí saga, our war with the *originarios*, has been continuing, too. The other day, we learned they had just driven a herd of cows across our fields. We asked Gustavo about it.

"We're playing it cool," he said. "We don't want to give them any reason to escalate the violence. It's too dangerous. In Patagonia, the *originarios* burn cars. Over in Jujuy, people have gotten killed.

"All they would have to do is leave our gates open, set fire to our rolls of hay, sabotage our tractors, throw rocks through our windows... It would be impossible to stop them. How much would the ranch be worth if you were always worried about being attacked?"

Gustavo had a point. The *originarios* may treat our pasture as their own, but at least they close the gates...

ONCE HERTZ, TWICE SHY

June 25

Poor Warren Buffett. At 89, he can't keep up. Out of sync. A relic of a by-gone era. The Sage of the Plains gained only 11% in 2019, while the S&P 500 rose more than 30%. And now he's doing even worse. From the *Financial Review*:

The famed stockpicker had his worst performance versus the S&P 500 in a decade in 2019, and 2020 is shaping up to be nearly as bad. The question comes more loudly now than at any time since Berkshire missed out on the dotcom boom: has Buffett lost his touch?

Maybe. Or maybe the others have lost their minds. To understand what's going on, we must go back to the world that shaped Warren Buffett: the world before 1971, when there was still real money.

There were only two bubbles in the entire 20th century: the one that blew up just as the century ended, and the one that popped in 1929, just before Buffett was born. All bubbles blow up. The best thing to do is let the markets pick up the pieces and get back to work as soon as possible. But in the year of Buffett's birth, 1930, the feds shoved their oar into the natural recovery process, and turned the following decade into the Great Depression. That is now standard procedure.

In 1971, the U.S. changed the currency from a limited gold-backed dollar to an unbacked "Federal Reserve Note." The key difference: without the need for gold backing, the feds could print as many FRNs as they wanted and shove in bigger oars all the time. But it wasn't until Alan Greenspan took charge at the Federal Reserve in 1987 that it began fully to partake of the available lunacy.

The brief stock market crash in 1987 was met with what became known as the "Greenspan Put" doctrine, which told investors that, should stocks ever sink, the Fed would come in to push them back up. It's hard to imagine a more idiotic thing for a central bank to do.

"Don't fight the Fed" had been an adage on Wall Street for a long time. But the Greenspan Put gave rise to an addendum: "And front-run the stupid bastards." Now bubbles and crashes are a way of life. Prices bubble up when the Fed gives Wall Street more money. They crash when it stops the handouts.

But bubbles are no place for old men. They've seen too many unkept promises, too many schemes that went belly-up, and too many pies-in-the-sky that fell to the ground. So this is not a market suited to the talents of the dying generation. Who is it suited to? Day traders, Robinhood junkies, and callow youths too confident to fret.

Just look at car-rental firm, Hertz. Like many other companies lured by the Fed's low interest rates, Hertz borrowed heavily and found itself with \$4 billion in outstanding bonds. Used car prices fell sharply, meaning its assets are worth even less than before. And air travel, the start of most Hertz customers' journeys, is only a fraction of what it was.

All this meant that the company filed for bankruptcy last month. Stockholders rank after debt-holders in such circumstances, so a reasonable expectation for the shareholders of Hertz should have been that they would get nothing. And yet the stock rose 680% after the bankruptcy...

When you're young, in love, in a war, or in a bubble, there's no time to think straight. Or even to think at all.

THE ECONOMIC ORGANISM

June 26

We drove up to Salta on a business trip. While Argentina has the toughest lockdown in the world, there are no cases of the virus here, so the city has been allowed to return to nearly normal. Shops are open. Restaurants, too. But there are few shoppers and fewer diners. Last night, at a neighborhood eatery, we were the only ones there.

Salta is poor and not pretty. The sidewalks are broken. We stumble down the streets like a drunk. Still, we see no beggars, no layabouts or derelicts. Nothing like our hometown, Baltimore. Baltimore also has about one killing per day for a murder rate of 56 per 100,000. Here, the rate is just 7 per 100,000; newspapers call it “alarming.”

But the main point of comparison is a similarity, not a difference: in both Argentina and America, the feds are destroying the economy. Sure, it’s happening more quickly here, but that’s only because the gauchos have more practice at it. Here, for example, employers are required to keep paying their employees, even though they may not be working. It’s devastating to industries like tourism and travel.

The problem is that politicians and health experts have no idea how an economy works. They think of it as a vehicle to take the deciders where they want to go, something that can be turned on and off, sped up or slowed down, steered, fine-tuned, fixed when it breaks.

But a real economy is not mechanical at all. It is more like a living thing, made up of billions of other living things, each with its own ideas, skills, and ambitions. The parts are separate, but they work together like the parts of the body. The liver can’t exist without the heart. But neither wants the thyroid to tell it what to do.

ZOMBIE ECONOMICS

June 29

When the government gets involved, you can expect corruption and incompetence. With no need to satisfy customers, no concern for the bottom line, and no worries about creditors or bankruptcies, the feds can pay off friends, punish enemies, squander resources, and double down on policies that don’t work. But, in their recent takeover of the whole U.S. economy, even we were surprised.

The feds, state and federal, aimed to stifle the spread of Covid-19 by locking down the economy, and yet last week the U.S. reported a “record number” of new infections. Far from “flattening the curve,” the only thing the lockdowns have flat-lined is the economy. In the U.S., an estimated 1 million businesses are expected to go to their graves. 47 million people have seen their jobs terminated. Globally, as much as \$5 trillion of GDP has given up the ghost.

And the policy has opened the doors to corruption on a scale never before seen in America. We recall that, during the mortgage bubble of 2005-2007, you could get a mortgage if you could fog a mirror. But now you didn’t even need to draw breath to get \$1,200 from the feds. The Internal Revenue Service has acknowledged that it knows it is sending checks to dead people. And not only do the feds hand out loot to those with no pulse, they also give it to dead companies, pumping the oxygen of free money into withered lungs.

So welcome to the Zombie Economy, where no distinction is made between the quick and the dead, between real money and fake, between the just and unjust, between Heaven and Hell, or between getting rich by flimflam or making an honest dollar.

REMEMBRANCE OF THINGS PAST

June 30

Out with the old; in with the new! Forget the past! Let's march into a glorious future, blind, deaf, and dumb to all that came before us. Word reaches us that Princeton University is taking down Woodrow Wilson's name. About time. Wilson was a scoundrel and a fool. But apparently his name is coming off because of his "racist thinking."

Statues are coming down on the other coast too. From *Newsweek*:

Protesters in San Francisco, California, toppled a statue of Ulysses S. Grant, the 18th president of the U.S. who led the Union Army during the Civil War, among other monuments at Golden Gate Park on Friday.

In the war against the past, it looks like the monument-topplers are winning. After 5,000 generations, finally they've got The Truth. Now they can feel superior to our fathers, our grandfathers, and all those many generations who erred and strayed like lost sheep. They are free from our sordid past. They bathe in the bright white light of *today*, unlike those morons who came before.

What kind of idiot would put up a statue of Christopher Columbus? Didn't they know he was a patriarchal, white-privileged, imperial, crypto-fascist? Well, the millennial generation have gone online and discovered just what low-lives and fools their ancestors were.

And, armed with this knowledge, and with goodness in their hearts, they are working to clean away the stains of colonialism, fascism, sexism, institutional racism, gold-backed money, mullets, and all the other things we no longer like.

STRUGGLE SESSION

July 1

The world improvers are at work, busily scrubbing the past of any lesson or fact that doesn't match the latest truth. Like the Cultural Revolution in China, in which the "Four Olds" were attacked, the idea is not to learn from the past, but to obliterate it.

During the Cultural Revolution, the process typically began with a confession, a "struggle session," in which the accused was publicly humiliated and tortured to draw an admission of guilt. But the Revolution rapidly degenerated into even greater savagery. The death toll is estimated at 20 million, but one researcher, Frank Dikötter at the University of Hong Kong, reports that not only were millions killed, many were eaten:

In 1967 and 1968, factions in the countryside start not just eliminating each other physically, but literally in a couple of small towns ritualistically eating each other. In other words, it is not enough to eliminate your class enemy. You have to eat his heart.

There was a hierarchy in the consumption. Leaders ate the heart and liver, mixed with pork, while ordinary villagers were allowed only to peck at the victims' arms and thighs.

It seems to us that America is starting to eat itself, too.

GOODBYE MOM AND POP

July 2

Small businesses operate in the real world. They have payrolls to make. Bills to pay. Employees to train. Customers to satisfy. Few of them have deep pockets or much margin for error.

You'll recall that investors practically tripped over each other trying to buy stock and bonds of Hertz, even after the car rental company declared bankruptcy. Imagine, by contrast, a small mom-and-pop business that has gone broke. It has to go hat in hand to a local bank. How much money do you think it could raise?

Moms and pops support themselves by providing real goods and services at a profit. They earn their money, and that's how real wealth increases. And, since the feds create no wealth, this is the wealth they must steal (using fake money) in order to "stimulate" the financial economy.

In their zeal to bail out their friends on Wall Street and in Congress, the Fed has added another nearly \$3 trillion to the U.S. monetary foundation (its own balance sheet). The federal deficit is projected at \$4 trillion, about 20% of GDP.

A few years ago, anyone who suggested we would be facing this level of fiscal madness would have been considered mad himself. And the idea that, under such circumstances, a Republican president would suggest even more spending – well, it was crazy.

But at the *Diary*, it's an iron law: when the money goes, everything goes. Signposts get turned around; maps upside down. Men put on dresses. And we all walk on the ceiling... until we fall on our heads.

MARGINAL RANCHING

July 3

At more than 8,400 feet, the vineyard at our ranch in Argentina is nearly the highest anywhere in the world. And this year the weather has been perfect, with clear sunny skies and (just) enough water. The grapes were excellent. And, despite some severe setbacks, we were able to save most of the crop.

We also had the great fortune to spend time with a real expert on wine: our neurologist friend who had been locked down in a hotel in Salta. He has a little vineyard of his own, where he makes only a few bottles that are sold to the best restaurants in Paris. Over a long dinner, he explained what it means to make wine well.

"A special wine can only be made in a special place. The grapes pick up the special qualities of the soil, the sun, the water, the climate. The winemaker must be careful not to destroy this. He must bring out the particularities of the grapes and the place. This can only be done on a small scale."

Our ranch is not very practical. It is too far, too high, and too dry. It is marginal in almost every way. It used to be marginally profitable (or at least sustainable). Former owners could graze 2,000 head of cattle. But both the weather and the politics have changed. Each year brings less rain and more politics. We're lucky if we can support 500 animals.

Of course, we could just pack up and move out. Buying the ranch was only meant to be an adventure. We don't depend on it for our livelihood. But the people who live here do. And we've been here so long, the locals are like family. We are the only employer within an hour's drive. If we leave, they will have to move out.



Some of the ranch employees

One great hope is our wine sales. When we bought the ranch, the previous owner told us that he had planted a few grapes up in the valley as an “experiment”. A few years later, they were ready to harvest. We took them to a neighbor who made a simple Malbec and, when the bottles came back, we asked our friend Raúl Dávalos to come over and taste them. Raúl’s winery, Tacuil, has been tested by wine expert Robert Parker, who scored it a very high 93.

“It’s very good,” Raúl said, on tasting our wine. “As good as ours.”

And we learnt later that there are a few reasons for this. First, our vineyard is so high, dry, and remote that there is no need to use lots of pesticides. Second, the temperature variation, extreme between day and night, causes the grapes to protect themselves with thicker skins. These skins are where the flavors and sugars collect. Finally, though we irrigate the grapes, they get less water than most. What they do get has been absorbed into limestone rocks in the soil and, as the roots take the water, they also get vital nutrients and minerals.

In short, the wine is exceptional because the location is exceptional. As our friend says: “It tells the story of the place it comes from.”

THINGS FALL APART

July 6

Saturday was Independence Day. We were planning to reflect on all the good times we’ve had since the Republic was founded on July 4, 1776. But news comes from Baltimore and Richmond that the mobs are on the march. CNN on the story:

While much of the country celebrated Independence Day Saturday, protesters in Baltimore toppled a statue of Christopher Columbus and threw it into the Inner Harbor

“You’re lucky,” writes a friend from the U.S. “I wouldn’t hurry to come back. Things have gotten crazy here.”

Poor America. And on its anniversary no less. But countries go crazy from time to time. People lose faith in what binds them together. They take sides, Catholic vs. Protestant, Liberal vs. Conservative, Proletariat vs. Bourgeoisie, Hutus vs. Tutsi... And between the two sides, like giant millstones, they grind down liberty, safety, and civil society. *That’s* when things go crazy.

The “United Kingdom” did it in the 17th century. The Civil Wars in England, Ireland, and Scotland left about a million people dead. The population of Ireland fell by more than 40% as Cromwell’s armies laid waste to crops, killed men, women, and children, and destroyed Catholic monasteries, convents, and churches.

France was considered a paragon of civilization before 1789. Then, in less than 10 years, it sank into a hellish chaos with 40,000 dead in the Revolution and as many as 6 million in the Napoleonic Wars that followed. The old icons of the past – the church, the aristocracy, and civil society – were ground to powder. Priests were forced to

swear allegiance to the new revolutionary government. In Nantes, those who refused were chained together and dumped in the Loire.

Russia during the Bolshevik Revolution: same story but on a larger scale, with as many as 60 million total dead in the revolution, civil war, purges, and “re-education camps.” The revolutionaries also sought to eliminate all traces of the culture that preceded them, including palaces, icons, churches, art treasures, and documents, famously tearing down the statue of Tsar Alexander III.

But America has not reached that stage. Not yet.

NO SURE THING

July 7

All living things have life cycles. Markets, societies, and businesses, too. We know of no exceptions. Even great nations follow a pattern, said Lord Byron: freedom to glory to wealth, then vice, corruption and finally barbarism. And our hypothesis is that you can tell where you are from whether the monuments are going up or coming down. They rise when a nation celebrates its heroes; they come down when it sinks toward barbarism.

Over Independence Day weekend, we found ourselves reminiscing. Fifty years ago last month, fresh out of college, we stepped out into the world. And what a different world it was. We owed nothin’ to nobody. We had no trouble getting a job. We couldn’t imagine that it wouldn’t be upward and onward for the rest of our life (though we had no idea how it would happen). And we had wheels.

Our wheels were not exactly Corvette quality. Instead, they were on a ’52 Chevy truck modified with a slightly more modern engine by a friend in his backyard in Albuquerque. It purred like a kitten. But it was tight. It was impossible for the 6-volt starter to turn it over. We had to remember to park on a hill so we could roll it down, pop the clutch, and get it running.

But we had great expectations, despite these humble beginnings. Progress seemed inevitable. Wealth seemed unstoppable. We recall the feeling of freedom: to go wherever and do whatever. The Hong Kong Flu crossed the country that year killing 100,000, but life went on as usual. Music was full of energy and innovation. An exciting time, with nothing but upside.

In '68, needing to pay tuition, we earned \$5.25 an hour, unskilled, painting TV towers on "Television Hill" in Baltimore. It was the highest wage we could find (because it was dangerous working at such heights). We also worked as a night clerk in a hotel to get a free room and washed dishes in a sorority house for food.

Converting our wages, a week's work was enough to buy six ounces of gold. At today's gold price, that would be the same as getting paid \$10,662 per week – in cash. Today, even if the student gets a good-paying job on a construction crew, he's likely to get only about \$25 an hour. That would be \$1,000 a week: only a bit more than half an ounce of gold. In real money, gold, he's down more than \$9,000.

At that rate, it's almost impossible to "work your way" through college. The University of New Mexico is not exactly the Harvard of the Southwest, yet its website tells us a new student should count on paying \$40,204 per year for an out-of-state student, including \$10,000 for room and board.

Take out the room and board (assuming you can still work at hotels and sorority houses) and you've still got a \$30,000 bill. Even if you could pocket and save \$1,000 a week for the 12 weeks of summer, you'd be nearly \$20,000 short. If you borrow the difference, you're \$80,000 in debt at the end of your four years. Then add the Covid Lockdown, the trade war, the monument-toppling, the trillions in fake money, plus auto, housing, and credit card debt, and the picture is very different from our bell-bottom years.

Progress, in short, is no sure thing. One generation learns. The next forgets. One puts up monuments. The next pulls them down.

THE DOWNWARD SPIRAL

July 8

Our guess is that the "freedom" stage ended for America with the beginning of the 20th century. The U.S. was already 124 years old by then, and its empire-builders and big-mouth messiahs were already getting the better of it. After the U.S. took over the Philippines in 1899, Mark Twain put it thus:

We have pacified some thousands of the islanders and buried them; destroyed their fields; burned their villages, and turned their widows and orphans out-of-doors; furnished heartbreak by exile to some dozen disagreeable patriots; subjugated the remaining millions by Benevolent Assimilation, which is the pious new name of the musket. And so, by these Providences of God – and the phrase is the government's, not mine – we are a World Power.

Being a great nation seems to chafe against being a good one. A world power needs to throw its weight around. And for that it needs the heft of total support from compliant people and institutions that set up the government as master of the citizenry, not as their servant.

Such institutional changes came in a rush in 1913. Changes to the Constitution created a powerful central bank, the Federal Reserve, along with federal income tax and direct election of U.S. Senators. Four years later, President Wilson pushed the U.S. into World War I, and Congress passed the Espionage and Sedition Acts to criminalize dissent. The freedom promised in the sacred founding documents had been largely snuffed out. The feds could do almost anything.

The glory stage was next. But it was short-lived, probably peaking in World War II. The U.S. won in both theaters, against Germany and against Japan, leaving it with undisputed control of the Pacific

and the Atlantic. But the glory ended much as it started: with war crimes. Truman dropped atomic bombs on civilians in Hiroshima and Nagasaki, killing about 180,000 of them.

As the glory failed, pursuit of wealth became paramount. For the first three decades after World War II, American industries turned out some of the best products in the world: the best cars, the best houses, the best movies. At the average wage, a person could earn enough in a day to buy an ounce of gold. In just over a month, he could buy the 30 stocks on the Dow Jones Industrial Average.

But vice was already sneaking into the Empire in the form of fake money. The post-1971 dollar had no connection to the gold or silver the Constitution seemed to require. Stocks fell, then stagflation took hold, with a slumping economy and double-digit inflation.

Paul Volcker, America's last honest Federal Reserve chief, hiked the key interest rate to 20% and, by 1983, inflation rates were falling fast. But the fake money had done its damage. Manufacturing was sent overseas and people turned to making money with money. Mommas wanted their babies to become bankers and brokers. Wall Street flourished. By 1999, dot-coms all the rage, prices had gotten so high that it took 44 ounces of gold to buy all the Dow stocks.

But then, in gold terms, the Dow fell. It currently stands at only 14 ounces of gold: a two-thirds loss over 20 years. And the wealth of the 90% of the population that sells its time by the hour has fallen in parallel. Today, it would take the typical college student a whole year to earn enough to pay his tuition fees. It would take the typical working stiff two weeks to buy an ounce of gold, and more than half a year to buy the 30 Dow stocks.

Wealth peaked 20 years ago.

All that's left are corruption and barbarism.

ALL MIXED UP

July 9

Are you sitting down?

This is from the Congressional Budget Office's latest budget review:

The federal budget deficit in June 2020 was \$863 billion, compared with a deficit of \$8 billion in the same month last year, CBO estimates.

In June, the feds spent nearly five times as much as they received in revenues. In other words the deficit for a single month under the "conservative" Trump was greater than the deficit for the entire last year of the "liberal" Obama.

According to the CBO, the deficit for the first nine months of the fiscal year is going to be \$2.7 trillion, or \$2 trillion more than the deficit for the same period last year.

And yet... and yet...

The Dow rose 177 points yesterday.

And the Nasdaq hit a new record high.

A LOUSY CHAMPION

July 10

Is President Trump a genius? Or is the man a moron? Our readers take sides. So does the nation. And certainly so do the mainstream media. Viewers want their bugaboos treated seriously, their heroes glorified, their enemies crucified. And editors and reporters, mostly liberal arts graduates, have their own devils and gods. Our feeling is this: it doesn't matter. Sometimes the village idiot speaks the truth.

Sure, Trump's close circle can be less than complimentary about the big kahuna. Rex Tillerson, Trump's one-time Secretary of State, dubbed Donald "a f**king moron". James Mattis, former Secretary of Defense, claimed Trump "had the understanding of a fifth- or sixth-grader." Gary Cohn, then economic advisor, said Trump was "less a person than a collection of terrible traits".

But the only insight we get from such comments is that it explains why people don't listen even when Mr. Trump has a good idea. When he wants to bring some of the troops home, for example, no one gives him the time of day. Instead, the insiders and cronies who live off military contracts, working with the mainstream media, gin up new threats in order to justify keeping the troops in place and to make the president look dumb (even traitorous).

Or when the president wants to reopen schools. The evidence makes clear there's no reason the kids shouldn't go back to their classrooms. But the fact that The Donald proposes it puts the entire intelligentsia against it.

And there are probably other causes he's right about, too. It's just a shame he's such a poor champion for them.

UP AT THE FORTRESS

July 13

On Saturday, we decided to check out the other *originario* stronghold.

"I don't know," said our farm manager. "Someone better go with you. We haven't had violence yet, but... I'll ask Samuel to go."

Samuel must have agreed. We set out together in the early morning, and rode through one pass, then along the "main" track up into the mountains, until we veered off to the west, crossing the river at the bottom, and headed back over another pass. At the top, we saw the area must have once been heavily inhabited. Telltale terrace walls ran in every direction.



Samuel leads the way

From the pass, we continued on down into the valley.

"There are four farms down there," Samuel explained. "Over to the right is Gerardo. You know him. He's okay. But he goes along with whatever the others are doing. Then back there," Samuel pointed to

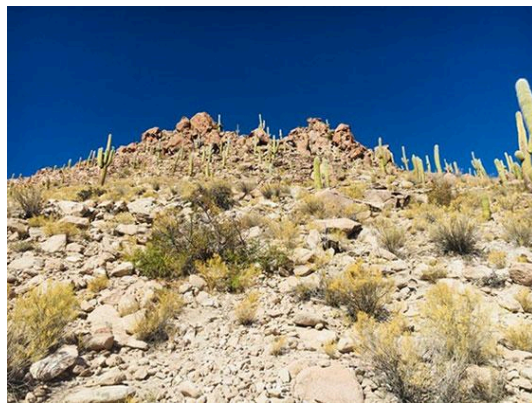
a far corner of the valley, very pretty with several pastures and rows of Lombardy poplars lining the water canals, “that’s where Maria La Gorda [Fat Mary] lives.”

In today’s America, we wouldn’t dare call a woman “Fat Mary.” But here it’s different. Mary is fat, so Fat Mary she is.

We had decided to be pleasant to anyone we met, even the *originarios*. But, as we rode down into the valley, we began to doubt whether that was the best policy. What if we met one of the Chailes, whom we believe to have burned down our houses? Shouldn’t we at least ask if they had done it – and why?

“Don’t bother,” was the advice from Samuel. “They already told the police that they had nothing to do with it. You’ll just show them how we can’t do anything about it.”

The Chailes’ farm is about 50 acres of bottomland. We own it, but have no control over it and collect no rent. From a distance, it looked almost idyllic. A stone corral on one side of the river held six horses. On the other side were pastures and small fields of corn. But there was no one to be seen. No smoke rose from the chimney. So we rode on through the valley to the Fortress.



The Forteleza

THE LUNACY BET

July 14

There must have been a full moon. A lunatic new high in the Nasdaq. Investors going howling mad as the Dow Jones records its best quarter in 33 years. All while the real economy has its worst in history. Tesla flew to such a dizzy high last week that we nearly broke our neck looking at it. Here’s money-manager, Chris Mayer:

Tesla is now worth more than Toyota, GM, Ford and Fiat combined... and yet, still can’t deliver 500,000 vehicles annually and can’t make a profit...

Tesla stock is up 270% so far this year, to trade at 288 times free cash flow. This obvious over-pricing has provoked a countertrade of some \$20 billion – that’s the value of the shares that are now short TSLA. The anti-Tesla position is “the biggest synthetic company ever,” says Bloomberg columnist Matt Levine. In fact, anti-Tesla “is bigger than Fiat Chrysler Automobiles NV”. Levine continues:

It’s easy to scoff that a young and still-niche company that has not produced a lot of profits is more valuable than these big mature car companies; but even that scoffing itself is more valuable than some of those companies. Finance is weird.

Weird, yes. And so far this year the scoffers are down \$18 billion.

Clearly, a sane and sober investor should stay away from U.S. stocks. Stocks represent real businesses, and real businesses operate in the real world which, measured by GDP, slumped 38% last quarter. We can expect a “recovery.” But losses are losses. Permanent, like a summer spent indoors.

Stocks should reflect the real-world damage, in other words, not ignore it. The real economy is black and blue, walking with a limp. But the markets are back to where they were when The Donald could claim it was “the best economy ever.”

And the madness doesn't stop there. Take out the top 10 tech stocks, and you wipe out half the Nasdaq. On the S&P 500, the top 10 represent 80%. With the exception of Berkshire Hathaway and Johnson & Johnson, they are all tech or finance companies.

But do these time-wasting enterprises really account for more than half of America's real wealth? No. Like Tesla, what they measure is insanity, counted out in the Federal Reserve's paper money, and speculators' enthusiasm for casino-like gains.

A VISIT FROM THE VET

July 15

Work began at 8 a.m. We'd gone up to the ranch to help round up the cattle ready for testing. Those cows not pregnant will be herded over the pass and down into the valley where we have rolls of alfalfa to feed them, and some bulls ready to greet them...

The morning air filled with great clouds of dust as the cowboys ran about, herding the cattle, separating calves from their mothers.



Separating the cows

Once the cattle were penned up, our job was to hustle along the top of the wall, beating a stick against the stone beneath us and yelling. The combination of noise and a grown man standing atop a 7-foot-high wall was intended to frighten the cattle from the holding pen into the chute where, one by one, they would get worked over.

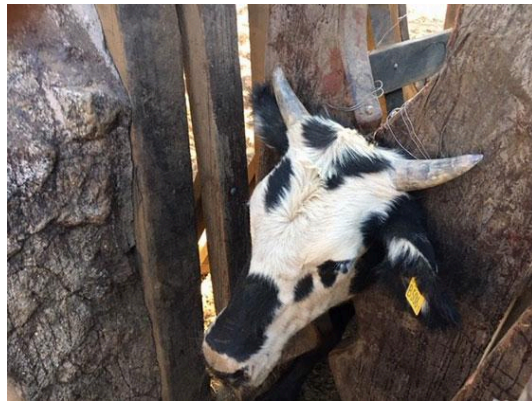
The animal would head into the narrow chute and see an escape at the other end. But, when she had almost reached freedom, Sergio

would come down hard on the long wooden arm that controls the head lock. A second later, Pedro had her clamped in the middle. The cow struggled and complained, but more in hope than expectation.



Working the chute

It was then that the veterinarian, a cheery man who teaches at the university and does “coaching” on the side, slid a further block into the chute to prevent the cow from kicking him. After that, he stuck his right arm, sheathed in a plastic glove, into the cow’s rear end...



In the headlock

It took him only a few seconds. He then withdrew his arm and made his declaration. “Little” or “big” meant the cow was pregnant and described in rough terms the status of the fetus. Otherwise he would say “empty.” These words determined the cow’s fate. A pregnant cow would stay at the ranch. An “empty” one would go down to the farm for fattening up... and natural insemination.



In the holding pen

Pedro would then grab the cow’s tail and hack off the hairs at the end, which tend to pick up thorns, while Gustavo examined its teeth. With so little grass, the cows grind down their teeth on the sandy dirt. If they were too worn, Gustavo yelled out “cut!” and attached a blue tag to the cow’s ear, meaning this will be its last calf.

The work is fairly routine and mechanical: a primitive machine with wooden valves operated by farm hands. But something always goes wrong. One of the herd panics and breaks the locks. Or she tries to turn around in the chute and gets stuck. Or someone gets careless and gets crushed by a cow.

This morning, for example, one of the cows got crazy and began attacking both the horses and the farmhands. The gauchos took it as good fun, trying to get a lasso on the frantic beast and laughing as they ran for their lives. After all, the cows rarely mean any harm.

But they are large animals with horns and are sometimes almost mad with fear. In the most alarming instance yesterday, a cow that had tried to get out had fallen back on her back. Stuck between the two stone walls of the chute, she couldn't get up. Her eyes bulged and then rolled back in her head as if she were dying.



A ruckus at the corral

It seemed an impossible situation. There was no way we were going to lift her up. And getting close to her was asking for a broken bone. She was kicking with her hooves and flailing with her maddened head. But, as long as she stayed where she was, the whole process of checking the cows was at a dead stop.

Our *capataz* had an idea. While we tried to prevent the other animals in the chute from crushing him, he got into the narrow passage and put a rawhide lasso around the cow's front feet. A heavy wooden pole was laid across the top of the chute and the lasso was looped over it so we could pull on it and raise the animal's forequarters.

It was like raising an obelisk, but it worked. The cow was pulled into a sitting position, then righted herself completely as we scrambled out of her way.

"Happens all the time," said the vet, dusting himself down.

TANGO TAKES AMERICA

July 16

Reviewing Joe Biden's economic plan, *The Washington Post* reported that Biden "ate Trump's populist lunch." Trump agrees, claiming Biden has knocked off his great (it's beautiful, really) program.

This is not surprising. When you have a winning hustle, both parties are likely to want to use it. Here in Argentina, the election strategy that works is simple: destroy the economy, make people dependent on government, and print money for giveaways to the urban masses.

Former Argentine president Juan Perón proved that it worked in the 1950s, and hardly anyone since has won Argentina's Pink House without following the formula. The only remaining competition is between conservative Peronists and liberal Peronists.

And now, in both Trump's and Biden's proposals, we see the ghost of Perón. Both aim to seduce the common marginal voter with an illusion: that the *federales* can make people better off by rigging the economy as they please and passing out printing-press money. *The Washington Post* describes Mr. Biden's program thus:

The Biden plan includes "\$400 billion for products and materials our country needs to modernize infrastructure, to replenish our critical stockpiles, and to enhance our national security." The plan also promises to fight unfair trading practices; fund green energy; support a caregiving and education workforce; add more money for education; and secure the Affordable Care Act.

We can practically hear the tango beat. No pot without a chicken. No pocket left unpicked. No cliché left behind!

FIRE AND BUTCHERY

July 17

Last night, just as the sun was setting, there was a knock on the door. A man about 60, walking with a limp, appeared in the half-darkness.

“Are you the owner?” asked the man.

“Yes...”

“Well, you’re the one I need to talk to. You’re the law here. You need to set things right. I know I can count on you.”

“I hope so. What’s the problem?”

“Someone killed my cow, and I know who did it. An *originario*.”

The visitor turned out to be one of our *pastajeros*, a man who keeps his cows in our high pastures. His cow had been not only killed, but butchered. He wanted something done.

In the old days, a proper ranch boss would have put a pistol in his belt, gotten a few of his cowboys together, and ridden up to confront the suspects. But these days, the *originarios* can’t be touched. Unless you can prove they committed a crime, you can’t do anything.

And this old man couldn’t prove it. All we could do was take him down to the police station and let him tell his story. Not that he got a sympathetic audience. The police have a long list of complaints against the *originarios*. They’re sick of hearing about it.

Having spent that time with little to show for it, we returned to the house to see smoke rising near the south wall. The brush and *molle*

trees were all on fire. It hasn’t rained for five months. Everything is tinder, especially the *molle* whose loose bark lights up easily.

There was no immediate danger to the house, but we didn’t want to lose the trees, so we called for all hands to bring buckets of water from the canal. Progress was slow until Pedro had a good idea. He dug a hasty channel down from the upper canal and directed the water along the wall to the trees.

With this stream running strong, we could scoop up the water and toss it onto the trees directly. Agustín climbed into the branches and doused the still-burning limbs. The fire was brought under control.



Fire under control

THE FAKE MONEY ABSURDITY

July 20

Just when you think you've seen it all, it turns out: you ain't seen nuthin' yet. Why? Because counterfeit money allows people to do things that get wackier and wackier as the trend runs its course. By way of example, a report on Kanye West's bid for the White House:

“The maximum increase would be everybody who has a baby gets a million dollars or something in that range,” said West. West also said that marijuana “should be free.”

Why not? When you can print all the money you want, why not spend it any crazy way you choose? Like lottery winners and mental defectives, the fake-money lovers are indulging all their fantasies.

Two years ago, for example, you could have gotten a mortgage at a rate just under 5%. That was pretty good already. With inflation running over 2%, the real rate was only about 3%. But, as good a deal as that was... *The Wall Street Journal*:

The average rate on a 30-year fixed mortgage fell to 2.98%, Freddie Mac said Thursday, its lowest level in almost 50 years of record keeping.

What is remarkable is that, on the very same day, we got an inflation update from Bloomberg:

The median weekly earnings of full-time workers in America jumped more than 10% in the second quarter from a year earlier, the U.S. Bureau of Labor Statistics reported today. The data marks the largest increase in the four decades that the agency has tracked it.

And another from MarketWatch:

Consumer prices rose in June at the highest yearly rate since 2012, reflecting a U.S. economy that's running hotter than anytime since the Great Recession.

Not that it's remarkable that consumer prices are rising. The Federal Reserve is printing money like a house-a-fire. What's remarkable is that there is no fear of it. Neither the stock market, nor the bond market, nor Congress, nor the economic cognoscenti seem to have any idea what's going on. It's as if they've forgotten basic math. If inflation is running at 2.9%, and you're lending money for 30 years at 2.98%, you are getting a zero rate of return.

You'd have to be crazy not to notice inflation is likely to go much higher. And, since the economy won't recover anytime soon, they will have to print more counterfeit money just to keep the jig up.

Which is exactly what they're promising. Republicans are expected to unveil another “stimulus” program this week, with another \$2 trillion price tag. The Democrats already have their \$3 trillion plan on the table. And their candidate, Joe Biden, now with a large lead in the polls, is promising to add another \$7 trillion.

Of course, none of this would be possible – not the Lockdown, not the Bailouts, not the Stimulus, not the 2.98% mortgages, not the \$1 million to people who have babies – without counterfeit money.

It's turned us into a race of damned fools.

PERFORMING FLEA

July 21

We were rattled yesterday. We're only just getting over it. Elizabeth brought her entire class over. It was a school outing. The kids crossed the river by the footbridge and walked the mile or so up to the house.

All went well until the kids noticed the grand piano in the living room. They'd never seen a piano before or heard anyone play it. They wanted to hear a performance.

"Go ahead," smiled Elizabeth.

"I've barely played for 50 years," we protested.

No use. The kids wanted to hear piano music. So we launched into a few simple pieces of our own composition. Fortunately, the piano gives out a lot of noise and the audience was not all that demanding. They probably would have been okay with "Chopsticks."

"No one ever asked me to play before," we told Elizabeth later, once our nerves had recovered a little. "I've only been asked to stop."

A LETTER FROM ELIZABETH

July

Dear Friends,

Up in the pure air of these high Valles Calchaquíes, cut off from pestilence, politics and attendant worries by mountains and rivers, we've been isolated for almost five months.

Coronavirus came to this vast territory of Northwestern Argentina not with a hooded cloak and a scythe, but fleetingly, lightly. Yet the *pandemia* hovers over daily life. The police blockade the main roads and the entrance into the towns and *pueblos* of the Calchaquíes, as they do throughout Argentina. We are the lucky ones; we have cattle in two *fincas* and everyone in Argentina knows this adage: "*el ojo del dueño engorda la vaca.*" *Si señor!* the eye of the owner puts beef on the cow's bones. So whither graze our cows, there we are also permitted to travel.

Once our two-week quarantine was over in late March, we were able to go between *finca* Gualfín and *finca* San Martín, passing through the police blockade at the *pueblo* of Molinos. At first, we had to produce some combination of a *permiso*, a driver's license, the truck registration and once a quarantine certificate signed by local *doctora*, which were scrutinized, discussed in hushed and sometimes puzzled tones, and finally photographed with the cell phone *policial*. Once we had a temperature gun pointed at our temples. Nowadays, we usually pass with a wave to eyes smiling above the *tapa boca*. Sometimes a sense of duty overcomes the local *policia* and we have to show our vehicle registration. We know their lives lack the usual excitement of contraband meat trucks and tourists with flat tires, so we hand it over amiably.

Meanwhile, in Molinos elderly people and children must stay indoors. Lines form in front of the three butcher shops, the two *bodegitas*, and the only hardware store. And it is the rule to wear a face mask. But we noticed last weekend, as we drove through the little town to *finca* San Martín, that the *carpintero* Geraldo and his brothers were sitting around bare-faced under the *molle* tree outside their workshop. They raised languid eyes as we went by. Nothing much going on!

And as goes Molinos, so goes Argentina. The country is standing still. Or trying to. While job sites, shops, restaurants and most other businesses have shut down, Argentine inflation is rolling along briskly. A crisis is coming, fruit of political overspending and peso printing. Inflation is more than 50% a year. The official and the “black” dollar-peso rate is seriously off kilter. The *arboles*, or money-exchangers locally known as “trees,” stand in the *galerías* of Salta’s main plaza, offering exchange rates that make dollar-holders want to rush out and buy a new tractor before supplies run out.

But far away from the world below and beyond the Calchaquíes Valleys, we are only theoretically aware of inflationary pressures, political unrest, rioting and the coronavirus. We have our own troubles and distractions.

We know that a puma is pacing around the cattle pens of San Martín at night – we see the prints of his big feet in the dust the following morning. Up in the high plain of Compuel, a band of *originarios* have stolen part of our corral, torn up the water line, and pillaged and burned two houses. Last night at *finca* Gualfín, one of our *pastajeros* arrived on the doorstep of the *sala*. He’d brought along his sister, and they had been riding since sun-up. The loathsome band in Compuel had killed and eaten his sister’s cow... and Carmelo and his sister Nolberta wanted to know what *el patrón* planned to do about it!

We invited Carmelo and Nolberta to come inside out of the cold and dark. “Where is *el patrón* sitting?” Carmelo demanded. “I want

be in front of him when I speak!” He energetically half-thrust, half-lifted his sister off to the far side of the sofa, and sank down rather gingerly. Carmelo has a wooden leg. We had also heard he was ill.

“*Enfermo, yo!*” he exclaimed, indignantly, his chest seeming to swell. “Who said that?” His two sons have died, he told us, one in the same accident in which he lost his leg. We observed respectful silence for a few moments. But no, Carmelo went on, he is fine, although his leg is painful.

Nolberta sat quietly, daintily partaking of cheese and dried sausage, and a glass of water. She had removed her broad-brimmed hat, but kept on her thick coat and shawl. Carmelo wore a leather jacket over a knitted vest of golden llama hair. A warm and comforting odor of cooking and wood smoke, of winter life around the kitchen hearth perfused the air.



Carmelo had accompanied his sister Nolberta

The brother and sister are two of the surviving children of Don Bruno, pillar of *finca* Gualfín in former and better times. “Straight!” announced Carmelo, holding up his thick, work-hardened thumb and looking at us sternly. Like his father, like his brothers, “*recto!*”

Don Bruno was a grand personality. He had come from Jasimana, a vast tract of unclaimed wilderness and highland pastures whose

borders touch those of Gualfin. He was the *encargado* for the *finca*'s cattle in the highland country surrounding the plain of Gualfin. And he took his five sons with him as he rode through the mountains, watching over the scattered herds, and teaching the lads the life and ways of a *pastajero*. One night when he was alone in the *cerro*, his mule tripped and Don Bruno fell, breaking his leg. He was found frozen to death in the morning, wrapped in his poncho. His was a heroic legacy.

“He taught us well,” said Carmelo. “We’ve always been straight with the *finca*, and the *finca* has always treated us right. *Respeto!*” His strong hand cut through the air, as if chopping down a tree.

His elder brother Martín is a *puestero*, working a mountain farm on the northern border of Gualfin. His younger brother Natalio is an *arrendero*, farming in the narrow valley of the Quebrada Chica, as well as a *peón*, one of the *finca*'s seven-man team. His older sister Marcelina's husband, also an *arrendero*, recently retired from the team, and two of their sons, José and young Pablo, are now *peones* in his stead. Martín's daughter Marta is our housekeeper. Carmelo, Nolberta, and their other brothers Erasmo and Ambrosio don't live in Gualfin, but pasture their mountain cattle in Compuel. And their uncle Severino is *puestero* on the southern border with Jasimana. Don Bruno's family is tightly bound into the life of the *finca*.

The *charla*, mutual expressions of concern, respect, and a rough plan for going forward, came to an end. We were united in favor of order, tradition, and property rights. In the morning, Nolberta and Carmelo would make a formal complaint about the cow at the police station in Molinos. Their horse and mules would spend the night in our corral with a bale of alfalfa. Carmelo got up heavily. He gave a firm jerk of his head to signify to Nolberta that she must rise and bid us good-night. She dutifully stood, and offered a smiling kiss. Sergio gave them a ride to José's house where they would sleep. We sat down to a late supper and a glass of wine.



Nolberta and her mule prepare for the homeward ride to Jasimana.

That's not all that happened last week, however... The vet came and checked our 500 cows to see which were pregnant and which needed to spend more time getting plump enough to interest the bulls. It's a medical process called the "*tacto*," but tactful it is not. In the midst of this activity, which involved indignant cows snorting, bellowing and trying to break out of the *manga* as the vet checked their inner cavities, a line of trees caught fire.

Every day after lunch, young Augustina, the daughter of our *capataz* Gustavo, lets her mother's goats out. Walking up to their pen, she noticed smoke billowing up from the heaps of dry leaves under the *molle* trees. Within minutes of her cries, flames were crackling up and down the trunks and branches. The whole family came running. At risk were not only the majestic trees, but the fields of standing grasses and alfalfa in the home pastures. Here we must keep our bulls and the most vulnerable cows and calves over the long dry season ahead. It won't rain again until December.

Agile as a monkey, Agustina's brother climbed up a tree. I ladled water into buckets and relayed them back and forth, pointing out flaming sections of tree where his attention was required. Agustina and her mother, Marta and Gustavo's half-brother Sergio ran up and down the steep sides of the *represa*, or reservoir, filling buckets with water. Gustavo and *el patrón* doused flames, inundated smoldering heaps of leaves and dry branches, and soaked tree trunks to keep them from catching fire. Meanwhile, Gustavo's stepfather Pedro came running with a shovel, wearing his tall rubber

irrigator's boots. He started directing water from the *acequia*, the irrigation ditch, to the trees, making a channel as he went. Soon, water was swirling around the base of the trees. He and Sergio started making little canals into the heaps of leaves and branches.



Agustin climbs a tree to put out the flames

At last, the fires were out. Gustavo and his son, Pedro, Sergio, and *el patrón* went back to the corral. Agustina and her mother went back to the goats and their household occupations. Marta shook her head as we walked back to the *sala*. She was carrying the steel bucket she uses for emptying the stove. She had brought it at the run to assist with the fire brigade.

“That never happened before,” she said. She’d been cleaning out the *horno* after lunch and had tossed the ashes over the wall among the trees. “*Alguna chispa?*” she added in a wondering tone.

“Yes, that was some spark,” I remarked silently to myself.

BAD MOON RISING

July 22

Yesterday, the cows came down from the ranch. It takes two days to get them here. The first day, they are driven to a corral at the foot of the pass. The second, they are pushed through the pass and down into the valley below. They’ll spend the next four months eating, gaining weight and (with luck) getting pregnant. Then, assuming it rains in December, they’ll go back up to the high pasture.



Cows arriving in the valley

The cowboys, meanwhile, spent the night wherever they could find a spot to lie down. Today, they’re back on their horses, headed back up to the ranch. If only everyone had the integrity of those cowboys. In Argentina, economists see the baddest moon in two decades. The Lockdown and the return to power of the “Kirchneristas” have caused the worst financial crisis since 2001.

Some provinces are open. Some aren’t. But much of the economy has been shut down for more than four months. And yet, even if

your business has no revenues, the government is insisting that you continue paying employees. The result? Widespread bankruptcies, defaults, closed businesses, and job losses. The government itself is in bad shape, as well, with tax revenues collapsing. What can it do? The same thing they are doing in America: print more money.

But the charm of the pampas is that people are used to crises. They know they can't trust their government or its money. They expect corruption, inflation, devaluations, protests, and defaults. Just two weeks ago, a key witness against the Vice President in a bribery case was murdered the day before he was supposed to testify.

By contrast, most Americans enjoy a sudsy inebriation of naïveté, delusion, and printing-press money. Protected by two vast oceans, they have never been seriously invaded, bombed, or occupied (we put aside the flukey War of 1812). Nor have they ever had to live under communism or fascism or a dictatorship, nor ever expressly devalued the dollar. They live in a bubble. "It can't happen here."

At the time of the founding of the U.S. Republic, however, people had seen what paper money had done to England and France, and what their own "continentals" had done during the Revolution. The continental was paper money created to fund the Revolution. By 1780, it "expired without a groan," having lost 99.9% of its value.

So when the founders wrote the Constitution, they included a clause designed to protect us from the printing presses, requiring that nothing "but gold or silver" be used as money. Now the feds issue a dollar without a speck of gold or silver in it. As such, this "money" from the government is untethered and counterfeit.

Real money is part of the real world. It is limited, like time. You can't create more time just because it would be nice to have an extra hour's sleep. That's why gold is so useful as money. Each ounce of gold has to be discovered, dug out of the ground, processed, and stored. It takes time, investment, skill, and resources to produce gold, just like any other kind of wealth.

Gold connects "money" to the real world of time, sweat, toil, and risk. And, in that real world, any decision must be considered in light of tradeoffs. How much time will it take? How much resources will it use? What does it take away from the other things we need?

Normally, these questions are reduced to a single one: how much does it cost? But did anyone bother to ask that critical question as the Covid programs were rolled out? Even when the programs are quoted in dollars – a \$3 trillion bailout, say – these are just numbers. They no longer represent real costs, real sacrifices, or real trade-offs. It is assumed that no one will ever pay them.

A \$3 trillion bailout should come with a \$30,000 tax surcharge for every federal taxpayer. This year's federal budget deficit was \$4 trillion. But what taxpayer saw an extra \$40,000 on his bill?

Today, there is no price too high, no program too lunatic. Because everyone knows the money is phony, the economy is counterfeit, the programs are fake, the stock market is fraudulent...

... and a bad moon is rising.

HONEST COMPROMISE

July 23

An estimated 80 million adults don't pay taxes. And probably more than a hundred million people think they are entitled to something: a universal basic income, welfare, free medical care, disability, abortions, sex changes, "affordable" housing. You name it.

Among them are many who think they should get special treatment because of some remote ancestor, or their sex or sexual preferences. And there are others who want to tear down monuments and destroy the structure of American society.

Fake money makes it possible for people to do many obnoxious and numbskull things. The Covid Lockdown is a prime example. But suppose we had to pay for these things with real money instead. Suppose the feds couldn't create "money out of thin air." Where would they get the funds? What would we do?

The Constitution presumes that the people's representatives meet national emergencies by explaining to the voters why the project is important, and then raising taxes to pay for it. Since there are approximately 100 million households that pay federal income taxes, to pay for the Covid War would mean each ponying up \$100,000 extra over the three-year period. Not going to happen.

So what would actually happen in an honest money system? Well, when a new program is proposed, in this case Universal Lockdown, the first question people would ask is this: how much will this cost? Then, staggered by the price, they would look for a better solution...

URGENTE!

July 24

There were seven police roadblocks on the four-hour drive between our farm and Salta. Sometimes we were waved through. Other times we had to stop, answer questions, show our permission, and get our temperatures taken. At one, we even had the pick-up truck sprayed with some kind of disinfectant.

"Why are you spraying the truck?" we asked.

"I don't know," came the answer. "But we want you to be safe."

A neighboring province is back to Full Lockdown after a surge in cases. The TV news last night reported that Covid is getting worse, with 5,786 new cases in Argentina on Wednesday alone, and 98 deaths. Beneath was a red banner with one word: "URGENTE."

Now, ninety-eight people doesn't seem like a lot to us. About half a million people die every year in Argentina. But Argentina is between a rock and a hard place. If it relaxes its Lockdown measures, the virus will spread and the feds will look foolish. But keep the gates closed much longer, and the population may soon be eating rats.

"These people don't have a lot of savings. They aren't rich. They live day to day," a friend said. "Out in the country they get by. They don't need much money to survive. But in the city they need to earn money or they have no way to eat.

"The government said all employers had to keep paying them, but many small businesses are already out of money. They don't have any way to pay their bills. Every day that passes, it gets worse. I don't think we've even begun to reckon with the costs."

VIENTO BLANCO

July 27

We were in Salta over the weekend to see our old friend, Jorge. Jorge was born on our ranch in a mud house with a dirt floor. He spent his whole working life there before retiring to the city at 65. He didn't want to leave, but his wife, Maria, was having some health issues, and his children and grandchildren had taken to city life.

Jorge was always polite, cheerful, and supremely capable. Our main goal for the 10 years we worked with Jorge was earning his respect. We learned to saddle a horse the local way and tried to ride like a gaucho. We learned to round up the cows and cut off their horns (leaving Jorge to remove the more sensitive parts).

The weather in Salta certainly made a change. It was raining in the city; it almost never rains at this time of the year on our side of the mountains. When we arrived at Jorge's, he pointed up towards the pass, hidden by low-hanging clouds.

"You'll have snow," he warned. "Maybe even a *viento blanco*."

"A white wind?"

"Very dangerous. A strong wind picks up the snow, sand, and ice. It's like a sandstorm, but much more disorienting. People get lost, or drive off the cliff. Juan Carlos Dávalos, a famous local writer, wrote a story about the *viento blanco*. But my grandfather lived it. He was missing three toes and, when I was a boy, told me why.

"Raising cattle here and selling them in Chile was big business. I'm talking about 100 years ago. But to get the cattle from here to Chile you had to cross the Cordillera [the mountain range that runs down

the whole of South America]. There are two ranges, both about 20,000 feet high. And between them is the Puna, a high desert, with no water and not a blade of grass. They would fatten the cattle here in the valley, then drive them over as winter was beginning.

"My grandfather was just a teenager at the time, but he signed on to one of the drives. There were about 100 cows and only four men, including the boss. The whole drive would take about two weeks. It was always brutal and difficult, but the cowboys then were as tough as horseshoes. They always lost a few cows, but most got where they were going. Sometimes, though, things would go wrong.

"On this crossing, they got the cows up to the first pass no problem. There were still some grassy spots with water available, and then there was a cattle station further along the way, run by an old Indian who knew the territory better than anyone. He had tins of food, dried meat, tools, straps of leather for repairing saddles. Just about everything. He supplied hunters and miners, too.

"They always stopped there and warmed up, ate, drank some wine, told stories. Well, this time, when they had rested and got up to leave, the old Indian said they should wait, that bad weather was coming.

"But the boss said he had a contract. He was a stubborn man and he'd made the crossing dozens of times. He wasn't going to be held up by any crazy superstitions. The sky was clear and he had to meet the buyer in a week. So they put on their coats and their ponchos and got the cattle moving again.

"That time of year, the sun warms you up in the daytime but the nights can be very cold. Crossing the Puna, they kept going all night. They rode mules, and the heat from the mules helped keep them warm. Somehow, they even managed to sleep in the saddle, taking turns staying awake to keep the herd headed in the right direction.

"The next morning, it was cloudy. A light snow began to fall. A little was no problem, but they didn't know how long it would continue.

“‘Maybe we should go back,’ said one of the boys.

“‘Are you cold?’ asked the boss. Then he took out his extra poncho and gave it to the boy. ‘Keep going,’ he said. ‘We have a contract.’ So they kept moving the cattle, heading west. But it kept snowing. They had to go for three days and three nights through the snow.

“‘Then they were in serious trouble. They still had the second pass to cross, and the cattle were so weak and the snow so deep that they couldn’t go on. The cowboys had put on all their vicuna coats and their spare ponchos, but they were freezing, too. So the boss called them together.

“‘Okay. You can see as well as I can,’ he said. ‘The pass is a couple more miles ahead. The cattle are worn out. And I can’t ask you to go on. We can just abandon the cattle and save ourselves, or we can try to save the cattle. And the only way I can see to do that is by digging a trench through the snow up to where the pass begins.’

“‘Now, you know cowboys. They spend so much time with cows and mules, they begin to act like them. They’ll suffer any hardship. It’s just part of their lives. So they told the boss they would go along with whatever he wanted to do, and he decided to try to save the herd. They took off their saddles and used them as shovels, and somehow they drove the cattle up to the pass.

“‘By then it had stopped snowing and for a few hours they thought they were in the clear. But then they felt the first wind against their faces. And then it began picking up the snow and sand and ice. It was the *viento blanco*. They couldn’t see where they were going or feel their fingers in their gloves. But they couldn’t stop or they’d freeze to death, so they just had to keep going.

“‘They’d only been going for a few hours when one of the cowboys yelled, ‘Anselmo has fallen off! He’s on the ground.’ They all went to see if they could help him. But it was hopeless. They couldn’t even dig a grave. They just crossed his arms over his chest, piled some rocks over him, and moved on.’”

IN THE MAIL

July 28

The \$600 bonus for not having a job expires this week.

But maybe not.

The New York Times reports:

Mark Meadows, the White House chief of staff, said he would now like to see lawmakers act this week to extend and alter the unemployment program, give tax credits to businesses to ease reopening costs and grant employers new liability protections — while setting aside a long list of other objectives, including Democrats’ priorities.

And an AP story told us that even more money is on the way:

Mnuchin told reporters at the Capitol that... a fresh round of \$1,200 stimulus checks would be coming in August.

Yes, Dear Readers, watch your bank statements and your mailboxes. Another \$1,200 is practically “in the mail.”

Looking ahead, gold rose to a new all-time high...

PEAK GOLD?

July 29

We recommended a shift to gold twenty years ago. At the time, the price was about \$280 an ounce. Our view of the money world back then was amateurish. We hadn't yet figured out how the fake system works. All we knew was that gold was way down and stocks were way up. We guessed that both would regress to the mean in time.

The stock market represents hope for the future. Stock investors are said to "look ahead" to the stream of earnings companies are likely to produce. That was especially true of the Nasdaq, the benchmark tech industry stock market index, at the turn of the century.

Gold, on the other hand, is more a reminder of the past, a souvenir of all the plans and projects that never paid out as expected. Stocks are an indicator of giddy greed. Gold a measure of sober fear. One is hope; the other reality. And, with the Dow selling for more than 40 ounces of gold in 1999, the two were farther apart than ever.

With hindsight, it's obvious hope had had too many martinis. But even then, with no knowledge of the future, it seemed likely hope and reality would fall closer together. And, by dumb luck, our timing was good. After hitting a high just under 42 ounces of gold for the Dow in mid-1999, stocks began to slide and gold started going up.

All you had to do was buy the stuff and sit around. Today you'd have multiplied your money seven times in dollar terms. By comparison, the Dow averaged around 10,800 in the year 2000 and is now at 26,500: an increase of just under 150%. Over the last two decades, in other words, gold outperformed stocks by about 450%.

And now, is this the end of the trend that began 20 years ago? Is this the "bottom" for the U.S. economy and the peak in the yellow metal? Will the U.S. reclaim its Numero Uno status while gold crawls back into its mines and storage vaults, like it did after 1980, and rests for another 20 or 40 years? Or is this just the beginning: the first act in a show that will last for years more?

We don't know any more about the future than you do. But we've learned something over the last 20 years: the fake money system is corrupt, counterproductive, and self-destructive. And, while we are "always in doubt", there seems to be more than an even-odds chance that the trends now in motion will stay in motion until the whole shebang – the economy, politics, and the social system, too – goes up in flames.

As for the peak in gold? It is probably still far ahead.

REPARATIONS ALL ROUND

July 30

According to the Brookings Institution think tank, the typical Black family has a net worth of \$17,000. The typical white family has 10 times as much: \$170,000. So the solution is simple: a “reparations” check of \$153,000 per Black family. With 15 million Black families, that would come with a price tag of around \$2.2 trillion. Peanuts!

Trouble is, many are those who have crosses to bear. When the cards are dealt out, some get aces, some get nary a pair of deuces. Some are cripples. Some half-wits. Some are haunted by a cruel parent, youthful indiscretion, or childhood humiliation.

But here we have a handy solution: since our resources are infinite, thanks to the Fed’s “printing press”, we can, like Simon of Cyrene, take up the burden with a happy heart and righteous purpose. Not to mention the self-satisfied air of someone generously sharing out other people’s money. So who’s next in line?

Well, there’s one group that gets an especially unattractive deal: ugly people. Here’s the *Daily Mail* with the lowdown on “lookism”:

Economist Daniel Hamermesh argues that ugliness is no different from race or a disability, and suggests unattractive people deserve legal protection.

“My research shows being good-looking helps you earn more money, find a higher-earning spouse and even get better deals on mortgages,” he said.

“Logically there’s no less reason to protect the ugly than the disabled, African Americans, other racial minorities or religious minorities, as we do. We could even have affirmative action for the ugly.”

Then there’s another group with almost universal experience of under-achievement, filling the prisons, taking the worst jobs, earning the least money, and always being the butt of jokes. We’re talking, of course, about stupid people.

Who wins spelling bees? Who gets into Harvard? Who goes to work at Goldman Sachs? Who creates an app, goes to IPO a year later, and ends up a 20-something billionaire? Brainy people. How is that fair? The leg-up you get from being smart is so obvious and widespread that it needs to be corrected forthwith. And the solution is simple: give people checks correlated inversely with their I.Q. scores.

Of course, this could create some practical challenges. People might deliberately “act stupid” when taking their IQ tests in order to get more money. That is, smart people might try to game the system, the way they always do. The solution? Catch a few reading Kant, and hang them in public squares as a warning to others.

Anyway, we’re not going to worry too much about the details, here. Let the smart people figure them out later. We’re on a crusade. This is no time for thinking clearly. We have other scores to settle!

We turn next to those born late in the year. Here’s CBC:

A 2011 study of B.C. [British Columbia] students who entered kindergarten in 1995 found that, compared to those born in January, kids with December birthdays were 12 to 15 per cent less likely to meet reading and numeracy standards in the elementary grades and 12 per cent less likely to graduate.

And what about the lefties? Left-handed people are more likely to be alcoholics and to have migraines, and they’re forced to inhabit a world designed for right-handed people.

But don’t worry, runts, middle children, December babies, lefties: help is on its way. Our Reparations-for-Everybody program is sure to be picked up any moment now by a major political party.

OFF THE CHARTS

July 31

These two headlines from Bloomberg caught our eye yesterday:

“U.S. Economy Shrinks at Record 32.9% Pace in Second Quarter”

“U.S. Jobless Claims Rise a Second Week in Sign of Growing Risks”

These reports tell us what we already knew: when you shut down an economy, you have less of an economy. About a third less, in this case. And, since an economy is what provides our wants and needs, turn it off and you have less of both.

The decline in GDP smashed the 1958 decline by three times and the 1932 Depression catastrophe by two times. Mathematicians say that such a collapse in GDP is a “10-sigma” event: the kind of thing that happens just once or twice in the life of the universe. That’s why we feel so lucky. How many people get to see such rare imbecility?

It may take centuries to build up a flourishing civilization.

But it can go down fast.

LAST DAYS IN CALCHAQUÍ?

August 3

The word around here is that the airports and borders are opening September 1. We’re booking a flight now, but not without hesitation. We’ve enjoyed being shipwrecked here in the Calchaquí Valley for the last four and a half months.

“Maybe we should just stay,” suggested the distaff side of the family. “Our friends keep writing to tell us how lucky we are we’re not back in the U.S. Makes me wonder...”

We wonder, too. Especially when we see the baloney back home. We began our career in 1973, just two years after the paper money was introduced. Until then, the way to gain wealth, other than robbing a bank, was to earn it. You had to provide goods or services others were willing to pay for, and satisfy your customer.

This focused the economy on Main Street output. “We make,” said the sign on the Trenton bridge. “The world takes.” But Trenton doesn’t make much anymore. The portion of American income that comes from producing goods and services has dropped from almost 90% in the early ’70s to a record low under 67% last quarter.

Of course, the last quarter was unusual. How often do the feds shut down an economy? And yet the rise of transfer payments was not as flukish as many believe. While the appearance of Covid virus might have been unexpected, and the Lockdown response may have been a once-in-a-lifetime over-reaction, the track had already been laid, the conductor was already drunk...

... and the train was already steaming out the station towards the “dead man’s curve” that wrecked so many empires in centuries past.

MAKING HAY

August 4

Even out on the southern prairies, the feds' money takes root like a noxious weed. *The St. Louis Post-Dispatch* reports that the farming sector has now become dependent on the federal government:

It was utterly predictable that, once Trump slapped tariffs on China, America's No. 1 agricultural buyer, China would respond in kind, devastating U.S. soybean and other farm markets.

America's almost \$20 billion in agriculture sales to China in 2017 dropped to \$9 billion the next year. Even as federal farm bailouts sailed into the tens of billions, farm bankruptcies jumped almost 20% last year.

Farmers, stock brokers, factory girls, and baristas: all have come to rely on the generous feds.

MISSING COATS

August 5

Can you solve this child's riddle?

What is something and nothing at the same time?

We'll put you out of your misery: it's the feds' transfer payments. A "transfer" must have a "to" and a "from." But the feds' miraculous money manipulations have been leaving the transferor completely unaware, as if he had not lost a single penny. And yet the transferee is indisputably richer. He can take his \$1,200 check, or \$600 a week unemployment bonus, or forgivable business loan, and go out and get real stuff: a haircut, a Harley, a halibut. How could that be?

And the scale of the "transfers" is such to boggle the mind. There's a good chance they will top \$12 trillion this calendar year, and that's if things go well. But twelve *trillion* dollars... Who's got that kind of money? Who can the feds transfer it *from*? The entire U.S. labor force was expected to earn less than \$10 trillion in 2020, and that dropped to an \$8.6 trillion annual rate after the virus struck.

But we know how the feds will pull off their trick. Their fake money might be intrinsically worthless, but it can still be used to claim real stuff. It is both worthless and not worthless. The recipients are happy to get it, while those who have been robbed think they still have it.

It brings us back to an old metaphor: money is a claim check. You go to a restaurant, check your coat, and get a ticket proving you're the owner. Printing-press money is like additional claim tickets. By handing them out, the feds transfer your coat to someone else. Only you don't know it yet.

Just wait until winter.

TAKING NO CHANCES

August 6

This past weekend, the locals in the Calchaquí Valley celebrated Pachamama. They were christianized by the Mercedarian Brothers in the 17th century, celebrate Christmas and Easter, go to Mass, and respect Catholic rites. But they're not taking any chances. On the first day of August every year, they pay their respects to the ancient Indian deity, the goddess said to be the mother of the four elements: Earth, Water, Sun, and Moon.



Gathering to pay respects to Pachamama

Our celebration at the ranch began well enough. We gathered at our foreman Gustavo's house for dinner: the traditional corn soup, *locro*, many different cuts of grilled meat, salad and vegetables. And wine.

There were about 20 of us: men, women, mothers nursing, children playing in the irrigation canal... Gustavo passed around a big pot into which we were to offer part of our meal to Pachamama.

When the meal was over, we marched up the hill. There we found a stone plate, about two feet square, lightly covered with dirt and sand. Gustavo knelt down, swept the stone, and raised it. He dug down a little and pulled out several liquor bottles, some full, some empty.

Then he lit a fire in a steel pot, burning aromatic herbs, and lowered the pot down into the hole. Each of us knelt, took off our hats, and swept the smoke towards us, breathing in the fumes, communing with Pachamama herself.

This accomplished, Gustavo raised the pot back up. He lit cigarettes and pushed them into the sides of the hole, and then added the food offerings and bottles of alcohol. Each of us participated, drinking a potion from a cup passed around or sipping maté from a silver straw.

If any of us had the coronavirus, we surely all have it now.

Next, we took turns serving Pachamama, ladling in the food and pouring in the alcohol. And, when all the food and drink was in the hole, Gustavo filled it with dirt and replaced the stone on top.

The ritual done, the party was just beginning. Your editor made his excuses and got back to chopping firewood. The rest of the group continued drinking and carrying on until after 5 in the morning.

SUGAR HIT

August 7

In 1979, Paul Volcker was able to stop the credit expansion. In 2020, nobody can. In the intervening years, total U.S. government debt rose from \$900 billion to \$26.6 trillion. Business debt today is 17 times greater than in '79. The Fed's balance sheet, a rough measure of the credit expansion, rose from \$163 million to \$7 trillion.

Try doing now what Paul Volcker did, hiking the Federal Reserve's key lending rate to 20%, and the whole kit and caboodle would melt into a puddle, like a plastic bottle in a fire. The longer the counterfeit money flows, the more everyone depends on it.

Without fake credit, thousands of businesses would go bankrupt. Without 'stimmie' checks, millions of households would have to cut back their spending, causing a recession. Without their billions in contracts and subsidies, the whole military / industrial / social welfare / diversity / education / medical complex would have to retrench, leading to a collapse on Wall Street, pulling down all the parasite enterprises.

And what president is going to be re-elected by denying the voters the sugar that has become such a big part of their diet?

So look out for another big dose... coming soon.

EXPORTING IDIOCY

August 10

This weekend, as expected, the Trump Team came forward with more ways to spend money it doesn't have. Mr. Trump declared that, henceforth, Social Security will be funded with counterfeit money. And he says he has the power to do it! Business Insider:

White House aide Peter Navarro said the 'Lord and Founding Fathers created executive orders' so Trump can push orders over 'partisan bickering'.

As for the Lord, We'll let Him speak for Himself. (Though we can't remember any mention of "executive orders" in the Holy Book.) But the Constitution is certainly clear on the matter:

No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law.

– U.S. Constitution, Article I, section 9, clause 7

Argentina is much accustomed to "executive orders," fake money, and transfers of wealth. And yesterday provided a good example of where that combination leads. Our province has been loosening restrictions so, partly for business and partly for fun, we went with friends to visit a very old winery further down the valley. The family there has been making "artisanal" wine for more than 100 years.

And it looked like it. The place was a wreck. The old adobe house, once elegant, with arches and stenciled walls, was falling down. The winery roof had collapsed and been hauled away. There was junk and trash everywhere, including the business part of a toilet that greeted us at the front door entrance. Dead cacti in broken pots lined the walls. Dust covered everything.

“Would you like to buy some wine?” asked a woman of about 60, slightly bent. “It’s made with local grapes. It’s called *Mistela*. Here, I’ll give you a taste.”

She passed out some glasses. It tasted like fermented prune juice. Not bad, but too sweet for our tastes. Still, she had gone to the trouble of showing us around and telling us a bit of the history.

“How much per bottle?”

“Two hundred pesos.” (About \$1.50.)

We bought two.

“Thank you so much,” she smiled. “Now I can buy some meat.”

How did it come to this in Argentina, once so wealthy? The short version is the country replaced real, earned wealth with government giveaways. The insiders benefit from special favors, crony contracts, and corruption, while the poor get subsidized utilities, welfare, and unemployment compensation.

“And it all works,” explained a friend. “Until we run out of money. For a long time, Venezuela was able to pay for this kind of program with their oil. Here, we had agricultural revenues. The government took as much as half the gross revenues from farm exports. But that’s running out. It looks like we’re going the way of Venezuela.”

America is a much richer country. It has more industries to plunder. But history suggests that there’s no amount of wealth a determined government can’t squander. Here in Argentina, the feds can keep the jig going with relatively small amounts of money. In the U.S., it takes trillions. And if Congress can’t agree to print those trillions, well, damn the Constitution: the feds will do it by “executive order.”

“Our economic system is our most successful export,” laughed our Argentine friends.

GUNNING UP

August 11

A headline in Fox Business caught our eye:

Skyrocketing gun sales trigger US ammo shortage

Uh oh... Who are folks planning to shoot?

While the media is focused on the “negotiations” and “bickering” about the scale of the feds’ next counterfeit “transfers”, the bigger story is going unnoticed: Americans are gunning up, and the U.S. is headed for inflation, depression, and maybe even civil war.

Because the “transfers” not only hurt the Main Street economy, but also light a fire under a pot of jealousy and injustice that’s been filling up for half a century. One day, it’s almost sure to boil over.

RICH RECIPE

August 12

When the poor shall have nothing more to eat, they will eat the rich.

– Attributed to 18th-century philosopher Jean-Jacques Rousseau

The crowd at a recent Elizabeth Warren rally spontaneously broke into a chant: “Eat the rich! Eat the rich!”

It’s all over social media. You can even get a recipe. One instructs you to “Simmer £100,000 in the blood drained from the carcass. Serve on a bed of rocket.” You can buy dinner plates with “Eat the Rich” painted on them. Bands put out “Eat-the-Rich” albums. “Eat-the-Rich” t-shirts are the height of fashion in some circles.

It’s clear that the social contract, the generally accepted principles that bind rich and poor together, is giving way. And why not? The system is corrupt. A few people get richer than ever, while most people, even with 21st-century technology at their fingertips, fall behind. In terms familiar to us at the *Diary*, leftist intellectual Chris Hedges describes the plight of many of the non-rich:

Some 41.7 million workers, a third of the workforce, earn less than \$12 an hour. A decade after the 2008 financial meltdown, the average middle class family’s net worth is more than \$40,000 below what it was in 2007.

Some four million evictions are filed each year. One in four tenant households spends about half its pretax income on rent. Each night, some 200,000 people sleep in their cars, on streets, or under bridges.

Mr. Hedges thinks he’s describing a failure of capitalism. But it wasn’t the capitalists who set interest rates near zero, jacked up the

stock market, transferred trillions of dollars to favored clients, or printed the fake money.

No, this was not capitalism. This was the opposite of capitalism. This was politics, where you get richer not by making others better off but by making them worse off. Real capitalism produces real wealth by requiring people to offer real goods and services to each other in order to earn their money. Politics merely “transfers” wealth from one group to another, either by taxation or money-printing. Some end up richer; most are poorer.

The inequality, unfairness, corruption, and dishonesty of the system could be easily erased in a matter of hours. All it would take would be a return to an honest money system, without any meddling by the feds. Stocks would crash to less than half of what they are today. Bonds would implode. The Swamp would suddenly drain.

Which is why the elites won’t acknowledge or solve the real problem. The fake money lines the plush chairs in which the elites, Democrat and Republican, rest their fat *derrières*.

So now, to protect themselves and to continue the flimflam, the elites will grab their forks and knives, tuck their napkins under their chins and, for the benefit of the hungry masses...

... put “the rich” on the menu.

A DAYDREAM

August 13

If Mr. Trump really wanted to “make America great again,” and had any idea what was really going on, he’d have a “fireside chat” with the voters. He’d look them in the eye and tell them the truth: that printing money does not bring new wealth and that every penny of real wealth that comes their way from the federal government must sooner or later come from them.

Then the Donald could go on to call out one of the biggest hinds in the whole jackass herd: former Fed chief, Ben Bernanke. In the long tawdry tale of central banking, no better illustration of malfeasance and economic quackery can be found than Bernanke’s book, *The Courage to Act*, in which the author applauds himself for having the “courage” to print trillions of dollars in order to stop speculators getting what they deserved.

Then, after describing the slimy hole into which the republic has fallen, President Trump could finally rise to the role he was elected to play. He could announce a program that might actually “make America great again”, letting it be known that he was planning to set things right, first by removing the Fed chairman, and then by vetoing all spending bills for which no funds were available.

In other words, if America was going to continue down this sinful road, it would be over his dead body! Which is probably the way it would turn out. Immediately, Wall Street would crash. Interest rates would rise. Bad businesses would go broke. Bad managers would lose their jobs. And the next day there would be an editorial in *The New York Times*, signed by hundreds of leading economists, telling us that the president had lost his mind and had to be impeached.

THIS WEEK’S MISHAPS

August 14

It’s been a busy week here in the Calchaquí Valley. Our old foreman, Jorge, came to visit. He wanted to see the farm and the cattle, so we all saddled up, Elizabeth on her new *yegua* (mare).



Elizabeth and the yegua before the horse disgraced herself

Elizabeth had only ridden her mare – a “paint,” as they say in the West, white and brown, and formerly used as a polo pony – a couple of times. They looked good, but didn’t know each other well. And scarcely had we entered the pasture when we heard a commotion behind us. Turning, we saw Elizabeth fly through the air over the mare’s head. She fell hard on her back as the mare took off crazily.

We jumped down and ran to Elizabeth. Her face was distorted and ashen. She had had the wind knocked out of her. We helped her to her knees so she could hunch over and breathe, hoping there were no broken bones. Three years ago, she had a similar accident, broke some little bones in her back, and spent a month in bed.

Inez and Pablo, two of the ranch hands, must have seen the mare racing across the field. In a few minutes, they ran onto the scene as Jorge caught the *yegua* and took charge of the horses. Elizabeth was beginning to recover by now. Still gasping for air, but more calmly.

“Can you walk?” we asked.

“I don’t know,” she said. “I’ve taken a lot of falls. But as I get older, the costs go up.”

We helped her to her feet. Inez took her arm and led her back to the house. Come evening, Elizabeth was sore, but mobile. Nothing was broken. And by the next morning she was ready to take a drive to see an old winery. But, on the return journey, it was the truck acting up. It didn’t want to go into 4 x 4: essential for crossing the river.

After a few minutes fiddling, the dashboard light finally told us the 4-wheel drive had been activated, so we entered the water. But, right away, something didn’t seem right. The engine wasn’t revving like it usually did. And then, midway across the river, the truck came to a halt and sank into the mud, its rear wheels spinning hopelessly.

We called back to the farm office, hoping someone would be there who knew how to drive a tractor. There are seven guys on the payroll, but most don’t drive. Luckily, Ojito was there. The downside was, Ojito’s a heavy drinker.

But he seemed to have held off the drink that day. A little while later, we heard the big red Massey Ferguson on the road behind us. We took off our shoes and rolled up our pants. Water rushed in as we opened the door. We quickly hooked the chain to the steel ring at the front of the truck, and then to the back of the tractor. Ojito put his foot down and the tractor pulled us out easily.

Yesterday, the truck headed out for repair.

A TALK FROM TRUMP

August 17

Last week, we suggested President Trump should give the nation a “fireside chat”. This week, we give him a text:

“My fellow Americans, our nation has faced many challenges in the 244 years since the Declaration of Independence, and we’ve made many mistakes. We’re only human. We get carried away. We see a problem; naturally we want to fix it. We see a threat; naturally we want to protect ourselves.

“But not every problem can be fixed by the federal government. Nor can the federal government protect you from every risk. Remember, we only have two kinds of power. We can take your money or we can tell you what to do. Every penny we spend must come from you. Every law we pass infringes your freedom. Sometimes it’s necessary; often it’s not. Sometimes the cure is worse than the disease.

“I think we are making one of our big mistakes. I’m talking about our ‘war’ against Covid-19. The media is full of lurid stories: over-run hospitals, cases soaring, body counts rising. But the stories could be written about any influenza. We don’t want to lose anyone to the disease, but nor do we want to succumb to over-reaction.

“Mankind has lived with infectious diseases for as long as we’ve existed. So far we have never fully beaten them, but they don’t beat us, either. They make us sick, but usually don’t kill us. We are much more useful to viruses alive and spreading them than we are dead. That is probably why Covid tends not to kill those who socialize the most: young people. If you are under the age of 24, your chance of dying from Covid is statistically insignificant. You are much more likely to die in an auto accident.

“If you are between 25 and 65, your odds of dying from Covid are higher, but very much within tolerable limits of everyday life. People in this age group are about 30 times more likely to die of something other than Covid-19.

“After 65, the danger rises sharply, especially with ‘comorbidities.’ And, when you get to be over 85, your chance of dying from the disease is more than 1,000 times greater than it is for a 20-year-old. But so is your chance of dying from almost any other disease. Yes, I hate to break it to you, but if you get to be over 85, something is going to kill you – and soon. Even so, as of last week, Covid was only responsible for about 10% of deaths in that category this year.

“So our best strategy for dealing with the disease is obvious. Those who are most vulnerable should stay away from people who might have the disease and wait for the viral cycle to pass. Fortunately, most of the vulnerable are over 65. They don’t have to go out to work. They can fairly easily keep their distance, wear face masks, wash their hands. For the rest, were it not for all the media attention, most people who get it would not even know that they had it.

“Why not force everyone into a lockdown? Because I represent the whole nation, not just those afraid of getting Covid. Shutting down our economic and social lives may help a few people avoid or delay the disease, but it also prevents people from living fully. It is by working together that we satisfy our material needs. And it is by socializing that we satisfy our spiritual and communal needs. Cut them off and we are poorer, with less of what we really want in life.

“Those of us who are over 65 might make it safer for ourselves by forcing everyone else to isolate and wear face masks. But that would stifle and stunt the lives of our children and grandchildren. What kind of people would we be if we did that?

“We will all die, sooner or later, and some things are important enough to risk a little danger: our dignity and honor, our freedom, and the kind of nation we leave as our legacy.”

CROOKED AUCTION

August 18

The trouble with a democracy is that “the people” vote. You know them as well as we do. Friends and neighbors. Nice people. They run their own lives plausibly well. But you wouldn’t want them running your life. Or your country.

Not that they ever really do. The insiders, cronies, and Deep State elite control policy. But those insiders divide themselves into two opposing groups: Republicans and Democrats. Each needs votes to gain power. And so, with an election approaching, each tries to be the highest bidder. Here’s where the bidding currently stands:

The Democrats: \$3.4 trillion. The Republicans: \$1.1 trillion.

Donald Trump won’t take that lying down, though. He is right now waving the nation’s checkbook, as per the *Daily Mail*:

President Donald Trump said on Friday that he is readying \$3,400 checks to go out to American families, but blamed Democrats for holding up a deal in talks.

Old-fashioned conservatives would be appalled. They sought their votes honestly, promising “balanced budgets” and “fiscal integrity,” not by dropping money from helicopters. They loathed debt. And they loathed politicians who courted the masses with federal funds.

In a small, honest money system, the tendency to over-promise and over-spend is held in check by limited resources. Voters realize that any bribes or giveaways must be paid by the taxpayers themselves. But that is not how things work today in our era of fake money and ever-expanding deficits. We don’t know who will win the election. But we do know both parties are playing the same game.

BLOATED

August 19

“The cattle are gone.”

Our office window looks out on the pasture. Yesterday there were 120 cows in the field. This morning, none.

We had heard some moaning from out in the field yesterday. Calves were separated from their mothers and neither mothers nor calves were happy about it. But this moaning was a little different. Strange and unsettling. Like something was seriously wrong. We didn't know what to make of it.

“I've got some bad news, boss,” said the foreman. “We lost two cows yesterday. So we moved the rest out of the pasture last night.”

“What happened?”

“These were the cows that just came down from the ranch. We shouldn't have left them in the alfalfa. It was too rich for them. We're putting them back now, but we're keeping a closer eye.”

We said we'd heard an odd-sounding moaning.

“That's what it was. They eat the alfalfa. They're not used to it. It blows up in their intestines, blocking the normal flow. They swell up and die. When you hear them crying out like that, you need to get a sharp knife and go out and find the cow. Make sure you puncture the intestines so the gas can get out.”

“We'll bear that in mind...”

ROTTEN APPLE

August 20

Yesterday, Apple's market cap cruised over \$2 trillion. Reuters:

Apple became the first publicly listed U.S. company with a \$2 trillion stock market value on Wednesday, as Wall Street investors put aside challenges to its iPhone ecosystem in favor of bets it will only prosper more in the post-coronavirus world.

That makes Apple's market cap higher than the GDP of 178 foreign countries. Even Canada, in an entire year, doesn't turn over that kind of money. It also puts the company's P/E ratio at 35. Based on current earnings, if you bought the whole company and put every dollar of earnings into your pocket, you'd have to wait until 2055 to get your money back.

And the problem with technology is that it doesn't stand still for that long. Apple is a great company today. But tomorrow, who knows? Thirty years from now, will people still be using Apple phones and tablets? Or, like Digital Equipment, Kodak, Wang, Sperry, Control Data... the list goes on and on... will it be forgotten?

You can't blame investors for buying Apple. But the company is now worth \$1 trillion more than it was five months ago. How could that make sense? Wall Street's answer is that sales are “surging” thanks to a tech bonanza during the shutdown. This would allow investors to anticipate a larger stream of future earnings. In other words, they say the company is actually worth more in real honest money.

But Apple's current share price does not plausibly reflect expected earnings discounted to present value. The company's revenue has been growing at less than 3% per year, on average, for the last four

years. Even the “surge” of the last quarter left its profits lower than they were for the same quarter two years ago.

So we suspect most investors are not doing careful analysis. Instead, it is far more likely that a lot of the 10 million investors who opened accounts at stock trading app Robinhood are admirers of Apple products and don’t know any better.

Moreover, we suspect that the levitation of the stock market in general, and Apple specifically, is the work of the magicians at the Fed. Had not the Fed backed up the bond market in September, and even more in the lockdown, Apple stock would probably be less than half what it is today. The extra \$1 trillion would vanish.

But, as long as the Fed continues to interfere, an investor can sell his stocks at their “fake” prices and use the money to buy real things: the plumber’s time, a 1967 Corvette, or the bread the baker just brought out the oven.

Has he “stolen” those things? Of course not. But the whole system is rotten. The stock market investor ends up in possession of wealth somebody else earned. It is property stolen away from the public with fake money. The seller may feel he’s got a good deal. The buyer may be happy, too. No charges will be filed. No one will go to jail. But ultimately somebody’s getting ripped off, though he may never understand how.

DEATH AT THE RANCH

August 21

“You better come look at this,” said Elizabeth this morning.

Out in the field, a cow was lying down, bloated. Its legs were sticking out, not folded under as they normally are. We went out for a closer look, taking a kitchen knife with us (per our foreman’s instructions), but hoping it wouldn’t be needed...

It wasn’t. We felt the cow’s neck: cold and stiff.

“We lost another one,” we told the foreman when he got here.

So far, four of the cows we brought down from the ranch have died. Up at the ranch, they die of hunger. Here, they die from overeating.

“It’s not normal,” the foreman announced. “I’m going to get the vet to look at him. I don’t think it was the alfalfa. Not this time of year.”

In the springtime, alfalfa is rich and fulsome. Cows are not allowed in the fields. It is too strong for them. But in the winter (we’re in the Southern Hemisphere), the plants are dry and usually pose little risk.

To be safe, we drove the cows into their corrals for the night.

WILDFIRE

August 24

Property lines are not always well defined here. An old title may say something like “to the watershed” or to “where [another property] begins.” Or it may say nothing at all. We’ve never understood, for example, how far our property runs along the bank of the river, or how far it goes into the desert. So yesterday we went to find out.

We rode out to the edge of the part we knew, then just kept going, following Ramón’s instructions, beyond the abandoned fields, over the *arroyos* (dry creeks) and rainy-season washes. We rode parallel to the river, through three deep *arroyos* and then, after another half-hour, came to an abandoned goat pen and a broken-down house.

From there, the trees and bushes became strangely dense, so thick we could scarcely get through. We had just crossed miles of desert. Where was all the water coming from? When we finally pushed our way into a clearing, we were surprised to find it green and lush with grass. There was a spring. Water pooled in several places. It seemed incredible but there it was: like an honest man running for Congress, pure and clean, unlikely and alone.

We made our way along the edge of the swampy ground down to the river. From there, we were able to circle back up to an open field. On the edge of the river was a corral that seemed to be still in use. Squatters must be crossing the river to graze their animals on our land. Five of their rangy cows were lying under a tree.

We continued by following the old irrigation canal down to another *arroyo*. These dry river beds are a problem for irrigation systems. The canals often need to cross the *arroyos*, but they usually wash away or fill up with sand as soon as it rains, so have to be re-dug each time.

Across the *arroyo*, the canal had been mostly obliterated by rain or wind. Still, we could see where it used to be: a line of *algarrobo* trees, some dead, marked a now-faint ditch. Not far away was another abandoned house. There were once many more people living in the valley. Most have moved to the towns or at least the other side of the river, where there is electricity and access to schools, shops, and clinics, even when the river is high.



An abandoned field

The field on this side of the *arroyo* was about the same size, 10 or 15 acres, but it seemed to be longer-abandoned. The trees along the old irrigation canal were in worse shape, and more tumbleweeds and other bushes grew in the middle of the field.

We continued to the end. There we discovered a round building, like an igloo made of adobe bricks. Maybe it had been a storage shed. It was built into a hill that seemed to mark the end of our property. Beyond it, the sharp rocks of the Apacheta mountain chain came right down to the river. We couldn’t go much further. Besides, it was now about 5 in the evening. We could just get home before dark.

As the sun dipped behind the mountain, we noticed an orange light on the opposite river bank. The blaze, even from our vantage point, was impressive. At this time of year, after six dry months, wildfires

are a big danger. Typically, the locals are burning trash or clearing brush when the wind comes up and the fire gets away from them. It then burns and burns until it burns itself out. There's nothing to fight a fire with and, with the wind blowing in strong gusts, it would be suicide to try.



Fire across the river

We called to the other side of the river.

“What’s going on?”

“Oh, it’s nothing,” came the calm voice of our foreman. “They were burning out the canal to clean it. It looks like it’s out of control.”

“Aren’t you worried that it will get to the barn?”

“No, there’s a big field in between. We just cleared it because we’re going to plant oats. The fire won’t get across.”

We went to bed at about 11, the flames still lighting up the night sky. This morning the area is smoking, but the barns are there alright.

LOCKED DOWN AGAIN

August 25

“The province is locked down again,” said the friendly policewoman on Saturday. “No internal travel without permission.”

We had mixed feelings about this. On the one hand, we don’t like to be told what to do. But on the other, it’s been an idyllic confinement at the ranch: a lush, uninhabited island of good food, excellent wine, warm sun, cool nights – and a Wi-Fi connection.

A week ago, it looked like our stay was coming to an end. Argentina was opening up. Travel had been allowed internally for a while, and international airlines were supposed to resume operations next month. But now comes word that more cases of the coronavirus had been discovered in Salta, and that the province is closing once more.

“I don’t know how long we can do it,” the policewoman said. “Every time we open up, the virus hits. It just doesn’t seem to go away.”

ALL IN GOOD FUN

August 26

Life offers you plenty of opportunities to make a fool of yourself. And the more money you have, the bigger fool of yourself you can make. A poor man builds himself a small house, and no one pays any attention. The rich man builds a mansion, and the architectural snobs roll on the ground, clutching their stomachs, laughing to burst a gut. “What a monstrosity!” they gasp to one another.

This weekend, we planted a fruit orchard, aided by two of our field hands, Franco and Fernando. Neither of them knew how to operate our backhoe, a large CAT machine. It was up to us, even though we hadn’t done it in 20 years. This was going to be embarrassing.



Does Don Bill know what he’s doing?

We climbed up into the cab. Fortunately, it all looked familiar. We pulled the lever to raise the digger in back, then the bucket in front. There was some awkward clanking and jerking when we started out but, within a few minutes, we remembered how it worked.

It was all going so smoothly, so easily, we could hardly believe it. Then we heard the cracking sound of wood breaking overhead. The tall backhoe arm, sticking straight up behind us, had knocked a limb off one of our favorite trees. We turned around to see if Franco and Fernando were watching.

They’d seen everything. But they kept straight faces.

A LETTER FROM ELIZABETH

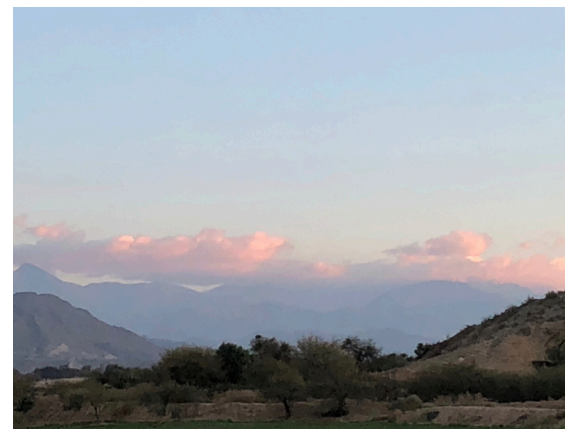
August

Dear Children,

The morning, the alba, dawns sullenly. The eastern light is cold and white against low dark hills. The outline of the western mountains is slightly blurred, a dark blue violet that blots out, like a sea of ink, the details of scraped and scoured sides. To the north, the rising sun touches the pallid snows of Cachi with a glint of bronze.

The pastures of the Peral, stretching out on either side of the *sala* of San Martín, lie in shadow, whitened with light hoar frost. Leathery old Quebacho, named for the hard, incorruptible tree, stands asleep under an *algarobba*. The cattle spend the night in the corral to protect their delicate stomachs from the effects of eating alfalfa all day and then getting a chill. Bunched together in a confined space, they keep each other warm. But Quebracho is a tough old companion to the *gaucho* and his digestion adjusts to fluctuations of temperature. Besides, in the pragmatic view of the *vallistas*, this horse is getting old and thin... *qué será*.

And now, as though the landscape has shaken itself awake and decided to accept the inevitable, the world fills with light. Shadows appear, marking the folds of the reddening mountains. The crests are a pale violet. The *arroyos* formed by torrential water and wind appear, drawn by light. Two long streaks of light turn the dead stalks of alfalfa golden, and hint at the green beneath. Steadily the light expands until the entire pasture is a golden field with long shadows cast by trees, dark lines of irrigation ditches following the contours of the field. Quebracho's coat glows a warm reddish brown. After a month on alfalfa, it looks as though he has begun to fill out.



Looking out toward Cachi on an August morning

The shadows fade and shorten, and now the cattle are filing into the pasture. They plod in single line, led by trusty old cows, surrounded by a film of dust. A little brown calf and a black steer scamper into the avant garde. *Levantosos*, levitating their hind ends, kicking and frisking, they plant their bony heads together and have a pushing match. Meanwhile, mature cattle get down to the serious business of cropping the dry alfalfa down to stubs of green.

It's the end of August, and spring is tentatively in the air. We head up to Gualfin for the weekend – and for the fiesta of San Ramón Nonato. Poor San Ramón. Usually his festival day is attended by about two hundred inhabitants of the valley – from as far afield as Seclantás and Cachi – and their relatives from Salta Cuidad. But this year, both church and state have forbidden such gatherings. Instead, the *gente* honored the saint and the Virgin Mary, to whom he dedicated his life, with a *novena*. Our young *capataz* Gustavo officiated in the absence of a priest.

“Do you miss the fiesta?” he asked me, as he handed me a well-worn booklet of hymns held together with yellowing scotch tape. And answered himself, with studied nonchalance, “I don't really.”

There were just a few of us gathered in the *capilla* as the twilight waned, but after so many months without a celebration, it was a solemn moment. The church had been decorated for a Palm Sunday mass that was never held; the last time it had welcomed the congregation was *Viernes Santo*, Good Friday, five months before. White and yellow garlands of paper doves hung from the rafters. The banner of San Ramón hung behind the altar. The *Pasqual* candle was ready to light.



The banner of San Ramón Nonato

San Ramón himself stood solemnly on his litter next to the altar, looking out toward the horizon with wide dark eyes, prepared to depart on his customary procession. The small statue of San Ramón was on a pedestal near the tabernacle. His bag was slung over one shoulder and he was wearing his pilgrim's hat and coat, ready to go. These articles of dress had been crocheted for him by one of the *gente*, Juana Díaz, when she was just a girl, and gave him the air of a friendly and beloved doll.

We prayed, sang, then prayed again. A fluffy half-bred poodle scampered in and jumped on the bench. He lay down on my seat with a snuffle while Gustavo read the list of special intentions and we sang a final song in tribute to San Ramón.

LESSONS FROM BUENOS AIRES

August 27

One hundred years ago, “As rich as an Argentine” was no joke. The source of the country's wealth is its vast “*pampa*”: flat, well-watered land with as much as 12 feet of rich topsoil.

At the end of the 19th century, Argentine farmers were already among the world's most productive. Then, with the invention of refrigerated transport, they could sell their meat to foreign markets and get rich. By 1900, Buenos Aires was a spectacular city: broad avenues, a grand opera house. In its elegant neighborhoods, people rode in exquisite carriages and lived in sumptuous mansions. In its poor neighborhoods, people arrived by the boatload. There was no law stopping them from coming. It was a free country.

So what happened to Argentina? After all, as recently as the 1960s, it had about the same GDP per capita as Japan. And the country has no social or cultural reasons that might explain its collapse. Why did it fall so far behind the rest of the Western world?

The first problem was democracy itself. In 1905, a new law gave all men the vote. This meant the proletariat, concentrated in Buenos Aires, was able to out-vote the richer, land-owning elite. Pernicious ideas began pouring into the capital alongside the immigrants, including ideas from the “reform” movements popular in Europe, such as those championed by Britain's Beveridge Report.

But Juan Perón was not of the Beveridge mold. He took Mussolini and Hitler as his socialist models. The Germans and Italians were lucky: their “reformers” were defeated in World War II. In Argentina, the Peronists were not.

CORRUPTION BEGETS CORRUPTION

August 28

In 1939, Juan Perón was sent to Italy to study mountain warfare in anticipation of a war with Chile. It was while there that he became an admirer of Mussolini, whose program was essentially giveaways, wrapped in the flag and delivered to the sound of trumpets.

Having returned to Argentina, Perón was elected president in 1946. He set about the typical reforms: pensions, medical care, minimum wages, a “13th month” salary bonus, and so on. For this, he needed money. Argentina’s most lucrative sector was agriculture, so Perón took control of exports, using the revenue to fund his schemes.

Thanks to its exports, Argentina had always run a trade surplus. But by the third year of Perón’s presidency, the surplus had turned into a deficit. Inflation increased to 33% by 1949. Strikes were common. In a remarkably short time, the economy was a wreck. This brought a wave of dissent. So Perón called the protestors “traitors” and had them arrested and tortured.

Such corruption soaked through the entire society and still saturates it today. From the largest corporation to the humblest taxi driver, nothing in Argentina is completely straight. Dishonesty, double-dealing, inflation, defaults: they are all part of public life. And there’s no sign of that changing any time soon.

NATIONAL CONVENTION OF DUNCES

August 31

Here at the *Diary*, we try to ignore politics. Like TV, Facebook, and dinner parties, they’re a waste of time. But politics is getting harder and harder to ignore. It muscled into our private lives, like Antifa crashing a kumbaya singalong.

The Democrats’ big shindig was a pathetic affair. Tulsi Gabbard, who won more delegates than Kamala Harris but dared to question the party’s Clintonish warmongering, was not invited. With her out of the way, the hacks and has-beens were able to pick up and gnaw at the usual old bones: Trump, inequality, racism, LBGT+, free medical care, free this, free that. From cheap broadband to eternal life, these grifters were for it all.

And they had a simple, boneheaded solution to every problem, even those that don’t exist. Joe Biden:

[I won’t] put up with foreign interference in our most sacred democratic exercise: voting.

Where to begin...

It takes a remarkable suspension of disbelief to think any foreigners would want to diddle with U.S. elections. In the upcoming election, we have a worn-out husk, ready to go along with everything, and a delusional grifter, who might do anything. Why would any foreign nation bother to meddle? As Napoleon put it: “Never interrupt your enemy when he’s making a mistake.”

RIP, GOP

September 1

Now, God help us, we turn to the Republican convention. Another sad affair. It looked like a wake to us. And, from what we could see, the corpse was the GOP itself. The Republican Party was forged by Lincoln and bent in one direction or another as the years went by. But the party of Eisenhower, Robert Taft, and Ronald Reagan was hammered into its pre-Trump shape during the New Deal.

Whatever else Republicans might believe, they agreed they didn't want Roosevelt lording over every detail of American life. The federal government's proper role was to protect the rights of the people, as outlined in the Constitution, not to increase its own power by trying to improve the world. But none of this old wisdom was evident at the RNC this time.

For more than 50 years, Republicans said they believed in free trade. Now their main man's against it: he wants to control who trades with whom and on what terms. For more than half a century, Republicans claimed to believe in balanced budgets. Now they preside over the most unbalanced budget in history.

Typically, at this hullabaloo, there comes the moment to reveal the program for the next four years. Spectators held their collective breath as Mr. Trump began. His speech started with an homage to Melania, as if she were Evita Perón, and then continued as if it had been delivered in the Plaza de Mayo in Buenos Aires.

But, despite clocking in at 71 minutes, it contained no principles, no thoughtful analysis, and no recognition of the central insights of "conservatism". Instead, it was a long list of lies, gripes, threats, and fear mongering, followed by a string of the usual heady promises.

DON'T CALL IT A COMEBACK

September 2

Here's the latest from King Canute, as reported in *USA Today*:

Relying on a public health law intended to prevent the spread of an illness, the Trump administration said Tuesday it is implementing a national four-month moratorium on residential evictions.

And what about landlords? Will there be a moratorium on mortgage defaults? What about the banks that hold the mortgages? Will there be a moratorium on bank failures? And what about real estate prices? If landlords can't collect rents or pay their mortgages, won't real estate prices fall? Maybe a moratorium could stop them doing so? Why not put a moratorium on COVID deaths while we're at it?

Certainly, with all the fake money they're pumping into the system, the feds are trying to put a moratorium on economic downturns. They are desperate to ensure a paper recovery. But we have started to wonder: what happens if a real recovery never comes?

Readers might wonder if that's even possible. Doesn't a "recovery" always follow a correction? Doesn't the stock market always bounce back? And the economy, too?

The answer is: "No."

The Japanese stock market peaked in 1989. More than 30 years later, it still hasn't recovered. Here in Argentina, the economy has been in a downward trend (compared to the rest of the developed world) for 70 years. And the Roman Empire went into decline about 190 AD, but doesn't look likely to recover any time soon...

BOVINE CORTÈGE

September 3

The funeral cortège headed straight across the field. The tractor, too unreliable and old for much of the farm work, led the way. It was dragging the body of one of the dead cows. Behind it, their heads low, followed a group of twenty bovine mourners.

“If we had a bell, I’d ring it,” said Elizabeth.

We could scarcely believe the news delivered by the foreman early in the morning. We went out to look for ourselves. Six more cows died during the night.

“Sad,” said the foreman.

“Unacceptable,” said our administrator in Salta.

“Negligent,” said Inez, our housekeeper, under her breath.

“Look, it was a mistake,” the foreman insisted. “But these things happen. We had the animals penned up yesterday to give them vaccinations against parasites. Then they went out into the field hungry. And, while the alfalfa is dry, it got colder than we expected. The frost must have set it off. You know, the fermentation. I don’t know. It’s no one’s fault. These things just happen in ranching.”

HORROR MOVIE

September 4

The feds thought they could turn off the economy, like putting a movie on “pause” when the pizza delivery arrives. But economies don’t work that way. Sales, wages, and profits are lost forever. When the feds came to press “play”, they found that the plot had changed.

Attitudes, as well as the illusions that fostered the “greatest economy ever,” are no longer the same. People don’t want to eat donuts. They don’t want to go to the office, to restaurants, or on cruises to Europe. Unlike the pre-crisis period, they don’t want to spend money.

Besides which, there are fewer opportunities to spend it in the first place, especially among the wealthy. Much of their usual spending is on entertainment, vacations, restaurants and other status symbols. Now they don’t want to, or aren’t allowed to, do those things.

In fact, for many of them, saving is the new status symbol. “Socially responsible,” they tell themselves. It prevents them, and others, from getting sick. It helps “the environment.” And it makes them look less like greedy SOBs while the rest of “the people” suffer.

Alas, the money the wealthy don’t spend is money the non-wealthy won’t earn...

A FOREIGN COUNTRY

September 8

Summer has come and gone. And another birthday. That makes it 72 times in our life that leaves have grown heavy with late-summer dew. And 18 times that presidential elections have absorbed the public's attention, like an obnoxious drunk at a cocktail party.

It also marks a complete interest rate cycle. Rates hit a cyclical low in the late '40s. Once again, just over three score and 10 years later, they seem to have reached another trough.

Birthdays put us in a reflective mood. We try to remember what it was like before and wonder: have things really changed so much? Or is it just us? Of all the things we've seen in our 72 flu seasons, the events of the recent six months are among the strangest. Never has the economy been shut down to try to prevent a virus spreading. And never has a government tried to offset the damage by passing out so much free money that it "printed up" for the occasion.

Only once before in our lifetime did a president panic so completely and give in to such bad advice. That was 49 years ago when Nixon briefly imposed wage and price controls, and permanently imposed a paper dollar. That was the closest to Trump's proclamation that, henceforth, he'll set the terms of rental contracts, specifically telling renters they didn't have to pay their rents until after the election.

The political gain is obvious: there are 40 million renters who might vote, and only a handful of landlords. But the long-lasting harm is incalculable. Landlords typically have expenses, too, like mortgages. If they can't collect rent, they can't pay. Then the banks take losses, and on it goes up the financial food chain. The losses don't go away, they just get moved around.

But the deeper damage is to the system. Free enterprise depends on two things: property rights and private contracts. Conservatives used to believe that the government's real job was to protect the former and enforce the latter. But, if the president can overthrow private contracts just because the unemployment rate is over 8% or because a virus is on the loose, what can't he do? What contract is safe? Who will want to invest knowing that a conniving government might ruin the project with a presidential decree?

And here, 5,000 miles away from Washington, still "quarantined" by the Argentine government, we sat on our veranda and recalled a wooden porch, long ago...

Our father was still wearing a uniform in the summer of 1948. He had been posted to Goose Bay, Labrador. Master Sergeant William Bonner asked permission of his captain to come back to Maryland to attend the birth of his son and namesake. But the answer came back in the negative. "You were there when the keel was laid; you don't need to be there for the launch," he was told.

So Mother was staying with her parents near Annapolis with a two-year-old girl already and another baby on the way. There was no electricity in the house. No running water, hot or cold. No central heating. And air-conditioning had scarcely been invented, much less brought to the homes of Southern Maryland.

The summer was hot. But, under the shade of a tall oak, sitting on a rocking chair on the front porch, drinking a glass of lemonade, it was a languid, serene heat, rich in odors: intoxicating, sensuous. And what a delight it must have been when the heat broke in September.

We lived in that house many years later, adding electricity, plumbing, central heating, insulation. But we could never recover the magic of the place before modern conveniences made it more comfortable.

It was so overgrown that the wisteria had worked its way in between the lap-siding, and bloomed in one of the bedrooms. The outhouse, too, was covered with vines, honeysuckle and morning glories. You

could barely open the door. But behind it lay a remarkable treasure: the fallen-down house of a “Civil War veteran.”

That part of the state had deeply southern sympathies, probably because the tidewater was fairly flat and suitable for the kind of field crops that made slavery (barely) profitable: tomatoes, melons, and corn on the eastern shore, tobacco on the western. So, when the war broke out, the young men from both sides of the bay rushed to the Stars and Bars, taking their horses with them. Our grandmother’s great uncle, Zacharia, did so, and came back a damaged man. He spent the rest of his life in the little cabin.

Why are we reminiscing? We don’t know exactly. But something big has changed. Maybe in us, maybe in the world. Maybe over seven decades. Maybe over only the last seven years. And we’re trying to figure out what.

So we’re remembering what it was like before Covid, before Trump, before the War on Terror and the War on Drugs, before the fake dollar, the fake boom, the fake “conservatives” and the fake recovery, before air-conditioning and automatic transmission, the internet and working remotely...

We’re remembering people long dead. And we are trying to imagine what it must have been like for our mother, sitting on that porch 72 years ago, rocking her newborn son to sleep, calmly unaware of all that was to come when the summer was over.

THINGS HAVE CHANGED

September 9

We’re reminiscing again. But it’s like opening an old box of photos: you don’t necessarily find what you were looking for. Instead, you often find what you need to see. And how we doom-and-gloomers suffered back then when life was “normal,” when the budget was (briefly) balanced and the country was at peace! We went to the office to work and stores to buy things. It was so damn tolerable, we only got through it by anticipating the tragedy ahead...

Now that so many people can work “remotely,” the big, old, tattered cities are falling further into desuetude. People who can are moving out. Why live close to work if you never go there? Why live close to restaurants and bars if they’re closed?

Where are people going? The new “Zoom Towns,” says Jeff Tucker, economist at real estate business, Zillow. Prices in these towns are rising at 20% per year or more. Nationally, home prices are up 8%, while listings are down almost 22%. But rent demand is falling, too: Zillow says about 3 million adults, mostly millennials, have moved back in with their families.

Which can all be seen as part of a K-shaped recovery: older, stock-owning, zooming people work remotely from beautiful, safe places far from the maddening crowds. While for younger, more indebted, poorer people, those who work at pick-up gigs or in the hospitality industry, living hand-to-mouth, things are not looking so good.

It didn’t used to be that way. Young people didn’t have to move back in with their parents. They could get a job and earn money. We can scarcely remember it. So we close our eyes, invite the past – and try to understand how the present got so screwed up.

WHAT A WASHOUT

September 10

The 21st century – what a colossal flop.

By our reckoning, life in America seemed more or less civilized until the end of the 20th century. Since then, several nasty themes have taken center stage.

The hubris of people who thought they were “exceptional,” beyond good and evil and not subject to the same rules as others...

... the degeneration of an empire: spending too much, throwing its weight around...

... the disappearance of true “conservatives”...

... the inevitable failure of a fake-money system...

... the disappointment of technology, a far cry from the ‘60s visions of freedom, flying cars and Jetson-like machines...

... and the corruption of democracy into demagoguery, with its bread, circuses, mobs, messiahs, clowns and carnival barkers.

What a bummer!

THAT CHOKING FEELING

September 11

From our office in Baltimore comes this update:

We’re downsizing. We now only need half as much space. We found that we could work perfectly well remotely. Now, the office is open, but only a few people are coming here to work. The rest work from home. All we really need are a few offices and a few meeting rooms.

This is great news. It means we can save on office space, cutting our rental costs in half.

Then again, what about the landlords? What about property prices? And what about New York restaurateurs? They’ve been informed that they will be allowed to open for indoor dining next week – but only at quarter capacity. How many restaurants can survive New York rents with only a quarter of the customers?

To enter a restaurant in Manhattan, diners will have to have their temperature taken. This at a time when Covid-related deaths have fallen to the floor. The customers are more likely to die by choking on a piece of meat.

SAVE US, SCIENCE!

September 14

Poor Castor and Pollux. The two elephants from the Paris zoo were slaughtered in 1871. Help didn't arrive in time. Desperate Parisians, after four months of a lockdown, ate them both. Fancy restaurants developed donkey head consommé and kangaroo stew. Common people had to make do with dog cutlets and rat sausage.

The Parisians were locked down by the German army (to be more precise, the armies of Prussia, Saxony, Württemberg, Baden, and Bavaria) besieging Paris. We've been locked down for six months in Argentina now. Fortunately, we have hundreds of cattle, sheep, and goats to choose from, so no need to slaughter household pets...

But the noose has got a little tighter: we're no longer getting supplies from Salta City. Argentina's strategy, like America's, was to keep the virus at bay by closing up shop, donning masks, staying home, pausing the economy, and hoping a "vaccine" is discovered soon. The problem is, a virus can wait. Closing up leaves a vulnerable population, virgin to the virus and ready to be ravished. As the doors open, in comes Covid, like the drooling Huns marching into Paris.

After opening up, gradually, hesitantly, and then all of a sudden last week, a rash of cases were reported in Salta. At once, people went back into panic mode. Roads were closed again. And, here in our remote Calchaquí bolthole, no visitors from the city are permitted.

Alas, the farms here depend on the city: fuel, tractor parts, seeds, chemicals, veterinarians... Over the last six months, we were able to keep a crew working on our new barns, clearing fields and putting in irrigation. But now the work has come to a halt.

Nearly, that is. On Friday, a surveyor somehow slipped through the siege and showed up at the house. He had been sent to prepare a map of the irrigation system. But locals, who know from six months of non-stop TV coverage that the virus is a ruthless killer, went into meltdown.

"He's got to leave," said one of the local women.

"He's working out in the fields... by himself," we replied.

"Well, don't invite him to lunch."

"But we have to give him something to eat."

"Maybe he could sit at a table by himself. Outside."

We compromised. The man sat apart, but in conversation range.

"I know they don't want me to come close," the leper explained. "But I've already had the coronavirus. It was nothing. Just a cold."

Cold or not, many people are still scared and many believe that if we lock down, and stay locked down long enough, like Paris during the Siege of 1870, the relief column – the regiments of Pfizer or AstraZeneca – will eventually arrive.

UNDER THE BRIDGE

September 15

Here at the *Diary*, we do not believe in “progress.”

We look back over half a century at all the “progress” made. Are we better off? Happier? Better people? Is what we see more fetching? Is what we eat tastier? What we hear and read wiser or more truthful? No, the challenges are the same today as they were then: to separate truth from lies, beauty from ugliness... and Heaven from Hell.

But while “progress” is mostly an illusion, we don’t deny that things change. And profound change has been underway since at least the beginning of the 21st century. The U.S. Economy, grown rich and powerful on fossil fuels, the internal combustion engine, and the principles of free trade, free enterprise, and free movement, has been metamorphosing into something new.

The political change is well-documented. Republicans, traditionally the party of small government and balanced budgets, have become the party of Trump, opposed to free trade and balanced budgets. Many readers believe the alternative would be worse, but we have no opinion as to which would be the better captain for this Titanic.

Also changed, beyond recognition, is our sense of what constitutes “normal”. Where once we saw viruses as inevitable, they are now an excuse to control and manipulate. Where air travelers were given the benefit of the doubt, 19 years after 9/11, TSA agents still feel up old ladies and girl scouts in airports. It’s not the same country.

But the water’s under the bridge, now. There’s no getting it back.

JUNKYARD NATION

September 16

What will we find, after more than half a year of quarantine in the Calchaquí Valley, when we finally get back to America? What if the world we knew has been abandoned and forgotten, like an old car in a junkyard?

Whole categories of workers might be left behind for a long time. Maybe forever, if employers turn to computers and robots. After all, electronics don’t get sick or sue. They’re not disease “vectors.” They don’t care about “diversity,” “equality,” or “white privilege.”

Small government, balanced budgets, sound money, free enterprise: all of those might be left behind, too. A majority of Americans from both political parties now favors more government spending, more bailouts, more giveaways, and more meddling with trade, industry, and commerce.

But the most important thing of all that will be left behind is the U.S. dollar. The dollar has been a bad form of money for many years. Had you simply kept your money in gold since the gold standard was abandoned, the cost of your child’s college would have been cut in half. Instead, in dollar terms, it went up 28 times.

The dollar has lost ground. But it’s bound to lose a lot more. For 30 years the Fed has been committed to supporting Wall Street. Now it is supporting Main Street, too. And with what? With dollars. Money that will be left in the junkyard.

SAME OLD STORY

September 17

“It’s madness. Weep for the nation.”

A neighbor stopped by yesterday. He was talking about Argentina. The Argentines are running out of money. Real money. Which for them is U.S. dollars. Compared to their pesos, the dollar is golden. But, according to Bloomberg, they only have \$6 billion left. Not much when you have \$323 billion in foreign debt.

Of course, the gauchos have been down this road so many times, they can drive it with their eyes closed. In 2001, they set a record, defaulting on \$95 billion in loans. This past May, they defaulted on \$65 billion. They are now lifting the seat cushions, looking for loose change. And on Tuesday, the government announced new measures to stop people dumping the peso for dollars. Here’s Bloomberg:

Going forward, Argentines seeking to purchase dollars for savings will need to pay a new 35% tax on top of the previous 30% so-called solidarity tax, and they’ll still be limited to buying no more than \$200 a month. The extra levy will also affect credit-card purchases in dollars.

But Argentines can spot thieves, even with their masks on. Within seconds of Tuesday’s announcement, there were lines in front of the black-market currency dealers, eager to trade wads of pesos for a few U.S. dollars. Overnight, the exchange rate rose from 130 pesos to the dollar to 150.

MONETARY CHOPPERS

September 18

Politically, the conservatives, and the restraint they used to bring, are gone. Socially, the middle ground is disappearing: you’re either red or blue, with us or agin’ us. And, economically, the strain is building to an explosive crescendo.

Societies are always evolving: taking up new things, leaving old ones behind. A half century ago, they left behind the gold-backed dollar. At the time, to many, it seemed like an improvement. But soon it became a hustle. Businesses, households, and the government all realized that borrowing money was easier than earning (or taxing) it. Now it’s a full-blown racket.

It took a hundred years for the Fed to run up its first \$3 trillion in holdings. It added another \$3 trillion from March through May of this year. And now it’s promising nearly \$5 trillion more.

Even the Argentines didn’t go this far. They made the same mistake, sure, locking down the productive economy in order to protect the unproductive part. And, yes, they too tried to replace real output with fake money, printing pesos and giving them to unemployed people. But at least they left the helicopters on the ground. No \$1,200 checks dropped from the sky.

The difference is that everyone here knows the government is broke. Argentinians would head straight for their nearest currency trader. By comparison, Americans are monetary naifs. Inflation is a distant memory. The feds can hand out trillions, but no one wonders where it comes from. No one bothers to imagine that the well might go dry.

CRIOLLO COMBAT

September 21

We took our usual Sunday ride, this time hunting the *casas coloradas*: houses built with red clay. They haven't been occupied for at least 50 years. The roofs have fallen in. But in the dry climate, the walls are still standing.

We had visited them many years ago, so we knew they were up near one of the "breaks," but couldn't remember exactly where. The only way to find them was to explore, pushing through the rocks and thick, prickly underbrush. We followed a trail, ducking low limbs, but coming too close to a cactus and getting stuck on its needles.



The valley floor

The path cut through the bottom of a gully and up the other side to a collection of large boulders with a green tree, a *molle*, in the middle of them. This tree tipped us off. It must have water. And, if there was water, there might have been people living nearby.

Sure enough, a few feet from the base of the old tree was a small pool. Why there should be water at all is a mystery. It hasn't rained here for nine months. But there are a few little springs that somehow flow all year round, and there were signs of regular cattle visits, the mud imprinted with hooves.

Cattle have their own codes and prejudices. Ours stay down in the valley. When the grass runs out, they expect us to take them down to better pastures or give them rolls of hay. They are "tame". If one is especially bad-tempered or aggressive, she is marked for slaughter and soon hung from an *algarroba* tree near the corral, providing the cowboys some food, as well as a lesson to the others...

Pure *criollos*, by contrast, can be wild and dangerous. Our cattle look down on the mountain cattle the way New Yorkers look down on country hicks. The *criollos* are uncouth, unsophisticated, unkempt. And it was one of these that we passed in the gully. It had a huge head topped by horns, long shaggy tail and skinny body. A butcher would hardly know where to start – or why to bother.

But there are a lot of these cows about, so we didn't pay it too much attention. We rode up to the pool and dismounted for our picnic.

"Yo," we shouted to Elizabeth. She was still on the other side of the gully and we couldn't see her through the underbrush.

"I'm here," came a voice.

So we went about our business, tying up our horse, loosening the saddle cinch, and setting out the lunch – until we heard a shriek.

"Aiiiy!"

It was Elizabeth. We turned and saw the problem. The *criollo* had its head down and was running right at Elizabeth's horse. Elizabeth's buckskin mare was backing up, trying desperately to turn around, but she was trapped between trees, rocks, and brush. She reared up and managed to twist in place, Elizabeth holding on for dear life.

The cow ran after them for a few seconds, then gave up the chase, a cloud of dust rising up from the ground around her. And there she stood her ground, blocking the path, leaving Elizabeth with no way in and us with no way out.

By now we were afoot. It made us feel vulnerable, not that a horse would have been much use. We grabbed some rocks and threw one at the mad cow below us... and missed. And then, like Jim Palmer pitching in the 1966 World Series, we wound up and let fly...

Strike! The stone hit the cow on the rump. It wheeled round towards us and started lumbering forward. We loaded up with a couple more rocks. But now, with the cow heading straight for us, the size of our target was reduced. We fired again but scored another miss. Closer and closer lumbered the *criollo*.

And then, turning to maneuver around a stunted *algarroba* tree, the beast suddenly exposed its broad flank. It was only about 15 yards away now: good range. We let fly once more, figuring this would be our final throw – before we had to run. But the heavy stone found its mark. The cow, stung hard on the shoulder, hesitated at first, then fled the field of combat, beating a retreat back into the brush.

After we'd calmed down a little and eaten our picnic, we resumed our explorations, scrambling over the rocks to see what we could see. There were abandoned stone corrals and walls that might have once been a house. But no *casas coloradas*.

“We’ll just have to try next weekend,” said Elizabeth, cheerfully forgetting the wild animal that had tried to kill her.

STORM CLOUDS RAGING

September 22

Now is not the time to worry about shrinking the deficit or the Fed balance sheet.

– Steven Mnuchin, U.S. Secretary of the Treasury

If not now, when? If not us, who?

When is the right time to fix a leaking roof?

The sun was shining in 2017 when Mr. Mnuchin joined the White House team as Secretary of the Treasury. Unemployment was low and U.S. GDP had been growing for eight years straight. Keynesian theory tells us that the prudent thing to do at that point in the cycle is run a budget surplus and pay down your debt. That is the essence of contra-cyclical policy: flatten out the booms and busts by running deficits in the lean years and surpluses in the fat years.

Instead, the deficit for the 2017 financial year was \$665 billion. The feds did the exact opposite of what Joseph advised the Pharaoh and Keynes recommended to policymakers. They exaggerated the trend instead of moderating it.

Then in 2018, with the Trump team fully in charge, unemployment went ever lower. The boss said the skies had never been clearer. But instead of taking advantage to repair the balance sheet, the feds cut taxes, and the deficit rose to \$779 billion. In 2019, it still didn't rain; still nobody got up on the roof. The deficit rose to nearly \$1 trillion.

Yes, during those 10 sunny years of 2009-2019, Mr. Mnuchin and his predecessors, instead of fixing leaks, went about punching more holes. The Federal Reserve maintained its zero interest rate and vast bond-buying scheme. The low rates and money printing continued.

But the recovery they produced was the weakest in history. A thoughtful person might have wondered: “How come?” But neither the Eccles Building nor the White House is a place for thoughtful people: only action figures and cartoon characters need apply.

And now what? Now there are clouds everywhere – cumulus, cirrus, and an occasional killer funnel; 200,000 businesses have closed their doors. As for jobs, millions have been lost, many gone for good.

Not that things are the same for everyone, of course.

“It’s amazing what’s happening out here,” said friends, calling from Deer Valley, Utah. “People are buying houses sight unseen. Realtors say they’ve never seen such a hot market. Everybody wants to get away from the cities. They’re coming from California, New York...”

Wealthy people are enjoying their new digs. The rest are standing in lines, staring up at the skies, waiting for the helicopters with their handouts from the government.

No, the clouds are not going away any time soon. And no matter who is in the White House, he is not going to get out on the slippery roof any time soon either. Heck, he might get struck by lightning!

ETHERIZED

September 23

For half a century, America’s greatest export has been the dollar. So much so that there are now more physical dollars outside the U.S. than in it. Foreigners are more familiar with Ben Franklin than Americans are. In many places, people cling to U.S. dollars like a drowning man to driftwood, like here in Argentina, where inflation is already running at about 50% per year.

This means that, for the present, the dollar is a dead man. The velocity of money, a key component of consumer price inflation, is actually going down. Americans are happy to get dollars from the government, and foreigners are happy to get them any way they can.

But, once people start to realize that the U.S. feds are doing the same things as those running sh*thole countries, the dollar will start to sink. Money is only “good” if it can be used to claim goods and services from others. When the inflation rate increases, people rush to claim whatever they can before their currency loses more value. Rich or poor, the goal is the same: not to end up holding the Old Maid money.

Traditionally, gold is the best defense: “last resort” money for at least 3,000 years. A cache of gold coins and objects, buried in England in the 8th century, was discovered a few years ago. Since its burial, England suffered wars, Viking invasions, the Norman Conquest, plagues, bankruptcy, bombing, and the decline of its once mighty empire. But not only were the coins still valuable when they emerged from the dirt, they were more valuable than when they went in.

Our guess is that gold will continue to do its work, especially in the first phase of the coming crisis. People will become more and more

concerned about the dollar, the economy, and the stability of the country. They will buy gold as protection, even as they are unsure what they are protecting themselves against.

Not that gold will be a panacea. Desperate governments will call those who try to escape the currency crisis “parasites,” “profiteers,” or “class enemies.” Gold may be banned, taxed, or even confiscated. In 1933, by executive order, Roosevelt made private ownership of gold illegal, subject to a \$10,000 fine (a lot of money back then) and 10 years in jail. Contracts stipulating payment in gold were nullified. The ban was enforced for the next 40 years.

In the long run, productive farmland may be a surer form of wealth than gold. It is less likely to be confiscated or heavily taxed. On the other hand, it’s very illiquid. Here in the Calchaquí Valley, there are no buyers for farmland. When Argentina emerges from its current crisis, landowners will probably still have their land. They won’t starve. But in the meantime they may have no “money”.

Today, people have another option: cryptocurrencies. Theoretically, bitcoin is superior to gold. It’s easier to exchange and hide, there’s no need to lug bags of gold coins around or to pay someone to store them for you and, unlike farmland, it doesn’t need to be managed. It may be harder to tax, too.

But gold is a work of nature; Bitcoin is a work of man. And, so far, man’s works have proven transitory. Bitcoin was a clever innovation, but there are millions of clever people. Who knows which of them will find a better bitcoin?

In fact, digital money might turn out to be the money of choice for governments more than their citizens. It’s clear that current levels of debt growth and money-printing are leading to trouble. By 2030, the feds will probably owe about \$40 trillion, not counting their unfunded obligations.

That debt is only sustainable while the dollar floats. When it sinks, the whole ship goes down. The feds know this as well as we do. And

they, too, are already making plans. They’re not planning to right the ship by balancing the budget, cutting the deficit, or reducing the Federal Reserve’s balance sheet, of course. They know it’s politically impossible. More likely, they plan to abandon the ship entirely.

Who would benefit most from a dollar collapse? The world’s biggest debtor: the U.S. government. If inflation got to 50%, half its debt would vanish in a year. In three, it would almost be gone. And, at that point, they could introduce a new dollar. Our colleagues at Trademith report:

The Bank of International Settlements, BIS for short, is known as the central bank for other central banks. In January 2020, BIS published a new research paper – not its first one – on central bank digital currencies (CBDCs).

Eight months ago, the BIS found that 80% of all the central banks they surveyed were investigating CBDCs, and 40% had moved from the research stage to the concept and design stage.

Meanwhile the U.S. Federal Reserve and European Central Bank (ECB) have expressed interest in digital currency and research, and the People’s Bank of China (PBOC) is potentially years ahead of the competition in rolling out an e-yuan, with mass trials underway involving real-world commercial use.

So the scam can start all over again!

FUNERAL MARCH

September 24

A friend wrote to caution us. It is way too soon to write an obituary for the U.S. dollar, he said. And he's right, of course. We are headed into a period of depression, political and social instability, and claptrap financial policies on a scale never attempted. The blowout inflation will come, but not right away. In the short run, the dollar is likely to strengthen, not weaken.

But, while it is too early to hang the black crepe, this is still a good time to visit a few nursing homes, or perhaps to pick out a burial plot. Because no pure-paper money has ever lasted for an entire credit cycle. The dollar will not be the first to rest among the shades. And its inevitable decline and fall will bring down the whole U.S. capital structure – stocks, bonds, debt, credit, pensions, insurance payouts, Social Security, Medicare, the empire: the whole shebang.

For the first 189 years of the Republic, the economy grew strongly, with not even a hint of the magic elixir (setting aside the War Between the States, when both sides did print money and fell into recession). As recently as the late 20th century, growth remained healthy, with scarcely any money-printing. It wasn't until 1999, more than 200 years after the dollar was introduced, that the Fed began administering large doses of fake money. It added \$6.4 trillion to its balance sheet as growth rates fell.

Fake money is the poison that will eventually put the dollar in its grave. But there's no need to call the undertaker just yet. It will take years for the toxin to do its work. Just remember, you don't want to be holding your wealth in dollars when the organ music starts and the smell of lilies percolates the funeral parlor.

FIGHTING THE FUTURE

September 25

Economies always evolve. And governments always try to look into the future and stop it from happening. Because the future has no friends. It generates no revenue. It pays no taxes. It can't vote, riot, or even write a letter to the editor. And the future is the place where Hell is located: with the planet overheating, two million dead from Covid-19, China overtaking us, and robots stealing our jobs...

By contrast, the present is Mr. Popularity. It makes profits, pays wages, and has deep pockets. After all, it owns 100% of America's wealth. It has lobbyists, too, and trade unions, political parties, and 535 Congress members ready to do its bidding.

But, try as the feds might, the world spins on. The future happens, anyway. It just takes another shape.

BAD MULE

September 28

It's spring here in the Southern Hemisphere. The grass is green. The sky is blue. And it's time to plant the garden. It was to that end that Gustavo put his shoulder to the plow on Saturday. We have tractors, but the garden is enclosed within adobe walls. Only a mule could get in to do the work.



Plowing with a mule

“Mules are better than horses,” Gustavo explained. “They’re strong. Reliable. But they’re temperamental. You have to work with them. You can get a horse that has been trained by a professional. But you have to train a mule yourself. You have to get to know it. Take your time. Mules don’t like to be rushed.

“If you buy a mule, the seller will tell you it’s very tame. But nobody sells a good mule. They’re not like cars. You can’t upgrade to a better mule. And you can’t downsize to a smaller mule. If someone sells you a trained mule, you know it must be a bad mule.”

ONE MORE HIT

September 29

The big news at the weekend was that the president has not paid much federal income taxes for years: only \$750 in 2016 and 2017. Mr. Trump has portrayed himself to the public as an extremely rich and successful man, but he’s painted a very different portrait to the IRS – more Francis Bacon than Hans Holbein the Younger.

The coverage split immediately into two camps. On one side, the president’s supporters considered it “fake news”, or else thought it flattered Mr. Trump: quite an achievement for a man as rich as he not to pay much in taxes. “Bravo!” To the other camp, the news showed not only what an unpatriotic sleaze-bag the president is, but also how shakily stands his business empire. Nancy Pelosi even said that a man in the White House with so much personal debt posed a “threat to national security.”

We remember when, back in the 1990s, Mr. Trump remarked that he was one of the poorest men on the planet. Many had zero, but he had less than zero – he was \$100 million in the hole! And that is probably where he would have stayed, but for the Federal Reserve. It was in that period that the Fed began pushing down Mr. Trump’s cost of borrowing and pushing up the value of his investments. The federal funds rate had been nearly 10% at the beginning of 1989; three years later, it had gone to less than 3%.

This huge cut allowed The Donald to climb out of his burrow. And that’s why he called himself the “King of Debt” and a “low interest” kinda guy. He’s seen what artificially low interest rates can do. But those whom the gods would destroy are first made crazy. Real estate speculators are probably a little nutty to begin with and, with the

intoxicating nectar of cheap credit flowing from every bank in New York, Trump was unable to resist.

Giving out cheap credit is like inviting a friend to share your heroin. He becomes part of your fantasy world, and may have a hard time escaping it. Trump got badly hooked, along with so much of the U.S. economy. Not, to hear *The New York Times* tell it, that it did him much good. He lost \$162 million on the Trump National Doral golf resort in Miami. His hotel in Washington, only open since 2016, has recorded losses through 2018 of \$55.5 million.

On top of which, with the lockdown, the Donald's empire of hotels, resorts and casinos must have taken a serious hit; 17 of Trump's golf resorts closed their doors. Hotel occupancy rates in New York fell from 93% last August to only 38% this year. Gamblers have moved online. Golfers are back on the links, but not crowding round bars.

So how deep is Donald's hole this time? We don't know. But Mr. Trump is resourceful and lucky. He may climb out again. America's hole, on the other hand, goes \$80 trillion down – all the way to Hell.

NOT EXACTLY CICERO

September 30

What's amazing, at least to us, is that two grown men – with decades of public speaking experience, months to prepare, and millions of people watching – couldn't do a better job. Not that we expected Marcus Tullius Cicero, or even Sam Irvin. But Trump and Biden plunged the debate to a new level.

Many said it was an “embarrassment”, that America's prestige fell in foreign eyes. But, always the optimist, we doubt there was much downside left. After 20 years of Bush the Younger, Obama, and Trump, the foreigners knew exactly what to expect. And last night, like the third sequel to a bad movie, they got it.

Our colleague Dan Denning called, wondering whether the debate, even the election, would make any real difference. A wide pitch, but we reached for it.

“No.”

Because none of the bugaboos from which the candidates promise to protect us are much of a real threat. Unfair trade, whatever that is, is no danger to the republic. Viruses come and go. Neither Antifa nor the Proud Boys will lead a coup. China won't invade California. Russia won't change the election results. And nothing the president does is likely to have any effect on the planet.

On the other hand, the thing that will almost certainly cause misery to millions of Americans, and over which the president has more control than any other human being, was not even mentioned. Nor will either candidate ever bring it up. Why? Because the two old men

running for president are both champions of the same worn-out scam. Neither will propose to change it.

There are three intertwined themes at play. First, the Baby Boomer elites, who control American business and government, are getting old and fearful. Second, they have set up a political and economic system which is unsustainable, corrupt and counterproductive. And third, they are desperate to keep the jig up.

No, the real danger is not abroad. It's at home. It speaks English. It's college-educated and lives in a nice house. It's over 60 and looking forward to a rich, comfortable retirement, off in a "Zoom town", protected from the disintegration of the American economy.

Look around. Have you ever seen so many fearful people? People who have lost courage, lost faith, and lost their minds? Even young, healthy people submit to house arrest rather than face the risk of getting sick. And they are afraid that the "planet is angry" and will be consumed by the fires of Hell unless we stop pumping gas.

But aging Americans are the most fearful of all. They see a future full of bogeymen and want the government to protect them. That protection, though, comes at a cost. Their heavy-handed attempts to hold off a virus crippled the economy and sent suicides soaring.

And, in an effort to protect themselves from the risks of old age, they have promised themselves health and pension benefits, unfunded, worth more than \$200 trillion. Even with a healthy economy, it would be impossible to keep up with those obligations.

Trump and Biden may trade moronic calumnies, but they represent the same group with the same desperate goal: to keep the show on the road as long as they can.

ECONOMIC EXEMPTION

October 1

Today we're wondering: "huh?" If the payoff from lockdown was so uncertain, why do it at all? But a similar question could be asked about a lot of things. Why are so many things set up the way they are? Getting right to the point: because a few benefit and most pay.

A geriatric elite controls the country's businesses, armed forces, money and government. Trump is 74. Biden 77. Nancy Pelosi is 80. Mitch McConnell 78. Jerome Powell 67. And Anthony Fauci is 79. Those last four have been in government for a combined 185 years. Naturally, they arranged the furniture to suit themselves.

And what suited them all was a scammy, modern look, heavy on the *trompe l'oeil*, where things are never quite what they appear. That's why the subject never came up in the presidential debate. The reds and blues may disagree on the details but they agree on the thing most important to them.

Not since the French Revolution has there been an elite so desperate to hold on to its privileges. Then, the French aristocracy hoped to remain exempt from taxes. Now, the American aristocracy seeks exemption from the laws of economics.

BALLAD OF THE BOOMERS

October 2

In the 1950s, Tommy d'Alesandro put together the Democratic machine in Baltimore, headquartered in Lil' Italy. His daughter Nancy (now Pelosi), smart and tough, went to Washington in 1963 to work as an intern in the office of Senator Daniel Brewster. She got to know the place well. Fred Trump, meanwhile, built a real estate empire and set up his son Donald in an apartment deal in the early 1970s that gave the kid a million dollars a year in income.

Mitch McConnell went to Washington more than half a century ago to work for Senator Marlow Cook. Except for a brief stint at a Kentucky law firm, he's never left. Joe Biden, ditto. In a flukey election in 1972, he became a U.S. Senator just weeks before his 30th birthday. Anthony Fauci got a job at the National Institutes of Health in 1968. He's been living off the government ever since.

These were the lucky ones: the elite. They gained fame, fortune, power, and status early on, and never gave it up. And now, aging, listening to the Grateful Dead in their more private moments, shored up by botox, hair coloring, and Viagra, they are desperate to hang on to the world that has been so good to them.

But the world they built is a counterfeit one. They launched phony wars against drugs, poverty, terrorism, a virus, and especially against honest money. The wars benefited the warriors, shifting power, status and about \$30 trillion to the elite. But the more they scam, the more they have to scam just to keep the jig up, and the more angry people they leave in their wake.

Since Federal Reserve chief Paul Volcker "rescued" the system in 1980, the resulting fake dollar and fake interest rates produced fake

wealth on a scale the country had never seen before. The Dow rose 29 times. But the wealth was heavily concentrated in the richest zip codes. The rest of the country got, relatively, poorer.

Factory jobs decamped to China and Mexico. The old machinists, welders, and hot roll handlers in Gary, Detroit, Mansfield, and St. Louis were left behind. Now they live in shabby neighborhoods, on disability if they can get it, reminiscing about the good ol' days. Wealth migrated from the towns where people made things to the towns where people just made money. Like Manhattan, where apartment prices rose four times since the beginning of this century.

And since then, the Boomer Elite has been living high on the hog. Your editor included. Maybe we weren't as lucky as Nancy or The Donald, but we can't complain. We went to college, avoided the assembly lines and shop floors, punched a keyboard instead of a time clock. And we made investments, partaking of the promise of degenerate American capitalism: that the government would make sure we didn't lose money.

And now, here we are. We save more than ever (what is there to spend money on?). We enjoy more time at home. Nobody asks us to get on a plane, come into the office, or even attend a dinner party. We boomers have left behind the factory workers. We've left behind the Old Economy and its hourly wage earners. We've left behind the towns where we were born.

We left behind the old folks when we set off to make our careers, and now we leave behind our children as we head for comfy retirement in Idaho or North Carolina.

MORE WAR

October 5

There was great excitement over the weekend: the *originarios*' local Pocahontas came to visit. Maria La Gorda was one of the brightest students at the local school. Of course, up here in the mountains, there weren't a lot of Elon Musks or René Descartes in the class. Still, the school mistress thought Maria could grow up to be a nurse, or even a schoolteacher herself. But it didn't work out that way.

Now, "Fat Mary" is about 40 and lives in a pretty valley with no road access. It is so remote that, in the 15 years we've been here, we have visited only once, though it's part of our ranch. High up and hidden behind bare mountains, it's near where our water comes from.



Looking down on Maria's valley

The police had told us to expect a visit. But not from Maria. Instead, a small, wiry man named Juan, who was squatting on our land, was

supposed to come and ask permission to remain. Juan was there, but Maria had decided to come along for the ride. They came into the courtyard together and took seats at the center table.

"We've come to tell you that we represent the *originario* community," Maria began, "and that this is our land. We will do what we want on it. You think you can buy it, but it's not for sale. Someone stole it from my [great, great, great, etc.] grandfather. We're taking it back."

Maria wasn't there to pussyfoot around.

"But Maria," we argued, "you don't get title to land just because you had an ancestor who lived on it. If that were the case, I could go back to Ireland and claim land there. Or the descendants of the Manhattan tribe could claim Times Square."

Maria, however, was unimpressed by our arguments. As an *originaria*, she insisted, she doesn't have to pay attention to the laws of white men, particularly those who arrived in the country only 15 years ago and whose grasp of the local idiom is still only *más o menos*.

"You think you can come in with your pockets full of money and take over. But this farm belongs to the people who have always been here, who have worked it for hundreds of years."

Maria is loose on the details. There are no people who've worked this land for hundreds of years. The whole area was depopulated after the Battle of Gualfin and the surviving indigenous people were shipped off where they wouldn't cause trouble. Was that fair? Of course not. But it was the way property changed hands in the New World in the 16th and 17th centuries. Trying to reverse 500 years of property titles would be an uphill battle. Anyway, the whole "tribe" is counterfeit.

"Maria's family came from over near Chile," the foreman had told us. "Everybody knows it. None of the families are original to here. And the tribe they say they are part of was exterminated by the Inca

before the Spanish even arrived. They just invented this tribe thing because it lets them get away with not paying their rent.”

But there was no point arguing with Maria. Besides, the real object of the conversation was meant to be the weaselly little man sitting next to her: Juan the squatter. Despite her verbiage, Maria causes few problems. But Juan built a house smack dab in the middle of the farm without permission. We came back one year and there it was.

Juan admitted to the police that he was not from our farm and had no right to build the house. Last week he told them that he would behave from now on, would sign a document declaring that he was living on our land, and would ask our permission to remain.

Which would have been fine with us. We didn't expect him to pay rent. We wouldn't ask him to tear the house down. All we wanted was a piece of paper, proof that the land was ours not his. But now he was following Maria's lead.

“I'm not going to sign anything,” he said.

“It won't cost you, and I'm not going to throw you out.”

“I won't sign.”

“Then I'll have to throw you out.”

“I'll die first. You'll have to carry me out.”

“Oh no, don't die,” we laughed. “It's not as serious as all that.”

After a while we gave up on the conversation. There was nothing to be gained. Normally, you'd refer this to the police or the courts. But why bother? We've already denounced Juan four times. The police are sick of hearing about it. And they can't do much either. Anyone who claims to be an *originario* is almost impossible to evict.

Readers may wonder why we bother with the ranch at all. There's no money in it. And don't we have enough problems already? But

maybe that is what keeps us here: the majestic futility. We live on the edge, on the rim of the abyss. We can't defeat our enemies. But, as long as we are engaged in combat, at least we're still alive.

Back at the house, Samuel, one of the farmhands, stopped by.

“I guess La Gorda told you,” he said.

“She told us that she owned the ranch. What else is there?”

“She didn't mention the water?”

“No...”

“Well, I went up the valley yesterday and they've cut it off. They put up a little dam. I guess they think they own the water, too.”

Now the situation is serious. We could laugh at Maria and Juan and their fantasies. But cutting off our water is real. Without it flowing down from the upper valleys, little as it is, we'd soon be finished.

“Go back up there tomorrow. Take Pablo and Gustavo with you. If the river is blocked, unblock it. Okay?”

“Okay, boss.”

DISTRUST FUND

October 6

A new “CARES” boondoggle is in the works, and last week ended with a game of chicken. One side wants to keep the price tag below \$2 trillion. The other is aiming for more. Neither side wants to be blamed for not coming through with the loot, but neither wants to hand the other a victory.

But no matter who chickens out first, at least one head-on collision is inevitable, and it's the biggest crash of all. Like a freight train loaded with debt, the U.S. is about to get slammed by \$237 trillion worth of “unfunded liabilities.” The boomer elite did not merely look out for itself in the past and the present, it promised itself pension and medical benefits from now until Kingdom Come.

Many believe it's a sure thing. They think there's a “trust fund” with money tucked away. But there's no money anywhere. Here's what former Federal Reserve chairman Alan Greenspan had to say:

The term Social Security “Trust Fund” is nonsense. It is a mandatory outlay and there is a 0% chance that outlay will not get made. When the fund runs out, there is no chance anything will change. The U.S. has committed to pensions it cannot pay.

Greenspan is right. There is zero chance that the payments won't be made, but there's also zero chance the funds will be there to make them. Immovable object meets irresistible force. The system can't be saved. Entitlements are politically immovable. But, mathematically, they are unpayable. Result: collision. Inevitably.

TRUMP LIVES

October 7

The news this morning is focused on a remarkable development. Here's *USA Today*:

Celebrities, political pundits, and critics responded to President Donald Trump's tweet to not “be afraid of Covid,” calling it “preposterous” and “dangerous” for the leader of a nation that has surpassed 210,000 deaths.

Back when POTUS got Covid, the country held its breath. Here was the proof so many had hoped for. The threat was real! All of the hardships and sacrifices had been worth it. The Donald, having scoffed at the bug, was getting divine retribution. Half the country got down on its knees and beseeched the Almighty. “Take him!”

Trouble was, the threat was not what they had cracked it up to be. Trump is right: a healthy person under 60 probably shouldn't worry about it. And when the fat 74-year-old president walked out of the hospital after only three days, the cat was out of the bag. Mr. Trump joined a growing list of world leaders who had caught the virus and survived. Despite its reputation, the virus couldn't kill any of them.

So why make such a fuss? Why make a federal case out of it? Or, to put it in Donald Trump's words, let it dominate your life? Because the goal of politics is to scare people. China, Russia, disease, poverty, racism, alcohol, terrorists, markets, the reds, the reefers: whatever the threat, the feds offer protection.

Party politics is now a contest in which Democrats and Republicans each claim to be able to protect you better. Of course, in exchange, you have to give up your money, privacy, dignity and liberty.

HANDBRAKE TURN

October 8

We've been expecting another big giveaway – and soon. But for a few hours yesterday, it looked like we were wrong. Donald J. Trump tweeted that he was calling off negotiations on another bailout until after the election:

I have instructed my representatives to stop negotiating until after the election when, immediately after I win, we will pass a major Stimulus Bill that focuses on hardworking Americans and Small Business.

This seemed unlikely. Mr. Trump has never shown any interest in budget control. He actually urged Republican bailout negotiators to “go for the much higher numbers” last month. Besides, we figured he'd be desperate to keep the stock market bubbling and consumers spending. A sitting president doesn't want to go to an election with voters in sour mood. After all, as Richard Duncan spelled out:

If Congress fails to pass a new economic rescue bill soon, the United States is likely to experience a new severe economic downturn that could bankrupt the US financial sector and destroy millions of additional jobs.

Fed Chairman Jerome Powell lent his weight to it, too. Here's CNN:

Powell said Tuesday that the risks of Congress pouring too much stimulus into the economy are far lower than the risk of not doing enough. Although government spending is adding to an already sky-high federal budget, lawmakers should act, Powell argued.

“The US federal budget is on an unsustainable path, has been for some time,” Powell said. But “this is not the time to give priority to those concerns.”

The complicating circumstance is that the federal government is already tapped out. Any money it spends will have to be borrowed. But there aren't enough savers, at today's artificially low rates, to furnish the kind of money the feds need. So they will have to depend on the money-printing of the Federal Reserve: the “unsustainable path” Mr. Powell mentioned.

“Unsustainable” because, ultimately, it will make the bankruptcies, downturn, and job losses worse. Powell and everyone else with a working brain knows it. There's no example in history where printing-press money made an economy better off. Instead, it always leads to poverty, chaos, inflation, social upheaval, and corruption.

But we doubt it was this inconvenient detail causing the president to forgo another giveaway. So what was he thinking? A bold political move? Or an amateur's mistake? It looks like the latter. Down in the polls, Mr. Trump needs to pull a rabbit out of a hat. And, after the Dow lost 375 points, politics and short-term self-interest triumphed over sound fiscal policy. NBC News reported:

President Donald Trump reversed course Tuesday night and urged Congress to approve a series of coronavirus relief measures that he would sign, including a new round of \$1,200 stimulus checks for Americans.

He couldn't even hold out a week...

MUM'S THE WORD

October 9

The New York Times says the major hobgoblins of our time – Covid, global warming, racism, etc. – have now been upstaged. No kidding:

In a stark reminder of the tumultuous nature of the 2020 race, all of those issues [...] have been eclipsed in the political dialogue by a fight over health precautions and transparency that is set to define the next presidential debate, scheduled for Oct. 15.

The health precautions taken at the next debate have no plausible consequences for the nation. They are nothing but a distraction. But then the entire campaign has been little more than a distraction so far. All that both candidates have done is show how unsuited they are to America's top office.

Neither has revealed the slightest trace of real dignity, real modesty, or real intelligence. And neither has addressed the primary threat facing the nation: that the federal government owes \$27 trillion it can't pay, that the country as a whole owes \$80 trillion it can't pay, and that 76 million Americans (mostly baby boomers) have been promised \$210 trillion in "entitlements" that can't be paid either.

But mum's the word on this all-important topic. The candidates, the Federal Reserve, the press – all keep silent because they know voters don't want to hear about it. Their own fortunes, reputations, and careers depend on keeping the jig up.

Trouble is, you can't keep this sort of party going forever. Yes, people are still willing to shake a leg. The feds can keep spiking the punch. But, eventually, the band gets tired...

CORTADERITA

October 12

It began with a mule. Or the story of a mule.

"I went with my father," said Santiago. "Maybe 20 years ago. There's an oasis on the other side of the Apacheta. My aunt lived there. That's where we got the mule."

The story seemed so implausible, it had to be true. The Apacheta is a spine of naked, brutal, unforgiving mountains on the east side of the Calchaquí Valley, about 10 miles from our house. No water. No grass. Just bare rock sticking almost straight up.



The Apacheta Mountains

We have admired the mountains for the last seven months. But we never imagined that anyone lived out there on the other side. There are no roads, no rivers, no farms. The map showed nothing except an abandoned uranium mine. But, after hearing Santiago's story, we

checked Google Earth. Was there a green spot anywhere out there? Yes, a small patch...

“What happened to your aunt? Is she still there?” we asked.

“I don’t know. We haven’t heard from her in two decades.”

“Maybe we should go check?”

“That would be a good idea.”

“But how do we get there?”

“There’s a small pass. I remember where it is. I think...”

This was all the encouragement we needed. On Sunday morning, we saddled up in the dark. There were four of us going: your editor, Elizabeth, Ramón, and Santiago. The horses seemed to know we were going on an adventure. They pulled at their bridles, eager to move more quickly. We headed south across the soft desert behind the house and then turned to the north and east, following a dry riverbed. We were in high spirits, aiming for the “red hills” that prelude the Apacheta. By sunrise, we were already past them.

There, millennia of rain and wind had carved a narrow channel. We passed through the defile...



... marveling at the fantastic, voluptuous forms... nooks, crannies... sweeping shoulders of stone and soaring promontories...



Then the channel opened up. We knew we had to go east, but there were several different possibilities.

“Stay here. I’ll see where this one leads.” Santiago trotted off. We sat on our horses, waiting. In a few minutes, he returned. “Yes, we can get up out of the canyon here.”

We followed. But now we were no longer on the smooth surface of the *arroyo*. We were on rocks, with the horses picking their way along. It was difficult going. After about 20 minutes, we arrived at the base of a steep hill, and climbed it to a flattish plain on top.

“Another couple of hours to the pass,” Santiago said confidently, looking into the distance. It seemed unlikely he could remember a trail he took one time 20 years ago, but he appeared to know where he was going. Anyway, we had no choice but to trust him. Our study of Google Earth was not proving especially helpful. We knew the outline of the land, but couldn’t tell which path to take. And you can spend hours following a dry riverbed that leads nowhere.

Following Santiago, however, we came to the pass without incident, and the other side of the mountain proved greener, though trickier to navigate, with more rocks, thorned *churchi* bushes, and cactus.

“The kind of country where you need chaps,” sighed Ramón.

The needles stuck into our legs and forced us to detour, down off the trail and into another *arroyo*. From there, Santiago led us to another trail that went up and over several steep hills. Soon, we were in the middle of a complicated and difficult configuration of hills, cactus, rocks, and washed-out trails. Even if we went back to the bottom of the *arroyo*, we had long since lost our bearings.



Santiago leads the way

We continued northward, following Santiago. The horses struggled up hills and slid down the loose stones on the other side. And then, as we came to the crest of yet another hill, we saw it in the distance.

“Cortaderita,” said Ramón.

The destination in sight, we went on with lighter hearts and easier conversation. Down one hill, up and over another. We followed the trail to a cluster of improbable trees, a pine and a poplar, and on to a small pool with a tiny stream of water still running into it.

“There are people here,” said Santiago.

After a while we heard dogs barking, then saw a ramshackle cluster of buildings: cactus wood, adobe, poles, junk, plastic, all windswept, on a barren knoll, away from the trees and the water. The dogs kept barking, but they were wagging their tails. Chickens wandered about. And a young *guanaco*, its fleece still wispy as if of tiny threads of gold, came out to greet us.

Ramón and the two Bonners held back while Santiago advanced.

“*Hola!*” he yelled from his horse. No reply. We shifted in our saddles. The horses, tired and thirsty after six hours and a 3,000 foot climb, breathed heavily. “*Hola!*” Santiago tried again. Again came no reply.



We arrive at a house

“*Hola!*” Santiago called once more. And, finally, a man emerged from the house, followed a few moments later by a woman. Both were dressed in dirty cotton clothes. He wore a baseball cap; she a multi-colored Andean bonnet. Her dark red skirt was covered with an apron and some of her teeth were missing. We didn’t like to think about how they had been taken out. Santiago approached her.

“I’m Santiago Guantay,” he said. “Son of your sister, Josefa.”

The woman looked more puzzled than pleased, as if trying to recall. Then she reached out and hugged him. Tears formed on her cheeks. While Santiago embraced his aunt, the rest of us dismounted. We took the horses to a hitching post, tied them up, and loosened their cinches. Ramón checked his horse's leg and introductions went on.

"This is Señor Bonner; he's the owner of San Martín."

"My name is Anacleto," the man said. "This is my wife, Alejandra."

It wasn't what we had expected, not that we'd known exactly what to expect. But there had been a certain appeal to the rumor that the place had been taken over by hippies who grew an ultra-puissant variety of marijuana in the high mountain sun. It would have been a good place for it: no worries about a visit from the authorities...

The oasis was there as expected, however, though smaller than we'd imagined. But there was water, sweet and reliable. A steady stream ran into a small pond from which the water leaked over to a small orchard with pear, plum, and peach trees. Apart from the fruit trees, there was nothing to break the unrelenting windblown misery of the place. Outside in the yard, there was just one sheep and one lamb.



A survivor...

"That's all that's left," Anacleto explained. "The others were killed by *puma*. But we still have about 30 goats and as many cows."

"What do the cows eat?" we asked, looking out at the barren valley. There was no pasture anywhere.

"Oh, they find things up in the hills."

We were about as high "up in the hills" as it was possible to get. But mountain cattle find little clumps of grass and tiny pools of water. Somehow, like the people in front of us, they survive.

"Have you been down to the valley recently?" we wondered.

"No. Not for about six months. We heard they had a plague..."



Anacleto and Alejandra

Between Santiago and Ramón, there was hardly a single stranger in the entire Calchaquí Valley, so the whole family tree was soon established: Anacleto's brother worked down in the valley, working for so-and-so who had a cousin who was married to so-and-so...

As for Santiago's aunt, she was related to almost everyone. Santiago brought her up-to-date on the family. But she was curiously passive, almost indifferent. Maybe she'd lived in this strange, isolated place for so long, she had lost interest in the outside world, even in her own relatives. Not once did she suggest that she might like to visit them.

We finished our lunch and said goodbye. When Alejandra grasped Santiago's hand, both knew that it was likely the last time.



The horses having a drink before the long journey home



Getting close to the end of the trail

CRASH LANDING

October 14

Last week, having initially given a red light to negotiations on a bailout bill, President Trump performed a handbrake turn, saying he was "ready to sign" a giveaway to the voters of \$1,200 each.

This didn't surprise us. We figured the Trump team would no more want to stand between voters and their free money than they would between a hungry Doberman and a greasy steak. And, sure enough, once his advisors had given him a talking to, the president was soon tossing out the meat.

But The Donald didn't stop there. He also proposed \$25 billion for airline industry. Why? Because the big four airlines are holding about 50,000 employees by their heels, threatening to drop them. With the collusion of their unions, they say either they get money from the government, or it's bombs away.

On August 3, 1981, air traffic controllers went on strike, demanding more money, shorter hours – the usual things. Instead of which, President Ronald Reagan gave them 48 hours to report for work, then fired the 11,000 who failed to show up. New controllers were hired and planes continued flying. But not this time. This time, POTUS buckled. Of all the dumb things that have been done with the public's money, this has to rank as one of the dumbest. But it is a natural and inevitable phase of late, degenerate capitalism.

Together, the big four U.S. airlines earned about \$37 billion in free cash flow during the last six high-flying years. You'd think they might have held on to a little of the money, just in case they ran into some headwinds. Instead, they spent every penny, and, their reality

altered by the Federal Reserve's ultra-low interest rates, borrowed \$14 billion more to buy back their own shares.

And now, short on capital of their own, they look to the feds for a bailout and threaten to throw their employees out of the cargo door if they don't come through with the money.

But why should the public pay for more employees than the industry needs? If you pay money to someone to do something with no real value – say, run a poverty program, attack Iraq, provide PR services for a senator, attend a climate change symposium, serve on the Federal Reserve board – you might just as well burn it.

Suppose you work for a company like Uber that loses money year after year. You drive your car to work, park, sit at a desk, use electricity, eat lunch, go to a meeting, go home. Everything you do, everything you touch, everyone you talk to – all of it makes the world a poorer place. Money just tells us “how much.”

PRAISE THE PLUMBERS

October 15

The World Health Organization threw a *petard* into the Lockdown / No Lockdown debate:

“The only time we believe a lockdown is justified is to buy you time to reorganize, regroup, rebalance your resources, protect your health workers who are exhausted, but by and large, we'd rather not do it.”

Inevitably, America's president only saw the political angle:

“The WHO just admitted that I was right”

And, inevitably, so did *The New York Times*:

Trump Overstates W.H.O.'s Position on Lockdowns

One lot of experts says “last resort”; another says “lock the doors.” But it wasn't the medical experts who brought us longer lives. It was the plumbers, farmers, builders, entrepreneurs, and tinkers. Because it was improved living standards that raised life expectancies. From professors Catillon and Cutler of Harvard, and Getzen of Temple:

Growth in life expectancy during the last two centuries has been attributed to environmental change, productivity growth, improved nutrition, and better hygiene, rather than to advances in medical care.

Keep the plumbers and bakers at home, and living standards fall. So it is reasonable to expect life expectancies to decline as the economy goes down. And we can easily guess what happens next: for every year of life saved for the rich geezers by shutting down the economy, there may be hundreds of years lost by the poor all over the world.

GO HOME

October 16

As anticipated, the “recovery” is petering out. Here’s CNN:

Americans filed another 898,000 first-time jobless claims last week on a seasonally-adjusted basis, according to the Department of Labor. That’s more than economists had expected and up 53,000 from the prior week.

And here’s *The New York Times*:

After an ambitious expansion of the safety net in the spring saved millions of people from poverty, the aid is now largely exhausted and poverty has returned to levels higher than before the coronavirus crisis.

The solution? For Donald Trump, the same as always. More magic elixir! More free money! Here’s Fox Business yesterday:

President Trump called for even more stimulus spending than the \$1.8 trillion proposed by Treasury Secretary Steven Mnuchin in his talks with House Speaker Nancy Pelosi (D-Calif.).

“I would take more. I would go higher,” Trump said, repeating his directive from earlier in the week to “Go big or go home!!!”

THE NATIONAL ROUNDUP

October 19

Election fever is warming; all sorts of vows are starting to be made. Here’s what Donald Trump told supporters at a campaign event in Macon, GA., on Friday:

Could you imagine if I lose? My whole life, what am I going to do? I’m going to say, “I lost to the worst candidate in the history of politics.” I’m not going to feel so good. Maybe I’ll have to leave the country. I don’t know.

As in sh*thole countries all around the world, losing power can mean more than just graciously ceding office. It can mean having to go on the run. And, smelling blood already, Trump’s enemies are beginning to circle. Here’s CNN:

Without some of the protections afforded him by the presidency, Trump will become vulnerable to multiple investigations looking into possible fraud in his financial business dealings as a private citizen – both as an individual and through his company.

An important election for the Donald, then. Perhaps for all of us. Many claim that the vote coming up in just over two weeks is the most important in modern times. A “battle for America’s soul.” And perhaps they’re right. After all, according to an extraordinary article published in *Politico*, a third of Democrats and Republicans say they would consider violence if the election goes against them.

Or maybe that isn’t extraordinary. Politics is always violence with table manners. Government is always run by a smallish elite, and always backed by force. That’s why “consensual democracy” is probably the most tolerable form: not because it’s democracy, but

because it's consensual. Civilized life is always consensual. It's based on win-win deals. A baker bakes, a plumber plumbs. They come to terms, exchange services, and both come out ahead.

All political deals are by definition the opposite: win-lose. Politicians neither bake nor plumb. All the policies they promise and all the favors they distribute come at someone else's expense. Their wars, their taxes, their medical care, their zero interest rates, their Covid lockdowns and Homeland Security pat-downs – all are compulsory.

The more of the nation's time, attention, and resources they take, the less is left for everyone else. And the more "politics" there is in a society, the less prosperity and freedom. Whatever their commands, the people in control are prepared to use violence to make sure you comply. That's why an election is such a big deal. Only one side can wear the heavy boot.

Our ideology is simple. We favor freedom over slavery, beauty over ugliness, and truth over falsity. That leaves no place for politics. But Americans set aside one day every four years to wait in long lines, each one doing his solemn duty – that is, doing what he is told to do. He is taught that the future of the Republic depends on him. His vote could be decisive. Without it, the weeds will take over.

But, for all his self-flattery, his vote will have no more effect than a lightning strike in the desert. It is extremely unlikely to hit anything. And, even if it should be the single deciding vote, it is unlikely to make any real difference. Or, to be more precise, unlikely to make the difference he'd hoped for.

THUMPING TRUMP

October 20

The excitement! A real cliffhanger! Today is the deadline set by Madam Pelosi. And, as of this morning, there is still no bailout agreement. The Speaker, though, said progress was being made:

“We may not like this, we may not like that, but let's see on balance if we can go forward.”

And, so saying, Ms. Pelosi inadvertently but perfectly captured the state of partisan politics in 2020, and sealed the fate of the nation. Republicans and Democrats might disagree on the details but they will go forward, hand in hand, over the cliff, together.

On the table is a \$2.2 trillion Christmas pudding with something in it for almost everyone. The president is willing to go along with whatever crazy boondoggle the Democrats come up with. But, so far, the great dealmaker hasn't been able to get it done.

And today we're wondering how much he's been able to get done in general. What's the record of his presidency? Does the Big Man deserve re-election? Let's turn to the record. In 2016, Mr. Trump set forth a set of goals and promises, somewhat incoherent, which could broadly be summarized as follows:

Build a wall (widely interpreted as a metaphor for tighter border controls, less immigration, and more protection for native-born Americanos);

Pull out of the unwinnable wars in the MidEast;

Cut the trade deficit (favoring domestic manufacturers);

Drain the Swamp (i.e., cut the “permanent government”

of lobbyists, cronies, hacks, and has-beens);

Put China in her place;

Repeal and replace Obamacare;

And balance the budget and pay off the federal debt.

Making no judgment as to whether they were worth doing, as near as we can tell, all were failures. There is no wall. The forever wars continue. The trade deficit is higher than ever; the Swamp deeper; China stronger. Obamacare is still the law of the land. The budget is its most out of balance. Federal debt is greater than ever.

Of course, there are extenuating circumstances. We can perfectly well believe Mr. Trump sincerely wanted to do these things, but he couldn't make them happen. Democrats wouldn't go along with his wall, so he had to take money from the military. He keeps doing his tough-guy act, threatening forever wars with Iran and China. And while trying to revive manufacturing in the U.S. was a good idea, Trump never understood what had caused its death in the first place. Rather than attacking the real source of the problem, America's fake money system, he wasted his time renegotiating trade deals.

On the matter of draining the Swamp, there might have been a little evaporation early on as a number of regulations were cut back. But then the Swamp got two major floods of greasy cash: from litigation and lobbying during the trade wars, and then the unprecedented money-printing for which Covid provided cover. Nor did Mr. Trump fully repeal Obamacare, while polls show China rising in world esteem, just as the U.S. falls.

Was any of this Mr. Trump's fault? Yes and no. Of course he was stymied. But he was also particularly unsuited to be the nation's chief executive. His was a kind of "improv government" mixed with America's funniest political videos. Easily distracted, and moving quickly from tweet to tweet, he seemed to lack any clear idea of what to do – or how to do it.

MORE THUMPING

October 21

If there was one thing Mr. Trump, advertised as a billionaire and successful businessman, was supposed to be good at, it was money. But we read his book, *The Art of the Deal*, and had our doubts. He thinks success in business comes from making the other guy lose. That has not been our experience. We have found that in business, as in private life, it is generally better to help the other guy win.

Win-win deals – millions and millions of them, delicate and robust, obvious and hidden, simple and infinitely nuanced – are how the light, invisible hand of the Main Street economy produces real wealth. Win-lose deals are the stuff of politics, which is probably why The Donald took to it so readily.

Politics means battles, fights, confrontations. And this win-lose view led him to make confrontational decisions that actually hurt the economy rather than helped it. The trade wars were a bad idea from the get-go. So were his constant scrapes with Congress and the media. Endearing to his base, they also undermined the cooperation he would need to pass any meaningful reforms.

It was the fake money that made it all possible. During the nearly four years of Trump's leadership, America's public debt has grown faster as a percentage of GDP than under any U.S. administration in the last four decades. When Obama left office, government debt was 100% of GDP. After just four years of Trump, it has risen to 135%, the biggest one-term increase in history.

The deficit in Obama's last year was an already disgraceful \$585 billion, even more irresponsible because it came after six years of economic expansion. The idea is to make hay when the sun shines,

but the sun had been beating down for 72 months without a single piece of straw being saved for tomorrow.

Then came the Big Man, the fair weather continued – and *still* the barn remained empty. No sign of any surplus; no thought for the future. *Au contraire*: Trump wanted to *laissez les bons temps rouler* today. He pressured the Federal Reserve to cut interest rates. He reduced taxes, mostly for the rich. And then, rather than cut spending to keep pace, he jacked the military budget by \$200 billion and threw \$100 billion into other boondoggles, too.

His fans said that this would help the economy grow its way out of debt. It would “stimulate” growth. But the only thing it stimulated was more debt. Like a surly teenager having a growth spurt, Trump’s 2017 deficit shot up to \$665 billion, then to \$779 billion for 2018, and \$984 billion for 2019. By 2020, the kid was knocking his head on doorways with a deficit of more than \$1 trillion for 2020. And this was before the COVID Panic!

Classic sh*thole country finance. And now, speeding down the road faster than ever, the American voters threaten to change the driver. But could any driver steer us round the Dead Man’s Curve ahead?

ENANTIODROMIA

October 22

We recently learned a new word. Actually, it’s a very old word: enantiodromia. Naturally the Greeks thought of it. It describes the “tension of opposites,” the rise and fall, the first shall be last...

People, companies, nations – all rise and fall. But great nations do not fall on their own. They are knocked down by people, foolish leaders who are up to the task. And anyone can call on two sure ways of bringing a nation down: war and inflation.

By our reckoning, the decline of the U.S. began at the end of the last century. The stock market, in terms of gold, hit an all-time high, and the nation had no significant enemies. The U.S. federal budget was in surplus (allowing for a little funny accounting) and it was widely expected that the new technology centered in the internet would make us smarter, richer, healthier and happier.

Alas, beginning in 2000, Mother Nature, with her glorious sense of mischief, decided to take America down a peg. And she found just the man to do it: George W. Bush. Dubya’s “war against terror” was a feckless catastrophe costing \$7 trillion and producing nothing but misery. Then came the Obama team with its Obamacare plan that added unfunded liabilities estimated between \$43 trillion and \$87 trillion, depending on whom you believe.

And finally came the Great Man himself, Donald Trump, wearing his steel-toed boots. In four years, he has added more to the nation’s debt than any previous president and has crushed the last ounce of conservatism from the Republican Party, spending printed trillions to produce the inflation that has ruined countless countries before.

And now comes the chance to give the Donald the heave-ho and install Joe Biden in his place. But would a Biden presidency really be “better?” We doubt it. If Mother Nature’s aim is enantiodromia, cutting great empires down to size, then Biden is probably her man.

His policy notions are even worse than Trump’s, while his advisors and apparatchiks are likely more competent, so more likely to succeed in implementing them. (Competence is not always a benefit, after all. If your child tries to build a bomb in the basement, you should be happy if he lacks the necessary skills.)

In theory, the nation faces a choice. It could turn away from crazy economics and divisive politics, balance its budget, recall its troops and reenter the community of stable, civilized nations in a dignified and graceful way. Or it could continue on the path set by Bush, Obama, and Trump.

But in practice, there’s no choice at all. Because the Deep Staters who actually run the U.S. government are not about to renounce the source of their pride, their prejudices, their reputations, their power and their wealth.

And in Joe Biden they have found their champion – a go-along, get-along political hack. He went along with the war-mongering of Bush and Hillary Clinton. He went along with Obama’s medical care extravaganza. A senator for 36 years, he’s gone along with practically every jackass program that ever saw the light of day.

Yes, Biden will get behind every claptrap idea that comes down the pike. A Green New Deal? Sounds good! Universal basic income? You bet. Higher taxes on the rich? Sure. Free college? On the list.

These things tend to have open-ended price tags. But the most recent estimate for the package Biden is campaigning on is about \$6 trillion, guaranteeing deficits of trillions of dollars per year...

Meaning more fake money! More inflation! Enantiodromia, here we come!

THINGS TO COME

October 23

The river, so wide and deep we couldn’t cross it when we got here in March, is now little more than a stream. And every drop of what remains needs to be shunted off to water the onions or the alfalfa.

The alfalfa is ready to cut and bale now. We begin at the northern field and keep going, day and (sometimes) night, leaving round bales in the fields, spaced out as if they were practicing some kind of social distancing of their own. Then we start at the top again. And this continues for about six months, almost without interruption, until we have ricked up some 3,000 bales.

Or until the water gives out.

We make sure no water is wasted by carefully shoveling out the canal by hand. A crew of 13 *paleadores* starts at one end and keeps going for the next four days, digging a total of about two miles’ worth of trench. Then the river is blocked off, forcing the water into our two major irrigation ditches, one on each side. The water flows for a week, after which we break up our dike so people downriver will get some of the precious liquid.

VISIT TO FAT MARY

October 26

It's nothing if not varied, the life of a ranch owner. He must be an investor, farmer, cattleman, chauffeur, peacekeeper, social worker, lender of last resort, diplomat, chump, and Field Marshal. He must also be ready to go to war.

We are ill-suited to the job. For 50 years, we have worked mostly with ideas, often foolish, fashioned with words. And our companions have always been other people much like us: people we could talk to, who have been educated much like we were, and who "spoke our language," even if the words were foreign.

But here, we are out of our element. Likely beyond our limitations. All our ammunition – writing, economics, investments, ideas, books – seems like blanks. We are among different people with a different way of looking at the world. Smart but less literate. More instinctive. Harder. More easily misled. And more in need of leadership.

We are especially ill-suited to war, however. But we have no choice. Our "war" with the *originarios* goes on. We have tried to make a deal with them, offering to give them better breeding stock, to improve their herds, and to haul their animals in our trucks. But they want nothing to do with us.

Instead, they burned down two of our cabins. They ripped out two miles of water line and burned that, too. Then they destroyed our corral. This was strange for many reasons, but mainly because they used these things as much as we did. The water line, for example, brought a tiny, cool stream down from a spring high up in the rocks. Everybody enjoyed it.

A couple of weeks ago came word that the *originarios* had cut off the water supply we use to irrigate our vines. Gustavo, our foreman, went up to check. He came back and reported that the water was running normally, but then the stream suddenly stopped. We had to see what was going on for ourselves.

Alas, it would involve some discomfort: 10 hours in the saddle, over three passes, up 14,000 feet and over to a wide valley, about 10,000 acres with no tree in sight. In theory, all we had to do was sit there and the horse would do all the work. But a rider has to adjust all the time, to use his legs like shock absorbers, anticipating the horse's moves and tightening his core muscles or relaxing them as necessary.

Uphill, and then down... Walking, trotting, then walking again... It's a bit like sitting all day in the back of a pickup truck going over a rocky road, while doing pilates. The first couple of hours are easy, even interesting. But then the sun comes out. It soon gets hot. And the saddle gets harder and harder.

But the Quebrada Grande is a beautiful place and well worth the journey. There is no road to it, just a trail that leads up and over a low pass where there are still some Indian ruins, low stone walls that once must have provided protection from enemies, and terraced fields on the hillsides below.



Ancient terraces

Arriving at the pass, you see pastures laid out...



Small pastures

... separated by lines of bushes and trees that have grown up along the irrigation ditches.



A simple fence

Water is precious here, as it is everywhere in the area. It is the source of life – and occasionally death, as people have been known to kill each other in fights over whose turn it is to use it.

This time of year, water still runs down from the mountains. But there is little of it. An ancient system of rationing is used, giving each family along the way a “turn,” typically lasting from 6 a.m. until 8 p.m. Otherwise, the water is supposed to flow freely down to us in the valley. The system was honored, more or less, when we first arrived 15 years ago. But, like many other things, it is giving way.

When we arrived at Maria’s house, her father, Gerardo, greeted us warmly. A handsome man with a clean, well-sculpted face, he is patriarch of a large clan. When asked how many grandchildren he has, he replies with a smile: “I lost count...”

One of Gerardo’s grandsons, an infant, died two years ago. Local health authorities thought it was either murder or negligence. The police arrested the child’s father, Ivan. We had no way of knowing what really went on, but the role of a landowner is to help the people living on his land any way he can. We asked our lawyer to intervene. He got Ivan out of jail. In gratitude, Ivan was one of the *originarios* who burned down our cabins and wrecked our corral.

Gerardo is skeptical of the *originario* claims. If his son and daughter are “indigenous” persons, he must be, too. But he neither looks, acts, nor wants the part.

“They just try to boss me around,” he says of an aggressive family of *originarios* in the Quebrada Grande. “Besides, they don’t respect their turns with the water. I’m at the end of the valley. I have to fight with them to get any water. And they’re the ones who burned down your houses. I don’t agree with that...”

This was all told to us in confidence. When Maria came out of the house, her father went silent and soon slipped away.

Maria wore a brown t-shirt, with no sign of under garments. She may have been attractive once, but the fat has taken over. Her features are heavier than her father’s. She certainly looked more *originario* than he did.

“We’re going to take back our land and our culture, stolen from us by the Spanish. We’re even going to revive our real language. They forced us to speak their language and worship their god. We’re going back to Pachamama.”

Maria seemed in a rush to get the whole creed out quickly, perhaps afraid we wouldn’t stay around to listen to the whole spiel. But we had dismounted and were eager to know what she would say next.

“What language is it you’re going to revive?” we asked.

“Karkan.”

“But Karkan is extinct,” we pointed out. “For 200 years. Nobody knows how to speak it.”

“It doesn’t matter,” she said. “We’ll figure it out.”

As isolated from the rest of the world as she is, it is doubtful whether anyone has ever seriously confronted Maria’s fantasies. She was told that an act of government made her and her fellow *originarios* the rightful owners of the ranch. She took the news as a matter of fact.

Now at least we spelled it out for her. We gave her a letter outlining the facts. We still own the land. Yes, the government could declare it a reservation for indigenous people. But it hasn’t done so and likely never will since there are no real indigenous people living on it.

Meanwhile, by refusing to sign a contract or pay a token rent, Maria is just a squatter. When, and if, the government comes to its senses, we will get her evicted. But in the meantime, we pleaded, let’s try to get along? A futile gesture.

At least we enjoyed a nice picnic under a nearby cottonwood tree.

NEW SEASON TRAILER

October 27

Sleepy Joe Biden is likely to win.

Alas, with COVID-19 still on the loose and the economy sliding towards depression, the old guy will wake up and begin a frenzy of boneheaded activism. He’ll push for more government spending, financed with more printing press money, which will accelerate America’s descent into a social, political, and economic disaster.

But there may be hope: if Biden does win, the long faces in the GOP will shuffle about, depressed, forlorn, taking off their MAGA caps, and rueing the day they ever let their party be hijacked by a reality TV star who had spent most his adult life as a Democrat.

Maybe then they’ll pull a book from the shelf and dust it off. Maybe Hayek’s *The Road to Serfdom*. Or Ron Paul’s *The Revolution*. Heck, they could even read the U.S. Constitution. And, should they rediscover the virtues of their political creed, then they might get to work. They might even be able to stymie the Democrats’ big-spending plans and delay America’s rendezvous with disaster.

America’s best administrations have had weak presidents and strong opposition. When George H.W. Bush left office and Bill Clinton took over in 1992, the “national” debt measured 66% of GDP. Eight years later, it had been reduced to only 57%. And, by our reckoning, that was the peak of U.S. power, influence and wealth.

From that perspective, we can look back on the Clinton years with nostalgia. But was the success due to Clinton’s being more prudent, more sensible – more conservative? Of course not. It was because

he faced a fiery and determined opposition that fought tooth and nail to stop him spending money.

Unfortunately, as soon as their own party got back into power, the Republicans forgot about conservatism and became big-spenders, determined to improve the world. In 2001 came Bush *files* and Dick “deficits don’t matter” Cheney, adding more than 20 points to the debt-to-GDP ratio, leaving it near 80%.

And the next time they got shunted into opposition, during the Obama years, too many of the GOP had partaken of the Kool-Aid. In 2008-2009, when the financial crisis came, their knees buckled and they went along with the “stimulus” claptrap.

And now we come to another change in power. The voters will elect a new cast of characters. But the show will go on: the long-running spectacle, the 21st season of the great epic: *The Decline and Fall of the American Empire*. And this season will be marketed as a triumph for democracy, as the nation replaces a big-mouthed oaf with a go-along, get-along, worn-out hack...

FROM HIPPY TO HOUSE ARREST

October 28

With only seven days to go to the presidential election, investors are getting edgy. Yesterday the Dow sold off 900 points before bouncing back to end the day down only 650. So what’s the trouble? For one thing, people look up at the sky, crane their necks, strain their eyes. But where are the helicopters? Where’s the bailout money? Alas, Bloomberg reports that the party will have to wait:

Stimulus Hopes Put On Hold Until After Election

The other possible reason is that investors are beginning to connect the dots. Not only is there an absence of unearned money fluttering to the ground, there’s an absence of the real stuff rising out of it, too. In a healthy economy, that’s where it comes from: the ground up. Working, saving, investing, discipline, innovation, sweat, and toil. But making real money has become more and more difficult, thanks in part to the Covid lockdowns.

In 1968, the Hong Kong flu killed about the same proportion of the U.S. population as Covid, and nobody paid much attention. But that was then; this is now. Now, every pain is an early sign of impending death and every case of Covid is a tragedy and failure.

We live in a secular society that doubts the promises of everlasting life from God Himself, while simultaneously being damned sure the feds should protect us from any virus going round. The people who were so “La, la, la, live for today” 50 years ago now want the feds to make sure they live for tomorrow, even if it means putting the whole country under house arrest.

THE BOLIVIANS

October 29

With the water problem still ongoing, and after our futile visit to Fat Maria, we decided to go to the other *originario* stronghold, Compuel, where they committed their acts of vandalism and pyromania.

Compuel is a huge valley: 10,000 acres, maybe more. But there are no trees and no possibility of farming. More like Mongolia than Missouri, it is for herdsmen, not farmers. Surrounded by majestic mountains, there are shallow lakes, marshes, ducks, and lush grass in the summer. In the winter, the flowers shrivel, the cattle die, the water disappears, and a bitter wind blows a gale.

At the bottom of the valley floor, a stream runs from north to south, finally coming to a narrow defile between the mountains where it tumbles down about 10 miles to the small valley where our grapes are grown. That stream has almost disappeared, leading some of our farmhands to conclude the *originarios* had dammed the river.

Actually, we had previously thought of damming it ourselves. The resulting lake could have then served as a huge reservoir from which we could release water as needed. It was a good idea but beyond our engineering abilities. So we forgot it.

In the meantime, the whole valley slipped from our control. A severe drought five years ago forced us to remove our cattle. They were taken down to a lower valley where many died, unable to adjust to different food and climate. And the survivors went soft, adapting to the easier life of electric lights and mild winters. It was impossible to take them back up to Compuel. The *originarios* took the chance to seize the whole place.

“I’d better go with you,” said our foreman, Gustavo, when we told him of our plan. “I doubt they’d attack, but you never know.”

We left before first light, taking the long way round to avoid the harder trail up over the mountain behind the house. Then it was a long slow ride along an old road follows an Inca trail. There were Indian terraces on the hillsides and remnants of old irrigation ditches. Stone walls from terraces, fences and abandoned houses are all over the place. Indians were in the area for maybe 10,000 years, and the Spanish for another 300. It’s hard to know which ruins belong to whom.



Heading for Compuel



Inca ruins

When we finally crested the highest of the passes, we looked down on the vast valley. Then, riding down to the valley floor, we rounded a huge, rocky hill and came upon one of the most important of the Inca ruins. Bits of broken pottery cover the ground. Last year, when visiting these ruins, we found a tiny *puma* head made of clay. And it was here that previous owners recycled the Inca walls into a grand corral and two small houses. The two houses are now blackened shells, having been partly knocked down and then burned.

We pushed on deeper into the valley to a stone formation called the “Tower”. We stopped to have lunch, searching for shade. But in the midday sun, there was none to be had. Groups of cows were dotted around: 10 here, 20 there, hundreds in total, grazing on what little grass was left. Sheep were abundant, too, dozens of lambs bouncing carefree over the clumps of eaten-down grass. And there were many *burros* and llamas. The former ran off, but the llamas were curious and made their way over.

Elizabeth’s horse was startled by them. It panicked and started to run. Having been only recently brought up from the farm below, it had never seen these strange-looking beasts. We put our horse, who had no fear of them, between the llamas and Elizabeth, like running interference in a football game...

Gustavo soon got back to *originario* strategy.

“You know,” he began, “in the old days...”

We cut him off.

“I know, I know. The owner would have come up here, shot all the animals, and burned down the locals’ houses. But we can’t do that. We’re foreigners. We’d be crucified in the press and the courts. We’d end up in jail for the rest of our lives.”

“Yes, of course... But *we* don’t have to do it. Some of the guys around here, including the governor... I mean, the ex-governor... your friend... They call in the Bolivians.”

“I only met him once or twice. The Bolivians?”

“Yeah, really nasty guys. But they get the job done. And everybody knows they mean business, so they don’t have to use violence. They would just go to visit these *originarios* and let them know that bad things will happen if they don’t straighten up. This is Argentina. A lot of things happen that aren’t strictly legal. Who changes money at the official rate? And what businessman declares all his income?” Gustavo laughed. “If you respected all the laws, you’d go broke.”

After lunch, we remounted and continued on to the middle of the valley. We stopped by a small stream still running with water.

“They haven’t blocked it,” noted Gustavo. “At least not down here. But this time of year, it won’t reach the end of the valley. It will sink into the ground and come up again further down the mountain.”

This was what we wanted to see, so we headed south to the end of the valley. After about a half hour more, the tiny river came to a pool and went no further, about a mile short of where the valley ends and the water splashes down between the rocks.

“That’s all there is. They didn’t block it. The water just runs out.”

And so, having satisfied ourselves that there was no reason to call the police (or Bolivians) we turned and began the long ride home.

CURSE OF HISTORY

October 30

America's weak men – in Congress, on Wall Street, in the Federal Reserve, and in universities and newsrooms – desperate to hold on to their status and their money, are setting up some very tough times. But the blockheads think that, with math and mechanics, or simply brute force, they can escape the patterns of the past, and the poetic judgment of the future.

It's been that way for a while. During the Vietnam War, the number-crunchers, led by former secretary of defense Robert McNamara, tried to win by doing simple cost-benefit analyses, watching the "body count" as if it were the Dow Jones Industrial Average.

Then, in an effort to increase the cost to the enemy, they "sent a message to Hanoi," threatening to bomb it "back to the Stone Age" if it didn't do what the U.S. wanted. Years later, North Vietnamese general Vo Nguyen Giap said to McNamara: "We didn't know you were sending a message. We thought you were trying to kill us."

We see this sort of simpleton logic at work in America's "sanctions" against Russia, Iran, and others. They are supposed to increase the pain to the foreigners and result in a gain for the U.S. Instead, the "enemy" digs in its heels and rallies behind its leaders.

This math-based illusion also underpins the ham-fisted "stimulus" measures. Dropping money from helicopters, the feds believe, can increase real "demand" and change the behavior of the economy. That's what led to the latest "blowout" GDP growth numbers. Yes, if you just looked at the numbers, the result could be mistaken for a "recovery." And, if you were particularly dense – a Federal Reserve

governor or White House advisor – you might conclude that the economy needs more of this stimulus.

But if you have any poetry in your soul, or any real brains in your head, you know you can't borrow or "print" your way to wealth. The "recovery" has stalled. Because the mathematical metaphor, even if dressed up as the Fed's "dynamic stochastic equilibrium" model, is a total fraud.

Great wisdom is captured in commonplace sayings: "A penny saved is a penny earned." "Don't go looking for trouble or you'll find it." "Marry for money and you'll earn it every day."

Our personal favorite is: "One generation learns; the next forgets." The generation of the 1930s and 1940s faced hard times. They learned to work, save money, and let the economy do its stuff. That is what produced the good times of the 1950s and 1960s, making the U.S. the world leader non-pareil in every sense: in economy, in art and culture, in military power, in science and learning. You name it. We were number one.

But the good times produced weak men. Richard Nixon faced rising inflation and a falling dollar. The French were demanding gold in exchange for their U.S. dollars, as guaranteed by six generations of Treasury Secretaries. So what did Nixon do? Stiffen his backbone, cut government spending, cut taxes, and roll up his sleeves to dig his way out of the hole Lyndon Johnson had put him in?

Nope. He ordered the "gold window" at the Federal Reserve closed. Thenceforth, America operated with a new kind of fake money, backed by nothing but the jelly-like ligaments of future Treasury and Fed Reserve chiefs. Since then, there's been little sign of strength or courage. The curse of history is on us all.

THE END OF SUMMER

November 2

Tomorrow is the big day. The day set aside for Americans to exercise their solemn right to do as they are told. The elite tells them to choose between two embarrassments, and they dutifully stand in line. *The Washington Post* (voice of the elite) describes them as heroes:

Those who have voted have lost jobs or loved ones to the pandemic or have battled the virus themselves. They have withstood rain and heat and lines that lasted from morning until dark to register their vote, risked exposure to the virus and navigated dizzying rule changes about signature requirements and drop boxes and ballot envelopes.

“Everyone should vote to bring a change,” added vice-presidential nominee, Kamala Harris. But does voting really bring change? Well, yes and no. The winner gets to kill people overseas and boss people around at home. He takes from some and gives to others, picking winners and losers as he likes. But no matter who wins the election, the basic course of the nation will not change.

We’re often accused of merely complaining and criticizing but never offering solutions. This is untrue. In the first place, we do not merely complain and criticize. We also mock, ridicule, whine, and grouse.

And we also do our best to offer “solutions”. To us, they are obvious. If Americans wanted to Make America Great Again, they should simply go back to the things that made it great in the first place: honest money, smallish government, and a free-ish economy. Stop printing fake money. Cut government spending. Balance the budget.

Fire Fauci. Fire Powell. Fire the Joint Chiefs of Staff. Cut off the funding and the meddling and The Swamp dries up. Cut off the fake

money and people will need to earn the real thing by providing real goods and services to each other. Raise artificially low interest rates and people will save, create new jobs, and invest in real output. Take away the Federal Reserve’s backstop, and stocks and bonds will fall, erasing much of the “inequality”. Stop the bailouts, and the zombie companies will go bankrupt, making way for healthier enterprises.

The formula is not complicated. So why not do it? Here’s why. In the news over the weekend was this gem from *Business Insider*:

More than 1,000 economists have now signed letter urging voters to reject “reckless and selfish” Trump

You might suppose the economists are coming forward to condemn Trump for spending (and printing) too much money. Since he took office, the federal deficit has risen 435%. Federal spending has more than doubled. Two million businesses have closed. Real wages are flat while billionaires are 55% richer.

But not a word of it. Instead, the economists claimed that Joe Biden (who’s promising even more spending) will “generate faster growth in both employment and real GDP.” So how come even economists, who should at least know how an economy works and who must be able to see the economic disaster coming, are blind to the truth? Because the prostitute who believes in chastity is rare.

People always come to think what they need to think when they need to think it. Right now, people have to think they can get free stuff from the feds, that the Federal Reserve can “stimulate” the economy with phony money, that they can all live at each other’s expense, that what really matters are transgender rights, diversity, racism, climate change, and the coronavirus... and that they can make things better by electing Joe Biden. Or Donald Trump.

And what’s the solution for *that*? There, we’re stumped. What’s the solution to old age? What’s the solution to the end of summer?

QUE SERA, SERA

November 4

A third of the nation is on the edge of joy. Another third is on the edge of a building. And the last third, the smartest of the lot, just doesn't give a damn.

Here's the bad news: someone will be named winner of yesterday's presidential election. As of this morning, we still don't know who. Either way, the national nightmare begins. Which is why the Dow rose 552 points yesterday: investors figured that, after the election, no matter the outcome, the coast would be clear for more giveaways. And they're probably right.

But, here at the *Diary*, we are sanguine. Zen. *Que sera, sera*. There is nothing we can do. The country is run by a predatory elite of politicians, economists, grifters, poseurs, bureaucrats, Deep State apparatchiks, Swamp scum, academics, media influencers, and Wall Street insiders. And that's just the way it is.

They get their power and wealth by faking money and giving most of it, other than the pittance to voters, to their friends, their clients, and themselves. The counterfeit money destroys the real economy, which the vast majority of people in the country depend on, leading to many long faces and short tempers.

This road is well-traveled and well-paved, with good intentions and bad. One generation learns; the next forgets. Empires rise and fall.

And life goes on.

A SANCTUARY

November 5

On the hill behind the house, we've begun building a family chapel. Why? Because the world is a busy place, and the busy-ness of it can distract, mislead, and distort our lives. If you watch the news today, for example, you will come away thinking that the U.S. presidential election is the most important thing in the world, that the future of the nation depends on it, and that we must turn our thoughts and emotions towards it as if our favorite dog were dying in the corner.

It doesn't hurt to have a place where the bustle of the outside world can be tuned out. A quiet, solemn, cool place to wonder about what really matters, to confess our weaknesses and vanities, to strengthen our soul, steel our spirit, and prepare our mind.

For nearly 50 years, we've almost always had some building project underway. Not only were they fun, they were also ways of engaging our children in meaningful work. Fixing stone walls in France. Restoring the old family farmhouse in Maryland. Scraping away wallpaper in a ruined château. Building barns. Putting up fences.

No children this time, but we do have a crew. With a small team of locals, led by a friendly giant named Monzon, we mix up mud, just as it has been done for the last 3,000 years. The techniques are basic. We buy no materials, save for a few bags of cement. Everything else comes from the ground and nearby trees. The only real expense is the labor, currently running about \$1 an hour.

A pool is shaped, dirt shoveled in, straw added, and then one of the *changos* (boys) stomps around until the consistency is right. The mud is shoveled into molds and left to dry. The bricks are then laid on a foundation of stone and concrete up to six-and-a-half feet high.

In the eastern wall, we have embedded a cross made by taking our empty wine bottles, cutting them in half, and putting two bottom ends together with duct tape. This gives us glass tubes that transmit the morning light over where the altar will stand.



Cross made from wine bottles

The difficult part is the roof. It would be easy to stretch some *barras* from wall to wall, lay on some sheathing of cane stalks, and cover it with more mud. But where would be the fun in that? And where, gazing up at the ceiling, would we find inspiration? Great churches – humble ones, too – have soaring roofs, reaching to the heavens.

Here, without rafters, cross-bracing, or sheathing, we'll build a roof of bricks in the form of two intersecting vaults. It will follow an ancient model we found years ago in a book called *Roman Era Construction Techniques*. And, if all goes well, in moments of reflection, we will look up and admire our handiwork.

But that will have to wait. It will take two weeks to complete the walls, after which we hope to go home to the U.S. for Thanksgiving. Argentina is opening up. With luck, we should be able to make our escape, flying from Salta to Buenos Aires and then to Miami. And, if we do, the chapel will remain unroofed until next time. Whenever that might be...

BLOODY SUCCESSION

November 6

Each country and each era needs its unifying myths and rituals. Pharaoh was a god. Louis XIV exercised the “divine right” given to him. And now, when all the votes are finally counted, recounted, hidden under the table, and miscounted, either Donald Trump or Joe Biden will be crowned by the voters.

Succession has always been a dangerous time. Even in the times of Pharaoh and divine-appointment, being next in line was no sure thing. The successor was often judged incapable or unreliable by the insiders, who looked around for a replacement. Or a cousin or uncle might present himself, backed by his own army, claiming he was promised the crown, and willing to shed blood.

Edward the Confessor, King of England, died in 1066 without an heir. Three claimants came forward. Harold, King of Norway, cited a deal made between his father and King Harthacnut of England. William, Duke of Normandy, claimed Edward had promised him the crown personally. But Harold Godwinson, Earl of Essex, was the one soon crowned by the Archbishop of York.

At which the Norwegians invaded, only to be beaten by the newly crowned King. Days later, William of Normandy landed with his own force, and the rest, as they say, is history...

But investors today do not seem much concerned about a succession battle. A hung election? A civil war? Bankruptcy and hyperinflation? What? Me, worry? No matter what happens, investors seem to think that “the system” will continue. By Thursday's close, the Dow was up almost 2,000 points this week...

THE DECISION COMES IN

November 9

At his *après*-election press conference, the champ looked tired. His shoulders slumped more than usual. His voice had no spark as he told the press the fight had been rigged:

If you count the legal votes, I easily win. [...] They're trying, obviously, to commit fraud...

You could almost see his Republican allies backing away. And they would. They are beneficiaries of the very system the president was calling into doubt. They've won, whichever way it goes.

The bout had been a pathetic affair from the very beginning. Two old guys, staggering around. One flailing out with haymakers and right crosses. The other, often seeming disoriented but careful to stay out of range, leaning on the ropes and hoping to Dear God that the Big Man, the title holder, would stumble before he got too close.

It was by far the worst heavyweight fight we've ever seen. It should have been easy for either of them to quickly dispatch the other. The reigning champ, an accused sexual predator, business deadbeat, big-mouth and small-brain, shouldn't be able to win election as a county sewer commissioner. And the challenger, a total hack, unwise for all of his 77 years, has spent most of his life and nearly half a century in the fantasy world of get-along, go-along Washington.

But, finally, the judges awarded victory to Biden, and the Big Man is out. (Our advice is that he quickly exit the country. Otherwise, he will face endless trials for rape, corruption, fraud, and all the other things his enemies can throw at him.)

And things will go on, all the way to Hell, much as they did before.

RELIEF COLUMN

November 10

Hooray! A vaccine! The relief column is finally in sight. And soon it will run off the fiendish Covid-19, releasing the entire world from months of fear, loathing and death. Americans have been spared the misery of the French, besieged by the Huns in 1870, eating their pets. And yet millions still cower in their homes. Restaurants in many areas remain closed or half full. And people are sore afraid.

"I was surprised," said Elizabeth after a Zoom call with friends back in Baltimore. "The number one subject of conversation is still the virus. They're very afraid of getting it. Some aren't even going to have Thanksgiving with their families."

The coronavirus, like a strange black sun, still casts a long shadow over the world. People may eat to excess, drive 70 mph in heavy traffic, and rarely get up from the easy chair. But why take the extra risk of a family Thanksgiving?

The threat of the virus, after it was pumped up by health authorities and the sensationalist press, was in a class by itself. It practically created a new religion. It caused people to cover their faces, not as a prophylactic, but out of piety. No longer was it enough for the soul to have everlasting life; the body too must be spared.

What gives? We'll soon see for ourselves. But for now we have our theories. We suspect there is a great yearning in America: for safety, for protection, for a panacea that will save us from all life's problems, especially the ones we make for ourselves. We, who no longer trust in the Almighty, are ready to trust anyone – even Dr. Fauci.

OVERDRIVE

November 11

Nearly 50 years ago, your editor, then a callow youth, naïve and foolish, played a small role in trying to force some restraint onto federal finances: he pushed for a Balanced Budget Amendment. He thought that requiring the feds to operate on a pay-as-you-go basis would keep the Devil on a diet.

But the drive for such an amendment ran right into The Swamp, where it sank without a trace. Restraint was the last thing the insiders wanted. And that was in the mid-1970s, when the deficit was running between \$50 and \$70 billion per year and total U.S. debt, from the beginning of the Republic until the beginning of the Reagan administration, had still not reached \$1 trillion.

45 years later, we're no longer callow, the U.S. owes \$27 trillion, runs annual deficits of more than \$1 trillion, and seems determined to stick with this kind of Banana Republic financing until the jungle swallows it up, like some ancient civilization.

But what can you do? The days are long past when we thought we could amend the Constitution... or even keep our hair from falling out. We're no longer so naïve. We've seen we can't keep the Republic alive. Fake money doomed it. And now it dooms the Empire, too.

Nature must run her course. The Devil can't be constrained. One generation must die so that another can live. The fake money must expire worthless before the virtues of real money are rediscovered.

ANOTHER ROUND?

November 12

Earlier this week, news of the relief column, an almost miraculous vaccine from Pfizer, prompted a \$1.5 trillion celebration on Wall Street. In fact, so excited was Pfizer's CEO, Albert Bourla, that he sold many of his own shares! Today, the fellow is \$5.6 million richer.

But wait. We look out over the ramparts of our COVID redoubt where we have been besieged for the last nine months. Where is the relief column? That cloud of dust on the horizon – is it really a deus-ex shot-in-the-arm? Or just a mirage?

The testing technique is simple... or should be. Give a lot of people the drug. Give an equal number a placebo. Then wait to see who gets sick. Well, so far, out of more than 43,000 in the test groups spread around the world, only 94 have gotten sick during the three-month test. And, at least how we read it, no more than eight of them were taking the drug (the others were in the placebo group).

Hmmm... Eight people. Did we read that right? Is that enough to justify a trillion-dollar Wall Street rally? Is humanity really saved? And, if so few are getting sick anyway, is it worth taking the vaccine at all? The vaccine's side effects have been moderate so far, but who knows what the long-term damage might be?

In any case, the elixir must be kept at more than 100 degrees below zero. According to a report, there's only one company in the world that can keep things that cold and distribute them widely. A Chinese company, naturally...

SACRED PROCESSION

November 13

We split our time between our farm in the Calchaquí Valley and our Gualfin ranch in the mountains behind it. The two properties are not far apart as the crow flies. But we are not crows. The drive from ranch to farm takes two hours. Typically, we spend the week at the farm, working in our office or on our little chapel...



Our little chapel is taking shape

... Then, on the weekends, go up to the ranch.

Last weekend, though, we stayed at the farm. We wouldn't have wanted to miss the festivities. Because last weekend was the weekend when, once a year, Santa Rita, the patron saint, is taken out of the church on the other side of the river, carried on the shoulders of the faithful, and given a tour of the property, where she is asked to bless the crops, the tractors, the water, and the local people.

It was still dark on Sunday morning when we heard the drumbeat approaching. 30 people had crossed the river and were heading to our house. We went out to join the procession, removing our hat and crossing ourselves before the image of Santa Rita.



Our neighbors... and Santa Rita

The procession paused to wait for us, and then it began again, like *penitentes* without whips, up the road, through the outer gates, and along the fence towards our farthest fields. A series of chants was led by the foreman, Antonio, a tall man with a weak voice.

“Santa Rita, bless these fields... bless our crops... keep us healthy... and help us find your favor in this life... and in the next.”

Some of the chants were sung, others recited. The older people in the group seemed to know the lyrics as well as the melody. Once we arrived at the most distant field, a 70-acre patch of alfalfa, the group turned down a footpath and walked through the blue-flowering alfalfa, continuing its chants.

“Ave Maria, full of grace, the Lord is with thee. Blessed art thou among women, and blessed is the fruit of thy womb, Jesus. Holy Mary, Mother of God, pray for us sinners, now and in the hour of our death. Amen.”

We trudged along, while the first rays of the sun lit up the dust. Everything is in bloom this time of year – the alfalfa, oats, weeds of all sorts, the *algarrobo* and *molle* trees – and, as we walked, the air was full of fragrance.



The procession of Santa Rita

About an hour later, we arrived back at the house. We gave our thanks to the sharecroppers, employees, and families, trying to remember who everyone was... Hypolo, Frederico, Angela, Anna, Anselmo, Erasmus, Javier... brothers, sisters, cousins, uncles... all friendly, all wishing us *buen viaje* before our departure next week...

The next morning, we hastened to the clinic in Molinos. One of our cowboys had been thrown from a mule. He had hit his head on a rock and was seeing double. Samuel, one of our best ranch hands, lay on a cot with a neck brace and an IV drip.

“How are you? What happened?”

“We were down by the *angosto* (the narrow defile where the river cuts through the mountains on its way to the sea). I was on that new mule. He’s a good mule, but he’s not from here. All of a sudden, he saw a *guanaco*. I guess he’d never seen one before. He panicked and threw me over his head. Normally I would break my fall with my

arms, but it happened too fast. My head hit a rock. Luckily, Natalio was with me. He got me back to the house, then brought me here. I don’t have any broken bones but I feel a little sick. And when I look up at the light,” Samuel pointed to the naked light bulb above his bed, “I see two of them. And my head hurts. It’s okay, though.”

It didn’t sound okay to us. We talked to the doctor, the same pleasant woman who put us under quarantine when we arrived in the valley nine months ago. She said she would like to send Samuel to the city so he could be checked out by modern equipment. But, with the virus on the loose, there were no available beds.

“Besides, we don’t want him to get it.”

To us, the virus seemed less of an immediate threat than a blood clot. After further discussion, it was agreed that Samuel would be taken to the hospital in Salta “as soon as possible.” Samuel waited, bored. On Thursday morning, an ambulance eventually came.

Then, yesterday evening, we took a stroll. Typically, we go through an *arroyo* behind the house and then follow a *burro* path chosen at random. The *burros* prefer to travel along the crest of the hills, probably so they can see predators at a distance and make a quick getaway. They make for good routes. We follow the paths for half an hour or so, often not paying much attention, lost in thought. Then, when the light fades, we raise our head and look around, get our bearings, and head back home.

There’s no chance of getting lost because the mountains are always in view, like lighthouses on the coast. But we are often mixed up amid the myriad trails, and can spend a long time following paths that don’t lead us where we intended to go.

Such was the case last night. We were thinking about our usual bugbears, bent over as we marched uphill, our hands clasped behind our back, when we were suddenly startled awake. We had come upon a herd of about eight *burros*: six adults and two little ones. They

were some distance ahead and dashed off when they saw us, up and over a hill and then down into the brush the other side.

Like deer in Maryland, *burros* are a nuisance. We put up wire fences all around the farm to keep them out and close the gates every night. But the colts are very cute, fuzzy with black wool, more like a child's stuffed animal than a wild beast.

"We found one of them that had been abandoned by its mother," a neighbor once told us. "We took it to the house and treated it like a pet. It played with the dogs; it thought it was a dog. But it was never completely housebroken. We had to put it back in the field."

So we were admiring these cute animals when we sensed something slightly behind us. It was just a flash of color between the trees and bushes, brown like the surrounding hills. Low but moving. That was what the *burros* were afraid of. Not us. A *puma*. He had been stalking the *burros*. Or us, maybe.

No, *pumas* never attack people, unless they have young with them or feel cornered, we told ourself. Still, we didn't want to go down in history as the first *gringo* taken by a *puma*. We picked up a rock. Then we picked up a heavier one. Most likely we could send him running by throwing a few stones. Or, if he was going to attack us, we'd probably be able to nail him with a good blow to the head.

But what if we missed...?

We decided to withdraw, edging off to the left and down the hill, away from the *burros* and the *puma*. In a clearing, we stopped to look back. After a minute, we saw a glimpse of something moving. But we could tell neither the velocity nor the direction. It was getting darker. So we decided not to worry.

We had the budget deficit to think about!

GOING-AWAY PARTY

November 16

Now that our nine-month quarantine is coming to an end, we look back and wonder: where did the time go? What did it mean? What did it yield? What did we learn?

First, we found out what it was like to run a complex farming and ranching operation in a difficult, dry country with a 50% inflation rate during a Plague Year. We discovered too that people, frightened by the media, are even madder than we thought they were. And we found out that, with no cafes or restaurants, cocktail parties, TV or theaters, paved roads, central heating, hair salons, or doctor visits, we could enjoy one of the most delightful episodes in our lives.

On first arriving, we had a couple of weeks of delicious idleness. Long afternoons reading on the porch, long evenings with a glass of wine in hand, overlooking the river, the pastures, and the cattle. Quiet days, solitude, and time...

But then, abruptly, our house arrest ended, the river fell, and our responsibilities rose. The role of a landowner, at least on one of the big old ranches, is like that of a feudal lord, but with none of the advantages. He can't deflower the maidens. He can't pass judgment on the peasants, torture them in his cells, or force them to work in his fields. He can't even get rid of them! Times have changed.

A landowner must provide the financing for the property (none of the large farms in the area are profitable). He must provide jobs and housing, lend money, offer transportation, bail his employees and his sharecroppers out of jail, and generally intercede with the outside world. He must fight to protect his property. And, sometimes, he has

to play host. That's what happened yesterday, when we held a going-away barbecue – an *asado* – at the ranch.



Our going-away asado

Everyone turned out. Even Samuel, who was thrown from the mule.



Samuel looking hale and hearty

An *asado* is no place for a vegetarian. It begins with meat, and then the meat continues, fresh off the grill, for at least an hour. First come the sausages. Then the beef. Then the mutton. And then sausages again, all hot and dripping with grease... The grease was cut with a

lavish flow of our own wine, as well as Coca-Cola. Sometimes, the locals mix the two to make a “South American cocktail.”

At first, the cowboys were timid in front of Don Bill and La Señora. But after a few courses, and a few bottles of wine, the conversation became looser and faster.

“Hey Samuel,” said Javier across the table. “They took a look inside your head and didn’t find anything. That’s what I thought.”

Everyone laughed.

“I told them they were wasting their time,” Samuel replied, playing the straight man. Then he took out his phone as if it had rung. “This must be that cute nurse. She said she didn’t want me to leave.”

“Yeah,” replied Javier. “In the city, they don’t get many people who fall off mules. I think we’re going to need more safety precautions,” he continued. “Samuel will have to wear a helmet on a mule.”

“And a seat belt,” said one of the others.

They were enjoying themselves. So was everyone else. Although, before the day was over, we’d been asked...

... for a \$300 loan to fix a cowboy’s pickup (we agreed)...

... to provide a roof beam for an addition to a house (we cut down a dead tree and dressed the beam with our chainsaw)...

... to give a scholarship to a girl so she could go to school in the city (no problem)...

... to stop one of our ranch hands having an affair with a younger woman (Elizabeth commiserated but couldn’t help more)...

... to find a new house for a young couple who are being harassed by the *originarios*...

... for a larger water tank for another household...

... and to visit a young woman in the hospital.

But we also got a visit from a local politician, a state-level senator, who said he wanted to help us in our war with the *originarios*.

“It’s like a disease,” he said. “They can’t think straight. Now they are telling us that they don’t want the government to send a teacher to the local school. They say they don’t want their children to learn a ‘foreign’ culture or the Spanish language. They say they’re going to teach them Karkan. But none of them know how to speak it! It’s crazy. I feel sorry for the kids. But we just have to try to get along with them. They’re not bad people. They just have a fantasy.”

No one is immune to fantasies. Not on the banks of the Calchaquí, nor the banks of the Potomac, nor on the banks of the Hudson.



Going away cake

FX IN THE ANDES

November 17

Marta works for us at our house at the ranch. She comes down from her mountain *puesto* (outpost) on foot, a hike of about six hours. She and her family are about as unsophisticated about money as anyone in Christendom, living in a mud house with a dirt floor. Their hands are as hard as boot leather. They get no newspapers. Watch no TV. They are not readers of the *Diary*.

But even Marta is hip to the dangers of inflation.

“Could you change pesos for dollars?” she asked on Saturday.

You know you are near the popping of a stock market bubble when taxi drivers begin giving you stock tips. But where are you when subsistence farmers, high in the Andes, begin trading currencies?



A lot of smacklers

DEPARTURE DAY

November 18

We are setting off, after our unexpected nine-month stay. We have a five-hour drive to Salta, then a flight to Buenos Aires. Then, on Friday, we will board another flight to Miami. If all goes well, we will be back in the U.S. by Saturday morning.

That drive might take longer than five hours, however. One of the results of Covid here in the Calchaquí Valley is that the roads have been neglected. They are all dirt roads, anyway, but, without traffic, there has been no need to tend them at all.

So it was that, when we decided to take a shortcut up to the ranch on Friday, we had scarcely gone a couple of miles before the road disappeared entirely. We tried one direction, then another. Neither led to the track we remembered. Finally, we followed a dry river bed, figuring it would lead us somewhere we recognized. A mile or two downhill, we did indeed recognize a road. But between us and the road was an irrigation ditch. It looked impassable. We could go back and around, but that would add almost an hour to our trip.

We got out of the truck and examined the canal. We figured we should be able to make it, as long as we crossed at an angle. But, when we were halfway over the hump on the far side of the ditch, our forward progress stopped and the wheels spun, sinking into the soft earth at the bottom of the canal. Uh-oh... We'd only passed one truck in the two hours we'd been driving. We could be here a while.

Patience is characteristic of people in the valley. They arrive at a river and find it uncrossable; they wait. In the dry season, wind and dust can make it impossible to go on; they wait. Important supplies

need to come up from the city. And the people here just wait. And now, that was all we could do.

Luckily, our wait was short. Along came an ambulance and another car with the doctor and assistants. They stopped. Out came the nurses and doctors and a few burly fellows whose roles were unclear. And here we saw another of the valley people's qualities: they help each other. They may fight each other bitterly, and share an almost universal contempt for the *gringo*, but they are always ready to help.

The men were on the case immediately.

"Let's push from behind." "No, try to go forward." "Get the jack."

Everyone had an opinion. And it was clear that none was very good. We suggested the ambulance could probably pull it out, but this was largely ignored. Until, after all other methods failed, they backed up the ambulance, and pulled the truck out.

"*Gracias... muchas gracias...*" we said. And so, on our way back to the farm on Sunday, we dropped off a case of wine at the health clinic to thank them. And to thank their country, too, for having us to stay these wild nine months.



AN EPILOGUE FROM ELIZABETH

March 2022

Dear Friends,

At the end of the first plague year, in the autumn of 2020, we left Argentina. We had originally intended to come for two months. Caught up in the quarantine, we had stayed for almost a year.

For nine and a half months, we lived the life of the *vallista*. We ate *asados* and *sopas*; spoke, in our fashion, *castellano*; traveled on horseback and in a pick-up; paid homage to *los santos patronales* in *misas chicas* and the farm's *capillas*. We faced rebellious *originarios* and overweening neighbors, and reckoned with age-old water rights, a barter economy, and family feuds. We grappled with the harsh vagaries of raising livestock and crops in this arid country.

It was a beautiful, inspiring, exacting experience. And we wore holes in our thin-soled shoes and city jeans. It was time to go home



Last view of San Martín and La Arcadia, on either side of the río Calchaquí

We drove one last time down from the mountains to the provincial airport of Salta Ciudad and boarded a plane for the capital city. In Buenos Aires then, it was late spring. The leaves of the plane trees overhanging the streets were already lush and green, without a trace of summer dust. The air was still fresh and cool. The city was quiet.

Our *administrador* had found us a hotel, one of the few still open. The Mansion Algodon had been built as a private *petit hôtel* in the French manner in 1912. Tall windows opened onto the quiet street. Our room overlooked a shady green garden.

We were the only guests. Like happy ghosts in a strangely familiar, half-empty world, we went outside exploring. The novelty of the city was enchanting. We sat under the trees at an improvised sidewalk lounge. We had *medialunas* and cappuccinos. On the side of the cup floated a big-eared teddy bear sculpted in foam. I bought a medallion in a tiny jewelry shop, just for the pleasure of shopping, though I couldn't stop myself from bartering. We had dinner in a restaurant.

That brief time in Buenos Aires had been a bridge, preparing us to enter our old familiar world. We spent a few days getting to know the city again before heading north.

The city, as we all were, was emerging tentatively from months of enforced inactivity. The hotel was reassuring just the same, although the manager had taken off the outer door-knob. This, he explained, hurrying to grasp the inner knob and the edge of the door to open it, was to deter robbers. A few blocks away, the street was blocked off with bollards while an armored van transferred money to a bank. Armed guards in bullet proof vests stood outside restaurants and shops, part of the ordinary landscape. Over 20 years, Argentines have been impoverished by inflation. Stacks of pesos and \$100-dollar bills pay for everything from a necklace to a new tractor. All that cash is tempting.

On a crescent-shaped *plazoleta* nearby, we had *cafecitos* and *medialunas* under an umbrella.

Slowly, the neighborhood came awake. In the bright mid-morning sunlight, a young man and woman made up crates of vegetables and fruit from their battered panel-truck parked in the street. They ferried them to the restaurant, and around the corner to apartment dwellers and a grocer. An aproned maid walked a little dog. Small children dressed in school uniforms pattered along on the sidewalk, accompanied by their mothers. Men with black backpacks, couriers of cash, strode along briskly, heads discreetly lowered. Elderly ladies and men sat down to converse with friends or read the paper. Someone was doing email on a laptop. It was Friday morning in Recoleta, the barrio where some of the lost wealth of Argentina's golden heyday still quietly compounds.



A young woman takes orders beside her vegetable truck in Recoleta

Cash is king in Argentina. Our next stop was “la Cueva.” This is a dingy storefront in a shabby arcade of shops, most of them closed.

There is no sign, just a dollar bill taped to the frosted glass. The tattooed money-changer, no ilk to the elegantly-clothed residents of Recoleta, wore thick dreadlocks, three of them standing up like feathers at the back of his head. He discounted our 500-euro notes; smaller notes were easier to move, he explained matter-of-factly.

Only once did we venture beyond our comfortable surroundings around Montevideo Street. Late on a Sunday afternoon, we visited the Museo de Bellas Artes. Through Recoleta's park, we strolled under the vast canopy of the *gomera* trees with their huge knobby trunks and spreading roots. We passed the 18th-century church of the Recoleta friars, a reformed branch of the original Franciscan order which had accompanied Mendoza on the *Conquista*. In the friar's orchard, now a cemetery, Evita Perón is buried.

A *mercado de artesanía* was folding down for the weekend; languid passersby glanced idly at wooden incense holders and striped Bolivian vests. We crossed the wide, blank avenue of the Libertador, named for Simón Bolívar, the aristocrat, *liberale*, and general who led the emancipation of South America from Spain in the early 1800s.

In a letter written shortly before he died in 1830, Bolívar reflected sadly that: “He who serves a revolution plows the sea.” “Fellow citizens!” he stated, addressing the legislators of the new nation of Colombia, “I blush to say this: Independence is the only benefit we have acquired, to the detriment of all the rest.”

Rather than a new South American federation united by common ideals of liberty, brotherhood, and progress, the new order fell prey to war, civil war, dictatorship, and economic collapse.

Crossing the avenue, we merged into a scattered crowd enjoying the end of a sunny weekend. There were short, stocky provincials on an outing in the city; kids on skateboards; teenagers in black; a group of women dressed up for an evening on the town.

Not far, the Museo is housed in the disaffected Casa de Bombas. This was the pumping station for Buenos Aires' first public system

of running water, the first such system in the Southern Hemisphere. Undertaken to avoid successive waves of deadly yellow fever, it was designed to serve a city of 150,000. By the time it started pumping purified water to households in 1870, the system was already undersized. Fifteen years later, immigration had swelled the population four-fold. The Museo moved here in 1933.

“Forward, forward in everything. Thus will be seen the Republic of Argentina and the other nations of the continent! Our nation will be for our sister nations as Greece to the ancient world!” declaimed Eduardo Wilde, minister of the Interior in the 1880s.

This marvelous country, beacon to the continent, had been founded on Enlightenment ideals and the fabulous fertility of the pampas. First among nations in wealth, technology, and public hygiene, it must also lead, like Ancient Greece, in culture.

Patrons plucked Old Masters from the walls of their *petits hôtels*. Collectors returned from annual sojourns in Paris with fashionable Impressionists and later with Cubists and Surrealists, and works by Picasso, Modigliani, Kandinsky. The museum built a substantial collection of modernist Argentine artists.



“La vuelta del malón,” Angel Della Valle, 1892, Museo des Bellas Artes

Like our walk through the park, the Museo told a story. Not just about the objects in the collection, but what they represented over time. In the gallery of Argentine history painting, we stopped for a moment in front of Angel Della Valle’s “La vuelta del malón,” “The Return of the Raid,” of 1892. It was painted for the Chicago Columbian Exhibition, held on the four hundredth anniversary of Columbus’ landing in the Americas. For generations, as the “*primera obra de arte genuinamente nacional*,” it was heralded as a fine example of a native-born artist turning his brush to the national epic.

In the foreground, a Mapuche horseman holds aloft a processional cross. Another swings an incense-burner. And another carries off a woman, her golden hair swirling over her half-naked body. Painted a decade after the last battle in the *Conquista del Desierto*, here is an explanation of why the young Argentine Republic sent an army against the Mapuche. Of course, the Desert Campaign was not only fought to protect the sacred and the settler. General Roca, his officers and soldiers divided up the vast and now secure pampas into fertile farms.

Up on the third floor, a photograph of Che Guevara was part of a multi-media exhibit, “*El día que me quieres*,” by a contemporary artist. The title of a famous Argentine tango, it means “the day you love me.”

In Korda’s famous photograph, the heroic guerilla gazes resolutely forward. But here, the revolutionary lay dead, shirtless. His eyes, framed by long curling lashes, are half-open, focused on a distant view. His slightly parted lips reveal even, white teeth. He could have been anyone’s handsome son or boyfriend, or just a corpse on a dissection table. He had been shot, executed by the Bolivian army, victim of the summary justice he himself had pitilessly practiced on hundreds of others.

Che, like Bolivar, Evita, the Malpuche and even the Conquista’s Franciscan friars, crossed out of life and into Argentina’s national epic. Killer and victim, he chased the enemies of revolution through

the Andean mountains and the African jungle until he himself was at bay. Did Che wonder at the last if he, too, was plowing the sea?

A buzzer sounded. It was time to go. The guards, like officious cultural police, had been continually urging the public to pull up their masks and keep a distance from the paintings. Now they hustled us out.

