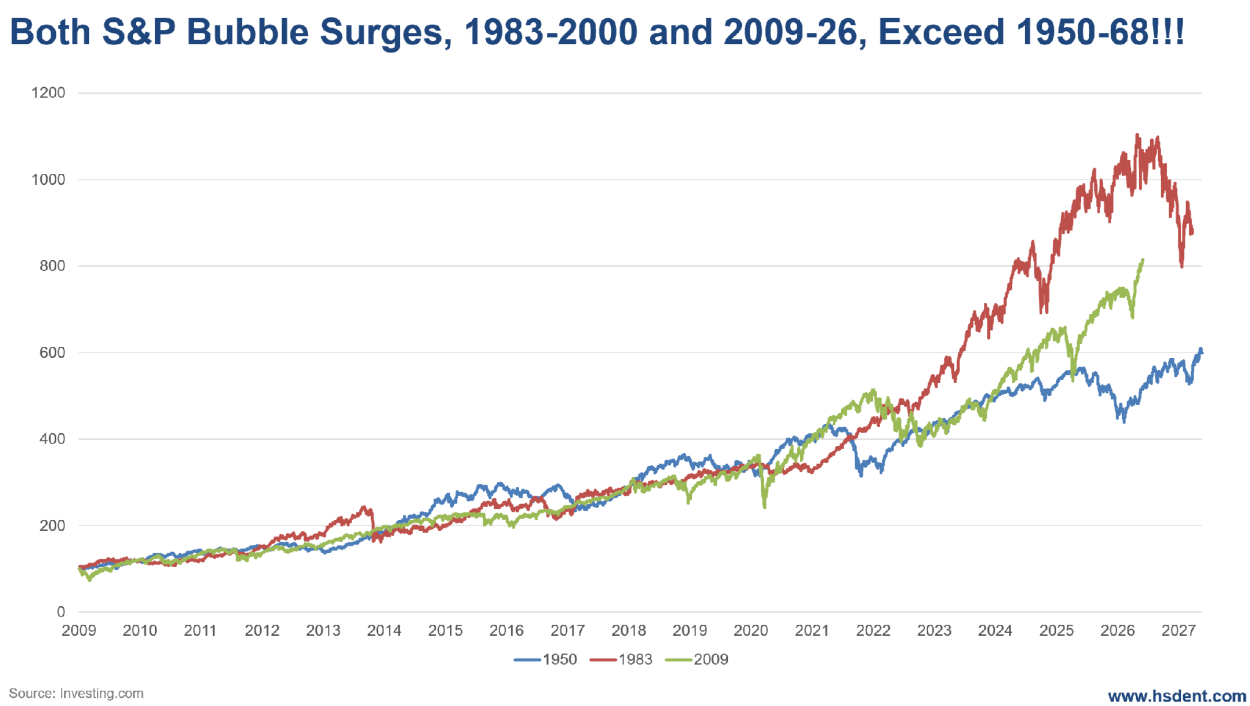
Harry's Take

July 14, 2026

No Soft Landings from a Bubble Boom Like This as Compared to the Non-Bubbly 1950-68 Boom!

There is a clear difference in history if you look at bubble periods vs. normal booms and busts. There may never be a period in history where America in particular did so well and our people felt so good, as 1950-68. We had been the up-and-coming challenger to Europe’s dominance since the early 1900s, first showing our stuff into the Roaring 20s “bubble boom.” And then we went through the greatest depression in history, and that was followed by World War II, the greatest and most global war ever! And who came out on top after that? We turned the tide in the war and came out happy and ready to kick ass economically with the “Greatest Generation”… not the Baby Boom, what I call the Bob Hope generation. The same soldiers that won the war grew up and drove that 1950-68 boom to follow after recovering from WWII. Their Spending Wave was 1942 – 1968. The best of that is portrayed by the blue line for the S&P 500 stock index from 1950-68 in this chart.



Now let's look at the first half of the longest and greatest boom in history without a major downturn or depression: late 1982 to early 2000: that's the red line! The first surge in the same approximate time as 1950-68 was the greatest we've ever seen in an 18-year time period. Why? It started from very low levels after the "Long Inflationary Recession" during that downturn into late 1982 when it bottomed. That Bob Hope 18-year boom saw a 6-times gain in stocks. But this first Baby Boom surge saw a whopping 11 times in the same 18-year period. That was 1.62 times as powerful, and that's a Fibonacci number as well.

The big difference is that this was a bubble boom like the Roaring 20s or 1866-73, or 1830-36 with strong demographic and technology trends, but also in a falling inflationary environment. That's the holy grail for bubbles. These bubbly periods see more dramatic gains, and hence, more dramatic busts! In fact, the difference between long-term recessions like 1969 – 82 and deeper, deflationary depressions like 1930-42 is precisely that depressions follow bubble booms, rather than normal ones!

Now we have something never seen in modern history: an 18-year bubble in a period that should have been like 1930-42, in a major down demographic cycle. That's the green line. And most such bubble periods last only 5 to 6 years, like late 1994 – early 2000, and late 1924 – late 1929. But we've never had central banks and governments pull out the guns with unlimited stimulus for going on 18 years since early 2009 to fight a bubble from bursting… as long as the best long-term stock surges. As you well know by now, this second surge since 2008 has been 100% artificial and massive at $31T in the U.S. alone, averaging 8% of GDP, and still growing $2T a year. It's much greater than the 1950-68 surge, and less than 1983-2000 only because it started from higher, and still somewhat overvalued levels.

There is only one way this greatest, longest bubble of all time can end… In a depression!

This depression has to not only shake out the excess capacity and least-productive companies as usual. It has to shake out a global $650T, or 6 times GDP "Everything Bubble" in financial assets worldwide, and the U.S. has the biggest share of those by far. And that's why there is simply no way to have a soft landing when this truly unprecedented bubble bursts! And the best time for that to start is in this normal, boring 4-year cycle down into late 2026. Late July to late October is the time most likely for us to finally see just the first, but also most ferocious, stock wave down in the "Crash of Our Lifetimes" that could be 50%+ in a few months. Only 1929-32 is likely to compete with this one, and it started off with a 46% crash in just 3 months. So, this is exactly how major bubbles tend to crash when they finally do.

Almost no one saw the 1929-32 crash coming either… including Irving Fisher, the prominent economist who stated in 1929: "It seems like we've entered a permanent plateau of prosperity." Sound like now?

Harry

Got a question or comment? You can reach us at info@hsdent.com.