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# Financial Crisis Report

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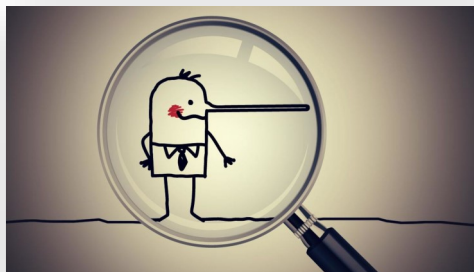
## Advancing in a Time of Crisis

**Words of Wisdom:** “Any society that will give up a little liberty to gain a little security will deserve neither and loose both.” Benjamin Franklin

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### All About Lies



“Anything is better than lies and deceit!”—Leo Tolstoy, Anna Karenina

I attended two institutions of learning whose mottos are coincidentally the same. Both Harvard and the University of California Hastings College of Law have as their motto the Latin term “Veritas” which means the truth. However, in my four decades of working and practicing in the areas of business and law, I found the quality of truth to be one of the most elusive properties in our modern-day society. Actually, the opposite quality of untruth seems to inform a greater impact on people’s normal activities than they realize. In point of fact, *Factinate*, a website about fun facts about everything recently released a survey entitled “43 Unbelievable Facts About Lies and Deception.” I thought it was interesting and so I decided to share this with you here. I hope you find it informative or at least interesting. D. Miyoshi

### 43 Unbelievable Facts About Lies and Deception

The world is full of lies and the liars who tell

them. Chances are if we aren’t telling a lie, we’re probably falling for one. A lot of research has been done on dishonesty, probably because we’re always hoping that we won’t fall for it the next time. Unfortunately, even with all we know about lying, it’s still really hard to catch liars. Worse—some of the stuff we’ve heard about lies are lies themselves (lie-ception, woaaaah). Let’s not lie to ourselves, we’re all a little fascinated by dishonesty. Here are 43 facts about lies and deception to help scratch that itch for knowledge.

#### 43. Honest Healthy Living

According to a study done by the University of Notre Dame, telling the truth can improve your health. The study found that telling fewer lies per week improved both mental health and physical health. Participants who told fewer or no lies reported fewer complaints such as feeling tense and having headaches, compared to the control group which was allowed to continue lying. Telling the truth isn’t only good for your soul, it’s good for your body too!

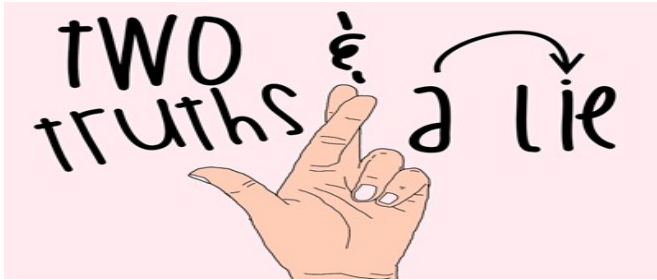


#### 42. A Liar Born Every Minute

60% of people lie at least once in ten-minute conversations, according to a study published in the Journal of Basic and Applied Social Psychology. According to the research, people do this because they want to be likeable and viewed as competent. This means that during even a brief conversation someone’s probably telling a lie or two.

We are experiencing the most economically unstable period and socially erratic period in the history of the modern world. This period will be marked with extreme fluctuations in the stock, commodity and currency markets accompanied by severe and sometimes violent and deadly social disruptions including historic pandemics, conflicts, wars, riots and even regime changing coups. As is typical of such times, many fortunes will be both made and lost during this period. After talking with many business owners, executives, professionals, scholars and government officials from around the world, the writer believes that for the financially astute investor, this is a time of unprecedented opportunity given the global trade unbalances and distortions in the commodity and currency markets that exists. The Financial Crisis Report is a free compilation of the opinions of David Miyoshi as well as of those advisors he himself subscribes to (with appropriate credits given) on how to benefit during this historic time of crisis. The writer receives no compensation of any kind from any advisors whose articles or ideas may appear in this report. The reader is welcomed to check on all sources of information mentioned herein. Because the opinions and observations of this writer and other advisors are provided herein without charge, the reader is asked to make his/her own judgment on the contents.

## All About Lies



### 41. The Doctor is In

Even in places where we're encouraged to be honest and truthful—like a therapist's office—we still choose to lie. According to a survey done by the University of Minnesota-Twin Cities, 52% of psychotherapists have been lied to, or suspect they've been lied to, by their clients. Why do we do it in therapy? A different study done by Wake Forest University says it's because we feel ashamed and don't want our therapist to judge us.



### 40. Nature vs Nurture

According to Dr. Melba Vasquez, a therapist in Austin Texas, "The ability to be honest requires either good modeling in families or having developed good mental health;" the truth quite literally starts in the home. For people who don't grow up with good modeling, or haven't developed good mental health, lying is a way to cope.



### 39. Lies Find a Way

Our brains adapt to lying, and this can actually cause us to lie more as time goes on. According to "The Slippery Slope of Dishonesty" published in Nature Neuroscience, lies can grow over time. What they call "self-serving dishonesty" increases the more we do it, and as such these lies can grow larger and larger. Lying is like a plant, the more you feed it, the larger it grows.



### 38. Fantastic Lies and Where to Find Them

A rare condition referred to as pseudologia fantastica is a type of pathological lying. According to Unusual and Rare Psychological Disorders: A Hand Book for Clinical Practice and Research pseudologia fantastica is when people lie telling "eloquent and interesting stories, sometimes bordering on the fantastic, that are told to impress others. These stories may seem to be just on the verge of believability and often involve the patient assuming important and heroic roles." It's a hard condition to diagnose and, like the book title suggests, it's quite rare.



### 37. Big Little Lies

Research shows that Americans lie 11 times a week on average. That's a little over one lie per day.





## All About Lies



### 36. Human Lie Detector

People suck at telling when someone else is lying. Studies show that people can tell when someone is lying about as accurately as they can call a coin toss—about 52% of the time.



### 35. Subconscious Awareness

While we suck at trying to figure out lies on a conscious level, studies show that if we're not consciously focusing on detecting lies, parts of our brain work on a subconscious level to detect deception. Our conscious brain winds up over thinking things, relying on inaccurate information about liars which compromises our ability to tell if someone is lying.



### 34. Shifty Eyes

The commonly held belief that people fidget or look away when they lie... isn't true. We've been lied to about lying.

### 33. Blame Game

Researchers have tried to figure out why we suck at catching liars. One theory believes there's not one obvious cue for us to look for (no one's nose grows like Pinocchio), so we have to rely on a lot of complex and varying signs that change from person to person. On top of that, we also have inaccurate information on how to detect lies—like looking for shifty eyes. Another theory states that we have too many resources like food, and we're generally pretty safe. Because of those two things, we lack the motivation to spot liars. Evidence shows when safety and food are scarce, our ability to detect lies increases. So if you have to take a lie detector test, bring donuts, they'll make the people giving you the test less able to spot your fibs!



### 32. Monkey See, Monkey Do

Primates can both lie and tell when they're being lied to. Jane Goodall and other researchers noticed chimpanzees can tell when they're being lied to—allowing them to find food that's been hidden from them by other lying chimpanzees. Capuchin monkeys also know when to ignore false alarm calls when lying capuchins are just trying to lure them away from their food.





## All About Lies



### 31. Inner Workings

Aphasics—people who have had the left cerebral hemisphere of their brain damaged—are better at detecting lies than people without that damage. Because they cannot understand sentences, they have to rely on nonverbal cues, and thus are better at spotting lies.



### 30. Fool Me Once Shame On You

People who have high emotional intelligence are more likely to fall for emotional lies. A study published in *Legal and Criminological Psychology* tested people with high emotional intelligence, and found the ability to perceive and express emotion lowered their ability to detect when they were being lied to.



### 29. You Can't Hide Your Lying Eyes

While shifty eyes aren't a sign that you're being lied to, pupil response is. When we're lying our pupils dilate.



### 28. Less is More

People are actually *better* at detecting lies if the liar is wearing a face veil. A study was done after rulings came down from courts in the UK, Canada and United States that said witnesses couldn't wear a niqab (face veil) during their testimony. Judges worried it would interfere with people's ability to tell if the witness was lying. In reality, people are better at telling if someone is lying when they're wearing a face veil because it causes them to focus on more the eyes, which makes it easier to detect deception.



### 27. When You Can Trust the Eyes

Despite the fact that liars don't avert their gaze any more than someone telling the truth, there's an exception to this rule; research has shown that when there's a high stakes lie (losing a lot of money, or their freedom), that's when people have a tendency to look away.





## All About Lies

### 26. You Have the Right to Continue Lying

A study done in 2016 shows that police officers are no better at telling when someone is lying than the rest of us. They're susceptible to the same stereotypes about lies—like that averting your gaze and fidgeting means someone is lying—as the rest of us.



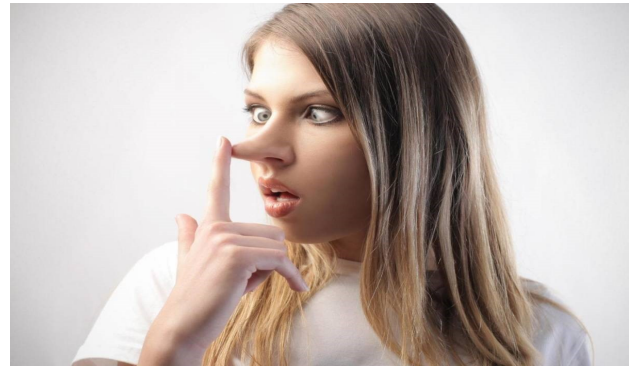
### 25. Correct Me if I'm Wrong

Overall, liars' stories tend to have less cohesion than someone telling the truth. They're more likely to correct themselves mid-story than truth tellers. So next time someone goes, "I met them on Tuesday, no wait—Monday!" you might have a liar on your hands.



### 24. What Did They Say?

Liars are also unlikely to describe what was said in a conversation. For example, "She told me that she was going to get me fired," isn't something a liar is likely to say.



### 23. Best Face Forward

The micro expressions on our face can give away our true emotions. Forensic psychologists are able to detect these micro expressions that act as giveaways when someone is lying. For instance, before Michael White was charged with murdering his wife in 2005, he first gave an emotional plea for her life, telling the world that he was looking for her. Later, White led a search party directly to her body, where he was immediately arrested. Stephen Porter from the Forensic Psychology Lab at Dalhousie University looked over the tape of his emotional plea and said that even in that tape there were signs of anger and disgust that went unnoticed by most viewers.



### 22. Lie Detector

Surely the good, trusty lie detector can tell when someone's lying, right? Nope. According to psychologists, they're not a good way to tell if someone is lying. Leonard Saxe, psychologist, professor, and polygraph researcher says, "Because of the nature of deception, there is no good way to validate the test for making judgments about criminal behavior. There is no unique physiological reaction to deception." Seems passing a lie detector test means nothing.

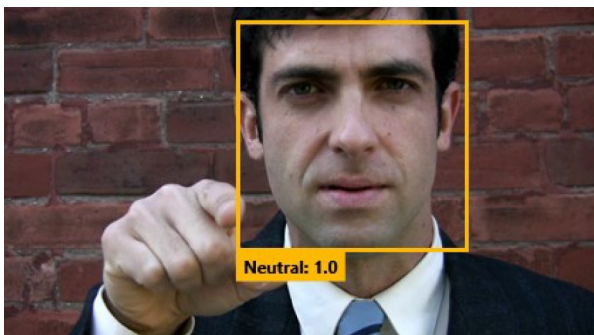


## All About Lies



### 21. Tech vs Deception

Psychologists have been carefully compiling a list of facial expressions, body language, and speech patterns that can help people tell when someone is lying. They're working on creating software that will analyze facial expressions, and catch when people are lying. Hopefully this will work better than the old-school lie detector.



### 20. Listening Goes a Long Way

People who listen to liars, rather than watch them, are better at detecting the lies. This is because they describe liars as sounding "more nervous." Voices tend to reach a higher pitch when people are lying.



### 19. Lips Don't Lie

Another facial cue liars often do is rolling their lips together. So rather than looking for someone who's displaying nervous body language like fidgeting, look for people who are pressing their lips together. They might be the liar you're looking for.



### 18. Timing is Everything

The time it takes a liar to start speaking can help you catch them in the act. Liars take longer to start answering questions—unless they've been given time to prepare, then they jump right into their story.



### 17. Talking With Your Hands

People who are lying are less likely to use hand movements when they talk.





## All About Lies

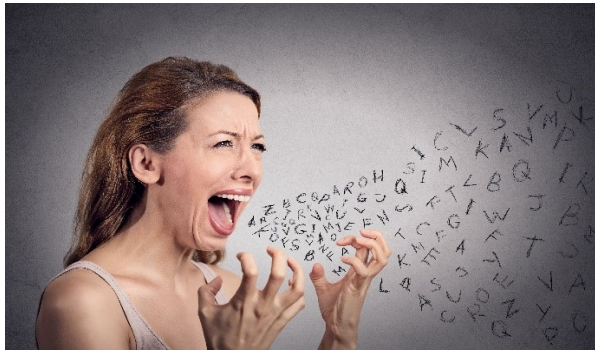
### 16. I Didn't Do It!

Liars tend to avoid first-person pronouns. They do this to provide them distance from their lies, and to avoid taking responsibility.



### 15. Don't Bring Me Down

Liars are more likely to use negative words like worthless, loser, sad. University of Texas at Austin psychology professor Dr. James Pennebaker says this is because liars have higher anxiety, and often feel guilty over their lies.



### 14. Leave Me Out

Liars are also likely to use fewer exclusionary words like not, nor, or, but, except—words that help set apart what the liar has done from what they haven't done.



### 13. Truth is in the Writing

There's computer software that can tell when someone is lying better than people can. It's called the Linguistic Inquiry and Word Count, and it catches liars 67% of the time rather than the 52% that people do. It does this by asking a person to write a sample into the computer and then it looks for the components listed above: first person pronouns, negative words, and exclusionary words.



### 12. Don't Think About It Too Hard

Psychologists have been training police officers to spot when people have to think too hard on a response that shouldn't require any thinking at all. This way they can hopefully catch more people in the act of making up lies, since detecting lies can be so difficult.



### 11. Friends, Family, Liars

The closer you are to someone, the better you can tell if they're lying to you. That's because you already understand their personality, how they talk, how they gesture, and how much eye contact they make. This gives you something of a "baseline" to work off of, and when someone you know deviates from that it can clue you into the fact they're lying.



## All About Lies

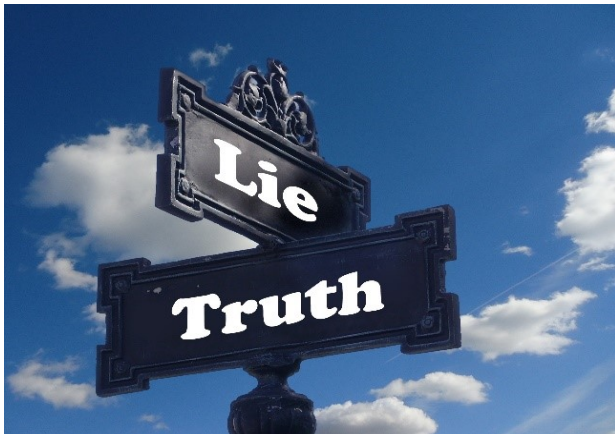
### 10. Lying To Yourself

People who lie often lie to themselves too! A study done at Harvard Business School allowed students to cheat on a math test. Down at the bottom of the sheet they had the answers, then they were asked to take a second test without an answer key at the bottom. The cheaters truly believed they had gotten a good score on the first test (the one with the answer key) because of their own math skill. This led them to overestimate their ability to do well on the second test.



### 9. Lies We Can Believe In

People are more likely to believe a lie if it helps them support long held beliefs about the world they live in, such as beliefs about climate change or conspiracy theories. Research shows that debunking those lies doesn't help us change our world views either. According to George Lakoff, a genitive linguist at the University of California, Berkeley, "If a fact comes in that doesn't fit into your frame, you'll either not notice it, or ignore it, or ridicule it, or be puzzled by it—or attack it if it's threatening." So it seems like the truth might not set us free after all.



### 8. Little Liar

Some kids start lying as early as the age of two. So parents, be suspicious of your kids early, because studies also show that parents can't consistently detect when young kids are lying to them.



### 7. Age Matters

Unsurprisingly, we lie the most when we're teenagers—between the ages of 13-17. The ages we lie the least? When we're six through eight years old.



### 6. Honest and Attention Deficit

Children with Attention Deficit Hyperactivity Disorder (ADHD) struggle with executive function, and have trouble with lying. Silver linings abound!





## All About Lies

### 5. Evolution of Lying

Researchers believe that the first lies started being spread not long after the development of language. Lying was an easy way to get what you wanted from someone without having to hurt them for it. Harvard University ethicist Sissela Bok puts it this way, “It’s much easier to lie in order to get somebody’s money or wealth than to hit them over the head or rob a bank.” She’s not wrong.



### 4. The Why of Lie

According to researcher Tim Levine, “We lie if honesty won’t work.” *National Geographic* has broken down the major reasons we lie into three major categories. First, we primarily lie to promote ourselves; promoting ourselves covers lies that have self-impression, economic and personal advantages, and lies to make people laugh. The second category is to protect ourselves; lies to protect ourselves include covering up personal transgressions and avoidance. The final main reason we lie is to impact others; these are lies that are social or polite, and oddly enough also lies that hurt other people.



### 3. The Gender of Lies

Men and women both tell the same amount of lies, though what they lie about tends to differ. Women tend to lie to make other people feel better, whereas men tend to lie to make themselves look better.



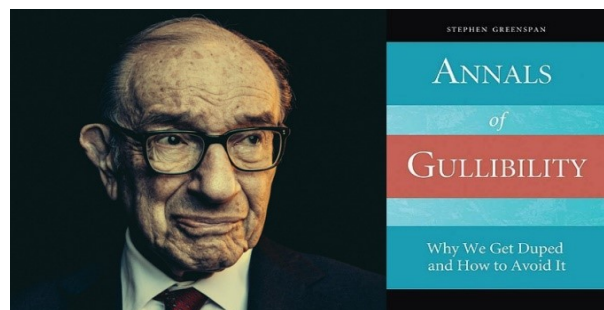
### 2. Smart Liars

According to some research, lying is a sign of intelligence in children. Studies show that the earlier kids start lying to you, the smarter they are. Toddlers who lie have a higher verbal IQ—up to ten points higher—than those that don’t. Other studies show that kids who lie have better executive functioning skills, i.e. the skills that allow us to focus on a task. So at least if your kid is lying to you, there’s a silver lining.



### 1. Gullible Fools

The person most likely to lie to us is... ourselves. David Dunning, social psychologist puts it like this, “To fall prey to another person you have to fall prey to your belief that you’re a good judge of character.” So before we can even fall for a lie, we have to first tell ourselves we can catch a liar. The most famous example of this is psychiatrist Stephen Greenspan, who wrote *The Annals of Gullibility* about his years of research in how to avoid being gullible. Then, two days after it was published, famous fraud Bernie Madoff lost Greenspan one-third of his retirement savings.



End of Article

## Will the Real President Please Stand Up?



**O**n March 19, Joe Biden slipped three times and fell while walking up the stairs to Air Force One. Photos and videos of the fall went all over the Internet. The White House blamed the wind, but leaders and everyday people around the world are noticing Biden's declining mental and physical health.

"It's a national security crisis, because our adversaries around the world—Iran, Russia, Venezuela, China—are watching this," former Trump adviser Stephen Miller told Fox News. "They are looking at the United States, and its chief representative cannot even get through a simple interview without a cheat sheet and falls down, not once, not twice, but three times going up a flight of stairs. That is sad to watch. ... It is extremely serious."

It's not just former Trump administration officials like Miller making these claims. Liberal feminist author Naomi Wolf has also expressed alarm at Biden's current state of health. "As Americans, we would be remiss not to notice that this is a man who is struggling physically, and our national security kind of depends on our being grown-ups," she said in an interview with Steve Malzberg. "When a very elderly president is struggling physically, it's an important national security concern ...."

On the presidential campaign trail, Biden mocked President Donald Trump for slowly walking up and down ramps on some occasions, saying, "Look at how he steps, and look how I step. Watch how I run up ramps, and he stumbles down ramps." Yet now Biden's Air Force One fall is drawing the world's attention to his physical gaffes—but they are nothing compared to his mental gaffes.

A United States president is breaking down before our eyes!

In October, he accidentally said, "We have put together, I think, the most extensive and inclusive voter fraud organization in the history of American politics." On November 3, Biden introduced a crowd to his granddaughter, but referred to her as his son. On March 8, he forgot the name of Secretary of Defense Lloyd Austin, calling him "the guy who runs that outfit," a reference to the entire United States military. On March 18, he referred to Vice President Kamala Harris as "President Harris."

Anyone who speaks often publicly makes mistakes, but Biden's extensive history of misquoted statistics, offensive comments, mis-statements and telltale bewilderment is ongoing. Despite the fact that he was aggressively shielded from the public and especially from challenging questions while campaigning to become president of the United States—and now that he has been sworn in as president of the United States—he has still made blatant, public mistakes that are causing people to question not only whether he has the mental capability to lead the free world or the United States, but whether he has the mental capacity to lead his party or even his administration.

People are wondering who is really in charge.

Some of his statements might give us a clue. In October, he referred to himself as Kamala Harris's running mate. In December, he referred to her as "president-elect." In early March he referred to her as "President Harris." Statements like these are jokes and misstatements, but it's obvious that Harris is playing an unusually large role in Biden's administration. She has been the one to call certain world leaders, and a leaked e-mail from within the administration has revealed that a top White House communications staffer has instructed all agencies to refer to the "Biden administration" as the "Biden-Harris administration" in all official public communications. You may have noticed the change.

Harris is likely the real power in the White House.

"The capacity of our commander-in-chief is a vital public issue," political commentator Steve Hilton told Fox News after Biden referred to "President Harris." "It's not just this gaffe. There is one of these almost every day where he seems to forget where he is or what he's doing. He stumbles and mumbles. He clearly, at the very least, doesn't have the energy to do the job. But more seriously, on a substantive basis, you only have to look at the agenda that's being pursued to see that Joe Biden is president in name only."

The fact that Harris has spoken independently to at least six foreign leaders shows that heads of government around the world—and those at home who actually hold power over this administration—do not take Biden seriously. He is not running the country—or the presidency!

Instead, you should look closely at a woman who quit the presidential race 11 months before the election in sixth place among Democrats with support from only 2 percent of Americans. She had peaked at 15 percent—by painting as mildly racist the debate candidate who was standing next to her: Joe Biden.

Investigative journalist Lee Smith reported in November 2020 that Harris would likely be a tool of Barack Obama to run the White House from behind the scenes. "In political circles, it was no secret that Obama had thrown his support behind Kamala Harris," he wrote in "Behind the Scenes, Obama Never Left." "She's ambitious and appealing and, without any strong ideas or opinions of her own, poses no threat to him. She was Obama's ideal heir, but primary voters found her fake and unlikeable, and she was out of the race in early



## Harry Dent on Investments

December. He'd find a way to restore her, but, in the meantime, needed a horse to ride through the primaries."

Smith is inferring that Obama pressured Biden into choosing Harris as his running mate. This would enable Obama to seize the presidency through his apparently weak and controllable former vice president, then make Harris the real power to implement his radical agenda.

Harris is taking on more presidential duties as Biden's health declines, and Obama is influencing policy behind the scenes. This is surely the reason Barack Obama never left Washington, D.C., the only modern president to do so besides Woodrow Wilson, who had suffered a stroke. Obama never gave up his agenda.

White House Press Secretary Jen Psaki told reporters on March 22 that Barack Obama and Joe Biden "are not just president and vice president. They are friends and they consult and talk about a range of issues." She did not know exactly how many times these two men have spoken since Inauguration Day, but mentioned that "our teams are in regular touch about a range of issues." That statement is extremely revealing!

Apparently, Obama has a whole team of people working for him that are distinct from Joe Biden's team. What is his team? Is it like a second White House staff? Given Biden's declining mental and physical health, it is not a stretch to say that Obama probably wields more influence in the Biden administration than Biden himself.

This is the type of arrangement Obama told comedian Stephen Colbert he wanted last year. "People would ask me, knowing what you know now, do you wish you had a third term?" Obama said. "And I used to say, if I could make an arrangement where I had a stand-in, a front-man or front-woman, and they had an earpiece in and I was in my basement with my sweats looking through the stuff and I could deliver the lines, but somebody else was doing all the talking and ceremony, I would be fine with that, because I found the work fascinating."

People will say that's a joke for a comedian, but do you think Obama hasn't been manipulating things in the four years since he left office?

Biden and Harris are speaking the lines, but Obama and his team are the ones determining what those lines are. They have hijacked the government for the purpose of "fundamentally transforming the United States of America," as Obama said prior to being elected in 2008.

In an article entitled *America Under Attack* by Gerald Flurry of the Christian publication *The Trumpet* Flurry describes Barack Obama as a modern-day type of Antiochus Epiphanes, a wicked king who obtained the throne through lies. Then he betrayed the people of Judah, who were under his rule, slaughtered them, and desecrated the temple in Jerusalem with an idol of himself.

Although news about Obama went mostly silent after he left office, *the Trumpet* authors have kept an eye on him. In the February 2021 issue, Flurry wrote that Obama was "at the epicenter of the election crisis and the radical left's effort to prevent Donald Trump from being reelected!" He based his analysis on 2 Kings 14:23-29, which describes a Satan-led movement in the end time to "blot out the name of Israel from under heaven," and Daniel 8:12, which exposes an end-time Antiochus who "cast down the truth to the ground," as well as Revelation 12:9, which reveals that God has cast Satan down to Earth.

We are currently getting a clear look at Antiochus's agenda. Radical leftists have taken off the mask (no pun intended), and God is exposing their full corruption. When people do not deeply love truth, they eventually come to believe lies (2 Thessalonians 2:9-12). Americans have allowed this sinful condition to worsen to the point where our presidency itself is a lie.

We wonder where will we now go under our real president Harris?



D. Miyoshi

## Harry Dent on Investments



**H**arry Dent is an investment consultant who I follow. He is a New York Times best-selling author who has made some amazingly accurate predictions over the past few decades. He predicted Japan's 1989 economic collapse as



## Harry Dent on Investments

well as the U.S. dot-com crash of the early 2000's.

The vast majority of conventional analysts focus on short-term news catalysts while Dent tends to focus on long-term trends involving generational spending cycles. And while the mainstream media was predicting doom and gloom during the U.S. market bottom in March 2020, Dent waited until recently to issue his forecast for a downturn in the economy.

With the exception of gold, I agree with Dent's forecast on the economy and accordingly present it here for your consideration. D. Miyoshi

### Investments

Q: What will be the best investment for the coming inflationary trend?

A: The trend for the next 2-3 years during the crash will be toward deflation, not inflation. The longest-duration and safest bonds, 30-year Treasuries and AAA corporate bonds, appreciate when yields fall in a deflationary setting. Other, higher-risk bonds will be devalued as a result of defaults.

Q: What else is there to invest in if you don't want to buy Treasuries?

A: You are underestimating the appreciation on a 30-year T-bond if rates fall from around 2.2% to 0.5%: 40%+. But if you know this and still want other options, then consider AAA corporates or short stocks unleveraged. You can buy SQQQ to single-short the Nasdaq 100 or SH to short the S&P 500.

Q: How do you make money on a 30-year Treasury when you are selling it in a 2-year span?

A: Bonds are weird investment animals. They pay a constant rate of interest that must be compared to prevailing rates. If a bond pays 1.6% and the prevailing rate is the same, 1.6%, then the bond will be priced at 100. However, if the prevailing rate falls during a deflationary period to, say, 0.30%, then that same bond paying 1.6% becomes more valuable and is priced at more than 100. This is the situation I talk about in my slides.

High-quality, 30-year Treasury bonds that yield as little as 2.2% today could appreciate by as much as 40% when prevailing interest rates drop to near zero. And what's important is not the low interest rate for 2 years, it's the appreciation in the value of the bond when you have locked into a higher rate for 30 years than rates fall to. You can sell your bond near the bottom of the downturn and cash in on that appreciation without having to hold it for 30 years.

### Timing

Q: Harry, don't you think the next \$1.9 trillion of stimulus will keep the market frothy, elevated, and overvalued for a while?

A: That's the trillion-dollar question. Like any drug, using artificial stimulus leads to diminishing returns. It takes more and more to get the same effect. Eventually, the costs and toxicity of stimulus outweigh the added impacts, and implodes.... Damn, you really don't get something for nothing.

There is no way to determine perfectly when you've reached that point, but I say we have and now Jeremy Grantham is saying the same thing. If we could take heroin endlessly with no consequences, we would all be on heroin and stay happy forever! Stimulus works the same way for the economy. How long have we been keeping a dead economy going with more and more stimulus? Far longer than we should have. Much like when an avalanche launches, there is a point when the whole market breaks after the "snow" of continuing artificial stimulus causes it to pile too high to be sustainable.

Q: What signs should we be looking for to indicate the upcoming crash and when to get out of stocks?

A: Unfortunately, the first clear sign is a 42%+ crash in less than 3 months, but by then you may already have lost a lot or have missed being short on stocks or long on safe, long-term Treasury bonds. In the March HS Dent Forecast, I show several valuation indicators that are way overbought and, hence, suggest that we are at or near a top.

### Real Estate

Q: I'm 65 and still paying a house payment. I was wondering if it would be wise if I refinanced to a lower rate?

A: Yes, I would refinance now, as rates are still low. Also, even though risk-free rates will drop on Treasury bonds in a downturn, riskier rates will rise and loans or refinancing quickly will become harder to get.

Q: I was wondering if I should hold off on purchasing a home, since you say there is a big crash coming?

A: Absolutely hold off on buying a home for at least 3 years after stocks have clearly topped. Real estate will take longer to bottom than stocks and will be slower to come back. You will get a much better deal in a downturn and crash, especially if you can put a lot of money down or buy for cash.

### Precious Metals







## Hypernet, the next great innovation

Q: Do you have any idea on what one should do with silver? Unlike gold, its price has been holding up and even increasing. The gold/silver ratio has been narrowing. Should silver be sold or be held in the short term?

A: Gold and silver are not very clear at this point. Gold has been very weak but is starting to bounce. If silver can break to a new high, that would be a good sign for now. I do see getting out of both pretty soon, but for now I would lean toward holding. You have to make sure to get out eventually, as they both will crash once the economy clearly shows both weakness and deflationary trends, and silver will go down much more than gold. I would get out if gold breaks back below \$1,750. If gold happens to make it to my top target (which now is less likely) of \$2,200, then sell gold and silver and run!

### Bitcoin

Q: What do you anticipate will happen to Bitcoin, crypto miners, and blockchain companies during this crash? Should we be selling those things also?

A: Much like the dot-coms in the late 1990s, now crypto is in its strongest and latest-stage bubble. Therefore, Bitcoin and crypto will fall more than stocks, with the exception of stablecoins, which pay you only minor interest. Miners will do badly, of course. And much like buying Amazon after the 1990s dot-com crash, buying the crypto survivors at the bottom of this coming crash should be highly profitable in the next boom, when crypto/blockchain will move fully mainstream.

### IRAs and 401Ks

Q: Most of my investments are in Roths, to save capital gains. Where or how should I move those investments to safe spaces?

A: If possible, move them into 30-year Treasury bonds or into the safest long-term bond funds—those that are AAA or AA rated. Otherwise, it would be better to be in cash until the crash is largely over.

Q: Is there a good source that will actually tell me what to do with my IRA and 401k accounts so that I can avoid the next Great Depression?

A: See my answer above.

### Banks and Brokerage Accounts

Q: You have stated to keep your money out of banks and go to brokerage companies. I assume that you are referring to places like Charles Schwab. Do you suggest spreading money to a few brokerage companies to be safe, too?

A: Yes, it definitely makes sense to spread your money around to different discount brokerage firms. I'm not recommending the big financial brokerages, as they are into so many risky businesses. I prefer the ones like TD Ameritrade, E\*Trade, Schwab, and Fidelity that make more of their money on trading fees, not on investments and speculation.

Q: You've stated that banks might not be safe. If not there, then where should the money go?

A: See the above answer, and note that even banks have only the minimum of funds to pay your monthly bills and hold the rest in a brokerage account in your name that cannot be lent against like a normal deposit or savings account.

### End of Article

## Hypernet, the next great innovation

What do you think will be the next great technological innovation?

Last January while walking my dog at night I looked up into the night sky and saw this:



Some others have also reported seeing this site. What is it?

I believe it is part of one of the greatest innovations of all time. For now, let's call it the "Hypernet" and it is the next project to be revealed soon by Elon Musk. It promises to replace the internet as we know it.

As you may know, there are a few big problems with how we currently receive cell signals and internet coverage.

First, while a lot of people are excited about 5G as the future, the truth is deploying it is costly and takes years.

Second, because the average 5G tower only works within 1,000 feet or so, to deploy it nationally requires tens of thousands of these tow-



## Hypernet, the next great innovation

ers to be installed.

And that, as you can imagine, costs hundreds of billions of dollars... maybe even more.

Finally, nearly every other cell signal and Wi-Fi signal works the same way — they're all local solutions with limited range.

If you move out of range, you lose the internet.

That's why it's nearly impossible to get reliable service in remote areas.

So, it doesn't matter how fast things like 5G technologies are.

If they're all local signals where you have to be in range to gain access.

But with Hypernet, you can forget about ever having local coverage, because with this new era of internet comes worldwide coverage

Musk's "Hypernet" began with a simple question.

What if they could just eliminate the need for any kind of tower at all...

And instead beam internet straight through the air, directly to your device?

It would be faster and better than the internet you receive now...

Even 5G wouldn't be able to compete with it.

Incredibly, that's exactly what Musk may be planning to do...

Internet delivered to you from the heavens

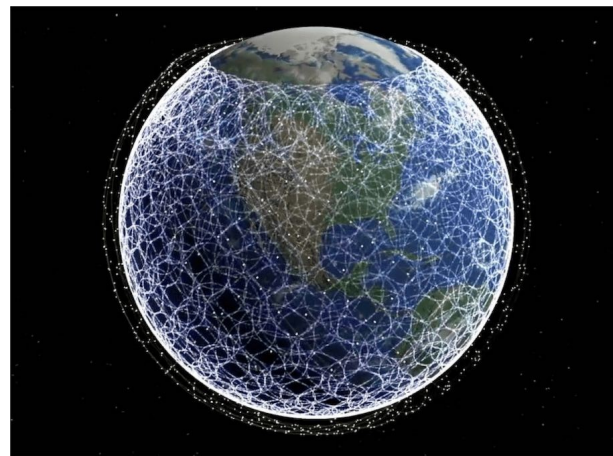
How? By a constellation of highly advanced satellites that beam uninterrupted, high-speed internet from space directly to you — your phone, computer, tablet or any other device.



There will be no need for a cell tower... or anything like that.

Instead, high-speed internet will simply be beamed from space, through air, directly to your device.

Your device will simply always be connected to these satellites.



These satellites will wrap the Earth, forming a network to deliver lightning-fast internet to every inch of the planet.

Already, the media are beginning to catch on to what he's up to...

**Elon Musk's next big thing: 40,000 satellites beaming broadband**

*After overturning the economics of the car and the rocket-launch industries, the billionaire is upending space communications.*





## Hypernet, the next great innovation

**Elon Musk Says He's About to Deliver the Future of High-Speed Internet** Get your investment dollars ready. 

To date, Musk has quietly launched more than 540 satellites in preparation for his revelatory project.

With plans to launch another 42,000 in the coming years and decades.

What I saw in January, you can probably see now by looking up in the sky on a clear night.

Once in place, these satellites will revolutionize the internet forever...

Musk's "Hypernet" could provide the cheapest, fastest, most reliable internet EVER

Because this brand-new internet is cutting out all traditional cell towers...

There's no need for massive infrastructure to be built around the world to provide internet.

After all, deploying the old internet requires digging up entire neighborhoods...

Installing bulky fiber-optic cables for miles through the ground...

Building new cell towers...

That, as you can imagine, costs billions and billions of dollars for these telecom companies.

Take 5G, for instance...

Early reports show that building the infrastructure for 5G will cost an estimated \$130 billion...

And that's in America alone!

The "Hypernet" doesn't require any of that...

For consumers, this means those massive savings can be passed along to you...

Instead... Musk may deliver lightning-fast internet (up to 20x faster than what you receive now), everywhere in the world, for dirt-cheap

Once Musk's new "Hypernet" rollout is complete, you'll always be able to receive ultra-fast internet... uninterrupted, unlimited internet... everywhere you go.

Because it's not a local signal, we're talking total coverage around the world...

From Wall Streeters in Manhattan, NYC to vacationers in Paris, France to high school students in Gardena, CA

To workers in the world's most remote farms to the poorest African villages.

And all for far cheaper than what you pay now.

It doesn't take a genius to figure out that having cheaper, faster, total -coverage service will cripple the trillion-dollar telecom industry in the coming decades.

There will be no need for 5G anymore once Musk finishes rolling out this tech — it simply can't compete with the "Hypernet."

These big telecom companies simply won't be able to compete.

And in fact, it's already underway...

Musk is already rolling out this new internet to the world... the early results are incredible

He's already given early beta access of the "Hypernet" to some folks before his expanded beta program rollout planned for early next year...

Bloomberg Businessweek reported the results were incredible...





## Is Bitcoin a good investment?

“[The ‘Hypernet’] was already achieving download speeds greater than 100 megabits per second... enough for a user to stream multiple high-definition movies simultaneously.”

— *Bloomberg Businessweek*

And very soon, we could have access to the “Hypernet” beta program ourselves — for far cheaper than what we pay now for the internet. This will be true for all 330 million people in the U.S., and all 7.8 billion people worldwide.

The bottom line is that there are certain companies that are aligned with Musk to roll out the Hypernet. And naturally they will prosper.

While the general economy is now very shaky, there are certain companies that hold promise to explode into profitability.

I will keep you informed.

D. Miyoshi

## Is Bitcoin a good investment?



**M**any clients have asked my opinion on whether Bitcoin is a good investment. I would be the first to say, I think as a form of money it promises a lot but, I have no way of guaranteeing it will make a lot of money.

However, I do have various consultants who provide me their considered advice (also of course not guaranteed). One of these consultants is Alex Tapscott, Managing Director of Ninepoint Partners, and co-founder of the Blockchain Research Institute. Note that Tapscott owns Bitcoin so his commentary would not be without some bias.

With that said, according to Tapscott, there are nine reasons (therefore the name Ninepoint Partners) why smart investors are

buying Bitcoin.

But first a little background on Bitcoin.

As some of us have heard, Bitcoin recently hit an all-time high of \$62,000 per coin. It certainly has its share of daily swings. But through it all Bitcoin is gradually strengthening its case as not only a form of money and a repository of value like gold, but that it is the future of money itself.

Money is one of humanity's greatest and most enduring creations and it is once again on the brink of epochal revolution. Money, which has evolved through the millennia from cowrie shells to clay tablets to precious metals, bank notes and bank balances, is taking another step into the future. Money is becoming digital.

And arguably, Bitcoin is the largest, most consequential and valuable new form of digital money today. The Bitcoin Network is greater than the market capitalizations of JPMorgan, Wells Fargo, and Goldman Sachs combined. Precisely because of its success, it has attracted other stakeholders such as governments and corporations who also have their sights set on the future of money.

The next decade of innovation will prove decisive as these legacy institutions and organizations compete with the assertive digital civil society that spawned Bitcoin for control over the lifeblood of our economic lives.

These groups all have different goals. For some, the digitization of money is an opportunity to further entrench the dominant businesses of today (such as Facebook) who have their eyes on the reinvention of money. For governments, it's a chance to either defend the status quo, in the case of the U.S. dollar as global reserve currency, or create a new global hegemon, in the case of China's central bank digital currency. Thus, If you want to understand our collective future, follow the money.

While the competition from governments, banks, and other legacy stakeholders will doubtless be formidable, Bitcoin has a very strong case.

So with that, for your reading consideration here are Tapscott's nine unique and powerful reasons why Bitcoin could win the battle for digital money. D. Miyoshi

## Nine Reasons Why Smart Investors Are Buying Bitcoin

### Bitcoin Is the New 'Digital Gold'

Gold was the original money and Bitcoin is starting to take its place as a store of value, diversifier, and hedge against currency debase-







## Is Bitcoin a good investment?

ment. Like gold, Bitcoin is a scarce asset that takes time and energy to produce and is not controlled by governments.

However, unlike gold, Bitcoin is easy to move and store, impossible to forge, and is infinitely divisible... whereas gold is costly to store and move and is limited by its physical nature. Forgery is too common in gold investments, but Bitcoin is impossible to forge. Over time, investments will rotate from gold to this new "digital gold." Recently, firms such as JPMorgan, BlackRock, and others have made a similar case for Bitcoin to their clients and in the media.

Investment is a precondition to utility, and mainstream investors are increasingly buying Bitcoin as a portfolio diversifier and as a digital gold. Analysis suggests that adding a small amount of Bitcoin to your portfolio improves risk-adjusted returns because of its low correlation to other asset classes. The floodgates are open with firms such as Guggenheim Alliance Bernstein, Ruffer, and Mass Mutual making this case, and this trend will only accelerate...

Not everyone (yet) makes the explicit connection to Bitcoin as digital gold, but all smart investors see the potential as a diversifier and hedge against other elements of their portfolio, a role that gold has typically played in history. Gold is a \$7 trillion market versus Bitcoin, which is about one-tenth the size. And as Bitcoin gains greater traction as a store of value, its share of attention and fund flows will increase.

### Bitcoin Is Used in Corporate Treasury Purchases

In the fall of 2020, MicroStrategy, a medium-sized Nasdaq-listed software company, ushered in a new era of corporate cash management by buying Bitcoin to sit alongside its cash and other short-term investments. MicroStrategy wasn't the first to do it... The website [bitcointreasuries.org](https://www.bitcointreasuries.org) lists over 20 public companies that own some Bitcoin. But MicroStrategy's decision set off a spark that has spread like wildfire and captured the imaginations of more than a few CEOs and corporate treasurers.

The decision to buy Bitcoin also sent MicroStrategy's stock soaring as investors saw the business as an indirect way to get Bitcoin exposure. This trend kicked into high gear on February 8 when Tesla revealed it had purchased \$1.5 billion worth of Bitcoin for its treasury. Bitcoin rose another 10% or more following the news. The decision first by MicroStrategy and later Tesla cemented Bitcoin as a viable cash equivalent (and alternative) for big publicly listed firms. How can other firms continue to claim Bitcoin as not suitable when one of the 10 largest corporations in America is buying it for its treasury?

### Bitcoin Offers a Digital Alternative to Cash

Cash, essential to financial freedom by allowing for anonymous transactions, is in terminal decline. This is regrettable... Cash enables private, free exchanges of money outside state surveillance. This trend is not new. For decades, credit-card payments have chipped away at cash's role in our economy and the pandemic accelerated that trend as reports (later proved false) that cash was a carrier of COVID-19 caused many merchants to switch to card-only. While

cash is still widely used in some parts of the world, the trend is against it.

In the two largest developing economies, China and India, governments have taken steps to reduce cash in the economy. In China, the government wants to replace many transactions with a central bank digital alternative to keep a closer eye on how people spend money. In India, with a clumsy attempt to limit the role of cash in the informal economy, the government took high-denomination notes out of circulation. The demise of cash highlights the need for a digital alternative to ensure private, safe payments between individuals. For example, in a China without cash, your access to credit, payments, and savings can simply be switched off if you disagree with the government, a form of financial de-platforming. Bitcoin is the solution. This also leads us to No. 4:

### Bitcoin Can't Be De-Platformed

Removing cash and moving all financial transactions onto rails monitored by governments raises the potential risk for de-platforming of financial services. Despite what you might think, this is not unique to China and other emerging markets and/or authoritarian regimes. The recent de-platforming by big social media companies has raised concerns of similar risks in financial services, such as accessing bank accounts, credit cards, and so forth. Regardless of your politics, the ability for big technology firms with unelected leaders to silence individuals and groups should raise alarm bells for everyone. This tactic, common in authoritarian regimes, could become more common at home and spread to banking. But you simply cannot be de-platformed from Bitcoin.

### Bitcoin Encourages Freedom From Financial Oppression

Bitcoin usage in the global south is increasing rapidly, albeit from a small base, especially in areas where people are unbanked and underbanked. While Bitcoin has long been touted as a better alternative for unbanked peoples who don't have the means, access, or even the basic proof of identity to open a bank account, it turns out its greatest value to people living in emerging economies is its censorship resistance.

Consider what happened in Nigeria... In 2020, protests erupted in Lagos and across the country against the government because of the brutal and illegal actions of a unit in the police force called The Special Anti-Robbery Squad ("SARS"). Within days, groups supporting the protesters had their bank accounts frozen. With no other option, they turned to Bitcoin, raising funds that sustained the movement. Now, exactly one year later, the government has made the drastic decision to ban all cryptocurrency accounts, threatening severe sanctions.

The young, tech-savvy and vocal population of Nigeria is gearing up for a fight. How it will end is not clear, but it reveals the power and potential of a censorship-resistant form of money in the hands of oppressed people. Nigeria's story is a harbinger of what to expect across the world wherever young people with access to technology are unbanked and disenfranchised.





## Is Bitcoin a good investment?

### Bitcoin Offers an Alternative to the Dollar's Declining Purchasing Power

The pandemic has required governments to become far more involved in the economy through unprecedented fiscal and monetary schemes. Some of this was necessary to stem the tide of the pandemic, but there are concerns that governments won't pull back and that their actions will cause a steep increase in inflation.

Already, inflation expectations are at their highest since 2013. Recent statements by Federal Reserve Chairman Jerome Powell that inflation is no longer a priority of the Central Bank has stoked fears even more. With concerns that savings will erode, and wages will be worth less than before, many more people may turn to Bitcoin. A prominent NFL player, Russell Okung, recently made the decision to take half his salary in Bitcoin. The decision has not only protected him from future inflationary risk but increased his total compensation as the price of Bitcoin has soared. More companies may be obliged to follow suit if employees demand it.

### Bitcoin Has Demographic Support

It's no secret younger people feel very differently about many things than their parents. Russell Okung, age 32, is increasingly typical for his generation... graduating from college in the aftermath of the Financial Crisis and experiencing his formative years in a political crisis of confidence in our democratic institutions. Bitcoin resonates with this group of people (incidentally the largest generation ever) that has felt the system tilted against them.

In the U.S., for example, young people view Bitcoin more favorably than their parents. Gen Z and Millennials are growing into the largest cohort of consumers and spenders, and soon will inherit trillions from their baby bomber parents in the largest wealth transfer in human history. They will invest and spend as their conscience dictates. In a recent research note to clients, JPMorgan Chase touted Bitcoin as millennials' preferred store of value investment over gold.

### Bitcoin Has Been Adopted by Global Payments Companies

Somewhat ironically, legacy payment companies, such as PayPal and Visa, will help turbocharge the adoption of Bitcoin as a medium of exchange. These companies have succeeded by embracing technology, capitalizing for decades on the steady migration of payments to online and offering innovative and convenient services to customers and merchants alike.

Unsurprisingly, they see that Bitcoin and other digital assets will be foundational to the future of their businesses. It may not be obvious given these companies' recent robust growth, but they along with all other legacy financial firms are standing on a burning platform, where the risk of staying put is greater than the risk of jumping off.

The smart firms have already built a life raft to the future by embracing Bitcoin. For example, PayPal has enabled Bitcoin purchasing for its more than 300 million users and for its more than 25 million merchants. Visa recently announced it would work with existing cryptocurrency companies to "enable users to purchase these currencies using their Visa credentials or to cash out onto a Visa credential to

make a fiat purchase at any of the 70 million merchants where Visa's accepted globally." Peer-to-peer Bitcoin payments will always be possible for those who want to stay off these corporate rails. But for the majority of users, these companies are building a superhighway to the future with Bitcoin in the fast lane.

### Bitcoin Has a Meme Value and 'WallStreetBets' Effect

Recent coordinated efforts by groups of investors in the stock market to marshal many small investors and weaponize memes highlights the power of the Internet to empower self-organized communities, and to tilt advantages toward groups of smaller investors compared to institutional investors.

Efforts to boost struggling companies like GameStop or AMC are inevitably destined to fail (as we saw so vividly when the bubble popped in early February). However, communities and the memes they create are a new and incredibly powerful force in markets. In the broader world of digital assets, there are various strong and resilient communities that advocate fiercely for their favorite project.

By sheer size, durability, and longevity, nothing comes close to the Bitcoin community. There are millions of people who want it to succeed more than anything. If the GameStop episode revealed a distrust by ordinary investors of big institutions, then Bitcoin is the ultimate expression of economic populism. It gains strength from being dismissed... And every day it exists makes it more likely to succeed. Its ownership base is fiercely protective of it.

Few investors feel so strongly about their other holdings. The only thing that comes close in traditional capital markets is Tesla, whose community of investors, boosters, and customers are religious in their devotion. Certainly, central bank digital currencies or corporate stablecoins lack any of this missionary zeal.

Epilogue: The rise of Bitcoin fits a pattern of human ingenuity that has spanned millennia. We have used a myriad of creative ways to represent stored value, to transact, and to do business. Throughout history, money has been reimagined or reinvented as nations rise and fall and technology spreads around the globe.

Changes to monetary regimes rarely happen more than once in a lifetime and so can seem a permanent and immovable fixture of our lives. As humans, we generally tend to overestimate the short-term impact of new technologies such as electric vehicles, the Internet, and even Bitcoin, but underestimate them in the long term.

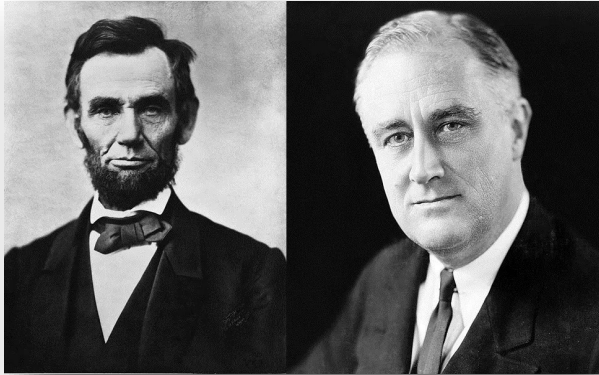
In the future, money will almost certainly be digital... And Bitcoin has a good chance of winning the battle for the future of money.

### End of Article





## Political Dyslexia in America



**A**fter graduating law school, I joined the Republican party because they were associated with Wall Street and business professionals with whom I wanted to identify with. I thought the Democrat party was best suited to take care of the concerns of the commonfolk. But fast forward a third of a century and I now find the Democrats, who formerly represented the working class, are embracing the corporate, white-collar sector, becoming the Big Tech, Big Finance, Big Everything party. They seem willing to leave the "little guy" out there just scraping by paycheck to paycheck.

Meanwhile, Republicans, whom I used to associate with Wall Street oligarchs and business professionals, are pivoting to appeal to the Middle American populists, from the coal miners of Appalachia to the small farmers and ranchers of the West and Midwest to the blue-collar laborers who'd like to see the rust belt get back to oil again.

How did this happen?

To explain this, here is an excellent article by Shane Devine, an investigative analyst at the Capital Research Center in Washington. He's a graduate of The New School and holds fellowships with America's Future Foundation, the Claremont Institute, and The American Conservative.

His article appeared in *American Consequences* on Feb 16. I provide it here for your reading consideration. D. Miyoshi

## America's Party Realignment... Radical Republicans, Corporate Democrats?

Historically, white-collar business professionals were usually Republican, and the blue-collar working classes were Democrats. But this has been gradually changing... Working folks who used to be the staunchest Democrats voted for Trump in 2016 and 2020. And many Republicans have been voting blue.

So is the Democratic Party becoming the party of Big Business, while the GOP will now be a workers' party? Republican Senators like Josh Hawley, Marco Rubio, and even Ted Cruz have used the phrase "working class" to describe their party's future base.

The idea of a party realignment might not be arising out of anything the GOP is accomplishing (even their own constituents are unhappy with them), but out of what the Democrats are in large part no longer doing – namely, looking out for workers. What is certain is that the Democratic Party is becoming the party of corporate, tech, and financial power.

In January 2020, when the Democratic primary elections were about to begin, President-elect Joe Biden's campaign chairman Steve Ricchetti met with 90 Wall Street donors to tell them it was time to fund Biden's efforts against the other candidates. After Biden finished off his opposition, Obama's former defense secretary urged Goldman Sachs staffers to place a big bet on Biden against Trump.

This seems to have worked... According to the Center for Responsive Politics, Wall Street contributed more than \$74 million directly to Biden's campaign. Conversely, they only gave Trump \$18 million, even less than the \$20 million he received in 2016. Their reason for preferring Biden? Trump's lack of "predictability," said one unnamed GOP adviser. In other words, with Biden, the system will become easy to control again.

And it's not just Trump who is getting shorted by the financiers... It's the rest of the GOP as well. Of Wall Street's total 2020 contributions, not only to campaigns but to all political organizations, including "dark money" groups, 62% went to Democrats and 38% went to Republicans. Comparatively, in 2016, they gave 50% to Republicans and 49% to Democrats. In 2012, they gave 69% to Republicans and 31% to Democrats. The Chamber of Commerce, which has long been the top-spending lobbying client, endorsed 30 Democratic House candidates in the 2020 election.

In an interview with the Wall Street Journal, the Chamber's Executive Vice President Neil Bradley explained why... Members of the Republican Party had embraced populist positions on trade and immigration with Donald Trump's rise. This was a big problem for the Chamber, which, for example, spent about \$26 million in the fourth quarter of 2018 lobbying against Trump's steel and aluminum tariffs.

Bradley expressed further disappointment by writing off many Republicans' calls to bring back manufacturing jobs that had been outsourced to China and other countries as "too simple." With some members of the Democratic Party embracing socialism on top of it, Bradley said the lobbying giant was forced to reach out to centrists in both parties since the business community prefers a vital political center and an economy focused on shareholder profits. He added that responding to the rise of populism with centrism will continue to be the Chamber's modus operandi when Congress reconvenes.

To identify as a "centrist" right now is a luxury only available to comfortable entities, like major corporations. The rest of the population is fraying into extremisms, and not without reason.

Besides the decades-long general trend of escalating inequality between the wealthiest Americans and the rest of the population, small



## Political Dyslexia in America

businesses (which employ almost half of the American workforce) are being crushed by excessive lockdown policies. In September, Yelp estimated 60% of small businesses closed during the COVID lockdowns will never reopen.

Meanwhile, America's 651 billionaires collectively gained more than \$1 trillion since March. That makes their total wealth standing at \$4 trillion, not far from doubling the \$2.1 trillion held by the bottom 50% of the U.S. population.

CEOs of tech companies, which account for a record-breaking 40% of the S&P 500 Index, gained the most. The highest earner was Amazon founder Jeff Bezos, who raked in \$90.1 billion. Bill Gates saw a 20% increase in wealth, Zuckerberg an 85% increase.

All of these billionaires are friendly with the Democrats and their nonprofits. This new administration was already deeply beholden to them and their interests, but to add insult to injury, Biden decided to fill his cabinet with their cronies.

For example, Neera Tanden, who worked closely with corporate donors during her nine years as president of the Center for American Progress, has been chosen to run the Office of Management and Budget. In this position, she will be responsible for crucial budgeting decisions that will affect the entire economy, including regulations on corporations run by her friends. She was well-known for getting into Twitter battles with the Bernie wing of the Democratic Party during the primaries, particularly on health care and foreign policy, areas that she will undoubtedly be asked to weigh in on.

Biden's appointee choices range from Democratic establishment careerists (Rahm Emanuel, Janet Yellen, Antony Blinken, John Kerry) to executives fresh from Wall Street and Silicon Valley... Goldman Sachs, McKinsey, Boston Consulting Group, Google, and Facebook. This has not gone unnoticed by the socialist Left. One Jacobin writer cataloged the hypocrisies of liberal media outlets that attacked Trump for appointing people with such backgrounds but have neglected to scrutinize Biden for doing the same.

So much for Biden's line about the election being a battle "between Scranton and Park Avenue.

The lucrative wars don't seem to be ending any time soon either. Biden is appointing liberal hawks like Blinken to critical positions (more than a third of his Defense agency review team come from arms manufacturers or have worked at think tanks funded by them). And defense contractors like Raytheon are cheerful about the election outcome, optimistically looking forward to years of generous defense spending.

One argument for why this is happening is that the private sector no longer wants the government to leave them alone... It wants the government to be involved in business affairs to have leverage. Tim Carney convincingly argued that big businesses like regulations because, while they can weather a few extra taxes or protocols, their smaller competitors can't. By teaming up with bureaucracies to implement revenue-killing measures, corporations can artificially shield themselves from market forces while garnering highly profitable and recurring contracts with the government, whether in defense, health, or tech.

The faster one conceives of the difference between the market and corporations, the faster he will understand the current situation. The dynamic market contrasts wildly to the corporation, as the latter thrives on monopoly and immobility.

The top 9.9% of the wealth distribution, the professional class, likewise votes for politicians representing big government and big busi-

ness because they work in industries where these worlds overlap, such as consulting and lobbying. The elites don't usually start businesses of their own, unlike lesser-educated adults hoping to remain the core of what's left of the middle class. And so the top 10% really don't really care if the formerly fluid social mobility of America, conditioned on fluctuating per a free market, hardens into a caste system.

Counties composed of college-degree-credentialed, high-earning professionals have been increasingly swapping from Republican to Democratic candidates since 1980. According to an analysis of Census data by the Wall Street Journal, the 100 counties with the highest median incomes voted for Biden over Trump by 57%. The 100 counties with the largest share of college degrees in the country voted for Biden 84%.

According to Brookings, Trump won 83% of the nation's counties, but those counties only accounted for 30% of the national GDP. Biden, on the other hand, won only 17% of counties, but those accounted for 71% of the GDP.

The socialists are angry about this trend, and fuming even more about the two-time humiliation of Bernie Sanders, reduced to endorsing the establishmentarians that had him removed from both primaries. The Democratic Party will never allow the radicals to wield actual political power, as they're too entrenched with special interests.

So, what is the future of their movement beyond street activism?

The best figure to follow for this question is probably Marxian economist Richard Wolff and his nonprofit "Democracy at Work," which seeks to reconceive "socialism" as workers' self-management rather than Leninism's state capitalism. But as for electoral politics, it's implausible the Democratic-Socialist movement will make significant ground soon.

How will they respond to Bernie Sanders' second loss? By trying to regroup in a third party or forming a new one, by perpetually harassing the Democratic Party leadership until they collapse from exhaustion, or by seizing every opportunity to riot until their demands are met, is yet to be seen. Most likely, all three...

The Right-wing populists would love to start referring to the GOP as the working-class party, but they should hesitate... Conservative Inc. does not like that talk, as they very well know. A more accurate description of the current GOP is the party of the petite bourgeoisie and a rural, dispossessed subset of the working class that richly appreciated Trump's aspirational rhetoric about reshoring jobs.

Some may say that Trump's populist campaign platform was ultimately overshadowed by his run-of-the-mill accomplishments – the 2017 Tax Cuts and Jobs Act and the nomination of three conservative Supreme Court justices. While he helped bring back about 500,000 manufacturing jobs, that number started to steeply decline even before the pandemic. He didn't comprehensively reform health care, nor did he significantly ameliorate the plight of forgotten workers dealing with the "American carnage."

But he brought populist issues to the forefront when politicians had neglected them for decades, and he became wildly popular with the GOP's base for doing so. Trump's appeals to rust-belt workers were clearly successful, as Biden himself shamelessly stole his talking points, like "Buy American" and "It's past time to end the Forever Wars, which have cost us untold blood and treasure." It would be foolish to abandon this winning platform, and Republicans like Ru-





## The Melt Up Will End in 2021

bio realize this. But just because the corporate elite has deserted the GOP doesn't automatically empty the GOP of Paul Ryans, who desperately want to win back their favor.

While Trump has dropped the opportunity to become the working-class party into the GOP's lap, that doesn't mean they have. The GOP needs to support workers in substance, not just in rhetoric.

"Working class" is not an empty moniker... It refers to a living swath of people with direct, material interests. As it is a class, appealing to them must necessarily preclude cultural appeals, as economic identity unites people across racial and religious boundaries.

It would also require Republicans to vociferously fight against policies that are objectively contrary to workers' interests. Identifying these can be controversial, but for starters, a workers' party would not pursue outsourcing, nor would they try to inflate the labor supply with immigrant workers to undercut wages and break strikes. There's also the gig economy, busting unions, lowering or getting rid of the minimum wage, and a host of other class war tactics the party used to support.

There will no doubt be an intense fight within the GOP to prevent this change from happening. For instance, National Review recently published a piece calling the GOP-as-working-class-party notion a "myth," arguing that culture-war issues, not economics, drive voters.

Whether this is true or not, if the GOP is to become a workers' party, it would need to base its policies on what its working constituents want. Workers would decide which types of reforms would allow them an economic advantage, and the party would respond by turning these reforms into legislation. Some might argue that the GOP is at risk of losing whatever donors they have left by fully committing to working-class policies.

But who needs donors when you already have the votes?

End of Article

## The Melt Up Will End in 2021



**O**f all the financial consultants that I follow, Dr. Steve Sjuggerud of Stansberry Research Institute has been the most accurate. Throughout the past 12 years, in the face of the usual economic metrics that indicate an economy will melt down, Sjuggerud has consistently forecasted that stocks

will continue to go up. He termed his market forecast a "Stock Melt Up." But after all this, Sjuggerud has now relented that the "Stock Melt Up" will end in this year of 2021. Now all of the economic experts who I consult with are saying the stock market will begin to come down. They only differ on the extent of the decline. So for your reading consideration I present here Dr. Sjuggerud's latest forecast for 2021. D. Miyoshi



## The Melt Up Will End in 2021

By Dr. Steve Sjuggerud

The Melt Down is coming, my friend... Unfortunately, it will arrive this year.

Before you get bent out of shape with me for urging caution at the precise moment when things seem like they're getting really good, please keep this in mind...

I have been bullish – and right – on the stock market for nearly all of the last 12 years.

I am proud of that. But it's also why it pains me to tell you that the last 12 years of (mostly) good times for investors will likely end this year. (Nobody can know the future of course, but that is my prediction.)

I don't want to see that happen. But my years of experience tell me it's coming – and I want you to be ready.

Let me explain...

"Steve, why are you so sure the Melt Up will end in 2021?"

It's a fair question. The markets have been going up for years (with the exception of the COVID-19 crash a year ago). So why now? What makes this year different?

Your arguments are good ones:

- Stocks have been expensive for years and it hasn't mattered.
- The Federal Reserve has promised low interest rates for a while.
- The economy is recovering from COVID-19.
- The new Biden administration will most certainly spend a lot of money creating jobs and sending out stimulus checks.

You are right on those points, and more. Heck, they're some of the reasons I've said the good times would continue – and for longer than anyone imagined.

My basic premise all along has been this: The Fed will keep interest rates lower than people can imagine, for longer than people can imagine. And that will cause asset prices like stocks and real estate to soar higher than people can imagine.

Times are good right now, based on those points. But this is also the



## The Melt Up Will End in 2021

exact situation you tend to encounter before markets peak.

Specifically... Markets peak when there is nobody left to buy. That is all you need to know.

Unfortunately, we're getting close to that point right now. And that is exactly what makes this year different than previous years.

When music stars like Snoop Dogg and Gene Simmons (of the band KISS) are talking up cryptocurrency Dogecoin on their Twitter accounts, you know speculating is starting to get out of control.

I have personally gotten texts from rock stars... from pro surfers... and from my kids' friends... all wanting to get in on the game. None of them were interested in the markets a year ago. Heck, none of them were interested in stocks or investing just two months ago, at the start of this year.

The reality is, most of these folks are not looking to become students of the markets. Most aren't looking to study the competitive position and profit margins of Target versus Walmart, to determine which stock could outperform the other over the next five to seven years.

Instead, most of these folks are looking to make a quick buck on the next speculation.

This will end badly, my friend. And I expect the Melt Up to peak – and the Melt Down to begin – sometime in 2021. Ready yourself now.

What's happening today is simple... It's the Greater Fool Theory.

Folks are hoping that by buying today, there will be a greater fool than them to pay a higher price tomorrow. But think about this for a second...

Right now, we've got multiple rock stars (and Elon Musk!) pushing Dogecoin – which the founder admitted was formed as a joke and should never be worth much.

Once Musk, Snoop Dogg, Gene Simmons, and all the kids in the local high school have put their money to work... where can the next greater fool possibly come from to drive prices higher?

"The single most dependable feature of the late stages of the great bubbles of history has been really crazy investor behavior, especially on the part of individuals," legendary investor Jeremy Grantham wrote earlier this year. "For the first 10 years of this bull market, which is the longest in history, we lacked such wild speculation. But now we have it. In record amounts."

That gets to the heart of it...

To me, what we're seeing now is "really crazy investor behavior, especially on the part of individuals."

The thing is, to make the most money, you want to buy when everyone is fearful and sell when everyone is greedy (to quote billionaire investor Warren Buffett). And right now, individual investors – many of whom are buying for the first time – are darn excited...

An astounding 28% of all Americans bought GameStop or other viral stocks in January, according to a Yahoo Finance-Harris poll. The median investment, according to the poll, was just \$150. The largest group of buyers was men aged 18 to 44. And 43% of these folks said they had just signed up for a brokerage account in the last month.

So in new individual investors, we have seen a dramatic shift in investor attitudes and behaviors. In short, basically since GameStop,

we moved from a stock market boom to an investing bubble.

We may not know the exact date... But the Melt Down is coming. And if I haven't convinced you yet, consider this...

The main index of tech stocks – the Nasdaq – hit another scary record last month. From its bottom, it was up 105% in 47 weeks. To give you some frame of reference, that was the best 47-week performance in the 50-year history of the index.

The Nasdaq has only been up over 100% after 47 weeks twice in history... The last two 100% moves ended in March 2000 and in July 1983. The stock market performed terribly immediately after those huge moves higher. Take a look...

	3/6/2000	7/4/1983
47-week return	103%	101%
3 months later	-23%	-7%
6 months later	-21%	-10%
12 months later	-59%	-26%

[www.stansberryresearch.com](http://www.stansberryresearch.com)

The last two times in history that we saw a market up over 100% in the same short period of time, the Melt Down was knocking at our door. It's as simple as that.

There are several points here. But the takeaway is an easy one...

Market sentiment and performance are both hitting bubble levels. And that tells me the top is near.

I expect the Melt Down to begin sometime this year. And that means the time to prepare is now.

So how to prepare and thrive in the coming Melt Down...

"If you practice true diversification, I believe you'll come through 2021 and the next several years having preserved and grown your wealth," Dan Ferris writes in a recent issue of the Stansberry Digest.

The Melt Down will arrive. And it when it does, you need to be prepared. Dan has several ways to make sure you know how to survive – and even thrive – in the next few years...

I keep singing the "true diversification" song for everyone who will listen. You can prepare for a wide range of outcomes as long as you're holding the one asset that most truly diversifies you...

Cash.

There is no substitute for cash. It's like oxygen. You need it to live, but you never think about it until you can't get enough of it.

Don't let that happen to you in the stock market. Make sure you have plenty of cash available to take advantage of market volatility when it inevitably rears its ugly head.

Dan considers these five key metrics necessary to make sure you are





## The Myths of Green Energy

"truly diversified" for any market event...

The basic components of my recommended "truly diversified" portfolio are...

- Stocks and bonds, a stake in humanity's relentless progress
- Plenty of cash (20% of your investable liquid assets)
- Stores of value like gold, silver, and bitcoin
- Whatever asset class you understand well (real estate, collectibles, etc.)
- For now, put options on big equity indexes

I call this "true" diversification because if all you own are financial assets, you're not truly diversified... no matter how many different stocks and bonds you own. You're only truly diversified if your portfolio includes assets inside and outside the currency regime...

Remember, the purpose of this truly diversified portfolio is not to predict that stocks, bonds, gold, silver, and bitcoin will all go up together forever. It's quite the opposite...

The purpose of true diversification is to own assets that tend to do well at different times.

When the Melt Down arrives, you want to be well prepared.

— Steve Sjuggerud with Brett Eversole

End of Article

## The Myths of Green Energy



As compelling as AOC can be for demanding we transition forthwith to green energy she needs to talk to Charles Hugh Smith who makes sobering points on the challenges we face in the transition from fossil fuels to green energy. Here is Mr. Hugh Article that appeared in the *Daily Reckoning* on Feb 27, 2021 explaining the relationship between energy and debt and why all borrowed money against future income is actually borrowed against future supplies of affordable energy — and the problem with "alternative" energy. D. Miyoshi



CHARLES  
HUGH SMITH

Finance is often cloaked in arcane terminology and math, but the one dynamic that governs the future is actually very simple. Here it is:

All debt is borrowed against future supplies of affordable hydrocarbons (oil, coal and natural gas).

Since global economic activity is ultimately dependent on a continued abundance of affordable energy, it follows that all money borrowed against future income is actually being borrowed against future supplies of affordable energy.

Many people believe that alternative "green" energy will soon replace most or all hydrocarbon energy sources, but this belief is not realistic. All the "renewable" energy sources are about 3% of all energy consumed, with hydropower providing another few percent.

There are unavoidable headwinds to this appealing fantasy...

### Reality Check

1. All "renewable" energy is actually "replaceable" energy, analyst Nate Hagens points out. Every 15-25 years (or less) much or all of the alt-energy systems and structures have to be replaced, and little of the necessary mining, manufacturing and transport can be performed with the "renewable" electricity these sources generate. Virtually all the heavy lifting of these processes require hydrocarbons and especially oil.
2. Wind and solar "renewable" energy is intermittent and therefore requires changes in behavior (no clothes dryers or electric ovens used after dark, etc.) or battery storage on a scale that isn't practical in terms of the materials required.
3. Batteries are also "replaceable" and don't last very long. The percentage of lithium-ion batteries being recycled globally is near-zero, so all batteries end up as costly, toxic landfill.
4. Battery technologies are limited by the physics of energy storage and materials. Moving whiz-bang exotic technologies from the lab to global scales of production is non-trivial.
5. The material and energy resources required to build alt-energy sources that replace hydrocarbon energy and replace all the alt-energy which has broken down or reached the end of its life exceeds the affordable reserves of materials and energy available on the planet.
6. Externalized costs of alt-energy are not being included in the cost. Nobody's adding the immense cost of the environmental damage caused by lithium mines to the price of the lithium batteries. Once the full external costs are included, the cost is no longer as affordable as promoters claim.
7. None of the so-called "green" "replaceable" energy has actually replaced hydrocarbons; all the alt-energy has done is increase total energy consumption. This is what's called Jevons Paradox: every increase in efficiency or energy production only increases consumption.



## The Costs of Staying “Woke”

Here's a real-world example: Building another freeway doesn't actually reduce congestion in the old freeway; it simply encourages people to drive more, so both freeways are soon congested.

### All Future Income Is a Claim on Future Energy

Setting aside the impracticalities of replacing most or all hydrocarbons with "replaceable" energy, the real issue is all debt service/repayment is ultimately funded by future energy.

On the face of it, future income is used to pay back borrowed money, but all future income is nothing more than a claim on future energy.

"Money" without access to affordable energy is worthless.

Imagine being air-dropped into the Sahara desert with a backpack of gold and \$100 bills. You're wealthy in terms of "money" but if there's no water, food and transport to buy with your money, you'll die.

The point is that "money" is only valuable if the essentials of life are available at affordable prices.

Right now the average full time wage in the U.S. is about \$19/hour, and the average cost of a gallon of gasoline is \$2.25. So a mere 7 minutes of (pretax) labor will buy a gallon of gasoline.

But what happens if inflation increases the cost of oil but wages continue stagnating? What happens to the economy if it takes one hour of labor to buy a gallon of gasoline instead of 7 minutes?

### The Hidden Costs of Alternative Energy

Economics claims that cheaper substitutes will appear to replace whatever is expensive, so cheap electricity will replace costly oil, or transport will switch to cheap natural gas, etc.

But these proposed transitions are not cost-free.

The cost of replacing 100 million internal combustion engine (ICE) vehicles is non-trivial, as is building the "replaceable" energy infrastructure needed to power all these vehicles.

The true costs of "replaceable" energy have been fudged by not counting external costs or replacement costs; the full lifecycle costs of "replaceable" energy are much higher than promoters are claiming.

There are supply constraints that are also not included. For example, all the plastic in the world is still derived from oil, not electricity. (Note that each electric vehicle contains hundreds of pounds of plastic.)

Energy in any form is not magically pliable. Just as we can't turn electricity into jet fuel, we can't turn a barrel of oil into only diesel fuel. Coal can be turned into liquid fuel but the process is non-trivial.

All of which is to say that the cost of energy in hours of labor is likely to increase, possibly by more than the global economy can afford.

There may also be supply constraints, situations where the energy people want and need is not available in sufficient quantities to meet demand at any price.

As "software eats the world" and automation replaces costly human labor, it's also likely that the erosion in the purchasing power of labor that's been a trend for 20 years will continue and accelerate.

Analyst Gail Tverberg has done an excellent job of explaining that

it's not just the availability of energy that matters, it's the affordability of that energy to the bottom 90% of consumers.

### Central Banks Can't Print Energy

Again, "money" is nothing but a claim on future energy, because energy is the foundation of the global economy. Without energy, we're all stranded in the desert and all our "money" is worthless because it can no longer buy what we need to live.

Central banks can print infinite amounts of currency but they can't print energy, and so all central banks can do is add zeroes to the currency. They can't make energy more affordable, or guarantee that a day's labor will buy more than a fraction of the energy that labor can buy today.

The global financial system has played a game in which "money" is either printed or borrowed into existence, on the theory that energy will be more abundant and more affordable in the future. If this theory turns out to be incorrect, the "money" used in the future to pay back debts incurred today will have near-zero value.

The question is: how much energy, water and food will the "money" created out of thin air in the future buy?

If the lender can only buy a tiny sliver of the energy, water and food that the "money" could have bought at the time the "money" was borrowed, then it won't really matter how many zeroes the "money" will have. What matters is how much purchasing power of essentials the "money" retains.

Borrowing trillions of dollars euros, yen and yuan every year expands the claims on future energy at a rate that far exceeds the actual expansion of energy in any form.

This has created an illusion that we can always create money out of thin air and it will magically hold its current purchasing power for ever greater amounts of energy, food and water.

The monumental asymmetry between the staggering rate of expansion of "money" — claims on future energy — and the stagnant supply of energy means this illusion is only temporary.

Charles Hugh Smith

[End of Article](#)

## The Costs of Staying “Woke”



**Y**ou probably know that “woke” is political slang for adherence to the radical political agenda with its emphasis on neo-Marxist ideology. The good news is that wokeness is being rejected on a broad scale as Americans are forced to live with the damage it does. But





## The Costs of Staying “Woke”

wokeness is not dead and continues to do damage via the cancel culture. It’s not just politics. It also has economic costs and since this newsletter is about economics, this is what I would like to cover.

If employees are in indoctrination sessions, they’re not engaged in productive work. If businesses and government agencies have to spend billions of dollars collectively to hire trainers, facilitators and in house enforcers of wokeness, that’s money that could have been put to more productive uses. Economic growth faces enough headwinds including lockdowns, high debt, more regulation and coming tax increases. You can now add the cost of wokeness to that list.

The following article is by Victor Davis Hanson, one of my very favorite social and political commentators. It recently appeared in *The Great America* publication. I provide it here for your thoughtful consideration. D. Miyoshi

### Hitting Woke Herd Immunity?

We have become an absurd society obsessed with race but without any mechanism to develop a logical category of victimization and reparation.

By Victor Davis Hanson

March 7, 2021



Two recent polls suggest wokism is beginning to recede on a variety of fronts, from less trust in Black Lives Matter and more confidence in the police, to suspicion that the Capitol “insurrection” account is being used to unfairly suppress political expression while Antifa, increasingly, is seen as a terrorist organization whose violence has been ignored improperly by authorities.

There are tens of millions of Americans who either have been stung, or turned off, by McCarthyite wokeness (and thus have anti-wokeness antibodies). More have been vaccinated from its latest virulent strains by their own values of judging people as individuals, not as racial or gender collectives. So lots of Americans have developed peremptory defenses against it. The result is that daily there are ever-fewer who are susceptible to the woke pandemic. And it will thus begin to fade out—even as the virus desperately seeks to mutate and go after more institutions.

Peak wokeness is nearing also because if it continued in its pre-

sent incarnation, then the United States as we know would cease to exist—in the sense that 1692-93 Salem or 1793-94 Paris could not have continued apace without destroying society. Woke leftism exists to destroy and tear down, not to unite and build. It is not designed to play down and heal racial differences, but to accentuate and capitalize on them.

### Scattershot Immunity

The methodology of cancel culture is utterly incoherent and unsustainable. The shark was jumped by the case of the Dr. Seuss books—banned by some local school districts, even as Dr. Seuss Enterprises, in terror, pulled some of the late Theodor Seuss Geisel’s publications of its own accord. If the author of *The Cat in the Hat* is now an enemy of the people, then anyone and all can be so designated.

That is, after 70 years and millions of books in the houses of millions of Americans, our generation’s new Soviet censors have now decided that Seuss’s books of the late 1940s and 1950s do not conform to our 2021 sensibilities and thus should be banned. The same kind of canceling of Disney films and cartoons, and of particular novelists and social critics is now a matter of record.

But what are to be the new standards of Trotskyization as we go forth? Can the Governor of New York be excused for months of policies that led to nearly 15,000 unnecessary deaths, but not for inappropriate kisses and touching of women? Or will he, as an Emmy-winning woke official, be exempt from punishment for both types of transgressions?

There are no logical standards that dictate who is and who is not canceled. For now, all we know about the rules of wokeness is that living leftists are mostly not canceled by the woke mob for the thought crimes that ruin both the non-Left or the generic dead.

The operating assumption is that the uncovered sins of the progressive are aberrations and not windows into their dark souls. Or perhaps woke leftism works on the same principle as carbon credits: the more you act progressively, the more pluses you have when minuses are summed up.

Most who have claims of being non-white are likely to find partial vaccination from the woke mob. Those who are independently wealthy or successfully self-employed likewise have some immunity. Then there are the defiant, the proverbial “Don’t Tread on Me” folks, who will fight, and thus encourage the zombie walkers to detour around them.

The only consistent pattern of woke punishment is the shared logic of the lions and water buffalos at the ford—devour the sacrificial, single, and vulnerable while avoiding the robust herd with retaliatory horns.







## The Costs of Staying “Woke”

### The Woke Tax

Wokeness eventually would put an unsustainable economic strain on the system. Wokeness is siphoning off billions of dollars from a productive economy through a sort of value-subtracted tax. We are spending a great deal of labor and capital for merit to be replaced in college admissions, in hiring, in grants, in publication, in the selections of awards, and in movies and videos, in everything—as racial, ethnic, and sexual identity considerations replace meritocratic, literary, artistic, and technological criteria, rather than just augment, them.

Americans also are investing lots of capital in preempting wokeness—writing/saying/acting in ways that are not productive, but simply defensive. Diversity oaths, and diversity applications, pledges, and statements take some time to read and digest. It will not be long before insurers will sell “woke insurance,” the premiums adjusted upward for those more conservative and of the wrong genealogy. It won’t be long before we all carry cards certifying that “At no time, did I say, hear, or think anything . . .”

### Getty Images

At a time of \$1.7 trillion in student aggregate debt, and existential financial crises in universities during the zoom virtual campus, is higher education really so rich that it can add layers and layers of six-figure-income diversity and equity coordinators?

Most will not invent, create, teach, or produce. Instead, they are not merely monitoring but hindering those who do—either out of a need to justify their apparatus or from self-importance. To believe otherwise is to suggest that on, say, May 1, 2020, the United States was an utterly racist society, without civil rights protections or any reparatory programs for those deemed unfairly victimized in the past.

The result is that billions of Americans’ hours are invested in woke reeducation and diversity training, in workshops and group confessionals, and in adjudicating and punishing those who do not comply. Ad hoc and personal cancel culture results in thousands of days of unproductive labor as functionaries scour the internet on the scent of a past misspoken word, or an ancient but now incorrect gesture that can return to ruin a rival or an enemy.

Our economy will soon mimic the totalitarian ones of old. Our commissars are like those of the old Red Army—ordering Soviet commanders’ counter-offensives during the Great Patriotic War to ensure that tank battalions were advancing ideologically correctly rather than just tactically or strategically soundly.

Melodramatic? Perhaps. But 280 former generals, admirals, and national security officials signed a letter warning that if Trump were to bring in any federal troops to keep the peace after the capital violence of late May and early June, riots that saw sys-

tematic attacks on police, vandalism, arson, injuries, and looting, and neared the White House grounds, he should be considered a dictatorial threat. “There is no role for the U.S. military in dealing with American citizens exercising their constitutional right to free speech, however uncomfortable that speech may be for some,” they insisted.

The same group remained mute when nearly 30,000 troops flooded the streets of the capital in the aftermath of the January 6 riot inside the Capitol building. They maintain their silence as barbed wire and fencing now cordon off the city, and thousands of troops remain without a terrorist or insurrectionist enemy in sight—a militarization of the capital not seen since the Civil War. Tolerable and intolerable violence is predicated on ideology, not its nature or magnitude.

### Warring on the Past

No society can long exist if it believes that its own founding principles, its customs and traditions, its very origins are evil and must be erased. Tearing down statues of Abraham Lincoln, and redefining 1776 and 1787 as 1619, are many things, but one thing they are not is coherent. Trump was considered nutty when he warned that the statue topplers would go from Confederate monuments to Washington and Jefferson—and then when they did just that he was further ridiculed for being prescient.

Who were the long-dead men who devised a system whose natural and eventual fruition is what attracts indigenous people from Oaxaca, the destitute from Somalia, or the politically oppressed from Vietnam? If evil white people founded an evil system solely for their own evil purposes, why would anyone nonwhite dare risk his life to eat from the alluring fruit of the inherently long-ago poisoned tree?

If Americans are to accept that their Declaration of Independence and Constitution were frauds, abject falsifications of the real unspoken founding of 1619, then again what is to replace them? Whose statues are to rise, which books are we to be authorized to read, whose science are we to turn to?

Everyone has feet of some clay. For every cancellation, then must there be commensurate bowdlerizing? Is there no adultery, or unkind treatment of women or plagiarism in the past of Martin Luther King, Jr? No violence or criminality in the life of Malcolm X? Did Cesar Chavez never send his goons to the border to beat back illegal aliens? Was Margaret Sanger only a sometimes advocate of eugenic abortion? Are the written biographies of Al Sharpton and Jesse Jackson to be freed of anti-Semitism and petty corruption? Is Louis Farrakhan an ecumenical leader in the way FDR was not? Was JFK really our first feminist?

Are we to look to those who erased our supposedly awful past for guidance?





## The Costs of Staying “Woke”

Is it to be the architect of the 1619 Project? Long ago the ecumenical Nikole Hannah-Jones wrote that “the white race is the biggest murderer, rapist, pillager, and thief of the modern world . . . The descendants of these savage people pump drugs and guns into the Black community, pack Black people into the squalor of segregated urban ghettos and continue to be bloodsuckers in our community.”

Is going back into one’s student days to find such an embarrassing rant, in the fashion of the accusers’ of Brett Kavanaugh’s desperate but false allegations, unfair? If so, this past summer Hannah-Jones bragged that, yes, it would be “an honor” if the summer rioting—700 police officers injured, 40 deaths, and billions in property damages and hundreds—be called henceforth “the 1619 riots.”

At the height of tensions, she advised, “Destroying property, which can be replaced, is not violence.” And she added, “Any reasonable person would say we shouldn’t be destroying other people’s property, but these are not reasonable times.” Did the Times consider its essayist inflammatory?

### Tribes

In our self-celebrated liberal society are we all to be reduced to identifying by race? But first, do we even have the ability to ascertain who is and is not white or black or brown?

Most illiberal societies in the past that tried such stigmatization of race, ethnicity, or religion did not end so well—from the Ottomans and the Third Reich to the former Yugoslavians, Rwandans, and Iraqis. One eighth, one fourth, or one half makes one a person of color—or not color? Shall we seek knowledge of one-drop of tell-tale bloodlines from the archived jurisprudence of the antebellum South?

If Peruvian George Zimmerman had only used his matronymic, and Latinized his first name, then would a Jorge Mesa have become a sympathetic character who lost a fair fight with Trayvon Martin rather than reduced by the New York Times to a strange category of “white Hispanic” hoodlum, with the additional odor of a Germanized patronymic.

Why does class bow to race, since the former seems to trump the latter. If we forget percentages for a moment, and also forget that we are individuals, not anonymous cogs of vast racial wheels, in absolute numbers, there are roughly (in some studies) more poor white people—both those earning incomes below the poverty level and those with no income at all—than all other commensurate poor minorities combined. Were these supposed to be the targets of Barack Obama’s “clingers” remarks, or Hillary Clinton’s “deplorables,” John McCain’s “crazies,” or Joe Biden’s “dregs,” “chumps,” and “Neanderthals”?

Apparently, the supposedly all-powerful, all-determining Oz-like role of racial supremacy and the unearned privilege that accompanies it, have aided those 26 million white impoverished very little. Or perhaps they did not get the message that they were recipients of unearned, all-determinative white privilege.

Or perhaps they were just people, like the poor of all other races, who suffer from lack of or access to education or vocational training, the stagnation of entry-level incomes, divorce, family dissolution, bad luck, poor health, substance abuse, economic ill-winds, cultural disadvantages, self-inflicted pathologies, or all the other criteria that can make every one of us of every race susceptible to ravages of poverty.

Given that, in absolute numbers alone, there are more minorities that are not poor than the number of white people who are, how is it that class considerations are forgotten? Or for that matter, does any child’s destiny rest on just race—or a two-parent household living in Menlo Park rather than Parlier, or growing up with college-educated parents or high-school dropouts? And does race really determine all the other criteria that foster wealth or poverty?

Note the artifact that those who are now classified as nonwhite are wisely not often seeking to rebrand themselves as “white” to share in intractable “white privilege”—in the fashion of the past when white majority racism was undeniable. Why are Asian-Americans, on average, enjoying over \$20,000 more in average household income than so-called whites?

Why more commonly would so-called white people create an entire industry of constructing pseudo-minority identities—from Elizabeth Warren to Rachel Dolezal to Ward Churchill to Alec Baldwin’s wife, Hilaria—if not for careerist or social advantage or wishing to be cool by claiming not to be “white”? Why has the new racist “passing for non-white” replaced the old racist “passing for white”?

These are admittedly absurd questions. But they are quite apt for an absurd society obsessed with race but without any mechanism to develop a logical category of victimization and reparation.

Predicating wokism on race is a tricky business, even if one could define and identify race, quantify its role in determining class status, and convince millions that it is moral to judge people by how they look.

Like the Salem witch trials and the McCarthyite hysteria, when wokism fades, we are likely to see its real catalysts revealed. And they will not be found to be misplaced idealism, nor heartfelt desire for a more ecumenical society, but mostly the age-old, narcissistic destructive road to career enhancement, fueled by customary ancient fears, envies, and hatreds.



## America's New Scapegoat, White People

About Victor Davis Hanson

Victor Davis Hanson is a distinguished fellow of the Center for American Greatness and the Martin and Illie Anderson Senior Fellow at Stanford University's Hoover Institution. He is an American military historian, columnist, a former classics professor, and scholar of ancient warfare. He has been a visiting professor at Hillsdale College since 2004. Hanson was awarded the National Humanities Medal in 2007 by President George W. Bush. Hanson is also a farmer (growing raisin grapes on a family farm in Selma, California) and a critic of social trends related to farming and agrarianism. He is the author most recently of *The Second World Wars: How the First Global Conflict Was Fought and Won* and *The Case for Trump*.

[End of Article](#)

## America's New Scapegoat, White People



**T**hroughout the world, America is known for its wealth, power and system of justice. But the mainstream media and the liberal elites of the country are trying to make everyone believe it now has a more sinister trait that defines its modern identity. Racism.

In fact, Dave Hodges of the *Common Sense Show*, explains that this new genocidal mentality in the country has the potential to make it resemble the worst days of Nazi Germany or anything perpetrated by the Bolsheviks. Hodges believes the catalyst that underlies this sinister characteristic resides, most commonly, within the Democratic Party. However, Hodges cautions that the Democrats are only a symptom of this problem. And the scapegoat for this attack upon American civil liberties is White people. In the spectrum of racial diversity in America, most groups have now had their turn on the so-called chopping block from Blacks, Hispanics to Asians. Now it is the turn of White people.

## The Silence of Jewish Organizations is Deafening

This begs the question, why aren't Jewish organizations and individual speaking out against the growing levels of tyranny directed at White people? "Never again" has been the well-justified mantra, but it is beginning to happen again. And one would believe that since most Jews are highly sensitized to the overt and subtle signs of racism and genocide, coupled with the fact that most Jews are not non-white, one would think that Jewish organizations would be speaking against the racist policies of the present administration and the Democratic Party. However, America, should not feel singled out, there are prejudicial behaviors in evidence in places like New Zealand and this was made clear with a recent interview on the *Common Sense ShowTV* as Hodges interviewed Aaron Livingston from New Zealand. In New Zealand, Whites are routinely vilified in the name of somehow protecting indigenous people. In South Africa, the anti-White sentiment has turned genocidal with the well-publicized murder of White farmers and the subsequent seizures of their farms and resources, by the South African ruling party and their Communist Chinese Political Party partners (CCP). The anti-White movement is global and is picking up steam.

Let's review some emerging attitudes of racism that are being perpetrated by the U.S. mainstream media who ultimately serve those of the globalist mind set.

All Trump supporters are racist.

Supporters of the Constitution, including free speech advocates and gun owners are racist.

Intact White families are racist and exude the sin of family privilege. However, intact families from other backgrounds do not carry this label.

All White people are racist.

As a penance for the racism of all White people, they should be willing to make sacrifices of wealth, property and position not being asked of other races.

All successful White people are racists and have built their success on the backs of non-Whites.

Most people who are non-White, reject these beliefs and do not support this newest form of bigotry in America. However, the "New World Order" needs a scapegoat. A





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scapegoat that can be blamed for climate change, racism, murder, economic and political exploitation. It seems Whites are now the 24/7 ready-made excuse for all of the world's problems and in a few false flag events from now, the takeover of national sovereignty may take place under the guise of ridding the planet of the "White plague" among us.

The United States Holocaust Memorial Museum says that "the goal of Nazi propaganda was to demonize Jews and to create a climate of hostility and indifference toward their plight." It seems we are now beginning to live out these words today in America.

Hodges was watching on Tucker Carlson as he interviewed former Smith College's employee Jodi Shaw who reported being racially harassed. Shaw filed a claim under the banner of the Civil Rights and was told that the laws, prohibiting overt racism, did not apply to White people. In further violation of federal law, which protects one from retaliation from an employer accused of racism, the law was ignored and Smith was stripped of all her duties. She subsequently resigned. This goes beyond the Jim Crow sentiment, as racism, under the Biden administration has become institutionalized.

Coca Cola (Coke) has instituted white theory racism training for its employees. Nowhere in their training manuals does it say that prejudice and bigotry can cut across all racial, gender and religious lines. Only White people can be racist according to Coke. It would be comforting to know that this is a stand-alone attitude, but it's not. Unfortunately, the media propagandizes the public every day that White people are to blame for all problems in society.

Dr. Martin Luther King Jr. admonished America to judge a person by the content of their character, not the color of their skin. Today, in the racially charged Biden/Harris administration, the skin color of White people is the defining characteristic. This is a definitive bastardization of King's philosophy and he may be turning over in his grave as his most important work is being perverted by people with an agenda. And what is this agenda? It is "Agenda 2030" and White people are being targeted as the scapegoat excuse to be the reason needed to implement racist policies. After all, the notion goes, aren't White people the reason for all that is wrong with

America?

One person recently asked Hodges if he thought that White people would have to soon wear the infamous "J Stamp" used to identify Jews in Nazi Germany? Hodges replied that would not be necessary, White skin will suffice as the key identifying factor leading to overt persecution which will soon know no bounds.

In Nazi Germany, Jews were discriminated against by non-Jews. However, in 2021 America, it is interesting to note that Whites are being discriminated against by other Whites, who also have White skin but are dedicated to the erasure of national sovereignty and the establishment of what will prove to be the Satanic end times kingdom here on earth. And it's clear, if White people were not being vilified and set up for the coming and very massive purge, any other race or religion would do as well.

Have we seen where military and government offices are now imposing mandatory racial sensitivity courses where Whites are being delegated to a secondary status with regard to civil rights laws protections?

The United Nations has declared that White racism (i.e. White Supremacy) is a global threat. Can this be the pretextual language of genocide. The scapegoat has been created and the need for a "New World Order" will be justified because of the presence of White people.

Hodges gives us some things to look for in the near future. But this begs the question, how does Hodges know? Hodges replies because history is speaking and America is not listening. The Democratic leadership is following the tenets of the Nazi's from yester-year.

Hodges advises us to look for the following:

More vilification of Whites will continue in our institutions and media. Repeat a lie often enough, said the Nazis, and the people will come to believe it.

There will be massive false flag attacks and White Trump supporters will be blamed. White Supremacists will be blamed in totality. This happened in 1930's Nazi



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Germany with the Reichstag fire and a similar event(s) is planned in modern day America.

The ensuing reaction from the present Biden/Harris administration will actually reveal the true purpose behind the false flag attacks. White supremacy will be blamed, however, the solution to the problem is the eradication of all civil liberties as prescribed in the Constitution. This exposes the true plot as political, not racial, with the real purpose being the removal of all civil liberties within the United States. This is a necessary precondition to the establishment of a global dictatorship. At this point, the White supremacy movement will be exposed as a thinly veiled excuse to install deadly tyranny that will stop at nothing to impose its will upon the people. This is the point in history in which anyone who advocates for First and Second Amendment rights will be targeted.

At this point, the roundups will begin and America will have crossed the Rubicon. The roundups will be justified as being done in the name of the "greater good". (this phrase, the greater good, has been responsible for more genocidal excuse making than any other phrase in world history).

Because Hodges is White, he understands that this is not really being directed at him because of his race. His skin color is merely the excuse to impose an all-controlling government upon the people and the alleged bad deeds of his race, of which ALL Whites are guilty of committing will justify the end result. To a tyrant, the ends al-

ways justifies the means. At the end of the coming purge against Whites, if the job of American subjugation is not yet complete, there will be another scapegoat created, beyond the White people excuse and some other group, racial, or religious, will take their turn among the persecuted. But those of us who are non-White may not want to breath a collective sigh of relief, we could be next. And for those that think that Hodges is going to submit to critical race theory and admit his imagined transgressions and submit to the Democrat's new training, think again. Hodges will attend the mandatory trainings armed with his knowledge of the history of past impositions of tyrannical, genocidal government.

At the end of the day, Hodges stresses only a profound belief in the Bible can save this country from the holocaust that is coming. Only through Jesus can we truly become aware, that regardless of any of our backgrounds, we are all children of the one true God. Hodges wants us to simply realize that racism is nothing but an unmitigated power grab.

Let's take comfort in the passage:

"And we know that in all things God works for the good of those who love him, who have been called according to his purpose." Romans 8:28.

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