



# FINANCIAL PREPAREDNESS

*"One of life's most painful moments comes when we must admit that we didn't do our homework, that we are not prepared." ~ Merlin Olsen*

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## Your Wealth Has Never Been More at Risk

This week, after a multi-year investigation, the FBI conducted a 10-hour raid on the home of someone who has been colluding with corrupt and tyrannical foreign regimes for many years, selling U.S. government policies, favors, secrets and access to America's most dangerous enemies for massive amounts of money. [Just kidding!](#)

Although my bachelor's degree is in Political Science, I don't pay attention to the day-to-day political news--I just don't have the time. But every now and then, I hear about something that makes me stop in my tracks because I realize that it's a watershed event (which seem to be happening with increasing frequency). January 6 was one such event. The raid this week on Trump's home was another.

I've never been a Trump fanboy. I never voted for him (or any other presidential candidate since 2000) and I had a problem with a number of his policies, especially his disastrous COVID lockdowns. I don't know much about the raid, and even less about what probable cause the FBI had to obtain a warrant (from a [sketchy](#) judge) to search his home. For all I know, he may be guilty of multiple felonies.

But he also happens to be by far the most prominent political opponent of the current regime, and the current favorite ([by a mile](#)) to become the next President. As such, this

shocking raid stinks to high Heaven. It was (1) a desperate act, (2) harassment, (3) an intimidation tactic, (4) a smear, (5) a fishing expedition and (6) a message to future political opponents by people in the Deep State who have Trump Derangement Syndrome.

This newsletter is not about trying to persuade you to support a particular politician or political party, it's about helping you protect your wealth. And in my opinion, your wealth has never been more at risk. After I heard about the raid, I realized that the U.S. is now officially a banana republic. As Jeffrey Tucker (who I met over 20 years ago) writes in [this article](#), “The scene in Mar-a-Lago, Florida, gives rise to images from societies without law and constitutions, places where regimes are merely juntas seeking plunder and revenge.”

The U.S. is no longer a nation of laws, but a nation of men. And those men (and women) have an insatiable appetite for power and wealth—your wealth, not wealth they create by serving their fellow man.

Tucker continues: “Trump, for all his failings, among which was green-lighting the lockdowns that started this social and economic crisis, has become over time a symbol of resistance. The raiding of his private home sends a message about who is in charge. It’s a warning for everyone. An intimidation tactic....the state is on the march in ways we never imagined possible three years ago. The raiding of Trump’s home is but a sign and symbol: none of our homes are safe.”

To underscore that point, the Senate just passed the [Inflation Reduction Act of 2022](#), which would allocate \$80 billion to the IRS (its 2021 budget was \$12.6 billion) to add an additional 87,000 agents to the bureau's current 78,661, making it larger than the Pentagon, State Department, FBI and Border Patrol *combined*. \$45.6 billion of that funding is earmarked for “enforcement,” meaning tax audits and “digital assets monitoring” (i.e., spying). As of 2017, the IRS had [4,487 guns and over 5 million rounds of ammunition](#) (over 1,100 rounds per gun). This year the IRS spent about [\\$725,000 on ammo](#). The CBO thinks this would allow the IRS to collect at least an additional \$124 billion over the next decade. At this time of dire labor shortages, do you think this will make people more or less likely to work?

The act is also expected to raise \$313 billion in taxes by imposing a 15% minimum tax on corporations that make over \$1 billion per year. Guess who's going to pay those taxes? That's right, the shareholders of large U.S. companies, primarily those in the S&P 500 index. So you would think that the investment companies that manage such funds would have strongly opposed this provision, especially since legally, *they have a fiduciary duty* to the shareholders, right?

A few weeks ago, I stumbled upon the website for the [Sustainable Markets Initiative](#) (SMI), Prince Charles' initiative to save the world ~~using his own money~~ (just kidding about that last part). (I am constantly hearing about new do-gooder non-profits that want to use corporations [i.e., shareholders' money] to save the world. The latest is [B Lab](#). It seems it's much easier to talk about how to spend Other People's Money to supposedly achieve Nirvana than it is to actually work hard, take risks, make a product or provide a service that the world needs, make payroll, pay taxes, deal with regulations and lawsuits, etc.)

OK, so SMI's website has a number of industry task forces, including [Asset Manager and Asset Owner](#). Halfway down the page is a quote by Ron O'Hanley, Chairman and CEO of State Street, one of the largest fund managers. (BTW, combining the Chairman and CEO role is an example of terrible corporate governance, so that tells you something about how committed State Street is to good corporate governance.) He says, "We share HRH The Prince of Wales' sense of urgency to find scalable solutions to the challenges of climate change. Working with other SMI Task Forces, we believe we can create pathways that will unlock the deployment of trillions of dollars of institutional capital that will be needed in the next decade to set the world on a more sustainable and resilient path that protects both people and planet."

OK, so where will these trillions of dollars of "institutional capital" come from? Who are the owners of it? Well, if you invest in funds run by State Street, Blackrock, Vanguard, Fidelity, Merrill Lynch, Morgan Stanley, J.P. Morgan, PIMCO, etc. (see the list of task force members at the bottom of [this page](#)), you do! Were you counting on the shares you own to increase in value and pay dividends so you can reach your financial goals? Think again! The elitist World Improvers who run these companies—the ones you're *paying* to manage your money—are busy "creating pathways" that will "unlock the deployment" of your money into some bullshit programs where it will be wasted and looted by the Hunter Bidens of the world.

It will be amusing to see what happens when the investors who own the third most richly valued stock market in the world (the U.S.) finally wake up and realize how their fund managers have been "managing" their money. It will be what's known in the investing world as a "repricing event."

The Inflation Reduction Act would spend \$433 billion, money that the federal government doesn't have. (As former Congressman Everett Dirksen supposedly said, "A billion here, a billion there, and pretty soon you're talking real money.") But not to worry, because the \$433 billion won't be "real money," but dollars created by the Federal Reserve out of thin air to buy more U.S. Treasury bonds, the very definition of inflation. The only way that the federal government could reduce inflation would be to stop printing dollars. Obviously, galloping inflation is another massive threat to your wealth and the economy.

What else? Russia and China feel emboldened and are threatening to invade much smaller and weaker neighboring countries that have market economies (with corporate shares owned by U.S. investors) and that are major U.S. trading partners. Russia and China know that the Leader of the Free World [has had dementia since at least 2012](#). They also have dirt on Joe and Hunter that would land both in prison, as their oligarchs have been doing secret illegal deals with "[our old friends](#)" for many years. There is no way that Biden would stand up to these determined adversaries. Both would present the U.S. with a *fait accompli* before the Commander in Chief could be awoken from his nap.

U.S. investors have been napping, too, lulled into a deep sleep by the narcotic of 14 years of massive currency printing. But during those years, the federal government used that money to dramatically increase its scope and power, which has consequences for investors. As Tucker warns, "American prosperity is fundamentally threatened. The

relationship between freedom and prosperity is one of the most well-established truths in economic literature. It should not be surprising that both decline in tandem.”

Tucker concludes with a stark warning: “If we didn’t before realize the extent of the multivariate crisis gathering all around us, now is the time. It’s a time for analysis and understanding. It’s also the time to make a decision concerning what we are all going to do about it....One read of history is that such times lead inexorably to the forward march of tyranny....These are very dangerous times, with a toxic mix as backdrop: a growing economic crisis, a spitefully supercilious ruling class, and a vengeful administrative state determined to crush all enemies before it. Something has got to give.”

## What You Should Be Doing Now

If you haven't done so already, it's time to admit that the U.S. is now a banana republic. What happens in such countries? Corruption, crime, shortages, hyperinflation, chaos, coups, revolutions, civil wars, tyranny, genocide. Make sure your passport is up to date. Start thinking about where you could go and how you would get there.

Documentaries to watch: [Blitzed: Nazis on Drugs](#) (fascinating!) and [Kanji Ishiwara: The Man Who Triggered the War](#). The latter tries to squeeze a lot into 52 minutes, so the narrator talks quickly, making it challenging to keep up, especially with all of those Japanese names. But for me it provided a good overview of the prelude to WWII.

Book to read (if you know someone in school): [The End of School: Reclaiming Education from the Classroom](#), by Zachary Slayback.

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I would love to hear from you! I thrive on feedback from readers. If you have any comments, suggestions, insight/wisdom, or you'd like to share a link to a great article, please [email me](#).

Generally, I don't have time to answer questions about your specific situation, but if you have a general question that I think other readers also have, [let me know](#) and I will provide an answer in a future issue.

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