



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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Europe Is Self-Imploding

In recent years, I've come to the conclusion that Europe (not just the European Union) is destroying itself. Some of this is intentional, such as the mass importation for years of aliens whose cultural backgrounds are the polar opposite of the European lifestyle. Most of it is unintentional, such as decades of profligate social spending and large budget deficits, inflexible labor laws, excessive and costly regulations, and the centralization of government. Some of it is a mixture of both, such as the abandonment of nuclear energy after Fukushima and the almost mandatory shift to renewable energy.

Now that Trump is back in the White House, Europe is rapidly doubling down on its bad decisions that have led it to its current dire state. As a result, I now believe that a European implosion is likely, so in recent weeks and months I have been unwinding my positions in European stocks when I can get a good price for them.

Will there "[always be an England](#)"? I don't think so, as Britain may be the first to collapse. Its government has been importing and providing for the needs of hundreds of thousands of aliens who have absolutely nothing in common with the descendants of Merry Old England. In recent months, you've probably heard about the "grooming" (a euphemism for "rape") gangs of [Asian men](#) who've been raping British girls. Apparently [this has been happening for two decades](#), leaving about [250,000 victims](#) in its wake. The British

authorities largely ignored this misogynist crime spree, sometimes even encouraging the family of the victim to keep it down low, lest they risk appearing racists. (BTW, Keir Starmer, the current Prime Minister, was Director of Public Prosecutions from 2008 to 2013.)

Remember the “rape rooms” in Bosnia that Europeans fretted about during the civil war there? I do, because as soon as I became the platoon leader of a howitzer platoon in April 1993, my artillery battery was the first in the U.S. Army to receive training for Bosnia. My brigade nearly deployed there, and I'm sure our mission would have included trying to stop such war crimes. Now Britain has voluntarily turned itself into a rape island.

For some reason, some of the blokes have complained about this quasi-ethnic cleansing campaign by foreigners in their own country, but have been met by an unprecedented crackdown on free speech by the government. This mirrors the increasingly repressive restrictions on free speech by the EU, especially in Germany. As soon as you see a government attacking free speech, watch out, because the end is near. *Nothing* good can come from restricting speech; it's how we discover the Truth. And if Truth can't be discovered, it's time to sell, because lies will begin to permeate society, including finance.

The British government hasn't addressed the growing frustration and anger among the native population, only kept it bottled up. One day all of it may be released suddenly; at least [one professor believes there could be a civil war in the UK](#).

Europe's attempt in recent years to rapidly transition away from hydrocarbon fuels and (safe) nuclear energy to renewable energy has been a disaster. Now the cost of energy there is among the highest in the world, rendering its factories uncompetitive and increasing the cost of everything. Europe has neither the sunlight (except perhaps in parts of Spain) nor the space to generate sufficient power from solar panels. Despite these disastrous consequences, Europeans have deeply imbibed the green Kool-Aid, so will never abandon their “green energy” fantasy.

On the spreadsheet I use to track about 2,100 dividend-paying stocks from around the world, European stocks generally have a ten-year return on invested capital that is not competitive (below 8%), and usually [support the goals of the United Nations and/or the World Economic Forum](#) (at the expense of shareholders). The tax rates that European countries impose on dividends are among the highest in the world.

You would think that Europeans would have their plate full dealing with the chaos unleashed by all of the above, but apparently not. Because now they want to get into a full-blown war with Russia (without the help of the United States), which has one of the largest arsenal of nuclear weapons in the world and can sell massive quantities of oil, natural gas and many other commodities to finance its war machine, some of which now consists of North Korean mercenaries.

For supposedly civilized people, Europeans love them some war, don't they? Especially if America is paying for it with its blood and treasure. How many wars have been fought on that continent during the last several hundred years? Now many Europeans simply want

to stop Putin's aggression. I get that, as I predict he won't stop with eastern Ukraine but will try to capture the rest of Moldova (Russia already controls Transnistria), disrupt and isolate the Baltic states, etc.

However, not only is war very expensive, it also requires a lot of warriors. Europe can provide neither. [Germany's defense minister has called to reinstate the draft, as the German military has 179,000 troops and only 30,000 reservists](#), but apparently no place to put any more. Compare that to the last time Germany went to war with Russia, when it used [3.5 million troops and nearly 700,000 allied troops in Operation Barbarossa](#). How will Germany pay for all of this?

[By issuing a lot of debt](#), which would finally put an end to its fiscal and monetary conservatism that prevailed during the post-war era. Some Germans may still remember that massive currency printing during the Weimar Republic helped bring Hitler to power.

But who will want to buy the debt of a country that [is already self-imploding](#)? As Victor Davis Hanson says, “We the victors of World War II thought imposing a plan of deliberate deindustrialization, depopulization, disarmament, open borders...would be too Carthaginian, and so we backed off. And now we’re here 80 years after the rejection of the Morgenthau Plan and the German people, or the German leadership, have essentially updated it and inflicted it on themselves willingly...”

However, don't worry, Europe: [France will protect you](#).

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