



2022 Year in Review: All Roads Lead to Ukraine

ORIGINAL CONTENT

By David Collum on
December 22, 2022

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*Annually, friend-of-the-site David Collum writes a detailed “Year in Review” synopsis full of keen perspective and plenty of wit. He strikes again in his usually poignant and delightfully acerbic way. As with past years, he selected Peak Prosperity as the site where it is published in full. It is longer than our usual posts, but worth the time to read in full. While each part stands on its own, and doesn’t need to be read in order. To download **Part 1** as a pdf, click here: [2022 Year in Review: All Roads Lead to Ukraine](#). To read **Part 2**, [click here](#).*

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Introduction

This Year in Review is brought to you by Pfizer, FTX, and Raytheon.

Every year, I write an annual survey of what happened in the world. After posting at Peak Prosperity, it gets a bump from the putative commies at Zerohedge¹²³⁴ who I read religiously. (I have topped over 60 cameo appearances at Zerohedge, consistent with getting booted off Twitter four times.) Why do I write it? My best answer is that you do not understand something until you have written your ideas down coherently. I am also trying to figure out who keeps yelling "Beetlejuice!"

Write as often as possible, not with the idea at once of getting into print, but as if you were learning an instrument.

~ J. B. Priestley, English novelist

I break every rule of blog marketing. Nobody writes one gigantic blog a year, but it makes the rounds. It is onerous and exhausting, especially since I must necessarily procrastinate up to the deadline.

2022: The Year I spent reading Dave Collum's 2021 Year In Review.

~ Commenter

Most years, I write what I can and then wrap it. In 2021, however, I had a primal drive to cover the usual stuff plus two topics that do not lend themselves to abbreviation: the Covid pandemic and rising global authoritarianism. Many are now realizing that the former is a manifestation of the latter. While I may not have been correct I had to get it right...if that makes any sense. Like so many young athletes in 2021, I left it all on the field. I uploaded it too demoralized and depressed to even send it to friends, confidants, and family.

The peeing was special.

~ David Einhorn

Diehards found it anyway and reached out with comments. Two I call good friends had diametric views that I will take the liberty of paraphrasing. Sitting on one shoulder was Tony Deden, founder of Edelweiss Holdings based in Switzerland and a saint, who sensed my pain and urged me to stop writing. He went beyond the pale by inviting me to detox in his chalet in the Swiss Alps or on his 25-acre strawberry farm on Crete. I had to pass because traveling is hard on the family. On the other shoulder was David Einhorn, a friend of a dozen years who has helped me in ways few will ever know. He told me I *must* keep writing it. I think 2021 could have been the apex and a

perfect time to stop. I sided with David this year but may soon follow Tony's advice.

OK, Dave, but what is that peeing thing about? Well, I was scheduled to host David and his lovely girlfriend, Natalie, for a late dinner on a Thursday night at my house. I answered the door in my bathrobe, they had horrified looks, and I exclaimed, "Fuck. It's Thursday?" We got takeout, and all was fine, even after my sweet little Boston Terrier puppy, Fiona, pissed on Natalie. *That*, dear friends, is how you treat financial royalty!





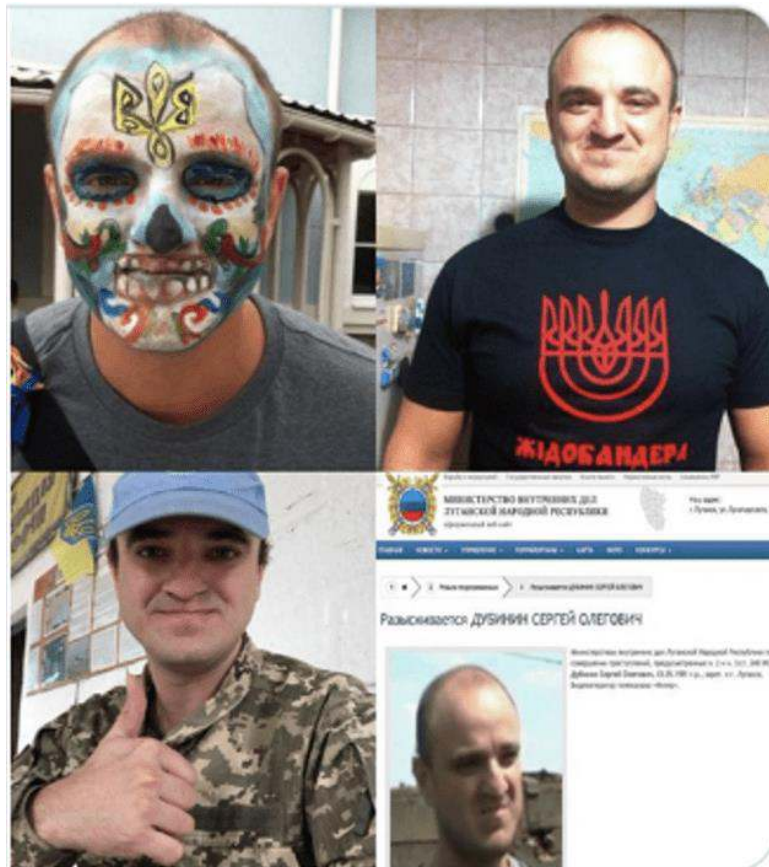
All Roads Lead to Ukraine. Trying to understand the war from a dead cold start was monumentally hard. Geopolitical events occur to teach Americans geography; I am no exception. As a combination of foreshadowing and trigger warning, I am going to steelman the debate by taking a decidedly Russian perspective but am not sure it is steelmanning if you come to believe it. If this is gonna drive you nuts, I beg you to stop reading because you will just get mad while I wallow in the slime of your frustrated soul.

I propose Vladimir Putin for the Nobel Prize in Medicine, for solving COVID globally in 48 hours.

~ Anonymous

As Ron Popeil would say, "But wait. There's more!" The Ukrainian theme runs deeper than that. Here is a little more foreshadowing. Canadian trucker crusher Chrystia Freeland has deep Ukrainian Nazi roots. Nina Jankowicz, initially appointed as head of Biden's Orwellian "Disinformation Governing Board" (Ministry of Truth for short) was doing psy-op work in Ukraine in her previous gig. The collapse of the second largest cryptocurrency exchange in the world (FTX) revealed a massive money laundering scheme through Ukraine with political ties in the US. The rising tide of a global neo-Nazism—an idea I am still dubious about—connects tiki torchers in Charlottesville,

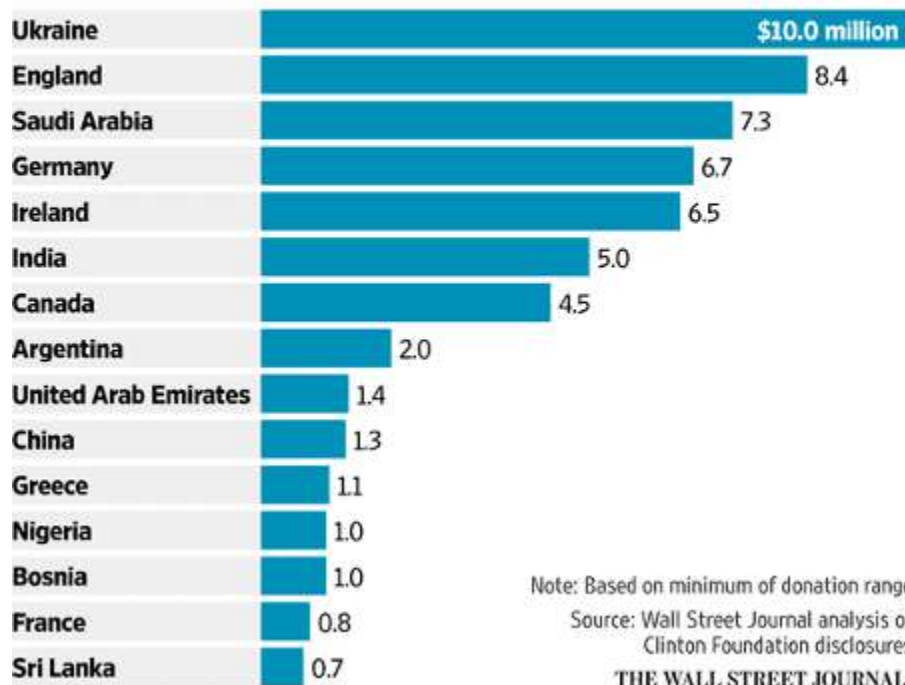
suspicious rabble-rousers in the January 6th “insurrection”, the Patriot Front, and the Azov Battalion in Ukraine.⁵ Who is that guy with the horns hanging out with Ukrainian “nationalist”?



The U.S.-sponsored bioweapons lab in Wuhan that spawned the SARS-Cov-2 virus has 36 counterparts in Ukraine. The crackhead son of the President of the United States ran scams in Ukraine via Burisma Holdings, the same country that his dad funded a proxy war. And who was the largest donor to the Clinton Foundation for 15 years? Ukraine. Go figure.

Foreign Donors

Contributions by individuals of more than \$50,000 to Clinton Foundation, 1999-2014, by nationality of donor:



A Year in Transition. This was my runner up for the title. Aren't we always stuck on the "Mobius Strip from Hell" that never ends? Francis Fukuyama and Tom Friedman were wrong: history did not end, and the world is going spherical again rather quickly. Of course, we never know the future, but each year seems to have themes that play out with a quantized feel to it. By contrast, 2022 has left world economies heading south but with no bottom in sight. Neither the Fed nor the markets are done inflicting pain. The risk of global famine is real but with inestimable consequences. The futures of Bitcoin and other crypto currencies hang in the balance with more than just price corrections now in play. The war in Ukraine could end with a whimper (but only if Russia wins) or with a thermonuclear conflagration (nobody wins). Europeans are pondering the relative merits of freezing to death owing to lack of energy or starving to death owing to lack of food, but maybe those

potentially biblical events are just clickbait. The WEF has reared its ugly head—the WEF's Great Reset is not just a theory—yet we still haven't a clue what those diabolical authoritarian meat puppets are up to. Why do we have to start eating bugs and forfeiting all earthly belongings and to whom. It is hard to see how we smoothly get to 2023 from 2022.

Me by email: [blah blah, blah...we are hosed...blah, blah, gurgle, gurgle]

Larry Summers: Thanks for these thoughtful comments. I mostly agree.

Stephen Roach: Thanks Dave. I am in violent agreement with Larry these days. Under Powell, the Fed is currently in the deepest hole it has ever been in. Anything is possible, I guess—including a night-time landing on an aircraft carrier in the midst of a raging typhoon. Might not be soft, though...

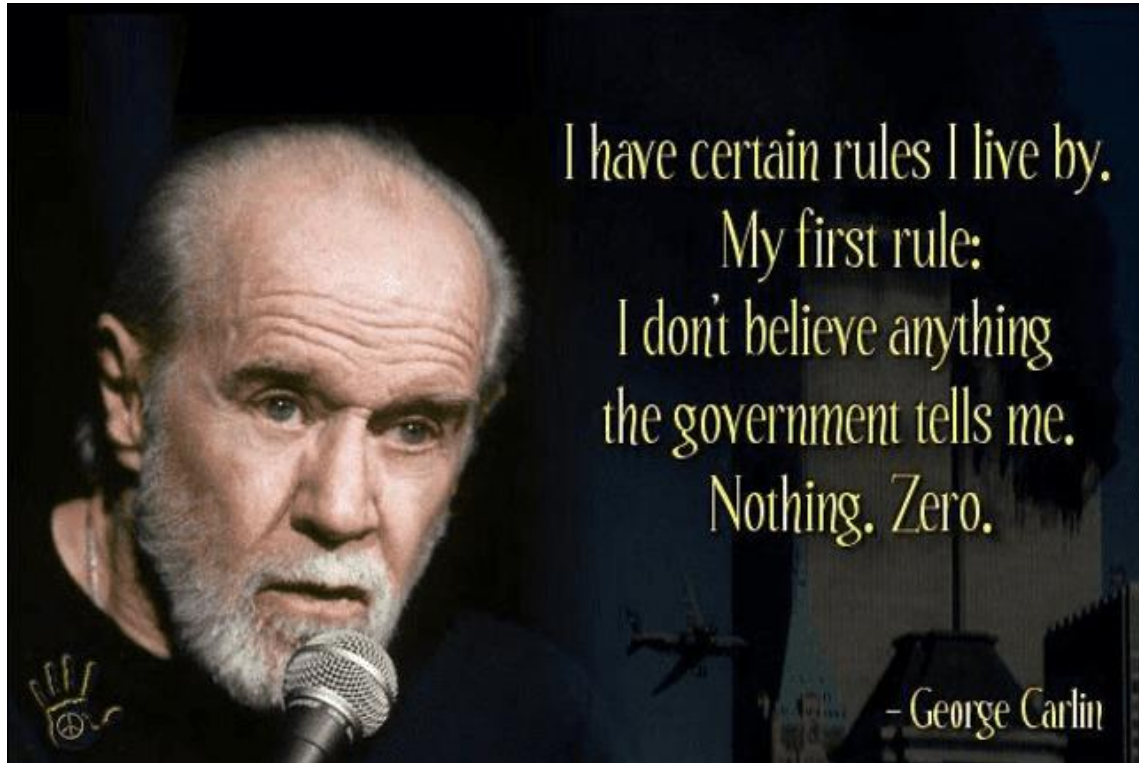
Maybe the markets and economy will be fine—maybe I am merely full of shit—but the other guys in that email threesome are deep and dark too. Stephen, who has been so generous with his time and wisdom over many years, expressed dismay in an op-ed over a particularly inaccurate call about what would happen. I offered wisdom in return:

Me by email: Several years ago I promised myself I would stop reading about what *will* happen. I am not sure we ever know what *had* happened and am clueless about what *is* happening.

Roach: You are a better man than me!

My accrued wisdom comes from having read and made too many predictions that were garbage or profoundly early. I have spent countless hours over the years pondering alternative narratives via suppositories offered in the press, good versus evil, the meaning of life, contemporary events in historical contexts, and what it means to be human. The future is too much to handle. Michael Crichton once noted that it is sobering to read newspapers from 30 years ago; the above-the-fold hot topics seem so irrelevant. He also pointed out that persistent fear can lay waste to your mental and physical health.⁶

I identify as a conspiracy theorist. My pronouns are They/Lied.



When there's no such thing as truth, you can't define reality. When you can't define reality, the only thing that matters is power.

~ Maajid Nawaz, British activist and radio host

I am confounded that I—one of the <2% of Cornell's faculty who are openly right of center—am trying to warn the rest of my colleagues that they are being duped by the evil corporations in collusion with Big Government—the definition of fascism. Too much acid in middle school for this boy I guess. Despite my growing doubts that I may never penetrate the layers of the onion where truth resides, my resolve that has strengthened over the last couple of years is that when something of importance seems off or confusing, your default position should be that somebody in a position of power is conspiring. Why? Because that is what people in power do. It is in their DNA. They wake up every morning pondering how many baby harp seals they can bludgeon that day. Give me *any* topic—a keyword even—and I can serve up an alternative model that will not be told on CNN. My training as a parent tells me those demons are scheming. So, indeed, *I am a conspiracy theorist*. If you are not one, ignorance is bliss. Hang on to those lovely thoughts. Those who always default to incompetence as the explanation appear not to be under the spell of the little green gremlins who crawl out of my cell phone and molest me while I sleep.



The True Believer. In 1953, the formerly homeless Eric Hoffer⁷ wrote *The True Believer*,⁸ a short and highly digestible story of mass movements—why they start, where they get their oxygen from, how they end, and who the critical players are. The book got into my DNA. Not to be a plot spoiler, but Hoffer's ideas are too important to count on you going over to Amazon.

You can discover what your enemy fears most by observing the means he uses to frighten you.

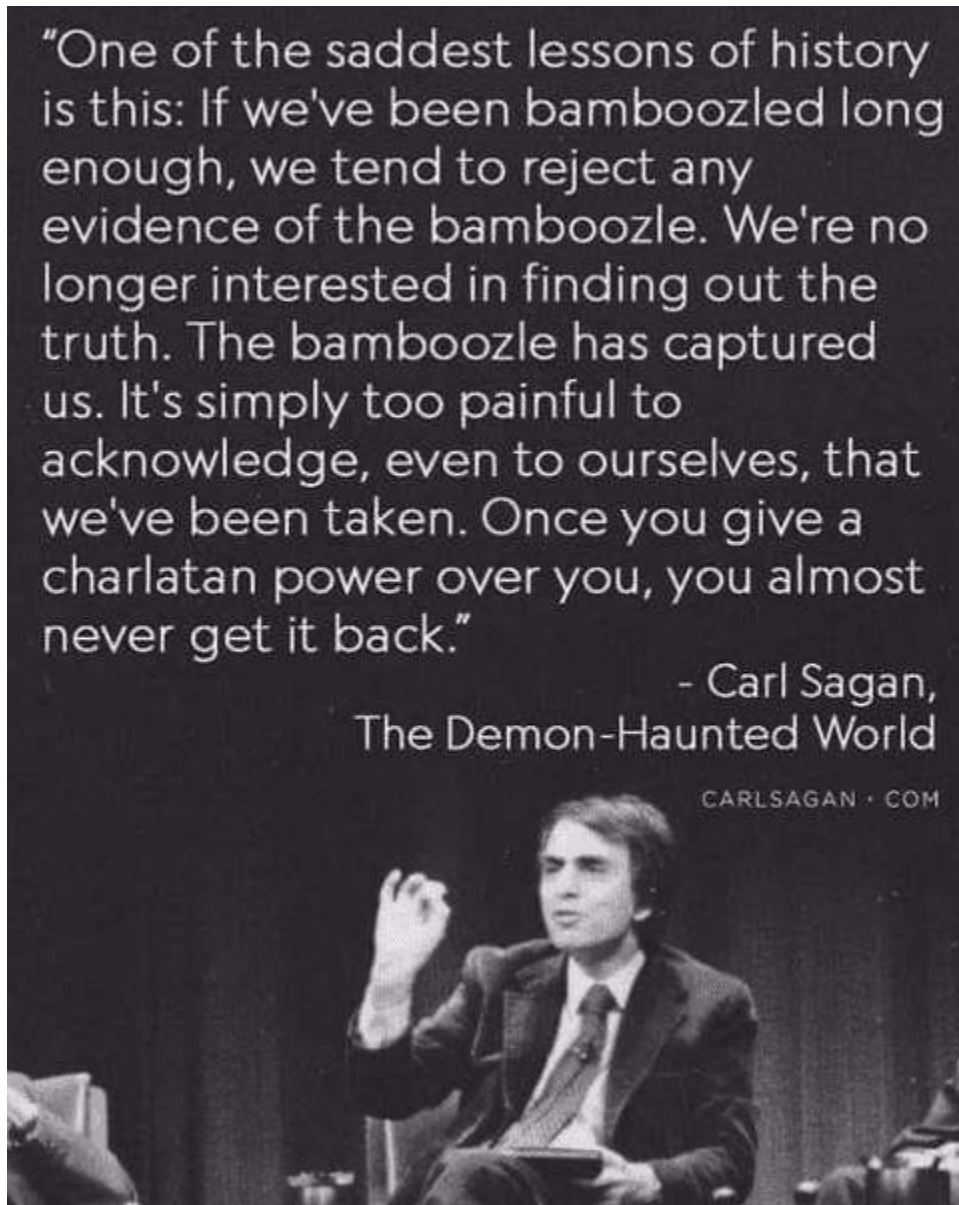
~ Eric Hoffer

Mass movements start with intellectuals, often in universities where most bad ideas are hatched. The movement gets oxygen when the masses—what Hoffer calls “the fanatics”—pick up the ball and run with it. Hoffer serves up an unflattering view of the fanatics as societal bottom feeders with little to lose from profound change. “Fuck it: let’s do it!” They feel important as part of a glorious army fighting for a righteous cause, with villains who are the root cause of the wretchedness of their existence. They don’t want freedom but rather a freedom from responsibility. The rallying cry is always about a future that promises to return to a once-glorious past. Make America Great Again. Battle-scarred soldiers returning home searching for something familiar and elevating embrace militias. Friend and author, Peter Boghossian, reminds us that you will not sway fanatics with facts but rather by understanding where they are coming from emotionally.⁹

Our greatest pretenses are built up not to hide the evil and the ugly in us, but our emptiness. The hardest thing to hide is something that is not there.

~ Eric Hoffer

At his most poignant moment, Hoffer notes that there is often self-sacrifice involved, whether it is ancient clerics giving up all Earthly belongings including sex to climate changers giving up their cars (and maybe sex). They need to feel their suffering is not wasted.



Propaganda does not deceive people; it merely helps them to deceive themselves.

~ Eric Hoffer

Artful leaders will sense the direction the masses are moving and then lead them there. Their tools include imitation, hatred, and propaganda. We must conform (mask up), hate the opponent (Donald or Hillary), and tell the noble lie (vaccinate for the children). Propaganda doesn't flip natural tendencies, only amplify existing ones.

Sometimes a movement peters out, and other times it ends in tragedy measurable in millions of lost lives. Oddly, many are more willing to die for an abstract future than to protect rights and material goods they already possess. A clever leader can head the mob off at the pass. A potentially brilliant example, Malcolm X, inserted Islam—not my favorite religion I should say—to bring meaning to otherwise meaningless lives. I have a theory that FDR was an insider—shocking I know—who recognized that fanatical Trotskyites were going to win if Amity Schaes' Forgotten Man was left adrift. By compromising bigly and contrary to right-wing dogma, FDR saved capitalism. But beware: disillusioned fanatics don't just move to the middle but rather flip to the opposite pole, retaining their fanaticism. The "true believers" are addicted to movements; they are serial zealots. I catch glimpses of this looking in the mirror. I think of myself as a "True Disbeliever": give me a narrative, and I will find the other side, but am I simply joining a different mob? Probably, but at least it is usually the less populated one.

Passionate hatred can give meaning and purpose to an empty life.

~ Eric Hoffer

With social media and hoards of unhappy campers noticing massive wealth disparity, we have entered the Golden Age of Fanaticism. The Forgotten Man has reappeared. While reading Hoffer's 70-year-old treatise, I could see it everywhere—MAGA, Trump haters, Antifa, climate changers, vaxxers, anti-vaxxers, maskers, bitcoin hodlers, pro-choicers/lifers, black lives matter, Tiki Torchers, or spotted-owl savers. Will this era end with an FDR or a Josef Stalin?

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My Year

I have the right to remain silent. I just don't have the skill.

From 12 years of tradition and a need to chronicle my life before my adult-onset progeria causes me to hit my expiration date or lose one-too-many marbles, I go through Dave's Year. It is like a diary. High points in 2022 included a hedge fund founders' dinner in NYC. I don't remember founding a hedge fund, but there I was in a midtown Manhattan rathskeller dining with about 8 guys with net worths that were comfortably larger than mine. The high point was watching a legend with battle scars wrestle a tech bull (calf) to the dirt, declaring, "Do you know what a 95% correction is? It is a 90% correction that then cuts in half!" I got this odd sense that many of their profound skills ran deep but were siloed. When asked for our outside-the-box idea at dinner's end, I went with "Russian oil companies." About a week later I made my move, two days later Putin made his move, and two seconds later

the shares stopped trading. Fortunately, I sized my position brilliantly—so small that it did not matter—because I was looking to catch the dead cat, not the falling knife. It is possible they will reappear when Wall Street decides it's time. Nevertheless, the dinner guests got a chuckle.

I am told that my writeup on Covid in the 2021 YIR¹ was being considered by Steve Scalise's staff to be uploaded to the Congressional record: "I will send this to my staff on the Select Subcommittee on the Coronavirus. They will be able to pull a lot of gems out of this. #2 – My staff is excited to get this data, and they're combing through it." I have no idea if it made it, but I savor pyrrhic victories. I also get my share of unsolicited gifts—"schwag" as they call it—including heaps of books from authors, a sweater, a set of Wiseguy suspenders,² a hat saying "Vaccine Survivor", Epstein coffee mugs, 200 Ivermectin tablets, and a few silver rounds. I'm holding out for ingots and cash. Gold would be great but rhodium is my first choice.

I learned doing long-form podcasts with Chris Irons (QTR) that keeping an empty glass nearby allows me to go on for hours without a formal break. This year I learned that if you are also drinking copious amounts of ginger ale, *do not get distracted*. It was Gandhi time.

Podcasts. I do tons of podcasts (below). Talking to smart people is a hoot, and if they want to record it and post it on the internet, I am up with that. (I have many more phone calls.) They are all good. The irony is that I can bust my ass to get 2,000 people to click a paper in the *Journal of the American Chemical Society* and get over a quarter million clicks from a two-hour podcast with Tony "Pomp" Pompliano. Largely for archival reasons, the podcasts are listed below. Attempting not to offend any hosts, I will highlight a couple. The three-hour Twitter Spaces with the legendary George Noble (Peter Lynch's understudy) was honorific. The podcast with Anthony "Pomp" Pompliano from a cabin in the Adirondacks seems to have captured the public's imagination the most.³ Two foursomes with Tommy Carrigan, Tom Luongo, and Jim Kunstler are raucous.^{4,5} A scheduled Newsmax interview was cut short when one of Biden's drone attacks hit his target and me with one shot. The New Orleans Investor Conference filled with old friends and bucket listers included four independent speaking gigs. Sometimes I wonder what wormhole I exited the organic chemistry universe to enter the politico-economic universe. Curiously, a self-evidently black limo driver who drove me through the murder capital of the US⁶ to the hotel had gone through his own wormhole to become 100% MAGA. I wrote about the rising tide of black conservatism in 2016; he assured me I was correct.⁷



George Noble marathon Twitter spaces.⁸

2022 New Orleans Investment Conference⁹ Boom and Bust panel¹⁰ with Jim Stack, Peter Boockvar (@pboockvar), and Jim Luorio (@jimiuorio).

2022 New Orleans Investment talk: The Merits of Price Gouging.¹¹

2021 New Orleans Investment Conference round table released (2022)¹²

Justin O'Connell (@GoldSilverBTC) on GoldSilverBitcoin¹³

George Gammon (@GeorgeGammon) The Rebel Capitalist Show¹⁴ with a few short clips.^{15,16,17,18}

Elijah Johnson on Liberty and Finance podcast (two)^{19,20}

Jay Martin (@JayMartin) of the Jay Martin Show.²¹

Tom Bodrovics (@PalisadesRadio) on Palisades Gold Radio.²²

James Kunstler (@jhkunstler) on KunstlerCast.²³

Tommy Carrigan (@tommys_podcast) of Tommy's Podcast with Tom Luongo (@TFL1728)²⁴

Tommy Carrigan of Tommy's Podcast (@tommys_podcast) in February 2022.²⁵

Tommy Carrigan of Tommy's Podcast (@tommys_podcast) in May 2022.^{[26](#)}

Tommy Carrigan (@tommys_podcast) on Tommy's Podcast with James Kunstler (@jhkunstler), Tom Luongo (@TFL1728) in August, 2022^{[27](#)}

Tommy Carrigan (@tommys_podcast) on Tommy's Podcast with James Kunstler (@jhkunstler), Tom Luongo (@TFL1728) in November, 2022^{[28](#)}

Tom Luongo (@TFL1728) of Gold Goats 'n Guns.^{[29](#)}

Craig Hemke (#TFMetals) of TFMetals Podcast.^{[30](#)}

Marty Bent (@MartyBent) on Tales from the Crypt.^{[31](#)}

Jim Iuorio (@jimiuorio) and Bob Iaccino (@Bob_Iaccino) on Futures Edge.^{[32](#)[33](#)}

Crypto Highlights^{[34](#)}

Anthony Pomp (@APompliano)^{[35](#)}

My Zoom group (Medical Doctors for Covid Ethics International) (starts at 25 minutes).^{[36](#)}

Michael St. Pierre Stand-Easy with MSP .^{[37](#)}

Kai Hoffmann of Soar Financial (August, 2022)^{[38](#)}

Kai Hoffman of SF Live interview (October 2022)^{[39](#)}

Lee Justo (@Lee_Justo) of Risk^{[40](#)}

Cedric Youngelman (@CedYoungelman) of The Bitcoin Matrix.^{[41](#)}

West Virginia radio show "Us & Them"^{[42](#)}

Anthony Fatseas (@AnthonyFatseas) on WTFinance^{[43](#)}

Tom Pochari^{[44](#)[45](#)[46](#)}

Tyler Chesser (@thetylerchesser) on Elevate^{[47](#)[48](#)}

Four TradKatKnight podcasts (behind a paywall) that I've never listened to

I mean, they say you die twice. One time when you stop breathing and a second time, a bit later on, when somebody says your name for the last time.

~ [Banksy](#)

YIRs from Previous Years. I have to do a little housekeeping. Website rollovers and general internet rot has damaged links to twelve consecutive YIRs. A fully repaired comprehensive list is [here](#) and listed below. This is merely archival, hoping somebody will keep uttering my name even if it is to curse me.

2021 Year in Review: Crisis of Authority and the Age of Narratives ([PDF](#))

2020 Year in Review: WTF Happened in 2020? ([PDF](#))

2019 Year in Review: Epstein Didn't Kill Himself. ([PDF](#))

2018 Year in Review: Views From Inside My Matrix. ([PDF](#))

2017 Year in Review: Markets Fiddle While Rome Burns. ([PDF](#))

2016 Year in Review: A Clockwork Orange. ([PDF](#))

2015 Year in Review: Scenic Vistas from Mount Stupid. ([PDF](#))

2014 Year in Review: Pushing Out on the Existential Risk Curve in a Global Game of Tetris. ([PDF](#))

2013 Year in Review: Austerity is not a policy. ([PDF](#))

2012 Year in Review: Free Markets, Rule of Law, and Other Urban Legends. ([PDF](#))

2011 Year in Review: Signs of an American Spring and a Fourth Turning. ([PDF](#))

2010 Year in Review: Fugly Gives Way to Muddling. ([PDF](#))

2009 Year in Review: Thirty Years of Investing from the Cheap Seats. ([PDF](#))

I have so many good friends on twitter. These are two of the toughest hombres on Twitter:



Marc Cohodes @AlderLaneEggs · 17m

...

There is Me.... There is [@EpsilonTheory](#) , there is [@fleckcap](#) and [@DavidBCollum](#)



Billy The Goat @Billygoatcrypto · 18m

Replying to @AlderLaneEggs @andrewsorkin and @zerohedge

The question is: who's there to ask those questions? Is there anyone with the people's interests in mind?



The_Real_Fly
@The_Real_Fly

...

I love [@DavidBCollum](#)

1:47 AM · Aug 28, 2022 · Twitter for iPhone

Mr. Fly is well-known on fintwit. Marc is a famous short seller who went supernova in the mainstream press by calling out FTX a month before the collapse. (Marc: my offer for dinner on my deck still stands. Same holds for you, Mr. Fly, but I'm not a floozie.)



Before moving into the specific issues I should mention fact-checkers. They started with a husband and wife team at Snopes that, over time, was putting out more content than theoretically possible for a twosome. They have proliferated like Tribbles across the internet and have mutated into propaganda machines. Fact-checkers get things right only when it is politically expedient. If you take what they say at face value, you are an idiot, and that's a fact.⁴⁹ My immutable law of fact-checking is that the more you find, the more likely the so-called conspiracy theory being debunked is correct. My allusions to fact-checkers throughout the document are, without exception, mentioned as a vote of confidence that the idea being checked is correct.

The truth is like a lion; you don't have to defend it. Let it loose; it will defend itself.

~ Saint Augustine of Hippo

Investing

There is time to go long, time to go short, and time to go fishing.

~ Jesse Livermore, the most famous trader

As I say every year, I will be fine in retirement as long as I do not fuck up. The problem is that inflation now increases the probability of fucking up

massively. You can't sit on cash for too long without serious erosion of its value, but more people have died reaching for yield than at the point of a gun. There are treacherous waters ahead.

Replaying the tape so y'all understand how I got here, I had three great decades and one dawg. I was 100% long bonds getting about 12% annualized from 1980 leading up to the '87 crash. The crash and a chat with a colleague caused me to flip to equities. Shocking to those who know me, I became a raging equity bull—a tech bull—until about July of '98, when market valuations made me too nervous: I pulled half of my equities out. Following the Asian crisis, some dumb luck with trivial back-of-the-envelope calculations convinced me we had rallied back into an epic bubble. I decided that leaving even half my equities exposed had been stupid and pulled the rest out in mid '99. (Pulling the trigger on my soaring tech stocks took cojones.) I went long cash and gold in '99, white-knuckling it through the 2001 bottom was hard, but I haven't sold an ounce to date. Hoping to hedge inflation I bought quite a bit of Fidelity energy and material funds starting in 2001, leading to an amazing (graded on a curve) 13% annualized return for the decade ending on 12/31/09.

The market does what it should do, just not always when.

~ Jesse Livermore

After three decades of good calls, Mr. SmartyPants then failed to anticipate the Fed having trillions of acts of sex with barnyard animals to mitigate what should have been a deeper plunge in '08-'09. *I did not ride the 'roid rage up to 2021.* While the world partied like it was 1999, I rode what Dylan Grice called his “cockroach portfolio: 25% stocks, 25% bonds, 25% cash, and 25% gold” but with a lower equity weighting, clawing out a 4% annualized gain in total net worth. I forgive myself. One of the greatest bull runs happened, but it never should have. I can hear the bulls cackling about “what is versus what should be.” However, I think the next secular bear market has started and will take years to finish. Being right this time will not be that satisfying: “The vanquished cry but the victors do not laugh.”

The age of financial assets is over.

~ Murray Stahl, Horizon Kinetics

At the urging of some luminaries who suggested my portfolio was a little out of balance (psychotically so), I saw opportunities in energy in 2020 as it dropped to just 2% of the S&P, Exxon was replaced from the Dow with

Salesforce.com, and nuclear power could glow in the dark someday. (BTW-Exxon is up 83% since the swap while Salesforce.com is down 49%.)



Tweet



OptimisticLindzon  @how... · 10/1/20 ...
come at me with your best trade idea right now...

I'll do a podcast/Zoom with the person with my fave idea....



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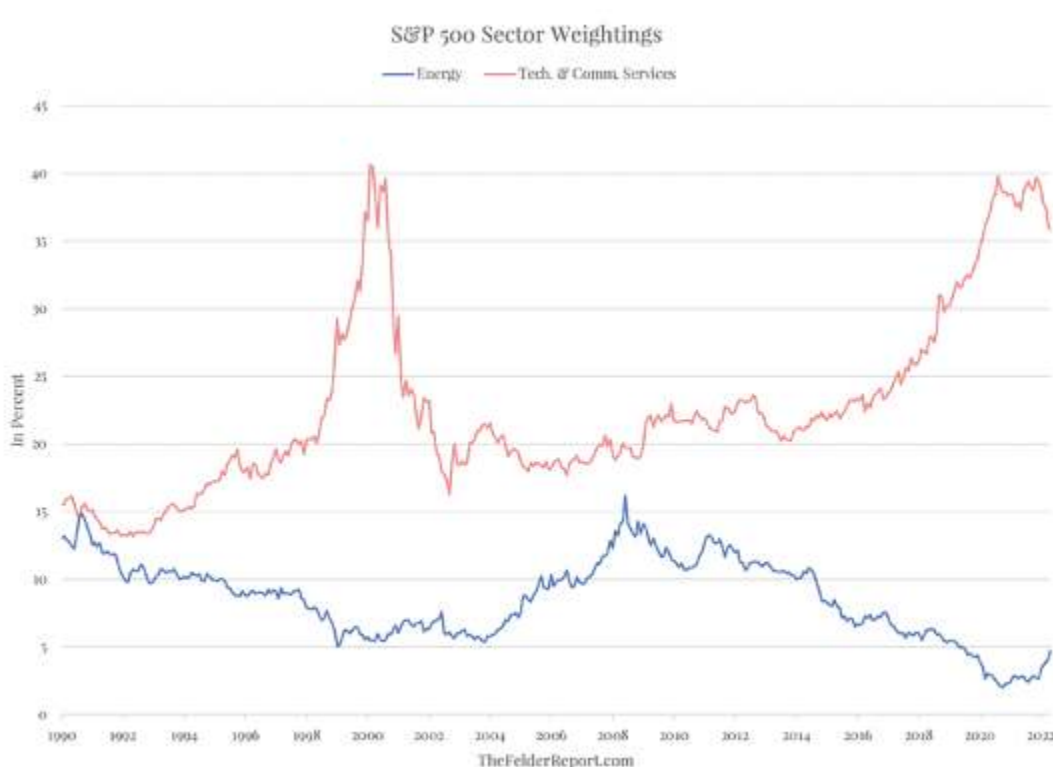


Dave "Ms. Information" Collum ...
@DavidBCollum

Replying to @howardlindzon

I'll go with **XOM**...

10:08 PM · 10/1/20 · [Twitter Web App](#)



If 2020 was the energy bottom, I nailed it. Those gains shown below do not even include substantial dividends. By no means did I size the energy move right, but it was enough to make a difference. I think we are entering a commodity and energy boom that may last decades owing to decades of underinvestment that may persist as governments oppose fossil fuels on “ethical” grounds.¹ You might want to buy the companies that already have pipes and mines in place, approximating royalty trusts. Grantham says such companies are 60% cheap relative to the S&P.² (I prefer absolute valuations, not those based on a curve relative to other bubbles.) Murray Stahl, a very impressive maven at Horizon Kinetics, sees a 25-year cycle dead ahead as the age of finance for the sake of finance tanks.³ I intend to give them some money to play with, but not yet.



Figure. Fidelity FSENX energy fund.

I live on Cayuga Lake in a house that is a lifestyle changer, but it is threefold more than I needed, which forces me to call it a real estate play. Cash in TIAA and other short-term bonds are returning 3.5%. I also have 15% of my wealth in a fund that is not under my control (white privilege from my parents) that is an old-man 40–60 portfolio with both portions getting beaten up (–12% ytd). My risk assets and their 2022 returns are as follows:

- Fidelity Select Gold Portfolio (FSAGX): +11%
- Fidelity Natural Resources Fund (FNARX): +35%

- Fidelity Select Energy Portfolio (FSENX): +58%
- Goehring & Rozencwajg Resources (GRHIX): +15%
- Impala Platinum (IMPUY): -18%
- Jaguar Mining (JAGGF): -40%
- Kirkland Lake (KL): +8%
- Palm Valley Capital Fund (PVCMX): +2%
- Rio Tinto (RIO): +3%
- Sibanye Stillwater Limited (SBSW): -12%
- Sprott Physical Silver Trust (PSLV): +3%
- RSX -100%
- Central Fund of Canada 0%
- Gold 0%
- Silver +3%

Many of these positions have fortress balance sheets and huge dividends (not included above), making them buy-and-holds as long as their dividends remain. Owing to the relative weightings of all assets (not shown), dividends, and net savings (21% of my gross salary contributing 0.8% to that gain), my 2022 year-to-date wealth accrual came in at 0.5%. Graded on a curve, that's pretty good. But throw in inflation and I still got whacked.

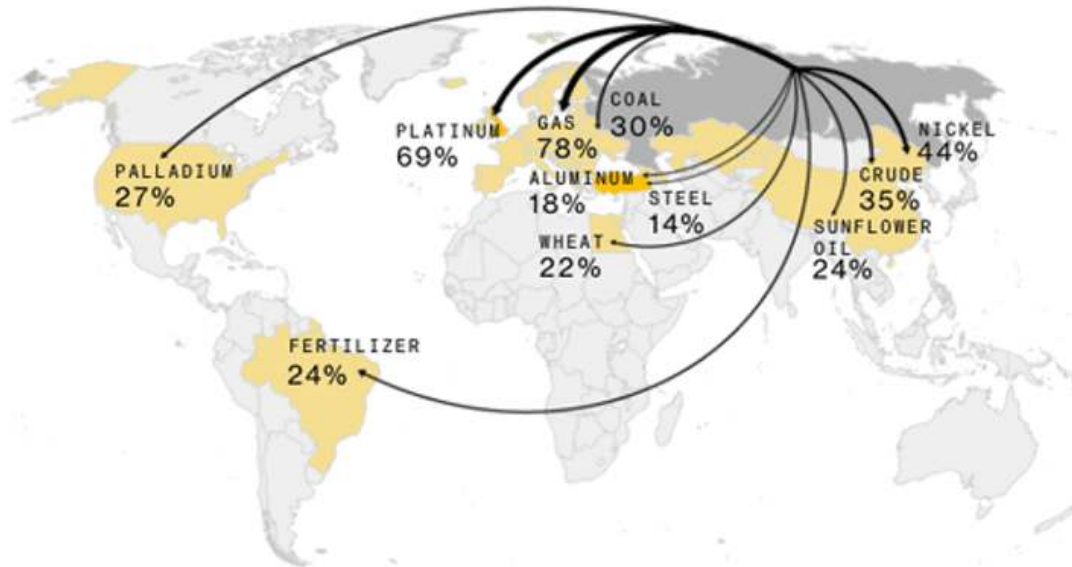
Let's walk through some of the thinking. I have a small position in Eric Cinnamond's PVC MX. Eric is a brilliant micro-cap investor. He had closed his fund and then reopened it in 2019. He listens to hundreds of conference calls, shows no interest in hot tips, and invests when he sees the whites of their eyes. The chart is revealing (below). It is flat for the first nine months because he bought *nothing*. Eric nearly bottom-called the March 2020 covid dip and then went flat again. He is currently 80% cash equivalents. I am paying him for his patience and will give him more when I see activity pick up.



Goehring and Rozencwajg's GRHIX is a uranium play. It is long-term (decades), but these guys seem to know the below-the-radar small miners. So far so good. I ticked that position up a little this year but it is not chunky yet. As Europe and the rest of the World get pounded by energy shortages, people may soon be begging for nuclear power plants in their backyards—NIMBY turns RIMBY (right in my backyard). As to the other energy issues, I will leave that to the section on Energy and Ukraine. Rio Tinto has all the attributes I like, and it would require an asteroid to take out their global entire mining operations. Even if the ESG movement goes wild and everybody turns to alternative energies, gigatons of basic metals are going to get pulled out of the ground, arguably way more than known reserves.⁴ This superimposes nicely on Russia's diminished contributions to the commodity supplies.

Russia's Commodities Reach

The share of Russian exports that go to each destination



Note: Coal figures combine thermal and metallurgical; liquefied natural gas and pipeline gas are also combined.

Sources: UN Comtrade Database (metals); International Energy Agency (coal); UN's Food and Agriculture Organization (wheat; sunflower oil); Joint Organisations Data Initiative; Bloomberg; Eurostat; BP; (crude); Trade Data Monitor; Green Markets, a Bloomberg company (fertilizer); BP (gas)

The game of nominal value of money is over, as this system does not allow to control the supply of resources...Our product, our rules. We don't play by the rules we didn't create.⁵

~ Alexei Miller, Gazprom CEO

The three platinum miners (IMPUY, SBSW, and ANGPY) have strong balance sheets, handsome dividends, no tailwind from a stagnant platinum spot price, and valuations like Russian equities. They are, however, also in South Africa where confiscation of assets is by no means a zero-probability event,⁶⁷ and labor issues are always present.⁸⁹ The founder of a fund professing to be the largest private holder of one of the three reached out to give me a two-hour phone tutorial. Critically, these platinum miners are making their money off rhodium. Unidentified shoppers are stealing catalytic converters from cars (including my son's).¹⁰ SBSW is actively investing in new production.¹¹ Above-ground platinum supplies have been cut in half in one year.¹² The hydrogen fuel cells could be game changers, and they use lots of platinum.¹³ The risk is that Goldman has a 'buy' recommendation on the

miners said to be based on good fundamentals, which probably means they have shares and ingots to unload on suckers.¹⁴

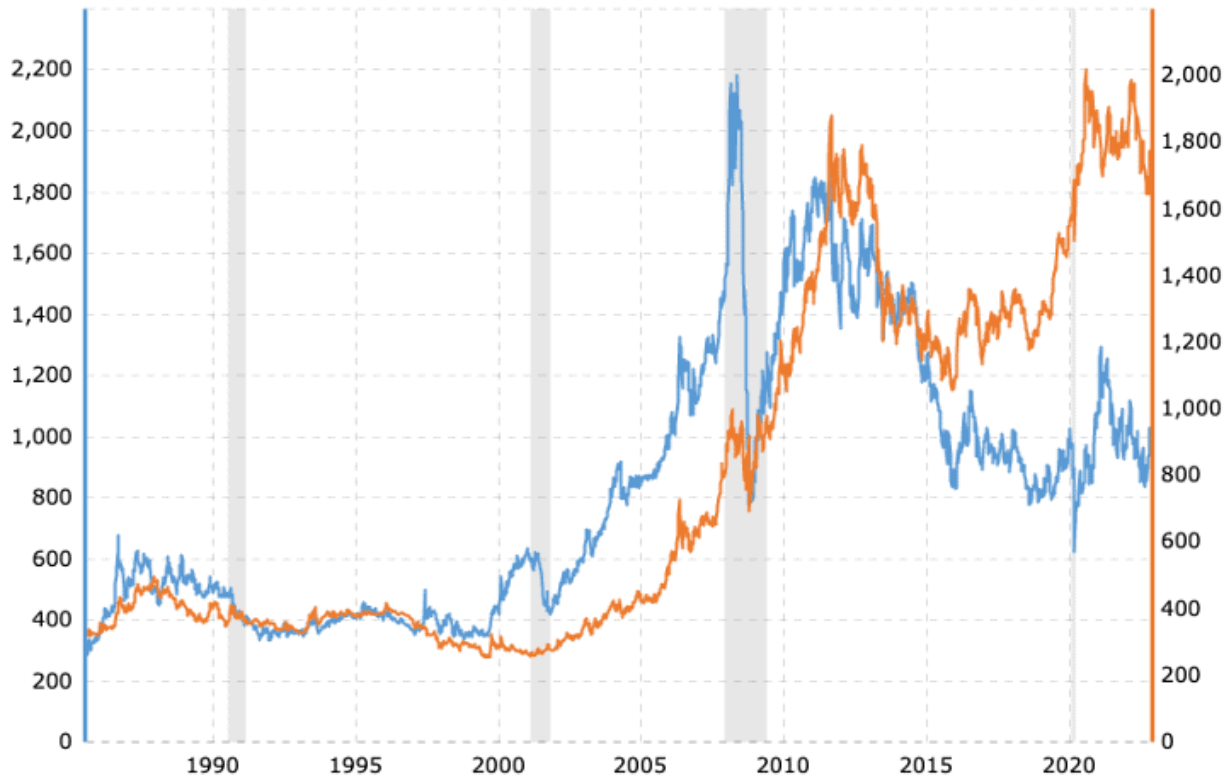


Figure 1. Platinum (blue) versus gold (orange).¹⁵

I had owned a token position in the Russian equity fund RSX for years, but I was interested in a bigger position. RSX was loaded with Lukoil, Phosagro, Sherbrook, and Gazprom, all priced like used pillows at the Salvation Army Thrift Store. Some very smart guys were speaking of Russian energy companies as contrarian plays in 2021. Then Vlad decided to threaten Ukraine, and those shares started selling hard. Although rare bulls like Harris “Kuppy” Kupperman saw the contrarian play of a lifetime, most shareholders wanted out. Kentucky’s Pension plan was a huge holder,¹⁶ which is *the* most contrary indicator because everything they touch turns to shit. I pulled the trigger on another token amount—less than 0.1% of my net worth—as the shares dropped to about 20% of net asset value with a P/E below 2, hoping to go full goblin if geopolitical tensions subsided. A couple of days later trading of all Russian assets was terminated, and the margin calls on the big players came rolling in.¹⁷

So are my RSX shares gone for good? I am not sure. It’s like a Cuban expat living in Miami holding a land deed in Cuba—a dollar and a dream. As it stands, by terminating trading of the shares, we essentially handed the

ownership of companies holding vast resources back to the Rooskies. Does that make any sense?

Meanwhile, JPMorgan and Bank of America continued quietly trading Russian bonds.¹⁸ I'm not sure how that works, but it tells me that trading equity shares will resume when Wall Street says so. Kuppy *et al.* could emerge as big winners. Blackrock and Goldman will get first dibs after that. I will not be given a cheap entry, which means my token loss will become a token gain.

Gold and Silver

I'm a fan of gold. I think gold's valuable in a crisis. The market has come to believe in an omniscient Federal Reserve, and it's no such thing. These guys don't really know what they're doing in any deep way. It's a giant financial experiment, and we're at the mercy of their experiment that maybe is right now in the process of going wrong, so God help us.¹

~ Seth Klarman, Baupost

Having entered the World of Peter Schiff —every imaginable disaster that Peter envisioned was tee'd up—gold had a nice start but did very little over the year. One should not, however, be discouraged. Over the last two decades, gold has climbed 9.1% annualized (Figure 1), which is impressive for a pet rock. I can hear you say, "Yeah. But who owned gold (or silver) for two decades?" The answer is me and about five other guys. I should probably take this opportunity to draw the readers' attentions to Incrementum's reports, which are eye candy for the bugs and a primer for bugs-in-training.²³

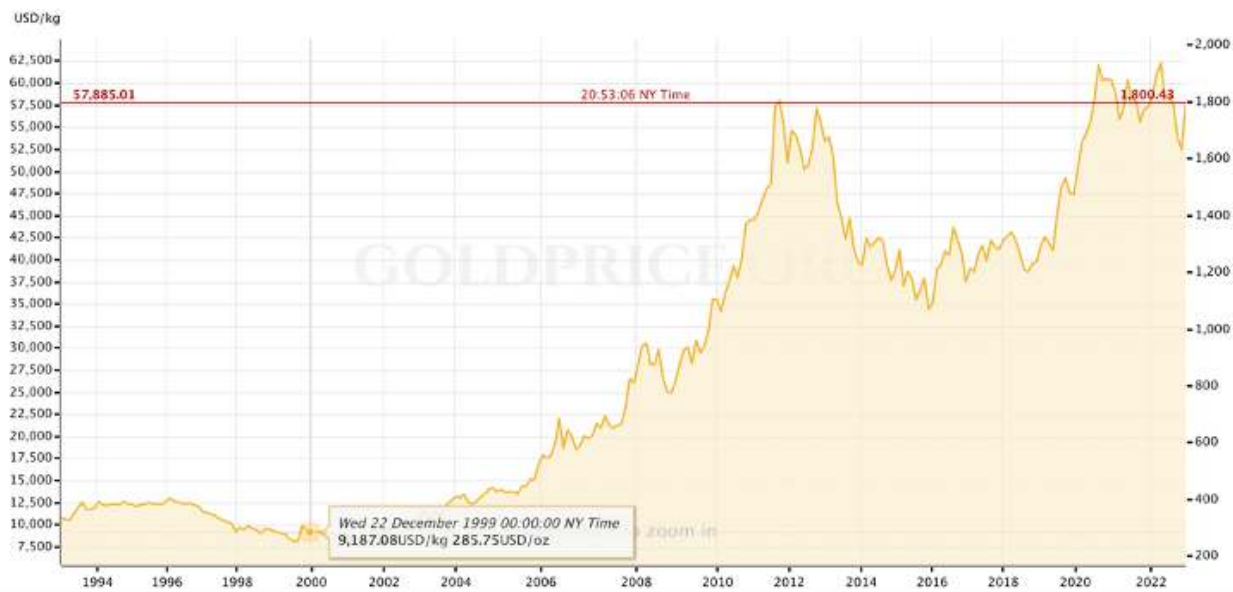


Figure 1. Gold performance.

What is holding gold back? Possibly the crypto hodlers—those who “hold on for dear life”—are sapping demand for alternative currency equivalents, but they haven’t exactly benefitted from a strong bid with BTC down 59% ytd and down 72% off its all-time high. I can entertain the idea that powerful (supra-sovereign-level) are rigging the gold market, but I am not convinced.⁴

In related news, JPM got its annual “tax the rich” wrist slap for committing massive fraud in the gold futures markets.^{5,6} “This was an open strategy on the desk. It wasn’t hidden.” However, I remain unconvinced that they are *suppressing* the price rather than simply running over investors on both the upside and downside. The globally destabilizing dollar strength in the Forex currency markets certainly hurt gold price in dollars; gold denominated in all other currencies has done well. However, the dollar is still getting trampled if we stop grading on the Forex curve (see Inflation).

The above-ground gold supplies from mining are growing only 1–2% annualized. With gold demand being sopped up by ETFs, it strikes me as possible that for gold to take off it may require price discovery in which the physical market overwhelms the futures market by forcing a default at the Comex, which seems plausible given that in a world becomes more dystopian. Goldman raised their price target to \$2500,⁷ which is, as noted, a contrary indicator.

Companies whose profits are so undermined will likely see their share prices drop...Another way to defend the purchasing power of your savings if we return to an era of price controls is by investing in gold.⁸

~ Russell Napier, legendary deflationist of yore

There were a few memorable moments in the global gold markets. Uganda was said to have discovered deposits capable of producing 320,000 tons (OK, tonnes.) of finished product⁹ to increase the above-ground global supply 200%. The market didn't even flicker at that ridiculous claim. The 2014 CIA-sponsored coup in Ukraine and the subsequent invasion of Crimea elicited the generous offer by the U.S. to take possession of \$12 billion of Ukrainian gold for safekeeping. In 2022, the U.S. shipment of money and weapons led to the generous U.S. offer to take ownership.^{10,11,12} We seem to scoop up this barbarous relic every chance we get. The Ukrainian debacle, including confiscation of anything remotely Slavic, has revealed to Russia and all those paying attention that the dollar may be an undependable reserve currency. Russia and China have been amassing gold steadily for most of the last two decades. In an interview that caused my eyes to bulge like a cartoon character, Simon Hunt estimated that the putative 8,500 tons of gold owned by the U.S. may be dwarfed by 12,000 tons of Roosky gold and 55,000 tons of gold in China,¹³ of which 12,000 are owned by the public.¹⁴ State-owned corporations have warehouses bulging with stashes. At the very end of 2022, evidence of a big buyer—a gold whale—was traced to China.

I believe it would be both risk-reducing and return-enhancing to consider adding gold to one's portfolio.

~ Ray Dalio, Bridgewater Associates

Silver was tame too (Figure 2). As with gold, the 9.2% annualized 20-year return is nothing to sneeze at. The above-ground silver supplies are said to be dropping,¹⁵ but I have been hearing variants of that story for my 23 years of ownership. The global effort to squander resources on sketchy sources of energy such as solar panels is a reason for optimism. Silver is in every electronic device, including contemporary solar panels, and is embedded deeply enough to be uneconomic to recycle at current prices, especially in the Western world.¹⁶

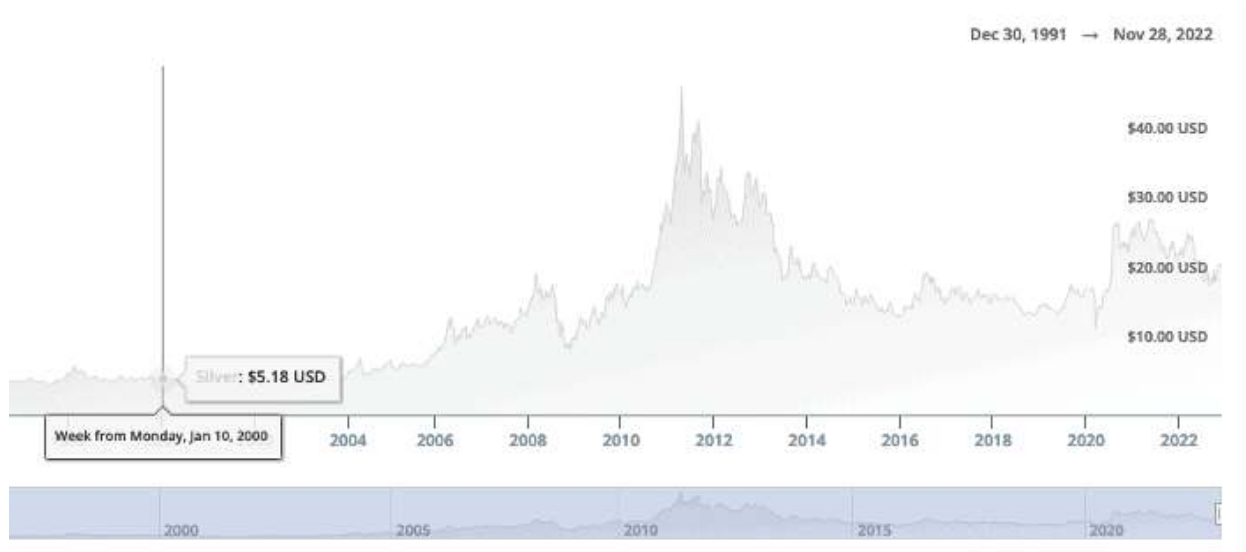


Figure 2. Silver performance.¹⁷

Our central case is a hard landing by the end of '23...I don't rule out something really bad...We are in deep trouble...the repercussions of that are going to be with us for a long, long time.¹⁸

~ Stan Druckenmiller, God

The Economy

The global economy is too much in flux to predict even six months out. The Fed is hiking while many leading economic indicators are sloping downward. The Fed used the word “pain.” Pivot watchers think the Fed will chicken out, but I think they intend to bring the system to its knees. A hard landing will look like a yard sale—broken and useless shit everywhere—but it will also be an emergent process in which the details of the wreckage cannot possibly be predicted. If it is accompanied by deglobalization—if the global players continue to be uncooperative—it could get *really* ugly. Ex-Stratfor demographer discussed below, Peter Zeihan, says that a profound deglobalization is an inevitable consequence of demographics.¹ Putin and NATO are accelerating the process, and it could collapse with one bone-headed move. Meanwhile, the Covidians are preparing the Hofferian fanatics for the next lockdown.

This economic crisis is just beginning, and it's going to be as bad or worse and as long as it was during the 1970s.

~ Peter Navarro, former White House economic advisor

Before largely taking a pass this year and watching the economy play out, I would like to take a shot at the question that has plagued many: where have

all the workers gone? It is like going into the woods and finding no squirrels or birds. Some economists have called this a strong labor market. I might concede tight, but broken is more accurate. Seven million American men of prime working age—25 to 54—are not merely out of work, but not even looking for it. It is now called the Great Resignation. When you ask small business and restaurant owners where their former employees have gone they respond with some variant of “working for somebody else.” I have not found these mysterious employers of lower-wage workers. Somehow there is a lack of price discovery between workers and potential employers. The missing workers may stem from multiple contributions:

- Illegal aliens went home and did not come back;
- People sat on their decks pounding brewskis during the lockdown, deciding that retiring or living on one salary is not so bad;
- Disabilities, real or perceived, have risen;
- Some workers have joined what I call the less productive part of the workforce, which includes bloggers, substackers, and YouTubers looking for patrons while others are, as one trucker told me, “trading bitcoin”;
- Cops have taken a hike because they now hate their jobs at the very moment that (or because) crime in the cities is spiking;
- Mom-and-pop businesses were destroyed by the lockdown policies of Fauci *et al.*;
- Moms or dads who home-schooled their kids are now savvy enough to recognize that marginally offsetting daycare costs with a second salary is common core-level math and economics (makes no sense).
- Some died from covid and what is euphemistically called “excess mortality” (vaccines);

The Ethical Skeptic, an anonymous and impressive blogger and covid analyst, compiled 42 reasons behind Dolly Parton's hit song, “You Can Take This Job and Shove It.”² It will require wage increases, severe economic hardships, or simply maxing out all credit lines to pull the workers back to the workforce. Paradoxically, workers needing wage gains will be inflationary.

Inflation

Stagflation is going to kill you.

~ Rebecca Patterson, chief investment strategist at Bridgewater Associates

Hyperinflation is going to change everything. It's happening.

~ Jack Dorsey (@jack), CEO and founder of Twitter, on 11/22/2021

At the hedge-fund founders' dinner in New York City only one of the players convinced me they understood that inflation had reverse-transcribed itself into our DNA and was hunkered down. The rest seemed to believe that the Fed would throw a switch and inflation would be vanquished—Bernanke-style. Society seems to have forgotten that many of the most horrid events in history followed on the heels of destructive inflations. Rudy Havenstein understands.¹

Inflation is a worldwide problem right now because of a war in Iraq... excuse me, the war in Ukraine. I'm thinking about Iraq because that's where my son died.²

~ Joe Biden, talking about Bethesda, Iraq

The qualifications of our leaders seem undeniable. We have a president who noted that a rise from 8.2% to 8.3% is OK because it is just "an inch" (putting the thumb and forefinger close together) and a vice president who thinks that the slight increase means there is almost no inflation. Meanwhile, Congress passed a nearly half trillion dollar bill to fight inflation...and then allocated the money to climate-change grifters and to grow the IRS secret police by 87,000.³ Am I the only one who sees "the Grim Reaper" in the IRS logo?



I'm sick of this stuff! The American people think the reason for inflation is the government spending more money. Simply not true!

~ Joe Biden

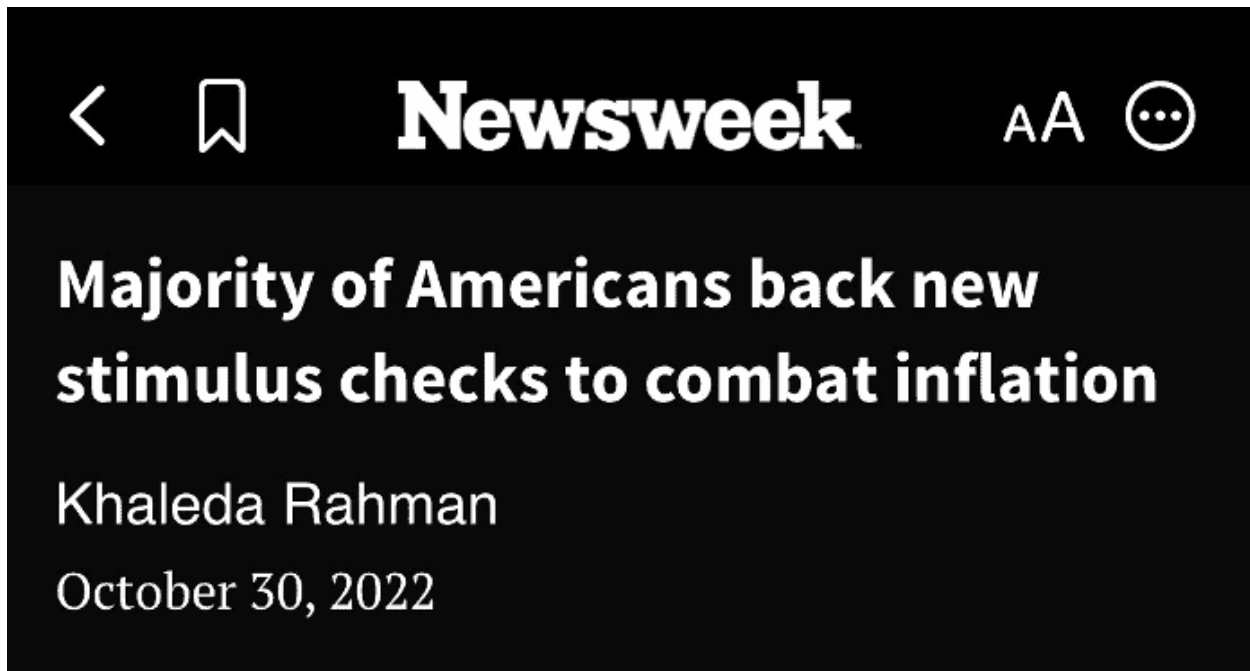
It's important to dispel some of those who say, well it's the government spending. No, it isn't. The government spending is doing the exact reverse, reducing the national debt. It is not inflationary.

~ Nancy Pelosi

The people in Washington will tell you inflation is produced by greedy businessmen or it's produced by grasping trade unions or it's produced by spendthrift consumers or maybe it's those terrible Arab sheiks...only money has that printing press and, therefore, only Washington can produce inflation.⁴

~ Milton Friedman

Ron Paul warned us for years that government spending is the problem as did Milton Friedman. Davy Crockett even had his come to Jesus moment in his legendary speech to Congress, "It is not yours to give"⁵ in which he



apologized for voting for a big recovery act. Never have so many owed so much to so few. The quirky genius Kim Dotcom reminded us what economist Larry Kotlikoff⁶ has been sounding the alarm about: even if you were to sell all factories, real estate, hard assets, and equities—a complete liquidation at *current market prices*—the US would be \$66 trillion in the hole.⁷ Seems problematic. Even Dan Akroyd on *SNL* got it:⁸

I will present to Congress the Inflation Maintenance Program, whereby the US Treasury will make up any inflation cost losses through direct tax rebates to the public in cash. Now you may say, “Won’t that cost alot of money? Won’t that increase the deficit? Sure it will, but so what? We’ll just print more money.”⁹

~ Dan Akroyd imitating Jimmy Carter, 1978

**Jeff Bezos** ✓
@JeffBezos

...

Ouch. Inflation is far too important a problem for the White House to keep making statements like this. It's either straight ahead misdirection or a deep misunderstanding of basic market dynamics.

**President Biden** ✓ @POTUS · Jul 2

🏢 United States government official

My message to the companies running gas stations and setting prices at the pump is simple: this is a time of war and global peril.

Bring down the price you are charging at the pump to reflect the cost you're paying for the product. And do it now.

9:42 PM · Jul 2, 2022 · Twitter for iPhone

33.4K Retweets **7,107** Quote Tweets **195.9K** Likes**US Oil & Gas Association**
@US_OGA

...

Working on it Mr. President. In the meantime - have a Happy 4th and please make sure the WH intern who posted this tweet registers for Econ 101 for the fall semester...

**President Biden** ✓ @POTUS · Jul 2

🏢 United States government official

My message to the companies running gas stations and setting prices at the pump is simple: this is a time of war and global peril.

Bring down the price you are charging at the pump to reflect the cost you're paying for the product. And do it now.

10:11 AM · Jul 3, 2022 · Twitter Web App

5,050 Retweets **535** Quote Tweets **24.7K** Likes

The answer to the age-old question, “do rising prices cause inflation or does inflation cause rising prices?” is “yes.” Inflation is impossible to discuss without introducing gross distortions. The idea that something so complex as the ebb and flow of prices—something akin to global weather patterns—can be described using a binary vocabulary—inflation or deflation—is bonkers. Even if you throw in a few adjectives to smooth the edges, it still doesn't work. There is a tribe in Africa that has three numbers: one, two, and many. They were never going to invent calculus. Economists armed with calculus will never be able to describe money flows using only two words. Language corrupts ideas.

Now we've had moments in history with extreme leverage, we've had moments in history with extreme inflationary forces, and even speculative environments. But, I assert that we'd never seen these three macro-imbalances occurring all at once.

~ Tavi Costa (@TaviCosta) of Crescat Capitol

Calculating the CPI (consumer price index) requires measuring various consumer prices and then statistically overweighting components that naturally go down (tech) or can't be measured (implicit rent).¹⁰ Thanks to the Boskin Commission, at the behest of politicians looking to distort the numbers to look good and reduce the cost of inflation-adjusted payouts, came up with a Nobel Prize-worthy concept—the fudge factor. My favorite is “hedonic adjustments.” Let's ignore the fact that hedonic is defined by some chick named Mirriam Webster as “of, relating to, or characterized by pleasure” whose etymology stems from medieval agricultural economists “choking the chickens.”

For those of you who may be unaware, Boskin is the economist/weasel/fraud who helped to officially distort the CPI, making it more or less worthless as a measure of inflation.

~ Barry Ritholtz

Let me illustrate with my favorite example. The blender your grandmother bought in 1945 died after 70 years because you dropped that pig on the floor. It was replaced by the plastic piece of crap with a life expectancy of the fruit in your smoothy and can't even be repaired. The cost per use has soared just like the other rapidly depreciating crap in your house, but economists have not yet included accelerated depreciation in the CPI. Thus, the price of the new blender is *not hedonically adjusted higher* because it is chintzy; it is

hedonically adjusted *lower* because it has more buttons. Addendum: On December 14, having completed this diatribe, my blender broke.

The Washington Post
Democracy Dies in Darkness

PERSONAL FINANCE

With higher inflation, living with your parents makes economic sense

Let's stop joking about young adults living in their parents' basement. Financial independence doesn't have to come with a monthly rent payment.



Perspective by [Michelle Singletary](#)
Columnist

Another CPI adjustment is called “substitution.” Imagine the price of ribeye has soared from \$9/lb to \$18/lb—it has. Economists assume that the savvy shopper will switch to strip steak, which is now way overpriced at \$9/lb. Through the miracle of “substitution,” the Boskinites claim the price of dinner hasn't changed, so there is no inflation. Now switch to neo-Marxist Klaus Schwab's favorite protein—bugs—and we have a deflationary crisis calling for Fed intervention. The “substitution” correction should be alongside WD40 and duct tape in the pantheon of all-purpose tools. Oddly, economists seem to have overlooked the subtlety that substitution should be hedonically offset by the reduction in quality. Ribeye is twice as expensive because it is twice as good. I propose Collum's Universal Law of Hedonics (CULH):

substitution x hedonic = 1.0

Shadowstats.com¹¹ and the Chapwood Index¹² have both figured out how to determine inflation: they monitor prices without just making shit up. Lo and behold, inflation has been a runaway train for years. However, you must follow the science or, as my Maw used to say, “you can like it or lump it.” She had other nonsensical aphorisms like “TS”, which took me years to decipher.

CITY	CY 2015	CY 2016	CY 2017	CY 2018	1ST HALF 2019	LAST HALF 2021- FIRST HALF 2022	AVG
1. New York	10.3%	10.8%	11.2%	12.6%	12.1%	18.44%	11.4%
2. Los Angeles	10.9%	11.1%	11.6%	12.1%	12.6%	18.30%	11.7%
3. Chicago	9.8%	10.9%	11.0%	11.9%	10.7%	18.83%	10.9%
4. Houston	8.4%	8.9%	8.7%	8.8%	9.7%	13.36%	8.9%
5. Philadelphia	10.8%	11.2%	10.8%	10.6%	11.2%	12.84%	10.9%
6. Phoenix	7.6%	8.1%	9.2%	7.4%	7.6%	15.86%	8.0%
7. San Antonio	8.4%	8.8%	8.8%	9.3%	9.8%	16.12%	9.0%
8. San Diego	13.0%	12.2%	11.8%	11.7%	11.2%	18.51%	12.0%
9. Dallas	9.4%	8.9%	9.2%	8.7%	8.4%	16.54%	8.9%
10. San Jose	13.3%	12.9%	13.3%	12.7%	12.6%	18.11%	13.0%

Figure 1. Chapwood Index showing inflation in 10 major cities.¹³

Welp. Choice of metric aside, inflation is finally here. After years of those predicting inflation owing to Fed and government largesse, even the mangled CPI rose a demonic 8–9% (higher for those of us living in reality.)



Dave Collum
@DavidBCollum

My brother, a former accountant, keeps track of everything. Year-over-year his food bill is up 41%.

11:49 AM · Jul 26, 2022 · Twitter Web App

 [View Tweet analytics](#)

3,102 Retweets **195 Quote Tweets** **16.5K Likes**



Notice the number of likes on that otherwise sterile tweet. I hit a nerve that day. Another accountant replied, concurring that he gets the same number. Jim Iuorio of CNBC fame says his restaurant—yes, an Italian restaurant—is seeing 25% hikes in food costs. Oh well, going into an inflationary period concurrent to entering an economic recession hits two other hot bones that have crawled up my ass. Who defined a recession as the period in which the economy is turning down? According to Mirriam of Mensa, a recession is “the act or action of receding.” OK. I gotta let that one go, but I should add that they don’t want to use “depression” because Mirriam calls that “a place or part that is lower than the surrounding area.” Thus, to exit a recession you only need to turn upward (moving off the first derivative of zero.) To exit a depression is like exiting a sand trap: you must exit the other side. Golfers spending time in sandtraps surely understand depressions. My second bone to pick is that boomers will recall from their childhood that economists believed that stagnation and inflation could not co-exist, forcing them to invent a new word, “stagflation.” Think about this: economists were shocked that consumers buying fewer goods and services with the same amount of income puts a drag on the economy? I should have been an economist—a low bar to clear—but that would have required at least one course in economics.

Aside from priorities, is this even true? Is there any good reason to believe that inflation hits low-income households especially hard?

~ Paul Krugman (@paulkrugman), former economist

I think nobody thought about logistic supply chains or any of that stuff until suddenly it became a big problem.

~ Paul Krugman, utterly clueless

For years, Twitter was littered with people ranting about how inflation would chip away at their debt. How is that working for you? Is that mortgage payment shrinking or even getting easier to pay? What these inflationary virgins did not understand is that wages can be very sticky, whether owing to multi-year contracts or just psychology. Over 70% of Americans say their paycheck is not keeping pace with expenses.¹⁴ The other 30% don't have a paycheck. In 2019, the so-called median deplorable earned \$60K and couldn't rub \$400 together to replace their rapidly depreciating appliance without turning to credit. They now are ranting since that \$6,000 reduction in real spending power will leave a scar. They've also discovered that only a chard of their monthly budget is discretionary. You can't cut back on your tax bill; mine is going up 8% each of the next two years according to inside sources. That microchip-rich car can't be fixed in your garage, and it ain't gonna fix itself. You can cut those violin lessons—the little rug rat sucked anyway—but the hockey is non-negotiable. That mortgage hasn't changed, but the escrowed taxes, insurance, and maintenance costs sure have. It also looks like you may have overpaid for that shack, making your abode and your 401K the only deflation in your personal universe.

There is a great deal of Americans where it is uncomfortable that they're spending more, but they are not gonna go under. You've got to stop complaining...you still have your job...so I'm gonna need you to calm down and back off.¹⁵

~ MSNBC Guest



Let me drive this point home using inflation to illustrate the miracle of compounding in reverse. Every year we all get some kind of raise (or not).

During the GFC Cornell announced there would be no raises that year. On a campus with a faculty brandishing an estimated 2.5 million total SAT points, three business schools, and countless on-the-spectrum math geniuses wandering the campus in a daze, nobody seemed to notice that we got pegged. That 3–4% lost salary persists year after year until you retire, amounting to an entire annual salary lost if you are young. Inflation whacked us this year too: 3.5% raises into the teeth of 8% inflation reduced our salaries by another 5% (or more). Now we are talking over 8% reduction in our lifetime earnings in just two bad years. As an old guy, compounding of my annual salary movements is nearly over. I will top off the tank by staying on payroll, wandering the halls babbling incoherently, and occasionally soiling myself (SNAFU).

One original thought is worth 1000 meaningless quotes.

~ Banksy

I got into an argument with David Andolfatto of the St. Louis Fed years back in which he asserted Volcker *contributed* to inflation. Come again? Sounds like he was making an odd case, but those interest rates were ramming >15% returns into the banking system and consumers' pockets. Maybe Volcker's recession initiated the reversal of the inflation mindset and money flows while Russia's cheap resources, China's cheap labor, and the U.S.'s great demographics did the heavy lifting. I'm still pondering Andolfatto's thesis a decade later.

Engineering a higher nominal GDP growth through a higher structural level of inflation is a proven way to get rid of high levels of debt. That's exactly how many countries, including the US and the UK, got rid of their debt after World War II.¹⁶

~ Russell Napier, author of *Anatomy of a Bear*

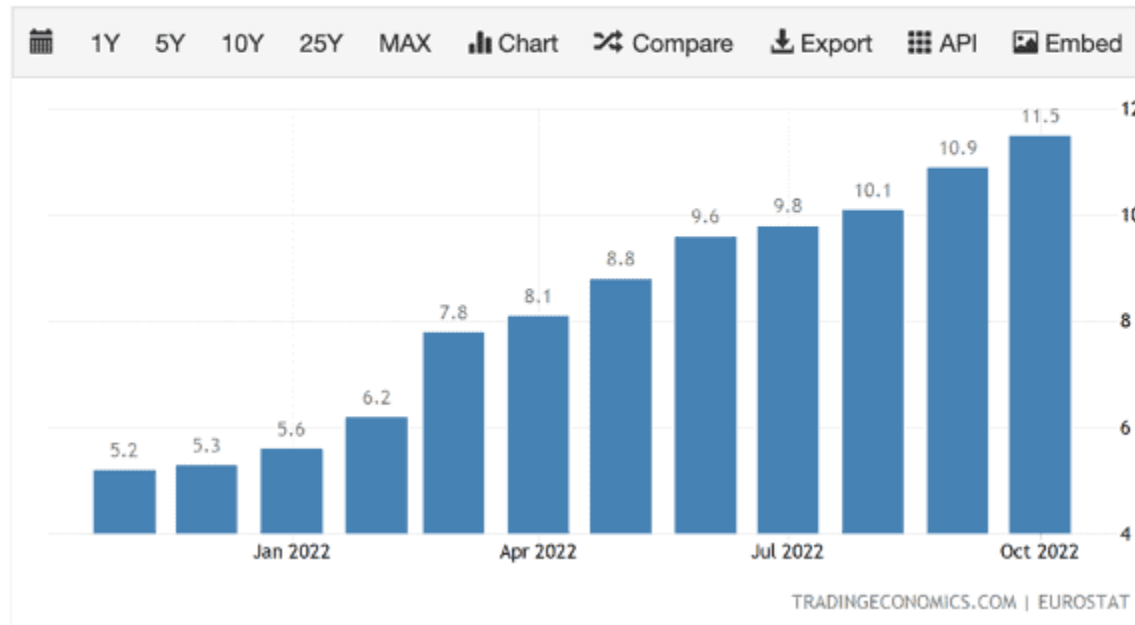
There is too much debt in the world, so they must inflate it away, which they will. That's the only thing you need to know.¹⁷

~ Eric Peters, CIO of One River Asset Management

Ominously, the inflation is global.¹⁸ How else could the dollar be so strong in the Forex markets? Germany, for example, put together back-to-back quarters of 33% rises in producer prices (45% year-over-year in September), which ought scare the hell out of all of us given their history.¹⁹ The combined

balance sheets of the world's central banks grew tenfold in less than two decades.²⁰ We have a global debt problem which appears to be getting addressed by global inflation. Much of it comes from the tens of trillions of dollars rammed into the global system during and following the GFC (Great Financial Crisis)^{21,22} and then trillions more to enable the IFL (Insane Fucking Lockdown) that completely screwed up the supply chains. If the Fed had not promised somebody behind closed doors that they would do their part, the lockdown would not have happened. No Fed, no lockdown. Period. Now you know who to blame.

Inflation Rate in European Union increased to 11.50 percent in October from 10.90 percent in September of 2022. source: EUROSTAT





Let's not let that "inflate away debt" idea—Ray Dalio's "beautiful deleveraging"—go by uncontested. It reminds me of picking yourself up by your bootstraps: have you ever tried to do it? Those who say the world is doing it right now seem unaware that the rate of debt growth is outpacing inflation. Hard to see how that gets you anywhere. The U.S. debt-to-GDP has grown >15% in four years.²³



Jesse Felder
@jessefelder

...

"Inflation is a very serious subject. You can argue it's the way democracies die. It's a huge danger... If you overdo it too much, you ruin your civilization."



Wobbling on a weak understanding of global finance, I called out to financial Twitter (fintwit) for examples of countries that inflated away their debt *without a deflationary default in the end*. (Of course, inflation is a default too but humor me.) I got answers, many from smart guys who thought their answers were obvious but don't work for me:

- Weimar Germany? No. They screwed the populace but big sovereign debts were denominated in gold, ultimately leading to WWII.
- Argentina? *Please*: They defaulted 6 times in the last century.
- An obscure answer: Canada in the 1980s and 1990s? They did burn down their debt, but the inflation rate was way too low to account for it; austerity and growth get a lot of the credit.

- Japan? Nope. Although not imploding yet, their debt-to-GDP is a monster with inflation just beginning to flicker.

The post-World War II United States for the win! They had double-digit negative rates on sovereign debt, and bondholders got crushed. So that is a valid case, but let us not forget that the U.S. was the only industrial nation standing—a juggernaut—controlling 80% of global GDP. How much post-war debt reduction was inflation and how much was American Exceptionalism (a term coined by Stalin)? Someone smarter than me could do that math.

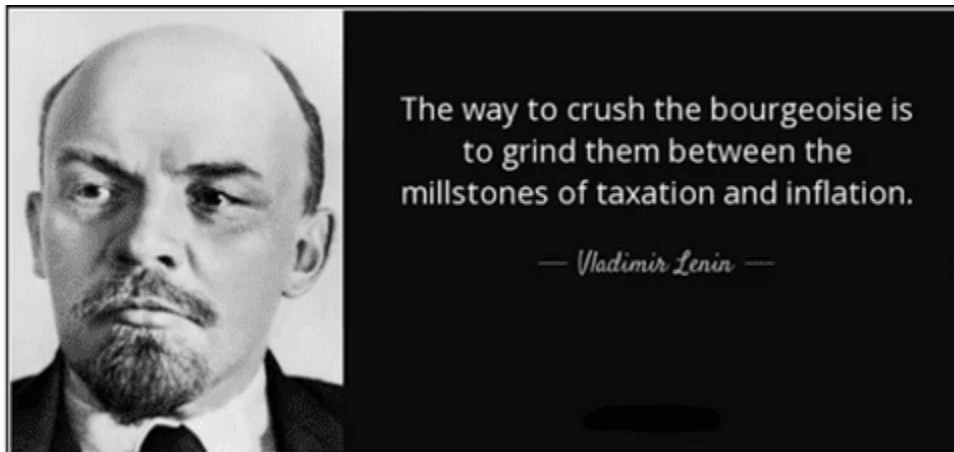
The Russian invasion of Ukraine has put an end to the globalization we have experienced over the last three decades. A large-scale reorientation of supply chains will inherently be inflationary.

~ Larry Fink, CEO of Blackrock

There are other problems looming that are ominous. The world is said to be at the precipice of deglobalizing, propelled by a collapse of the global population. Yes. You heard that right. imploding. Deglobalization means that goods and services may no longer be made most efficiently and economically. Former Stratfor demographer, Peter Zeihan, claims population collapse and accompanying deglobalization is already baked into the cake (see Books).²⁴ The conflict in Ukraine has been horrible for inflation since energy prices drive the prices of everything, and one could imagine the conflict accelerating deglobalization. If the conflict gets worse or spreads, I'd say it is time to panic.

I grew up in France, so I had a good dose of Marx in my education. The first thing Marx teaches you is that revolutions are typically the result of inflation.

~ Louis-Vincent Gave, 2021



The Fed

We have got to get inflation behind us. I wish there were a painless way to do that, there isn't...there will be pain.

~ Jerome "J-Pain" Powell, being clear

We're going to have a good deal of pain and suffering before we can solve these things.

~ William McChesney Martin, 1969, and there *was* pain to come

The Fed is now in a bind. The drag queen shows at the Eccles Building are over. Forty years of disinflation and jawboning to the point of blower's cramp created a gargantuan recency bias, leaving generations of Americans unfamiliar with the socioeconomic horrors that bad monetary policy can inflict on an economy and society. We are confronting an inflation problem, but what policy tools do we have to defeat it? Recall that when Volcker took on the inflation Balrog, the national debt was 31% of GDP. Now it is more than four times that. Total public and private debt relative to GDP is up almost threefold. Volcker did not have to worry about the systemic risk that his successors at the Fed nurtured to maturity. Since the Fed has been accused of keeping rates "too low for too long" too many times by too many smart guys, they can't plead ignorance no matter how compelling that defense seems.

Hiking rates to bring down inflation is not a 'policy mistake,' it's the Fed's mandate. The true policy mistake was believing that 0% rates, buying billions of mortgage bonds in a housing bubble, & increasing the money supply by 40% in 2 yrs would have no negative consequences.

~ Charlie Biello, CEO of Compound Capital Advisors

Leading up to 2019, the Fed had belatedly started hiking rates and reducing its balance sheet. I thought it was way too late and possibly a mistake to do both concurrently. The repo market started convulsing in late 2019, prompting the Fed to pivot yet again by "going direct"—shoving money straight at the consumers—at the behest of Blackrock in a white paper.^{[123](#)} A few months later the Fed agreed to put the economy in an induced covid coma, causing much bigger problems. Inflation is now in our DNA as the

dreaded “inflation expectations” have taken root. Unlike his predecessors, Powell is in a brawl with fiscal policymakers—way too many tools inside the beltway spending money to slay inflation—with whom Powell has neither control nor allegiance.

It will turn out to be largely impossible to normalize interest rates without collapsing the economy.

~ Edward Chancellor, market historian

The second fundamental problem is one of legacy and credibility. Many market participants—pivot watchers—see Powell *et al.* as swamp creatures, controlled by some higher power to mitigate all pain and damage. I see Powell as a guy who wants to be in the pantheon of central bankers alongside Paul Volcker while being compared with the profoundly destructive Arthur Burns by the likes of Roach, Summers, and others.⁴⁵ Bill Gross called them an “ignorant—yes ignorant—Federal Reserve” while making allusions to “Ponzi finance.”⁴⁶ What path will a narcissist at the peak of his power choose: protector of credibility and legacy or savior of markets and destroyer of currencies? I suspect legacy wins, but it is just a hunch. The markets are currently taking the other side of the bet.

So far, Jerome Powell looks more like Arthur Burns than Paul Volcker.

~ Bill Dudley, former head of the New York Fed

Before looking at what the Fed might do going forward and with what level of fortitude, let's look at what prominent Fed detractors have to say in their own words juxtaposed with a few Fed comments for comic relief. Mind you, most of these are not just loose-cannon bloggers.

The country is suffering from the worst cost-of-living crisis in 42 years. The Fed wasn't data-dependent and now has sacrificed its credibility.

~ Lacy Hunt, Hoisington Investment Management and former deflationist

This is the fundamental problem...It is a fundamental trap...It's gonna be really bad. I think we should worry more about deflation. I think that is a huge risk people aren't thinking about. If the Fed pops this bubble there will be a deflationary spiral...It is going to cause devastation.²

~ Mark Spitznagel, Universa Investments, on Dr. Frankenstein and the monster

There is a whole generation of people who don't remember inflation. They don't know what it is, and so I think inflation is a non-existent threat.

~ Alice Rivlin, former Fed governor, circa 2017

The Fed's latest moves are consistent with a central bank that is continuously scrambling to catch up with realities on the ground. It is the kind of thing that one typically finds in developing countries with weak institutions, not in the issuer of the world's reserve currency and the custodian of the world's most sophisticated financial markets.

~ Mohamed El-Erian, former PIMCO



I think we're in one of those very difficult periods where simply capital preservation is I think the most important thing we can strive for...[The Fed] has inflation on the one hand, slowing growth on the other, and they're going to be clashing all the time. You can't think of a worse environment than where we are right now for financial assets...Look at the level of overvaluation we're in right now in terms of rates and stocks...Sub-two-percent inflation is a much better problem to have than above-two-percent inflation.⁸

~ Paul Tudor Jones, founder of Tudor Investment Corp.

Hitting or exceeding 2 percent inflation for a few months does not mean victory. To fully achieve the goal of price stability, we need to see a sustained period of moderately above-target inflation. Only then will the job be complete.⁹

~ Mary Daly, San Francisco Fed President Mary Daly, in 2020 showing zero understanding of "price stability"

I don't feel the pain of inflation anymore. I see prices rising but I have enough...I sometimes balk at the price of things, but I don't find myself in a space where I have to make tradeoffs because I have enough, and many Americans have enough.¹⁰

~ Mary Daly, San Francisco Fed President, in 2022 showing zero understanding of inflation.



I know from studying history that credit eventually kills all great societies. We have essentially taken out our American Express card and said we are going to have a great time...Perhaps we are simply responding to the same type of cycles that most advanced civilizations fell prey to, whether it was the Romans, sixteenth-century Spain, eighteenth-century France, or nineteenth-century Britain.¹¹

~ Paul Tudor Jones, founder of Tudor Investment Corp.

The West is now awakening from decades of poor policy. The consequences will appear overwhelming at first. We'll get through, but that long, painful process has only just begun.¹²

~ Eric Peters, CIO of One River Asset Management

I think now we have more credibility, we're moving faster, we will be able to bring inflation under control sooner and with less disruption to the economy than we had in the '70s.

~ James Bullard, President of the Saint Louis Fed

Now that the Fed finds itself in such an uncomfortable situation—one largely of its own making—it may be inclined to eschew further rate hikes, particularly given the growing criticism that it is tipping the economy into recession, destroying wealth, and fueling instability. Yet such a course of action would risk repeating the monetary-policy mistake of the 1970s, saddling America and the world with an even longer period of stagflationary trends.

~ Mohamed El-Erian, former head of PIMCO

The Fed's application of its framework has left it behind the curve in controlling inflation. This, in turn, has made a hard landing virtually inevitable.

~ Bill Dudley, former head of the New York Federal Reserve

Because inflation is ultimately a monetary phenomenon, the Federal Reserve has the capacity and the responsibility to ensure inflation expectations are firmly anchored at—and not below—our target.

~ Lael Brainard, current Vice Chair of the Federal Reserve, May 16, 2019

Staff economists at the Federal Reserve predict...a measured inflation rate of slightly less than 2% in 2022, according to minutes of the September Federal Open Market Committee meeting released last Wednesday.

~ James Grant, @Grantspub, October 2021

Valuations have only begun to retreat from record extremes as a decline in the economy begins and at a time when the Fed is not only unable to come to its rescue but is forced to implement policy that will only make things worse.

~ Jesse Felder, The Felder Report

The length of predicted recession—two full years—is extraordinary. Add to that probably the most bearish comment I have ever heard from a Fed bank—"the odds of a hard landing are around 80%" and wow!

~ Albert Edwards, Societe General (SocGen)

We want to see inflation move up to 2%. And we mean that on a sustainable basis. We don't mean just tap the brakes once. But then we'd also like to see it on track to move moderately above 2% for some time.

~ Jerome Powell, April 2021, on pain avoidance

Possibly the most robust indicator of an impending recession is when the Fed dismisses the inverting yield curve as a predictor of an impending recession.

~ Albert Edwards, SocGen

Since 2010, Central Bankers became active market participants—uneconomic market participants with infinite balance sheets, seeking to distort market mechanisms for pricing of risk. These distortions spread into all financial markets...this easing cycle has no precedent and undoing something so unique will not resemble previous cycles...To return balance sheets to where they were in 2010 at the beginning of QE would mean a sale of \$20 trillion in assets, or roughly equivalent to selling the entire \$24 trillion in U.S. annual GDP.¹³

~ Lindsay Politi, One River Asset Management

The Fed doesn't want to get into the credit allocation business.

~ Loretta Mester, Cleveland Fed President, after buying \$1.3 trillion of mortgage-backed securities in less than two years

It could be useful to be able to intervene directly in assets where the prices have a more direct link to spending decisions.

~ Janet "Yeltsin" Yellen, on the credit allocation business



The Fed since Volcker has been pretty clueless and remains so. What has been more remarkable, though, is the persistent confidence...despite the demonstrable ineptness in dealing with asset bubbles.

~ Jeremy Grantham, GMO

We are on the cusp of a rare paradigm shift in interest rates. Such changes take decades—or even generations—to occur. But when they do, the financial implications are profound.

~ Nick Giambruno, founder of *The Financial Underground*

Their job is to fight inflation. They've done a terrible job of it so far.

~ Jeff Gundlach, founder of Doubleline Capital, in reference to the Fed



Underlying inflation appears to still be well anchored at levels consistent with the Fed's average 2 percent objective, and so—unlike in the Volker and Greenspan eras—no extra monetary restraint is needed to bring trend inflation down.¹⁴

~ Charles Evans, President of the Chicago Fed

You know what upsets me the most? People say why do you get so exercised about the Federal Reserve? It's because the people they screwed going in were the lower and middle-class people, and the people getting screwed on the way out are those same people. They're getting it on both ends.

~ Guy Adami, money manager and CNBC host (a good one)

We will not allow inflation to rise above 2% or less...We could raise interest rates in 15 minutes if we had to.

~ Ben Bernanke, winner of the 2022 Nobel Prize in Economics

Thank you, President Fisher, I know we put a lot of value on anecdotal reports around this table, and often to great credit. But I do want to urge you not to overweight the macroeconomic opinions of private-sector people who are not trained in economics.

~ Ben Bernanke

The Fed surely put the holdout deflationists—Napier, Hunt, and Shedlock—in their place, although it could still be the end game; David Rosenberg thinks so.¹⁵ I am going to disagree with Milton Friedman here: I did not believe inflation is just a monetary problem or government spending problem. It may start that way, but it mutates. Now the Fed has to deal with the Bronteroc. By assuming inflation is always just a monetary phenomenon, market participants stop thinking because the Fed has their backs. I think this model is now wrong.

I think the Fed absolutely does not get the pain associated with a collapsing bubble.¹⁶

~ Jeremy Grantham, founder of GMO

I am not sure there is widespread agreement on the Fed's goals. Is it to fight inflation, pop an all-time record bubble across all asset classes, euthanize the market zombies,^{17,18} regain credibility by detonating the Fed put¹⁹—the implicit guarantee under the markets—or...wait for it...destroy the Europeans?²⁰ Maybe Powell is channeling the legendary King Canute, showing that even the most omnipotent King can't stem the tides. No matter what, the bulk of the stock toshers seem unwilling to grasp that the Fed will push rates up until the will to speculate is broken. Michael Every of Rabobank suggests "They are being told clearly they can no longer have their cake, and everyone else's cake, and eat it and fit in their jeans. And they are ignoring it."²¹

Failure is not an option for Jay Powell. I think they're going to 4% come hell or high water. Until inflation comes down a lot, the Fed is really a single-mandate central bank.²²

~ Richard Clarida, former Fed Vice Chair

Does the Fed have the fortitude? The Bank of England folded fast to save their pension system.²³ Some thought the Fed couldn't lift rates above 1%.²⁴ This is no longer 14 days to flatten the yield curve. They are up against a wall:

- "The Fed has never before started a rate hiking cycle when inflation was already 7.9%."²⁵
- An anonymous (but prominent) commentator with the pseudonym Mr. Skin noted how many times Powell has referred to "real interest rates" and said he wanted them "over +1%." They are camped at about -10% right now, so that is an unveiled threat to "unwind unknown globs of leverage."
- Roach sees the "Fed funds rate up 10% from here."²⁶ Powell insisted that a neutral policy stance is "not a place to pause or stop" and that the Fed would embrace "a restrictive policy stance for some time."

- Fed President Loretta Mester warned that they would raise rates “even in a recession.”

I don't think the Fed is gonna let up just because the economy starts popping a few rivets. There isn't enough blood in the streets for a Theranos lab test. Before this is over, there will be bloated corpses, shattered dreams, and milk cartons with Cathie Wood's face.

I am still waiting for [Powell] to act boldly—'boldly' means he has to shock the market. If you want to change someone's view, if you want to change someone's action, you can't slap them on the hand, you have to hit them in the face.

~ Henry Kauffman, legend

The Federal Reserve appears to be braced and wants participants in the market to understand they will stay the course...the rough landing odds are very high...Monetary policy is currently on the right course but current right course will have to persevere.”

~ Lacy Hunt

What about other central banks? It appears that they have been cast adrift while we try to solve our domestic problems. This could become a monetary Monroe Doctrine. The strengthening dollar is wreaking havoc on global credit markets. The Fed sent a few currency swaps to alleviate a few currencies getting pegged by the strong dollar, but my sympathies are not high. We have a \$2 quadrillion notional value derivatives market that has overstayed its welcome in the world of wealth creation, serving only to finance finance. The Swiss National Bank stress really leaves me cold since they were printing francs to buy US equities. When in Econ 101 did you guys learn about that? Fuck 'em.

“THE CENTRAL BANK DOES TAKE ACCOUNT OF THE IMPACT ITS POLICIES HAVE ON THE REST OF THE WORLD BUT WOULD CONTINUE TO LIFT INTEREST RATES TO BRING INFLATION UNDER CONTROL.”

— FED CHAIR JEROME POWELL, IN RESPONSE TO THE U.N WARNING FURTHER RATE HIKES WOULD CAUSE FURTHER PAIN IN EMERGING MARKETS

We now understand better how little we understand about inflation.

~ Jerome Powell

Broken Markets

My money remains on the likelihood that this is the early stages of a profound bear market in assets. Populism in the west has a long way to go. QE has undermined savings, and now populism will undermine the price mechanism. We are at the start of a 25-year cycle, so get used to it.

~ Crispin Odey, Odey Asset Management and a notorious bear

I am suspecting that the broken YIR clock is finally right. What we will find out is whether it blows up your house at high noon. The presumption that bailouts by the Fed would always be forthcoming and would always work has allowed investors to buy speculative non-GAAP tech garbage. That model may be tested. We are looking at some events that have not been seen for many years (decades). For starters, we are coming off a frothy high in the equity markets said to be the biggest bubble of them all. This is occurring concurrently with a serious, if not potentially disastrous, downturn in the

bond market. Recall that a 60:40 portfolio in the 2007–09 bear market was cushioned by the bond market. The risk parity cult—those striving to bring risks and rewards of stocks and bonds to parity by leveraging their bond portfolios—may have overshot their mark. We also haven't seen inflation levels like this for four decades. To top it off, we are not coming off a euphoric high. Investors may have done well in their portfolios, but all other geopolitical and social pressures have left us plebes in sour moods. Entering a secular bear market in stocks and bonds pissed off at the World is not a solid foundation to begin a long slog.

When I look back at the bull market that we've had in financial assets really starting in 1982. All the factors that created that boom not only have stopped, they've reversed...We are in deep trouble.

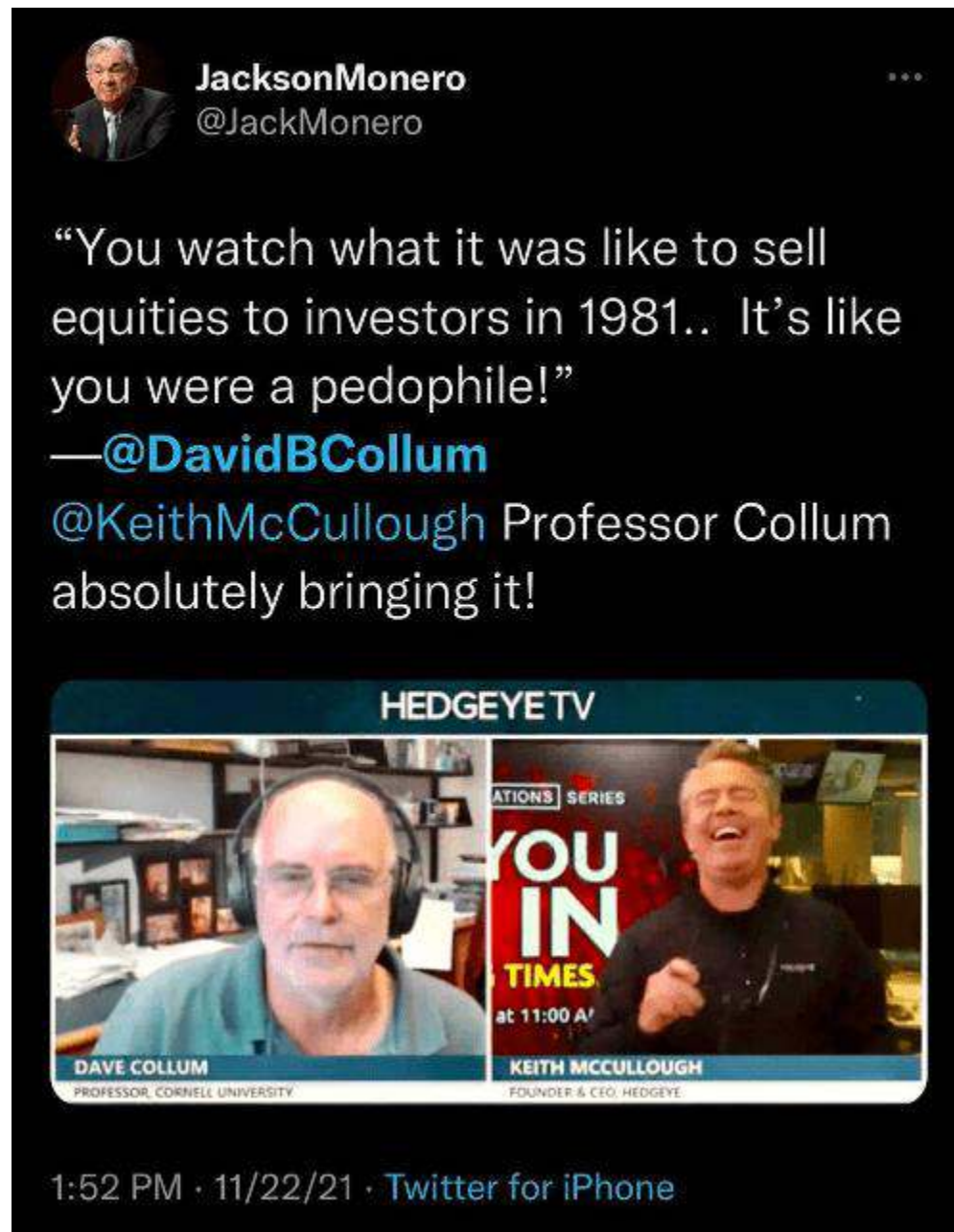
~ Stan Druckenmiller

With the Fed boxed in by rapidly rising but still historically low rates and serious inflation, it is akin to a visit to your oncologist. What comes next? You get your affairs in order. The luminary Murray Stahl of Horizon Kinetics has a way with words. He notes that "the Age of Monetary Policy is over." Channeling some of Murray's thoughts blended with a few of my own, we may be at the end of a unique economic cycle. In the early '80s, the Russians were starved for capital and began flooding the world with dirt-cheap commodities. The Chinese were starved for capital—quite literally China had \$38,000 of foreign reserves in its banking system as it exited its self-exile¹—so they began flooding the market with dirt-cheap labor. The US long-bond rates began a four-decade trek from 16% to essentially zero. Meanwhile, the boomer demographic not only hit the workforce, but they brought their wives with them in large numbers. I have argued generously that buybacks are a reach for yield given the low returns even on fortress balance sheets, but debt-fueled price pumping nicely propelled executive stock option valuations too. These tailwinds will not repeat over the next four decades. Globalization is fraying at the edges and, according to Zeihan, will be ripped apart in a global demographic collapse.²

Prior droughts have been due to rising inflation and/or high market valuation. The U.S. is now at risk from both... U.S. returns are at now risk from both the prospect of higher inflation AND the headwind to returns from high starting-point valuations.

~ Gerard Minack, Minack Advisors and former Morgan Stanley economist

And, by the way, my definition of a correction is that it adjusts asset values *and* investors' attitudes *significantly*. When was our last correction? March 2020? Not a chance. What attitudes got corrected? How about 2007–09? Not in my book. Investors were rewarded for their tenacity. The last real correction was 1967–81. Equity investors lost 70% of their equity gains inflation corrected. You could not give equities away even though, by all metrics, they were dirt cheap, but why take a risk on equities after 14 years of bludgeoning?



A simple reversion to trend, if it happened tomorrow, would require the S&P 500 Index to fall back below 2,000, the prospect of an even greater decline is a frightening one, indeed.

~ Jesse Felder, The Felder Report

Every year, I take a swipe at valuations. Two years ago I went at the egregiously overpriced FAANGs and related tech garbage. Moreover, the FAANGs *et al.* have an enormous collective market cap compared to the dot-coms that caused pain.³ Although the FAANGs *et al.* humiliated me in 2021 by continuing their moonshot, their two-year returns are slightly sobering and exonerating:

Table. Two-year total returns of the FAANGs *et al.* critiqued in 2020

• Amazon	−43%
• Apple	+9%
• Facebook*	−56%
• Genius Brands	−59%
• Google	+7%
• Microsoft	+6%
• Netflix	−46%
• Nvidia	+26%
• Salesforce	−31%
• Shopify	−62%
• Tesla	−30%
• Zoom	−81%

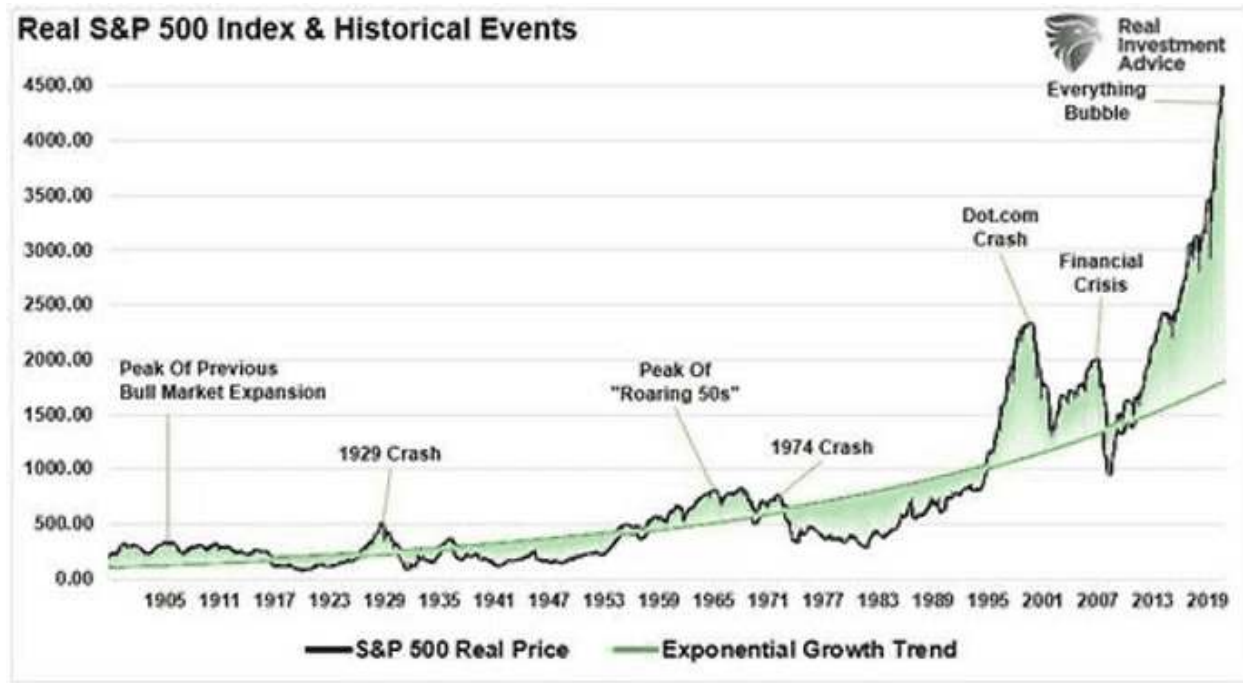
*Metaverse

Today, only finance is profitable, while production is in crisis.

~ Thierry Meyssan, French journalist

At the end of 2021, an analysis of 25 valuation metrics showed the markets to be 120–150% above historical fair value.⁵⁶ I *obsessed* over 1994 as the year that valuations left Earth's gravitational field. The markets have been steadily climbing the wall of worry residing above historic fair value with occasional pauses that refresh since then, propelled by (a) a bond rout intervention in 1994 that never really stopped and (b) the rapid rise of passive index investing.

The curve in the following has no mathematical basis, but I think it captures the problem and the 1994 launch date nicely:



Find a metric that makes you more optimistic—be my guest—but it would be perilous to ignore the 25 I laid out in detail last year.⁷ With the S&P doing an orderly swan dive of 20% as of 12/16/22, many investors are looking to buy the dips. Do you really think unwinding <2 years of froth is all we are going to get? If I told you two years ago that you wouldn't make *any* gains through 2022, would you have soiled your adult diapers? Of course not. It is not time to yell, "Cut me." It is time to pull out James Stack's 2013 chart showing what the Bear does to the Bull:



Alas, the removal of such froth is only phase one of a secular bear market. Phase two rides in on the back of the recession, accompanied by lost revenues, mean reversion of what are currently record profit margins, and the disappearance of credit-constrained share buybacks. Phase three is when the blood, cadavers, broken bones, and shattered teeth litter the Street. Only then have we reached the Charles Manson helter-skelter market. The rotting corpses of malinvestments—the Enrons, Tycos, Worldcoms, Lehmanns, and heaven knows how many banks—will be stinking up the joint. Images of the 1921 Russian famine come to mind. In his 2022 book, “The Price of Time”, Edward Chancellor reminds us that, without exception, when rates have been artificially suppressed, the story has ended in tragedy—*every single time*.



Markets are up 26% in six months.

~ Nikkei Bulls, 1/1/1991

Contrary to lessons learned from Greenspan, Bernanke, Yellen, Powell, and "What-Ever-It-Takes" Draghi, the markets can be uninvestable. Take the Nikkei. If you were in it in '89 your capital gains are still underwater even *without* correcting for inflation. It took over 30 years to get above the '89

high on a total return basis (including dividends but not fees, taxes, and inflation.)⁸ If you weren't in it but averaged down *starting* in 1989, it took two decades to break even. As the guest speaker in one of George Nobel's Twitter spaces, I argued the Nikkei was uninvestable.⁹ The quick counter was that you short it. First, shorting is speculating not investing, and, second, you would be slaughtered because it took too long. The U.S. markets in 1967–81 were also widow makers.

Speculation is a zero-sum game in which speculators vie with each other for profits that they, in the aggregate, cannot achieve.

~ T. A. Hieronymus, University of Illinois Professor of Agricultural Economics

It is time for speculators to refresh their memories that two and two add up to four, not eight or ten.¹⁰

~ Time Magazine, 1967

The big European markets including the DAX, FTSE, and CAC have been treading water off their highs of more than two decades ago. Maybe they are finally cheap, but be careful about grading on a curve:



Fig 9i: European (STOXX 600) PE ratio relative to US (S&P 500)



Source: Longview Economics, Macrobond

When Murray Stahl says, “The age of monetary policy is over,” a corollary might be that the Age of the V-Bounce is over. If I am right, buying opportunities will be met with even better ones for a very long time. Headline-grabbing crashes do not correct investor attitudes; attitudes are corrected by markets grinding investors to dust over years. Somebody will make money—Taleb’s *Fooled by Randomness* says this—but it’s unlikely to be you or me.

Warren “Never Bet Against America” Buffett noted that a majority of the top 20 companies in the world 30 years ago were Japanese, and none are in the top 6 companies today.¹¹ Warren then asks rhetorically if you have figured out which will be the next top 20 and, implicitly, domiciled in which continent? On an upbeat note, Felder says “valuations of US large-cap value stocks relative to growth stocks are now 2.8 standard deviations cheaper than the long-term mean.” First, that is relative to growth stocks, and as Hussman has noted repeatedly The Bear eats anything and everything: all valuation deciles

drop. A P/E of 10 might sound cheap, but there is no immutable law of markets that says it can't drop to five.

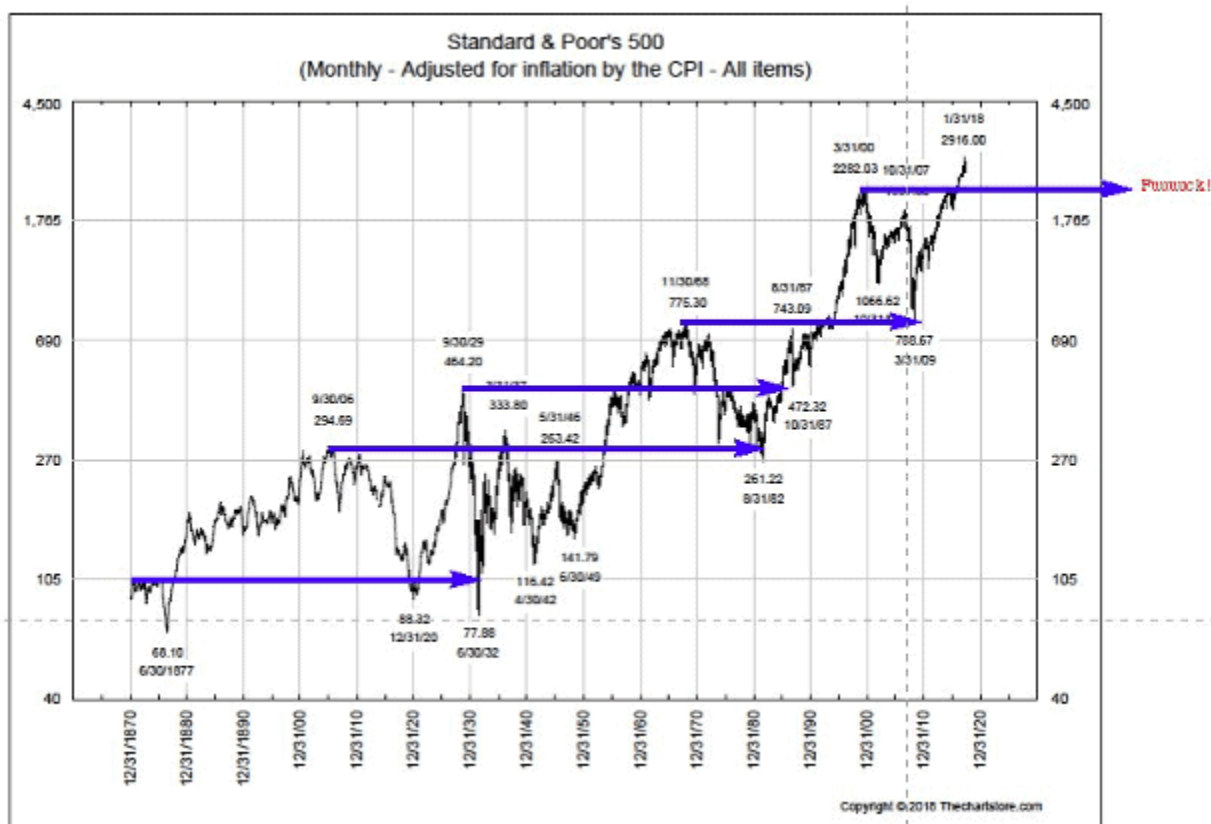


I believe we are in the biggest bear market in my life. This is just the second inning. A lot more to come...There's no other country on earth that has staked so much of its net wealth in stocks. But we are at a very big peak of complacency.¹²

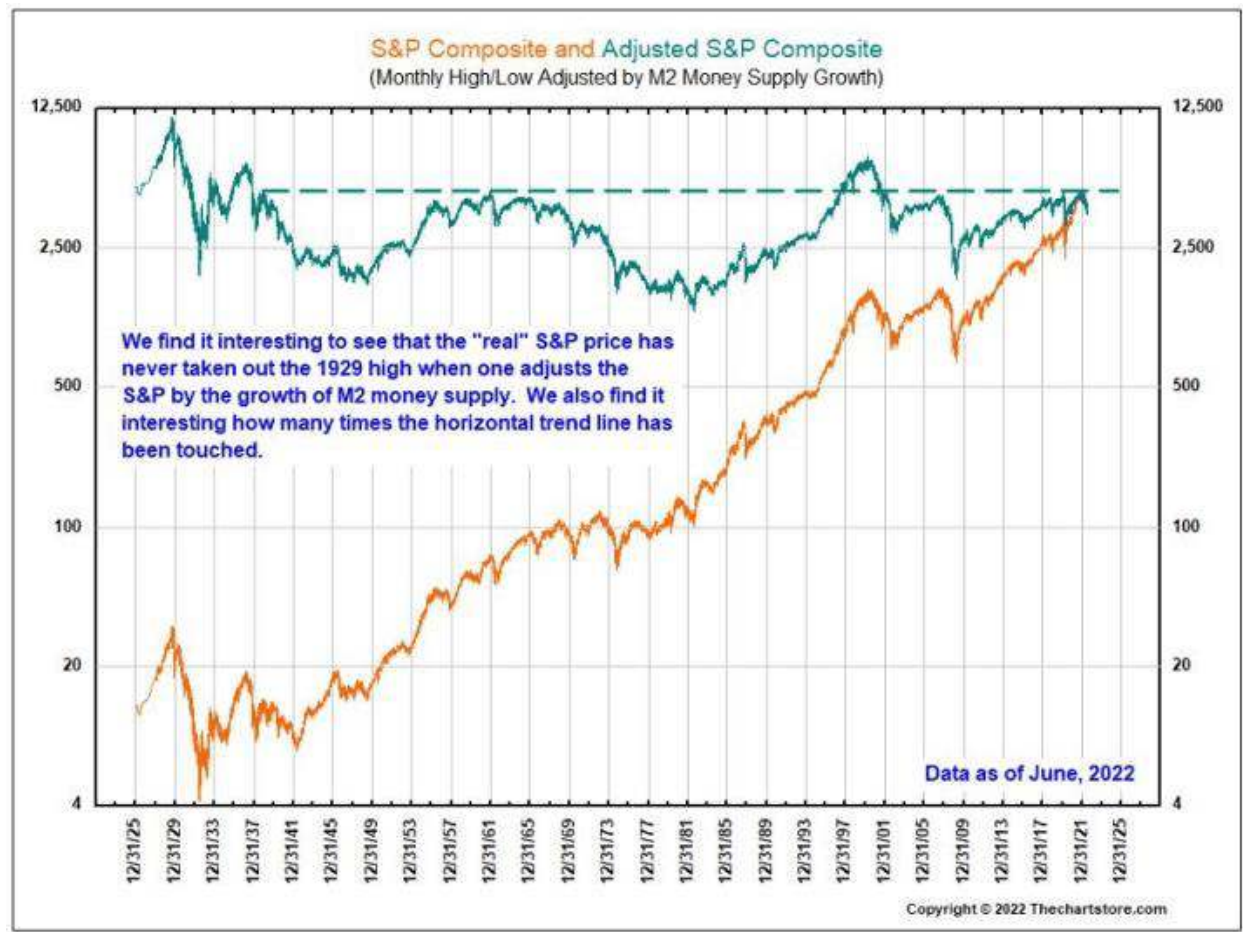
~ David Wright, 78-year-old co-founder of Sierra Investment Management

Over the last 40 years the capital gain on the S&P grew about 6% annualized inflation-corrected (but not including dividends, taxes, and fees, which are nearly self-canceling.) Meanwhile, the U.S. GDP grew 3.5% annually (including an implicit inflation correction). Greater than 3%—half of those 6% annualized gains—are valuation expansions. Can we extend that potentially mean-

regressing disparity over the next 40 years? Flip the argument and ponder what happens if we *lose* 3.5% annually over the next 40 years owing to contracting valuations. You make nothing but dividends minus fees and tax-loss writeoffs. You will make nothing, zero, nada. I will *yet again* post this chart from Ron Griess (The Chart Store) with blue lines brought to you by ChemDraw. Those blue lines represent 40–75 years of treading water off of market tops. There is a shot clock in basketball but not in investing.



And here is another repeat chart. With few exceptions, charts showing market performance without inflation corrections are misleading if not worthless. You can mentally adjust for inflation using the Rule of 72,¹³ but why can't analysts just do it as a courtesy? Since the CPI has long since gone into disrepute, how do you correct for inflation when nobody believes the numbers? This plot that I got from Ron Griess and can find nowhere else shows the S&P market performance vs the M2 money supply, which was readily available until the Fed stopped reporting it a few years ago:



Very odd. Is it possible that we have witnessed zero real capital gains over the most fabulous century in history? Are dividends (minus fees and taxes, of course) your only source of real gain? But...but...but the dividends are half of what they were in the first half of the 20th century! Indeed, that is consistent with my conclusion that equity markets are 100% overvalued. It's arithmetic.

I think that we've had 15 years of Disneyland that has destroyed the economic structure. Think about it: no interest rates. So anyone who's today 40 years old has no experience in markets. Zero. They don't know what time-value of money is.

~ Nassim Taleb, 9/15/22

I've given it my best shot to euthanize your hopes and dreams. Before covering a couple more topics let's pause to "bullet" a few nuggets that crossed my path:

- Bank of America announced zero down payment, zero closing cost mortgages for Black and Hispanic first-time homebuyers¹⁴ in their new Tuskegee Mortgage Program.
- Overpayment for cars during the lockdown will likely cause a car variant of jingle mail as the prices drop well below the loan value. The loans during the lockdown were ultra-loose, but Banks are now shrinking the loan durations as default risks rise. The big PPP loans were used to buy Lamborghinis; strategic defaults and repos are spiking.¹⁵
- The municipal pension funds are still grossly underfunded, gutting their budgets and using leverage to keep up, turning the cities into shitholes.
- According to a Blackrock exec, ERISA rules say that your fiduciary responsibility precludes overlaying social agendas.¹⁶ The ESG craze was ill-advised *and* illegal. Well, there was too much money to be made by pushing ESG governance into industries and asset classes, so the authorities fixed that.¹⁷ It remains ill-advised.
- The chief financial officer of troubled Blood Bath and Beyond (BBY) jumped to his death.¹⁸ The ultimate insult would be a posthumous boost in the share price, but it remains 96% off its all-time high. (I thought about buying this years ago but dodged that bullet.)
- Pension expert Ted Seidle says the state pension underfunding is without precedent and not caused by low contributions or low returns but rather mismanagement and corruption by Wall Street (overcharging). Seidle has personally raked in over \$100 million on whistleblower awards while boomers slip into poverty.¹⁹
- Robinhood, the brokerage firm of meme stock investors, is 80% off its 2021 IPO. The whole thing was a scam.
- Wisdom Tree's 3x short nickel fund blew up. Some speculators were wiped out as nickel rose 250% in two days triggered by the Rooskies in Ukraine.²⁰ Chinese nickel titan Tsingshan Holding Group had the same problem but got bailed out by JPM for reasons unknown to me;²¹ the exchange just canceled the losing trades. The Big Guys seldom lose. Hedge fund Elliot Associates is scrambling in the courts to get \$500 million of negated trades back.²²
- SNAP—the most onomatopoeic stock in the markets—dropped 88% off its 2021 high, placing it uncomfortably below its 2017 IPO price.

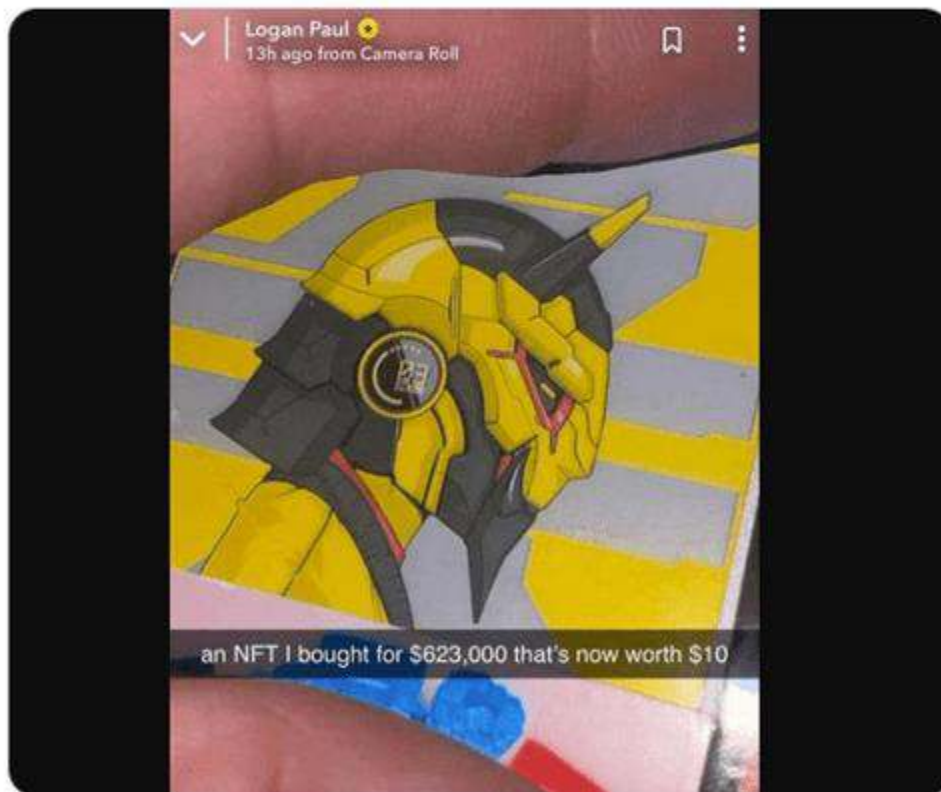
- European banks appear to be in serious trouble, with both Credit Suisse and Deutsche Bank (DB) trading at \$3 and \$10, respectively. DB is off 92% stretched over 26 years—26 years. CS is off only 78% over that same timescale but 94% off its '07 high.
- Cathy Wood is still in the game, and still hawking her wares on CNBC.
- Good news: The SPAC craze—funds with cash but no ideas akin to the South Seas Bubble—seems to be waning as have non-fungible tokens (NFTs) that are basically autographed images from the internet).



Wall Street Silver ✓ @WallStreetSilv · 12h

Logan Paul paid \$623,000 for this NFT that's now worth \$10

Draw your own conclusions ...

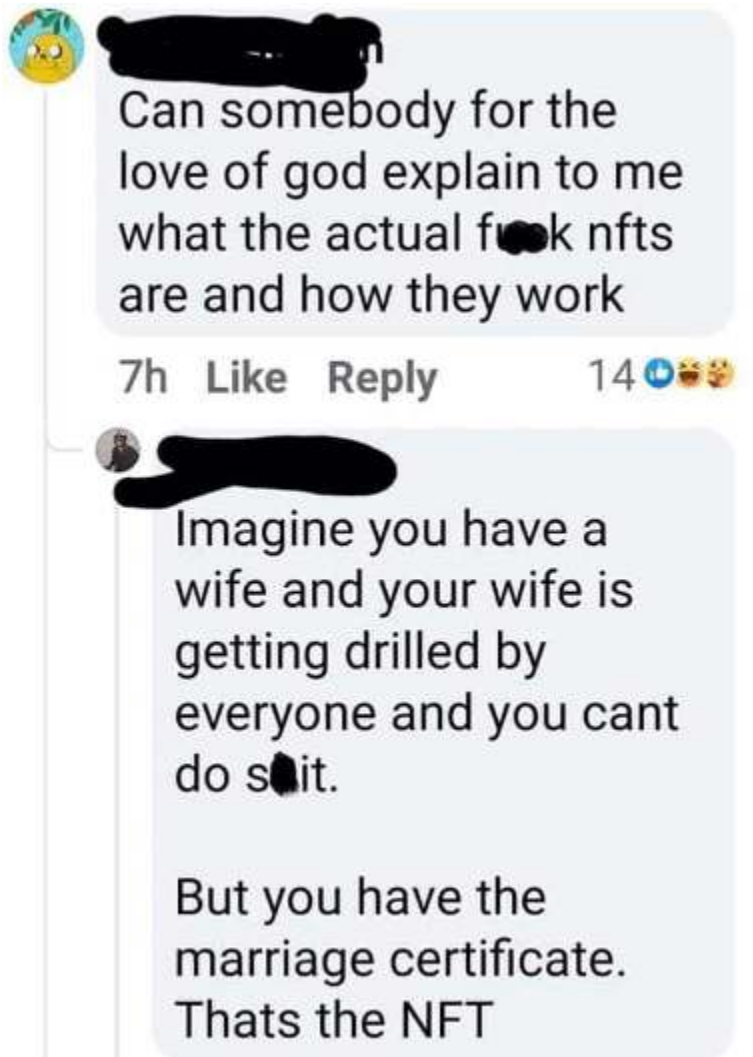


567

621

4,644





Roughly 40% of the US equity market can only survive essentially with new buyers entering the market because they're not cashflow generating themselves. And that's near a historic high, that's like basically right in line with '99, 2000.²³

~ Greg Jansen, Bridgewater

With rates on the rise, GAAP earnings on the decline, and the global economy flirting with recession, the Walking Dead will be roaming until they run out of credit. There is no formal definition of what a zombie company is but, according to economists at the Federal Reserve, they are "companies that have too fucking much debt and pathetic earnings that can't pay the interest on their loans without taking on more debt or doing handjobs behind the dumpster at Wendy's."²⁴ In short, their cash flows don't cover their interest

payments. Luminaries claim 20–40% of the S&P 500 are zombies—that's 100–200 destitute mega companies. But more optimistic estimates assert that only 20% of the Russell 2000 are in the zombie spiral, which surely should have a higher percentage than the S&P since they are mostly story stocks. Despite lists of Zombies, I have had no luck locating a list of the S&P 500 zombies.²⁵ Stephany Pomboy reminded me that it is a moving target. It does not require a vivid imagination to believe that they are proliferating in a rising rate environment. There will be plenty of debt-for-equity swaps (liquidations) as distressed asset investors pick at the carcasses.

Prepare to see an absolute ONSLAUGHT of corp defaults and downgrades. The myth of corp B/S strength is about to be shattered spectacularly.

~ Stephanie Pomboy, 90% invested in precious metals excluding house and cash

In response to a podcast in which I begged for help, a woman named “Alice” (@Alice91453) ran the numbers and gave me a spreadsheet showing the cash flow and debt for every company in the S&P 500.²⁶ Alice's list shows for each company the interest rates on their current debt that will turn them into the walking dead. Of course, debt will vary for each but you can begin to imagine the carnage as sovereign debts and rising corporate debt spreads start exacting their toll.

If you can't afford rent that's your fault for living in a city. Maybe if you lived in an open field or perhaps some kind of bog.

~ @InternetHippo

I don't wish to spend much time and effort on real estate, but somehow we managed to blow another bubble. It does not seem as frothy as the last—the 125% NIJA loans and condo-flipping TV shows seem subdued—but that may be because the purchases are by permanent capital (investors). Whether current valuations and location of the debt pose a systemic risk is beyond my pay scale, but I am not sure you want to be exposed as the largest landlords are pulling back on purchases to “ease away from the shifting housing market.”²⁷ You want to be out of the splash zone when the likes of Blackrock start liquidating their positions because previous razor-thin profits boosted by huge leverage are no longer supported by near-zero interest rates. The world will be a better place when these predators are pushed back into their lairs.²⁸

THE WALL STREET JOURNAL.

The homeowner association in the Whitehall Village neighborhood in Walkertown, N.C., wants to require new buyers to live in a home or leave it vacant for six months before renting it out.

Homeowner Groups Seek to Stop Investors From Buying Houses to Rent



After the total value of all cryptocurrencies reached an apex of just under \$3 trillion last November – of which Bitcoin accounted for roughly \$1.3 trillion – a rolling crash of epic proportions has wiped out more than two-thirds of that digital wealth. For crypto, however, there is no central bank standing by willing to bail out those who are caught up in the contagion.

~ Doomberg

Cryptocurrencies. I would be remiss if I did not pay at least lip service to Bitcoin and the other cryptocurrencies: it is a multi-trillion-dollar asset class that could cause unimaginable pleasure or pain. Despite gargantuan efforts from the hodlers, I have not been converted. I may someday, but it will take a Battle of Bastards between the hodlers against the State with the hodlers staggering off the battlefield dazed but alive. Microstrategy, a former tech stock-turned bitcoin hedge fund, got brutalized as Bitcoin dove from \$60,000 to \$15,000. Surprisingly, Berkshire-Hathaway lost billions by lending to Three Arrows Capital, a crypto hedge fund that collapsed. The Orifice of Omaha once again shows he does not just buy great companies. He is a stock jobber and, on a bad day, an asset tosher.

I have said all along the crypto assets are highly speculative, very risky assets. My very humble assessment is that it is worth nothing. It is based on nothing, there is no underlying assets to act as an anchor of safety.

~ Christine Lagarde, spokesperson for the State offering her very humble assessment

Bitcoin's problem may have been triggered by a number of calamities in the crypto underworld where "shitcoins" reside unsupervised. The \$60 billion dollar network that markets LUNA tokens collapsed, sending \$60 billion of perceived wealth from whence it came.²⁹ Stablecoins are like poker chips at the casino except you cannot turn them back in for dollars if murky grifters decide to squander the dollars while you speculated. The stablecoin Terra collapsed in minutes once its LUNA reserves collapsed.³⁰ Christine Lagarde called for a crackdown—first shot of the Battle of the Bastards?—because they are "based on nothing", and she understands the world of unbacked currencies.³¹ Maybe she is too old; crypto seems to be a generational thing:



Replying to @SpencerKSchiff

In the future **#Bitcoin**  will be worthless. No time to plan. Sell your Bitcoin now and buy **#gold** while you can still afford it!

6:58 PM · Jan 23, 2022 · Twitter for iPhone

Terra's collapse brought attention to other larger and assumedly more "stable" stablecoins. Although stablecoin Tether is priced at parity—one Tether equals one dollar—it is said to be fractionally reserved (technically insolvent),³² leading many to believe Tether will follow Terra down the blockdrain. Taibbi did an exposé on Circle Internet Financial, creators of the second largest stablecoin, USDC, for running a Ponzi scheme.³³ What would happen to the crypto market if the stablecoins went bits up is unclear even to the devout hodlers. They seem confident, but, like in so many markets, confidence is everything and capricious.

Crypto is basically a ponzi scheme, it's a way for really really really smart people to make money off of really smart people.

~ @MacroTalkGuy

The crypto index had a particularly bad day on June 13th, dropping 22%. But don't count the bitcoin hodlers out. Lacking central banks to bail them out, they have already had more than their fair share of bungee jumps. Bitcoin's privacy got Ted Cruz's endorsement (FWIW),³⁴ while Edward Snowden suggests that there is nothing private about cryptos.³⁵ Reports of the FBI retrieving stolen bitcoins suggest that Ed is correct. Mark Jeftovic, a particularly astute hodler, notes that crypto assets held in accounts are

subject to bankruptcy settlements.³⁶ I watch from the cheap seats with interest.

Luna fell 99% from \$100 to \$1. Then it fell another 99% from \$1 to 1 cent. An important lesson here: if an asset falls 99%, it can still fall another 99%.

~ @fintwit_news

And that is all she wrote. Wait. *What?* Nothing about the collapse of FTX? Cool your jets. That is a story of corrupt geopolitics, not crypto.

Energy

From deep within my conspiratorial mind emerged a theory about these contemporaneous supply constraints. No. Let's call it a narrative. If I was an Overlord and needed to sell a reluctant world on nuclear power, rather than patiently waiting for the plebes to get the memo, I would engineer a fossil fuel crisis—a cataclysmic one—to usher in the New Nuclear Age. I can imagine everybody squealing, "We need nuclear power to save us!" It worked for the vaccines. Mark my words—it's coming.¹

~ Me, YIR 2021

All things considered, that is looking like a prophetic nugget of wisdom. Yet again, however, we face another topic from the Year in Transition in which our forward visibility is like peering through mashed potatoes. We will return to energy considerations in the sections on the War in Ukraine, but I have scrounged up other nuggets worth a ponder. For starters, I see no evidence that fossil fuel production will ramp up to fill any voids. The regulators make us a capricious consumer. We have psychologically damaged an industry that needs to project at least 10 years out to invest in big projects with political moods that change overnight and a political tide that is decidedly going out not coming in. Meanwhile, our proxy war with *the* swing supplier (Russia), who is cozying up to the other swing supplier (Saudi Arabia), is ominous. Even without the geopolitics, the enthusiasm of Aramco's CEO seems muted:

Many of us have been insisting for years that if investments in oil and gas continued to fall, global supply growth would lag behind demand, impacting markets, the global economy, and people's lives. The increases this year are too little, too late, and too short-term. These are the real causes of this state of energy insecurity: under-investment in oil and gas; alternatives not ready; and no backup plan. But you would not know that from the response so far...when the global economy recovers, we can expect demand to rebound further, eliminating the little spare oil production capacity out there. And by the time the world wakes up to these blind spots, it may be too late to change course. And at least this crisis has finally convinced people that we need a more credible energy transition plan.²

~ CEO of Aramco

Politics. Biden tapped the Strategic Petroleum Reserve (SPR) intended for national security to juice the midterm elections for the democrats. It seems irresponsible.⁴ Whether these are sales of real oil or only speculative tweaking of the futures market has been questioned.⁵ He also threatened Big Oil with a special tax on their profits, which, I hasten to add, are non-existent when the price of oil drops and the producers continue to meet demand anyway.⁶ Take away the profit incentive: Way to go Brandon. At least you stemmed the red tide.

[HOME](#) > [ECONOMY](#)

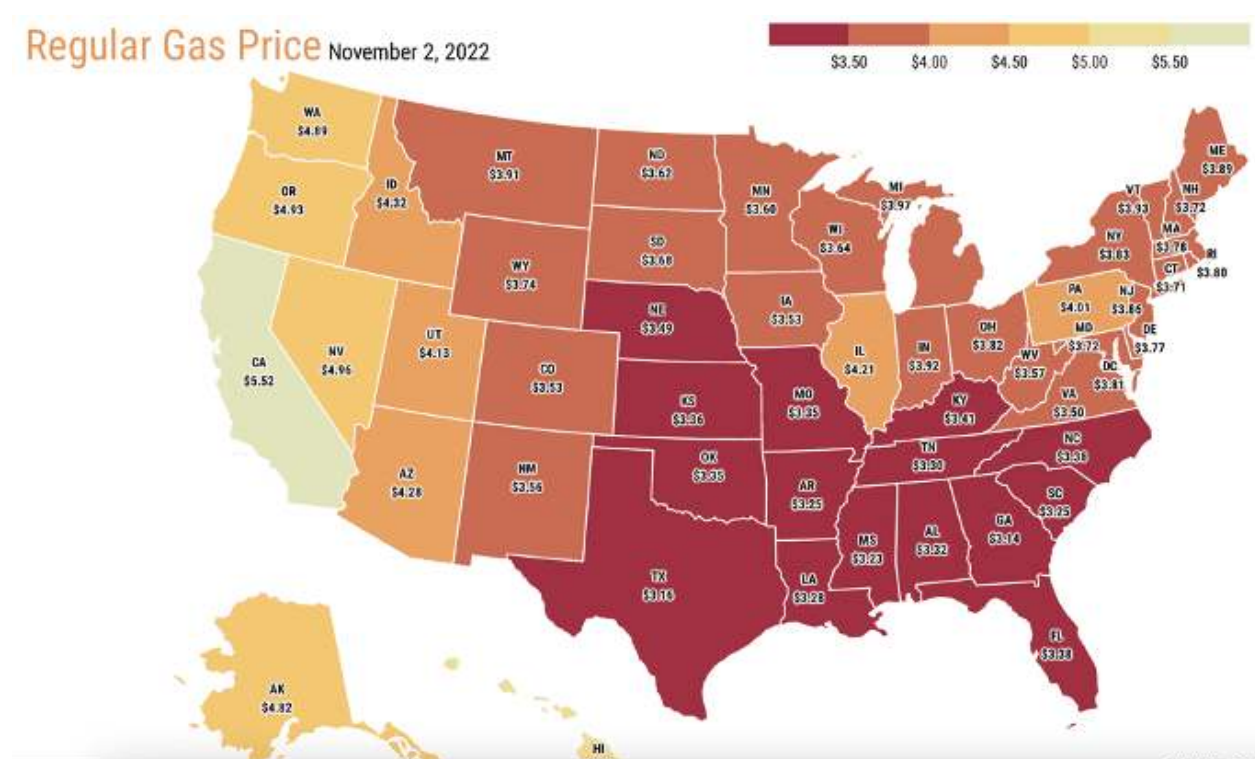
Democrats unveil plan to issue quarterly checks to Americans by taxing oil companies posting huge profits

Joseph Zaballos-Roig 15 hours ago

Cornelius Vanderbilt made a profit of 14 cents from every barrel of flour shipped over his railroads. His efficiency lowered the price of flour for consumers. Did Vanderbilt keep any of you down by saving you \$2.75 on a barrel of flour, while he was making 14 cents?⁷

~ Edward Atkinson, Cotton magnate, 1886, to a group of workers

At the state level, California governor Gavin Newsom keeps making friends and influencing people on his Road to the Whitehouse by implementing bad ideas that are popular among the valley girls and boys. In his ascent of Mount Stupid, Gruesome Newsom banned natural-gas-powered water heaters and furnaces in residential dwellings by 2030.⁸ He also went after Valero for “price gouging”, the always popular war cry that is anathema to free markets and price discovery. Valero’s counter-attack did not beat around the bush.⁹ Gavin—may I call you Gavin?—wanted to impose a punitive tax on gasoline that he hoped would not be noticed by the consumers at the pump.¹⁰ The effects of California’s policies are self-evident:



Peak stupidity was attained when Gavin decided that he would phase out gas-powered vehicles altogether the same week that California power providers urged consumers not to overburden the grid when charging their cars.



Shale producers have been unable to secure financing in the new ESG grift. The Biden administration, after marinating in schadenfreude, found shortages and price hikes appalling now that there is a war and demanded they open some spigot...somewhere...just do it.¹

Much of the social history of the Western world, over the past three decades, has been a history of replacing what worked with what sounded good.

~ Thomas Sowell

Electric Vehicles. As the car makers of the world chase Tesla into the future of gas-free vehicles, one can't help but wonder whether the grid will be ready,

the bugs worked out, and the supplies for battery production located. I am told EVs are a hoot to drive. Toyota seems to stand alone in putting the brakes on this,^{12,13} suggesting that the world is not ready yet:

- Here is a nice analysis of the cost and energy demands of electric cars—a bean count of the hydrocarbons needed to make the cars and batteries.¹⁴ The Hofferian green fanatics tend to overlook the energetic costs of hauling 500,000 pounds of ore from mile-deep open-pit mines in a faraway land to make one EV while marveling at the absence of a tailpipe.
- The 2023 Chevy Bolt EV retails at \$26,595. After an estimated 70,000 miles, the replacement battery is projected to cost \$29,842 based on *today's price*.¹⁵ At least you can charge it on your VISA card.
- Imagine the chaos of a million electric cars powering down while fleeing a hurricane zone. Once you clean up the carcasses, there remains cars to charge or tow rather than just pouring a can of gas in the tank. (Actually, my mechanic told me submersion of a car—a computer with wheels—after my wife drove one into a swamp.)
- Senators are pushing a bill to electrify the military vehicle fleet and retrofit all submarines with screen doors.¹⁶

We should focus on the issue of electric school buses. I was proud to introduce the first piece of legislation to electrify our nation's fleet of school buses.

~ Kamala Harris

Shortages. On the international scene, Europe looks like it could be heating homes by burning tires this winter as the War in Ukraine puts energy out of most people's price range and possibly unattainable at any price. After Germany dumped their politically incorrect nuclear plants, they discovered that alternative energies aren't worth a shit. With the Russian gas cut off thanks to the U.S. blowing up the Nord Stream II Pipeline, Europe is facing a harsh winter.¹⁷ Deforesting the countryside for firewood is a step back to the neolithic era.¹⁸ Of course, the German greens illustrate the power of the new strains of weed by supporting coal over nuclear energy.¹⁹

Well, at least Germany can ship energy up the Rhine River. Scratch that. The water levels are too low this year.²⁰ The energy-savvy Doomberg (pseudonym for a guy with serious credentials in his former career) says even if Germans fill their storage to the brim it won't cover their needs. The Saker agrees.²¹ Energy-consuming smokestack industries are planning for

shutdowns.²² Four years ago Trump warned Germany not to depend on Russia while the German delegation overtly snickered.²³ When the winter is over, we will find out who gets the last laugh in this Year in Transition. As GWB might say, "The Germans have no word for 'schadenfreud.'"²⁴



German Chancellor Gerhard Schröder pushed Germany away from clean and efficient nuclear power and into the dependence of Russia's gas. It's hard to believe he is now Chairman of Russia's Rosneft and was added to Gazprom's board 20 days before Putin's invasion.

~ Kyle Bass (@jkylebass), CIO of Hayman Capital

The rest of the Europeans are not happy cloggers either. Belgian think tank fellow Simone Tagliapietra astutely noted, "We have no interest in energy prices causing instability in member states — it would be a recipe for disaster."²⁵ Since Europe is a long and glorious history of peace and tranquility, this is no big deal, right? Let me fire a few bullets of my own:

- France is about to nationalize the last 14% of its major state-owned energy company as half of their reactors are being taken offline. France has flipped from an energy exporter to an importer into a tight market.²⁶
- British Petroleum owned a 20% stake in Rosneft before the west cut off its nose to spite its face and disowned Russian energy

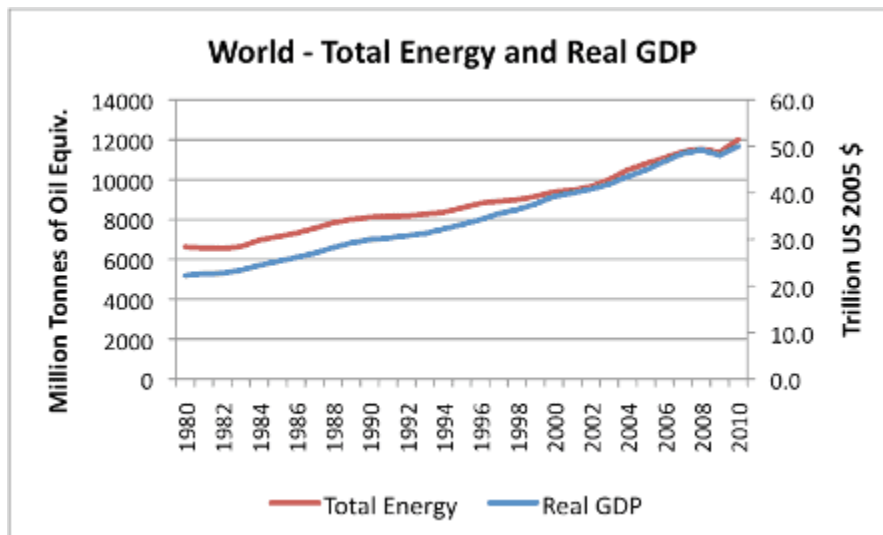


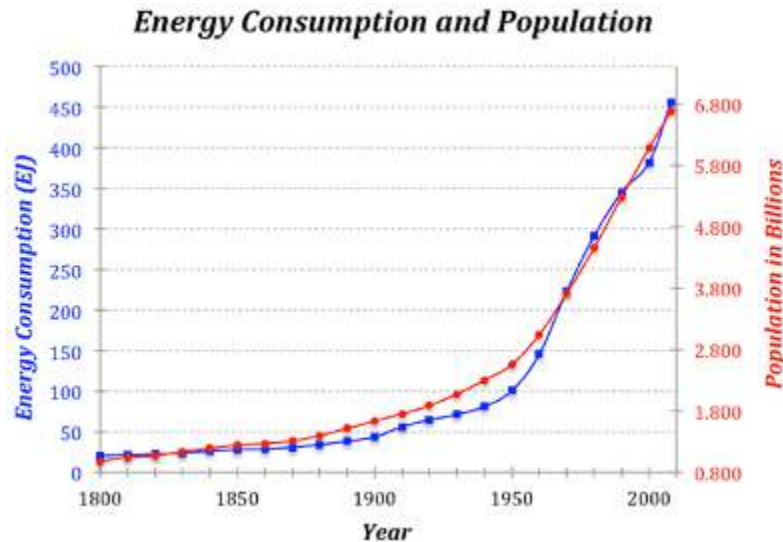
- companies. Although their profits will hold up owing to higher prices production will not.²⁷
- Diesel shortages in the U.S. are jacking up prices to ship all those goods delivered from Amazon.com as well as diverting diesel exports to Europe.²⁸ Rumors are that the shortage could last at least a year. Why?
- Other U.S. energy supplies are looking unreliable as well.²⁹ Maybe we can squeegee out the bottom of the SPR in a pinch.

Many think we will subsidize our way to renewables, but we won't, for inherently physical reasons. Sunlight & wind are too energy-dilute. Solar/wind projects need ~300x more land, 300% more copper, and 700% more rare earths than fossil fuels, making them prohibitively expensive.³⁰

~ Michael Shellenberger, prominent environmentalist

Renewable Energies. Before you get all teary-eyed about replacing fossil fuels with low-energy-density alternatives, let's look at the renewables. I remind you that if we take fossil fuels offline and fail to fill the void, we will suffer a catastrophic drop in the quality and quantity of life. Bill Gates and his vaccine-happy eugenics buddies spewing scary chestnuts about culling the herd might be passing out invites to the Donner Holiday Party. Albert Bartlett's lectures on our failure to understand exponential functions beautifully illustrates the limits to growth.³¹





I'll repeat what I have written extensively about climate change starting in 2019:^{[32](#)} I do not believe the climate narrative and am highly doubtful that we can pull off the transition to clean energy without nukes. Let's just bullet a few more observations—throw a few more logs on the fire:

- Solar power enthusiasts should note that solar panels function optimally around 25 °C become less efficient as they heat up. Maybe this idea of covering Arizona with panels is linear thinking in a non-linear world.^{[33](#)}
- Here is a nice tutorial on why alternative energies have barely moved the needle and how the environmentally destructive mining industry will have to ramp up 1000%.^{[34](#)} This analysis claims they can't even work theoretically.^{[35](#)}
- Australia is the largest coal producer in the world but has gone green by legislating coal-powered electricity out of existence. Their grid and energy markets are unstable without a reliable energy supply.^{[36](#)}
- Art Berman, whose analyses garner widespread respect, says that oil has a 1000-fold advantage over solar when one considers the labor force required to produce the same amount of energy.^{[37](#)} Think of solar as a government jobs program.

Perhaps this entire section is drivel from a peak oiler suffering from confirmation bias, but to accept the alternative narratives without careful analysis is reckless.

There is not the slightest indication that [nuclear energy] will ever be obtainable. It would mean that the atom would have to be shattered at will.

~ Albert Einstein, 1932

Nukes. I've concluded that we've all got to grow a pair and embrace nuclear power. The climate changers who support nuclear to solve the perceived CO₂ problem are at least consistent. Those who wish to reduce CO₂ without nukes are Hofferian fanatics lacking a clue. Whether you are a neophyte or semi-literate energy buff, I recommend Justin Huhn's (@uraniuminsider) two-part tutorial on Wealthion covering all facets of nuclear energy.³⁸ He covers the brilliance of second-generation nukes (SMRs), the red herring of waste disposal, sourcing uranium (including from discarded mine tailings), the distant (currently unreachable) promise of thorium and fusion, and investment opportunities. Recall that I entered the uranium investment world in late 2020—a dollar and a dream.

The case for nuclear is quite strong:

- Coal plants release 100-times more uranium and thorium into the environment than do the world's 440 nuclear reactors.³⁹
- Japan experienced Hiroshima, Nagasaki, and Fukushima, yet they are embracing nuclear power once again.⁴⁰
- China is supplying the world with solar panels and windmills to pay for the two dozen nuclear power plants under construction and the hundred more in the planning stages.⁴¹ Why don't they just keep the solar panels and windmills? Hmmmm...
- Prime Minister Boris "BoJo" Johnson "went nuclear" before leaving office, promising \$810 million seed money for the Sizewell C nuclear power project... "It always looks relatively expensive to build and to run, but look at what's happening today, look at the results of Putin's war...I say go nuclear, and go large." The head-scratcher is that the \$24 billion project will be funded by a French- and Chinese-owned energy company.⁴²



Disclose.tv
@disclosetv

NEW - Greta Thunberg calls the possible shutdown of nuclear power plants in Germany a mistake.



Collapse of FTX

I've had a bad month.

~ Sam Bankman-Fried

The FTX crypto exchange collapse is not a crypto story. There are overviews that probe the darkness,^{1,2,3} but I suspect the unassailable truth will prove elusive because the roots of this story burrow deeply into geopolitics.

The World's second-largest crypto exchange, FTX was domiciled in the Bahamas whereas the largest (Binance) is domiciled in China, so your spidey sense should already be tingling. Referred to as the "Gang of Kids", the FTX team and its partner-in-crime, hedge fund Alameda, seem to have come from nowhere—zero-to-60 faster than a Tesla. Well, this year they went from 60-to-zero, like a Tesla hitting a bridge abutment. In the process, they depleted the wealth of some serious investors including the likes of Tom Brady, Sequoia Capital, and Softbank's Masayoshi Son, the Mr. Miyagi of

scandals and wealth destruction.⁴ (FTX is a \$100 million drop in the bucket of Masayoshi's \$5 billion personal deficit.)



At the center is a wiz-kid named Sam Bankman-Fried, now known as Sam Bankman-Fraud (SBF), a boy genius from MIT—aren't they all? —touted as the second coming of Jesus Christ (Warren Buffett). Heads up SBF: you are sitting too close to Bill Clinton.)

SBF participated in a New York Times-sponsored panel discussion *after the collapse*.⁵ That collection of participants certainly gets my neurons firing.

The New York Times Events

November 30, 2022, 8 a.m.–6 p.m. E.S.T.
New York City
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Speakers



Sam Bankman-Fried
C.E.O., FTX



President Volodymyr Zelenskyy
Ukraine



Larry Fink
Chairman and C.E.O., BlackRock



Secretary Janet L. Yellen
U.S. Department of the Treasury

Mysterious Successes. Nobody seems to know who bankrolled SBF. The FTX in-house cryptocurrency (FTT) was pumped to lofty levels, which is trivial to do even without real buyers, but then monetized into real dollar-denominated wealth. Serious money and well-orchestrated moral support

began rolling in. It has all the trappings of a campaign run by an elite public relations firm, painting Sam as both a monetary genius and uber-altruist.⁶ The gang at FTX proved to be quite the philanthropists, giving money to non-profits to save the world from the evils of climate change,⁷ global pandemics,⁸ the anti-Trump Lincoln Project,⁹ and rising authoritarians in Russia.¹⁰ Sam produced galaxy-class performative virtue signaling.¹¹ His cultish worldview is called “effective altruism” although “altruistic sociopathy” seems more appropriate. A letter signed by San Francisco Fed President Mary Daly inducting the Farmington State Bank recently purchased by SBF's team into the Federal Reserve System—the Big Leagues—shows their gravitas.¹²

The Players. Before getting into the weeds about what these Jolt-Cola-Swilling codeheads were *really* doing, let's just gander at some of the key players.

Sam Bankman-Fried (SBF): Despite his image as an MIT-graduated genius and all-around good guy, SBF is said to be a “spoiled, sadistic, hedonistic, and ruthlessly dishonest bully of a manchild”¹³ with a penchant for drug-fueled orgies.¹⁴ He should have gone into politics.

Caroline Ellison: She is the CEO of FTX sister company (hedge fund) Alameda Research and ex-girlfriend of SBF who looks like a recent middle-school graduate (and might wish to try some shampoo). Caroline is said to be a once-geeky brilliant high school student who must have crossed over to the darkside while at Stanford, eventually meeting SBF at the trading firm Jane Street. The one interview I watched made her look like a total nitwit.¹⁵

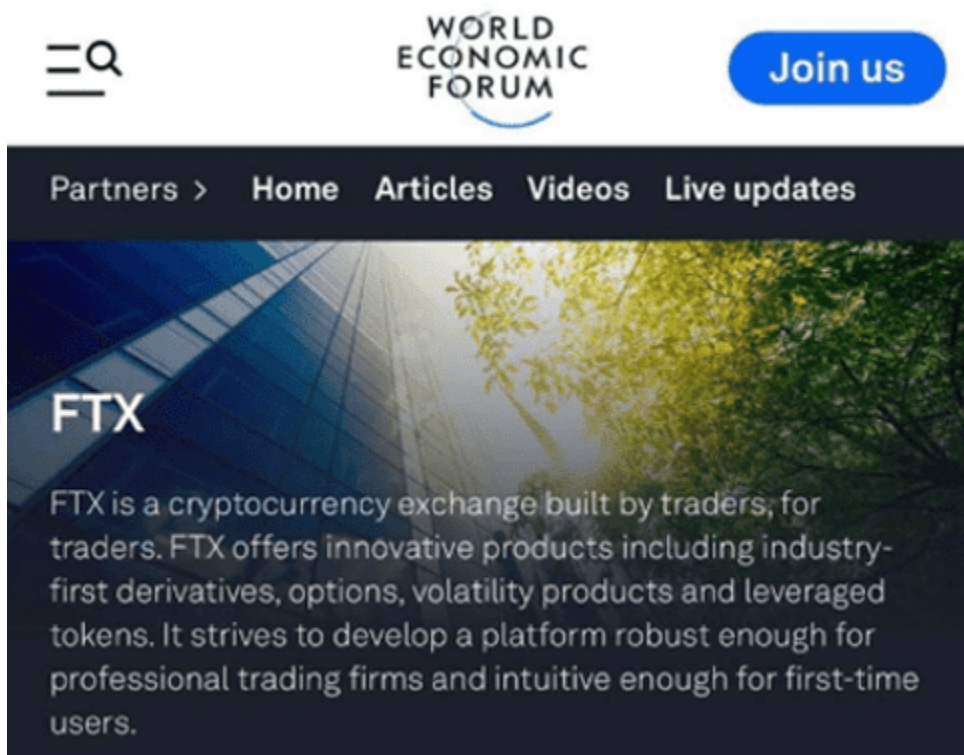


Joseph Bankman: Father of Sam, not to be confused with Son of Sam, is a Stanford professor with tax law experience who has lobbied Congress on behalf of hedge funds.^{[16](#)} He brings game to the group. He was present when Sam got picked up by the police in the Bahamas.

Gabe Bankman-Fried: This illustrious gene pool includes brother Gabe, who, as a former Jane Street Trader, founded Guardian Against Pandemics, a seemingly underfunded super PAC supporting leftist organizations to facilitate pandemic response.^{[17,18](#)} The geopolitical implications of covid suggest a deeper dive may prove fruitful. The plot thickener is that he has lobbied Congress and has links to DNC donors. He worked for Democrat Congressman Sean Casten of Illinois, who is on the committee that oversees cryptocurrencies and initial coin offerings (ICOs).^{[19](#)}

Barbara Bankman-Fried: Mom of Sam is not only Hillary Clinton's lawyer but also co-founder of Mind the Gap, a fundraising organization that pushed \$20 million to the DNC for the 2020 election and helped promote mail-in voting.^{[20](#)}

Linda Fried: Linda, otherwise known as Aunt Linda, is on the Global Agenda Council on Aging and is a member of Klaus Schwab's WEF,^{[21](#)} which may have cemented FTX's ties with the WEF.



Glenn Ellison: Father of Caroline is obviously brilliant in his role as a professor of economics at the top-ranked MIT econ department.²² Critically, he also worked for Gary Gensler (*vide infra*).

Gary Gensler: As the Head of the Securities and Exchange Commission (SEC), Gary has critical connections that would have been useful to Sam Bankman-Fried, the son of his former employee, Joseph Bankman. Like SBF's mother, Gensler has ties to the Clinton Foundation and as Hillary's political advisor.²³

Sam Trabucco: He has a reputation for being a great gambler and game player, getting started professionally at the Susquehanna International Group (SIG), the world's largest equity options trading firm. As a big picture guy, Sam must have understood the troubles at FTX and Alameda.

Amy Wu: Amy is a cross-town Harvard grad. As the FTX Head of Ventures & Commercial at FTX Ventures, Amy is yet another Clinton Foundation trainee.²⁴

Mark Wetjen: FTX's head of Policy and Regulation was Obama's Commissioner of Commodity Futures Trading and acting chair of the CFTC following Gary Gensler's departure.²⁵

You should be sensing a pattern. FTX is a geopolitically connected organization that moves (launders) money. Some of their actions were just

simple graft and corruption. SBF's parents bought \$121 million in Bahamian real estate over the past two years with funds provided by FTX.²⁶ SBF's affiliated Alameda Research appears to have been front-running crypto announcements before listing them on FTX.²⁷ Nothing crooked here. Some believe they were behind the crypto collapses mentioned in Broken Markets. Alameda extended loans to SBF (\$1 billion) and two affiliates who received \$543 million and \$55 million.²⁸

While this partnership was touted as a way to assist Ukraine in cashing out crypto donations for ammunition and humanitarian aid, we have serious concerns that the Ukrainian government may have invested portions of the nearly \$66 billion of U.S. economic assistance into FTX to keep Democrats in power – and keep the money coming in.²⁹

~ Republican lawmakers writing to Antony Blinken

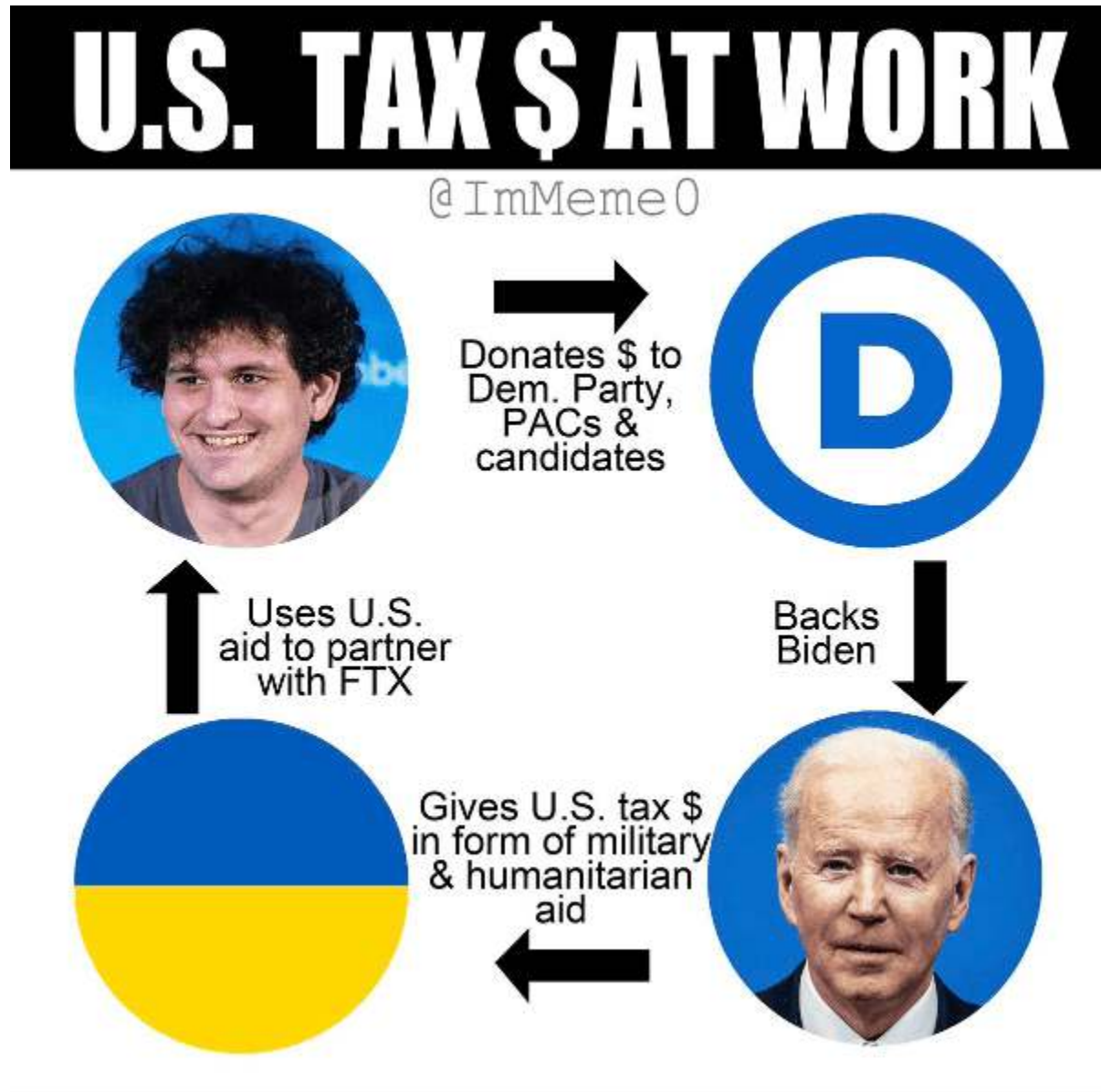
The DNC landed an estimated \$69 million of *visible* donations from FTX leadership according to Forbes.³⁰ There is no way to know if the quoted numbers are accurate or a tip of the iceberg. A video of Maxine Waters blowing SBF a kiss would be embarrassing if any of these sociopaths were capable of embarrassment.³¹ The RNC is not completely off the hook. Several Republicans received gifts, including Mitch McConnell.³² You may have heard that Mitch gave no financial support to Kari Lake in the Arizona elections. Meanwhile, FTX was supporting Kari Lake's opponent, Katie Hobbs, who "won" in a highly contested election that was under the strict supervision of...Katie Hobbs.³³ One suspects that FTX's financial problems were buried until after the elections.

Crypto assets proved extremely helpful in facilitation of funding flows to Ukrainian citizens and soldiers, as well as in raising awareness and engaging people worldwide.³⁴

~ Oleksandr Bornyakov, an official at the Ukraine digital ministry

Ukraine and FTX partnered up on a crypto-based donation website to allow contributions to Ukraine's war effort with the proceeds going to the National Bank of Ukraine.³⁵ US "military aid" also made it to the Clintonskyy Fund—OK. I made that up—and was invested in FTT cryptocurrency by Kiev.^{36,37} A Ukraine-based money laundering scheme is discussed away from polite company.³⁸ Here is how it works: Biden sends money to Ukraine, Ukraine uses FTX to send money back to the DNC, and the DNC ensures "10% for the Big Guy." In a surreal twist, a hodler-based Twitter Spaces running 24/7 tracking breaking news about SBF and FTX took a break to have a guest speaker—

Hunter Biden.³⁹ A friend and punk, Wall Street Silver (@WallStreetSilv), brought up the laptop and was immediately banished.⁴⁰ Makes you wonder where the veiled purchasers of Hunter's over-priced art were domiciled. All roads lead to Ukraine.



Covid is both a medical and geopolitical narrative. FTX funded research into “repurpose therapy”—finding old drugs that solve new problems—for the pandemic. So far so good. And, yet, somehow they never supported hydroxychloroquine or Ivermectin.⁴¹ FTX sponsored the Together Trial, which was bought-and-paid-for crap designed to discredit Ivermectin.⁴² The fact-

checkers call this hooley, which means it's probably true. "Guarding Against Pandemics", a group that lobbies for government money to prevent pandemics, was founded by Gabe Bankman-Fried (GBF). It's yet another grift. SBF and his team wanted a mere \$30 billion out of the Biden administration.⁴³

The Collapse. So was the collapse of FTX to become BRE-FTX—sorry: a gold joke—like every other Ponzi scheme, topple from its inability to bring in more cash? I see little evidence cash flow was a problem. I think many must have known it was a scam, but my buddy Marc Cohodes known for his slash-and-burn short-selling skills, is getting credit for calling bullshit during a Hedgeye podcast in which he tore FTX a new one in his unique style.⁴⁴ Binance tried to save FTX but then backed out, and that was the fatal headshot. When The Wolfman (John Ray III) was called in to clean up the post-collapse wreckage, he found no risk control, not even a real corporate structure.⁴⁵ He had helped cleanup Enron and said FTX was much worse. There are thousands of crypto buffs out there, and they are now a pack of cadaver dogs looking for the corpses.

Never in my career have I seen such a complete failure of corporate controls and such a complete absence of trustworthy financial information as occurred here.

~ John Ray III

It was obvious within a day or two that this was not a financial scandal, prompting the following tweet:



Dave "All Roads Lead to Ukraine" Collum
@DavidBCollum

...

Before this FTX scandal is over, I predict that there will be bodies washing up on beaches around the world. This is not a financial story.

11:47 AM · Nov 16, 2022

That was a good guess, but unbeknownst to me it had already started. A small handful of players in the crypto world took unplanned trips into the Great Blockchain Beyond.^{46,47,48,49,50} (I don't know the total.) One was frantically declaring he was about to be framed.⁵¹ He should have been so lucky. Recall

those FTX orgies within the FTX team? I'm getting that faint pizza smell. One hodler was sounding the alarm about pedophile rings, the CIA, and the Mossad—very Epsteinish.⁵² He *literally* washed up on a beach. This plotline goes very deep and dark; it is not suitable for children or the faint-of-heart⁵³ and is unclear if it will contribute to the Clinton Body Count.



Maxine Wat... ✓ & **U.S. House Committee on Financial Servi...** ✓ ...
@RepMaxineWaters & @FSCDems

.@SBF_FTX, we appreciate that you've been candid in your discussions about what happened at #FTX. Your willingness to talk to the public will help the company's customers, investors, and others. To that end, we would welcome your participation in our hearing on the 13th.

10:01 AM · Dec 2, 2022



CNN ✓
@CNN

breaking news

4:28 PM · Sep 1, 2022 · Twitter Web App

608 Retweets **504 Quote Tweets** **2,369 Likes**

The FTX founder pledged to donate billions. His firm's swift collapse wiped out his wealth and ambitious philanthropic endeavors.

~ *Wall Street Journal*, intentionally missing the point

The Media. Displaying the authenticity of a stepmom on Pornhub, the media showed how deep the rot is by soft-peddling the story.⁵⁴ The headlines read like a *Leave It to Beaver* episode in which The Beave yet again got himself into a bind. What have those silly geese gotten into now? Sam said that he doesn't remember comingling the funds, sounds implausibly clueless for a boy genius. He was selling the sweet, innocent schtick pretty hard:



It seems odd that a Madoff-scale scammer is walking the streets. On the other hand, Zerohedge pointed out that there are 6,300 documented corporate frauds that led to fines and no jail time.⁵⁵ Only suckers go to jail. It is *bizarre* that he was still Tweeting, doing interviews with Andrew Ross Sorkin and Clinton crony George Stephanopoulos,^{56,57,58} and fielding ridiculous questions with ridiculous answers on Twitter Spaces.⁵⁹ Is faux openness under

the advice of legal counsel, or is he simply *that* confident that he cannot be touched? Let me tell you something, Sam: you could be written out of this plot very quickly. Timmy's life expectancy would have been squat had Lassie not been there to save his ass. Who is saving yours? In the end, inconvenient people will be silenced, and this story will just go away like all the others. Fuck 'em.

Internet trolls are scapegoating Sam, but we should celebrate entrepreneurs even when they fail. There's nothing illegal about taking big risks.⁶⁰

~ Andrew Ross Sorkin, street walker defending this generation's Bernie Madoff

Conclusion. So where does this take us? Some suspect it is a hitjob on Bitcoin to usher in central bank digital currencies (CBDCs). The authorities began discussions of regulation almost immediately. It smacks of global money laundering looks like the story. We also have absolutely no idea of the depth and breadth of this malignant tumor. We can only see the surface, not the roots. The headline losses in the tens of billions may not reflect the total flows passing through FTX and Ukraine.

Lest we forget, some of those were savings of Joe and Jane Sixpack *stolen and given to the Friends of the DNC and Global Elite*. Retail hodlers knowingly took on risk, but not *that* risk. The Biden administration was asked about giving the millions back to help investors recoup their losses and his press agent ducked the question. The DNC keeps plumbing new lows. Just as the boy genius was scheduled to testify to Congress to the consternation of the DNC, he got scooped up by Bahamian authorities and put in their DNC-sponsored witness protection program. Sam Bankman-Epstein (SBE) is now in good hands.

News Nuggets

I run across news stories that capture my imagination, make me cringe, or elicit a chuckle. (I will *never* say "LOL.") Usually, they are categorized, but I am just mashing them together into a Hungarian goulash of human folly. Others worthy of more detailed analysis show up in later sections. Some are not for the faint of heart, so if you have a personality disorder or you are a member of the fanatical wing of the democratic party you might want to skip right to...well...somebody else's blog...maybe one pushing climate change.

- Kyle Rittenhouse is suing the hell out of everybody who smeared him for his self-defense in the Kenosha, WI riots.¹
- A high school kid got to sub for Pearl Jam's drummer when the drummer got sick.²
- Nancy Pelosi's husband, Paul, seems to have a lively social life with some lingering personal issues. Soon after a DUI with some suspicious details being left largely undiscussed, he managed to get himself in a tryst with a dude named David. The scramble to change the narrative ignored a window broken from the inside, a police audio saying that they seemed to know each other, and BLM posters hung in the abode of this putative QAnon assailant.³ A prominent NBC reporter suggested the story was complex and got suspended.⁴ Let's posit that Paul's a perv with a drinking problem: who cares? Protecting Paul's image is one thing, but trying to flip it to a midterm election talking point about white supremacy is pathological. As Joseph Welch said to Joe McCarthy: "Have you no sense of decency?"

So if we're to believe the media...

A rainbow flag waving nudist prostitute got up
at 2am Friday morning

Decided to create 2 random websites with
hundreds of posts about Q Anon and big
brother in the dead of night

Then stripped down to his underwear,
grabbed a hammer, and JOGGED all the way
to Nancy Pelosi's house

And, miraculously, breached two layers of
max level Secret Service security designed to
protect the third most powerful person in the
world, with nothing but a hammer and some
tightly whities

And finally shouted "WHERE'S NANCY!!"
before smacking Paul in the head with a
hammer, in front of cops, without being
absolutely riddled bullets

This guy is basically fucking Jason Bourne
apparently

He could breach two layers of federal security
in an assassination attempt but didn't bother
to check if Nancy was even in the country 😂

😂 lol ok

- Ghislaine "Jizz" Maxwell got 20 years for sex trafficking under-aged girls...to nobody. Makes you wonder why the rampant trafficking of children over the Southern border never leads to the conviction

- of *any* pervs. These kids can't be cheap. Balenciaga! Speaking of pervs, it appears as though we got the flight logs to the Lolita Express, although confirming this is tough. Its veracity is questionable because Bill Clinton is only on there 28 times.⁵ Prince Andrew settled out of court with 17-year-old Virginia Giuffree.⁶ The Epstein-Maxwell story has largely been shoved back down the memory hole, enabling racketeers and politically powerful pedophiles to soil the world in perpetuity.
- We named one of our new warships the USS Fallujah.⁷ WTF?
- As we mourned the loss of the Queen of England it is easy to overlook the challenges the new King faces living without Mum.



Wall Street Silver ✓
@WallStreetSilv



First day without his mom, look at the buttons on his suit jacket



7:12 PM · Sep 17, 2022 · Twitter Web App

2,535 Retweets 232 Quote Tweets 22.3K Likes

- Anne Heche died in a flaming car crash. She was said to be working on a documentary about Jeffrey Epstein, but, of course, the fact-checkers disagree.⁸ Neither Michael Hastings^{9,10} nor Seth Rich¹¹ were available for comment.
- A former Clinton advisor and link to Epstein hung himself from a tree and then shot himself in the chest twice with a shotgun (or vice versa). There was no investigation.¹² The Clinton Body Count—deaths proximate to the Clinton Machine that do not involve bombing the shit outta some foreign land and have been fact-checked more than any story in history—exceeds 160.¹³ Jimmy Carter didn't get close to that number even if you include the entire US military under his command.
- Gender activists are pressuring anthropologists to stop referring to human remains as 'Male' Or 'Female'.¹⁴ People with Neanderthal roots—the red-heads¹⁵ pejoratively referred to as “carrot tops”—have been calling for reparations.

For the record I made women from men before it was cool.

~ God @TheTweetOfGod

- California wingnuts got agitated when “militia groups” showed up to help people evacuate during the forest fires.¹⁶ Sounds like the Cajun Navy.¹⁷
- Alex Jones lost \$50 million in a court case for pushing hard (too far?) on the Sandy Hook story,¹⁸ but not before calling out the Clintons and Alex Epstein in court, creating quite a meme.¹⁹ He then lost again, with damages approaching a billion dollars. I might be able to see past the first amendment issues to find damages, but a billion bucks? I bet a court will undo most of that. The free speech issues will linger. Robbie Parker was not available for comment.



Reuters Legal 
@ReutersLegal

Jury says Alex Jones must pay \$965 million in second Sandy Hook defamation trial

George Jetson was born on 7/31/22.²⁰

- CNN launched a pay-to-play streaming service called CNN+. The 10,000 subscribers fell just a tad short of their projected 29 million,²¹ causing an NFL-quality punt following the \$300 million fumble.²² Rumor must have leaked that Brian “The Potato” Stelter, Chris Cuomo, and John Harwood would be leaving without “letting the door hit them in their asses.”²³ Technically, Cuomo is not gone but was demoted to the mailroom. A 2018 clip surfaced of Ted Koppel explaining to the Potato that he basically sucks and would be nothing without Trump.²⁴
- Two years ago, I set out to understand China’s role in global politics (see “Books”). China is completely opaque. I’ve got nothing. This troubles me, like when the kids are upstairs, and they are quiet.
- Georgia Meloni, far-right firebrand, was elected prime minister of Italy. The European power structure painted her as a fascist, but even her opponent, Matteo Renzi, said, “She is my rival, and we will continue to fight each other, but the idea that now there is a risk of fascism in Italy is absolutely fake news.”²⁵ The curdling of European leaders’ blood can only be understood by listening to her tear into Macron^{26,27} and the European power structure^{28,29} with the savagery rarely seen outside divorce courts.^{30,31} Get ready for subtitles, but turn up the volume on her speeches. Then listen to this imitation of her and try not to laugh.³²

We will see the result of the vote in Italy. If things go in a difficult direction — and I’ve spoken about Hungary and Poland — we have the tools.³³

~ Ursula Von der Leyen, President of the EU

- Sam Brinton, the “gender fluid” Biden appointee responsible for disposal of nuclear waste and clearly a breakthrough appointment for the LGBTQ community, kept stealing jewelry from luggage at the airport.³⁴ Jackie Robinson played his historically profound role with greater grace and dignity.
- A fast-food restaurant customer pulled an axe out of his bag and did some physical damage to the establishment,³⁵ giving diners a story to tell their grandchildren and CNN something to talk about other than Paul Pelosi and fake laptops. If you search “brawls at [fill in the blank]” you will find this is routine. The media obsessed over his release soon thereafter, not noticing that the laws left the judge

- no choice.”³⁶ As an aside, I watched the video and saw a guy getting repeatedly punched before doing his Bernie Goetz imitation.³⁷ I hope the court mandates a switch to decaf for the mischievous lad.
- The Onion filed a Supreme Court brief in support of a man who was arrested and prosecuted for making fun of police on social media. True to form, it is written satirically.^{38,39}
- The COO of the fake meat company, Beyond Meat, was arrested for biting a man's nose. Isn't a nose, technically speaking, meat?⁴⁰
- Elon Musk was on fire during his hostile raid on Twitter, threatening to buy Coke and put the cocaine back in,⁴¹ calling out the absence of Epstein's contacts,⁴² and chiding Hillary for possibly overlooking some nagging details in her defense of Paul “the Perve” Pelosi, sending the fact-checkers overdrive.⁴³ The Left went batshit when he uttered the phrase “all lives matter.” And then he bought Twitter. This story is playing out too fast to follow right now, but it is clear that the Twitter Stasi guided by the DNC were as oppressive as everybody already knew.⁴⁴ It is a year in transition.

Elon could actually control what people think...that is our job.

~ Mika Brzezinsky, MSNBC

- Tennis star, Novak Djokovic, set a new high-water mark in sports by being banned for not doing drugs.⁴⁵ Djokovic says he will skip all events that require vaccination.⁴⁶
- Loose cannon and Shankster Phil Michaelson had some unfiltered remarks about the new Saudi-backed golf tour offering huge paydays. “They’re scary motherf— to get involved with. We know they killed Khashoggi and have a horrible record on human rights. They execute people over there for being gay.”⁴⁷ Loose lips sink ships. After some further thought and maybe some guidance, he asked rhetorically, “Why would I even consider it? Because this is a once-in-a-lifetime opportunity to reshape how the PGA Tour operates.”
- An 80:1 odds horse won the Kentucky Derby.⁴⁸
- A 29-year-old trans woman dominated a girl's skateboarding competition, whipping the asses of 10–16 year olds. It is a beautiful story of inclusion, in which the evil forces of agism were battled and defeated.⁴⁸
- Congratulations to transgender swimmer Lea Thomas who, after getting beaten by Yale's transgender swimmer,⁴⁹ went on to win

- gold at the NCAA swimming championships. It is said that the silver medalists are the least happy of the three medalists. Truer words were never spoken with pictures telling the story.





- University officials announced Leah's teammates were not available for comment.^{[50](#)} I would also like to give the women's athletic establishment a silver medal for all the words that were never spoken in defense of women's sports. Alas, y'all failed to meet the minimum requirement for participation trophies.
- Amy Coney Barrett's performance required to get the Supreme Court nod in 2021 was near perfection until she signed a \$425,000 book deal.^{[51](#)} Other justices had written memoirs, but doing so before adjudicating her first case leaves a bad taste in my mouth. The left condemned it because they hate the Roe v. Wade call.^{[52](#)}
- A chess champion has been accused of cheating. Since saying, "Hey! Look over there!" and moving a piece won't work, he cheated by receiving new-era Morse Code from an electronic device jammed up his ass.^{[53](#)} The scandal caused quite a buzz. As to who was sending the signals is unclear, but my bet is on Big Blue.
- Climate activists—Hoffer's Truest Believers—began defacing some of history's great artwork or gluing themselves to paintings.^{[54](#)[55](#)} Buy a dozen tasers and charge museum goers 20 bucks a pop; you could buy a da Vinci with the proceeds. For the five who glued themselves to the floor in a Porsche dealership, just lock the doors and turn out the lights.^{[56](#)} As to those blocking traffic at crowded intersections, I would think studded snow tires would send the right message.
- Santa Claus's tomb (Saint Nicholas's, actually) was found under a church in Turkey.^{[57](#)}
- Will Smith smacked Chris Rock at the Academy Awards. Using Wall Street parlance, that called the top in his career. Minutes later he won the academy award, right before being hurled into the Crack of Doom by peers who are paid millions to simulate violence and sexual assault for entertainment. The whole thing looked staged to me (and others)—they were friends—but Rock never came to his defense. He should have even if it was unstaged. That is what a friend would do.



- The average Academy Awards nominee spends \$1.5 million on their outfit.⁵⁸ (I presume this price is for the women's gowns.) It is ironic given the content of their acceptance speeches.
- My colleague, John McMurry, and author of the largest-selling organic chemistry textbook in the world, outfoxed the publishing world by releasing his 10th and final edition for free in memory of his recently departed son.^{59,60}
- With a throw from deep right field, Matt Walsh released a documentary entitled, "What is a Woman?"⁶¹ He somehow managed to ignite a bench-clearing brawl that brought the transgender movement into view.⁶² Opponents to the movement,⁶³ non-statistically populated with parents, started throwing punches at the gender benders for pushing too far too fast. Bill Maher jumped in,⁶⁴ suggesting it is radical to do surgery on a kid struggling with whether to be a cowboy or princess. So did the more credible but less humorous UK's National Health Service.⁶⁵ A video surfaced of a woman at Vanderbilt University's Medical Center salivating at a podium about the enormous profit from what Walsh calls "castrations."⁶⁶ (More profitable than normal surgeries?) Soon, Vanderbilt and other medical centers with clinics that specialize in "gender-affirming hysterectomies" and related interventions on minors^{67,68} were frantically doing radical website reconstructive surgeries, removing critical parts with hack saws.

(Coda: the guy who invented lobotomies won the Nobel Prize.⁶⁹) And like clockwork, Governor Gavin Newsom declared California a sanctuary state for minors interested in such surgeries without parental permission.⁷⁰ He wants to be your next president. If a doc did that to my kid without my permission, I would do some gender-adjusting surgery too.

- Governor DeSantis shipped several dozen immigrants to a self-described “sanctuary” at Martha’s Vineyard. I thought it was funnier than hell, but the DNC political machine had a cow. Get over it: the Biden administration had been flying them around the country covertly for two years.⁷¹ The Vineyardians declared that the sanctuary thing was a theoretical construct and had the immigrants’ sorry asses sent back to the mainland 34 hours later.



- Maitland Jones, a former Princeton tenured professor and current NYU adjunct organic chemistry professor, was fired after students petitioned to have him removed because his class was “bitchin’ hard”, causing a high attrition rate.⁷² It could be true—he was old guard in a field populated with demanding researchers—and high attrition certainly poses a problem. He was also 84, so he may not have been at the top of his game. The unreported part of the story that I believe is irrelevant but still is at least ironic, is that the president of NYU, Andy Hamilton (a friend), was denied tenure at Princeton while Maitland was on the faculty. I am confident the firing had nothing to do with Andy because the decision was surely made at a low—sub-faculty—levels, and Andy does not have a vindictive bone in his body. But, as Paul Harvey would say, “And now you know the rest of the story.”
- Mount Royal University in Canada canceled ice hockey intramurals owing to inadequate “equity, diversity, and inclusion.”⁷³ What were those hosers thinking, eh?
- Ilya Shapiro, Executive Director and Senior Lecturer Georgetown Law School, beat the University in a free-speech suit and then resigned noting, “You’ve made it impossible for me to fulfill my duties of my appointed post.”⁷⁴
- The CEO of Kraken, a crypto tech company, offered employees who felt “triggered by controversial ideas” to accept a severance package.⁷⁵ Kraken’s updated mission statement suggests, “the ideal Krakenite is thick-skinned and well-intentioned.” Krakenite sure sounds like space-age durability.
- Paypal decided it would be cool to deduct up to \$2,500 from the accounts of those providing misinformation on key issues.⁷⁶ The uproar caused them to back-peddle on the idea,⁷⁷ but that bell cannot be unrung. Marc Jeftovic does a fine deep-dive on the authoritarian underpinnings.⁷⁸ Paypal then reinstated the policy.⁷⁹



Dave "All Roads Lead to Ukraine" Collum
@DavidBCollum



That Paypal has backed away from their plan to doc your bank account up to \$2,500 on social media for posting misinformation is a bell that cannot be un-rung. It is foreshadowing of authoritarianism. Possibly unstoppable. It was a good run to now.

12:07 PM · Oct 9, 2022

 View Tweet analytics

486 Retweets **32 Quote Tweets** **3,014 Likes**

- Psychologists say that victimhood virtue signalers score high in the Dark Triad traits—Machiavellianism, Narcissism, and Psychopathy.^{[80,81](#)}
- Netflix employee protests over Dave Chappelle's stand-up comedy show "The Closer," led management to tell them to quit the censorship crap or take a hike. "If you'd find it hard to support our content breadth, Netflix may not be the best place for you." By the way, Netflix is hemorrhaging money now that lockdowns are over and expensive content creation is back in vogue.^{[82](#)}
- Only three percent of Latinos support the term "LatineX",^{[83](#)} a term that was popular among Martha's Vinyardians.
- The Minneapolis Teachers Union now requires schools to lay off or rehire employees based on race.^{[84](#)} Despite a more garish tone, this sounds like affirmative action that society long ago negotiated as a viable path. The Supreme Court is about to take this on. Cue the street protests in 3...2...1...
- The American Academy of Pediatrics discourages schools from sending kids with head lice home because of "significant stigma and stress."^{[85](#)} Maybe it would help if the teachers quit calling them Bug Heads and making allusions to *Men in Black*.



- People of Color are now called People of the Global Majority.⁸⁶ The rest of us are now referred to as “minorities.”
- Female prisoners in a New Jersey prison got knocked up by inmates identifying as women. Free room, board, and unlimited sex sounds better than life on the Streets of San Francisco.⁸⁷
- Alec Baldwin shot one of his coworkers, which is more than the January 6th insurrectionists shot. We *all* know this because it obstructs senseless babbling about laptops. A picture below shows Alec owns a pillow embroidered with, “Shoot first and ask questions afterword” available from MyPillow.com.



- BLM laundered billions into who the hell knows.^{88,89} Some of it was traced to an expensive house for one of the founders.⁹⁰ It is said that every movement becomes a business and ends as a racket.
- I'm gonna touch a third rail that I swore I would never touch. There is a palpable rising anti-Semitism. I suspect it is arising from pro-Palestinian groups. Who knows. My point is that the media is showing evidence they will be hanging it on white supremacists. Take it with a grain of salt.

- A woman posting as @libsoftictoc rose to Twitter fame by simply posting some of the quirkier videos posted on TicToc—statements in their own words. I suspect fakes might be a popular sport now much the way Penthouse Letters emanated from Harvard dorms. There is a wide-open niche for @conservativesoftictoc. I would start with this hysterical crime scene video.⁹¹ Until then, expect violent and well-funded counterattacks to continue unabated.
- Somebody compiled a montage of all the times in which Joe Rogan failed to discretely use the euphemistic “N-word.”⁹² (I am not gonna swat *that* fly.) He survived the attacks and even got a \$100 million offer to move to Rumble for unrestrained speech.⁹³ Progressives would never make such a mistake. Just yankin’ your chain: Of course they did!⁹⁴



- Teachers at Oak Park and River Forest High School are being told to adjust their grades to account for “the skin color or ethnicity of its students.”⁹⁵ The basic protocol will use paint chips from Ace Hardware, and economists will be called in for “seasonal adjustments.” Speaking of which, Governor Newsom wants to give a \$223,000 of reparations to Californians with slave roots.⁹⁶ One could imagine people moving to California—the Land of Bad Ideas—albeit temporarily.



- The mayor of San Francisco announced \$6.5 million plan to end homelessness in the city, but only for gender non-conforming individuals.⁹⁷ \$6.5 million wouldn't dent Peoria's homeless gender non-conforming problem.
- A middle school librarian in relentlessly newsworthy Loudoun County, VA defended pro-prostitution books noting that many of the school's 11- to 13-year-old students are sex workers.⁹⁸ The problem is deeper than y'all thought. That teacher is grounded in a harsh reality.
- Drag queen shows for kids were all the rage. They appear to focus on target-rich opportunities (schools), but even Pizza Hut got into the game.⁹⁹ The Pizza connection again? Those drag queen shows for toddlers is some very sick shit.
- Speaking of Pizza, Matt Taibbi released former Twitter CEO Jack Dorsey's email: Jack@0.pizza.¹⁰⁰ One could call this faux pas, "pizzagate." The "0" could be important.

It seems like we are doing everything we can to break everything possible.

~ Jordan Peterson

- A UCLA anthropology professor scrubbed the last of the rational thinkers from academia announcing, "I'm a professor, retiring at 62 because the Woke takeover of higher education has ruined academic life," referring to how the anthropology department at UCLA had mutated since the early 2000s.¹⁰¹

Roe v. Wade

The human population would probably be way less than a thousand, if ejaculation were not usually accompanied by an orgasm.

~ Mokokoma Mokhonoana

News flash: The Roe versus Wade decision that bypassed the need to codify the right to an abortion was overturned. I am pro-choice with an admittedly vague dotted line that defines when the nugget of cells develops civil rights. I also understand why a truce is likely to be metastable at best. When does life begin? The devout pro-lifers think that life begins at "just the tip" or "a lurid wink" while the activist-left push it out past the four trimesters. Those who have raised teenagers think the 60th trimester should be open for discussion.

I listened intensely to a Lex Fridman-Ben Shapiro interview to give one of the sharpest pro-life advocates a shot at converting me.¹ He did not, but Ben made interesting points, including that the only *bright-line* demarcation is at conception. It becomes increasingly blurry after that. I can accept that ambiguity. If you have strong, clear views on the topic, you can skip this part. I wrote it to see where it would go.

Jesus never once talked about abortion. Never once.

~ Joe Scarborough² (@JoeMSNBC)

I think we can all agree Joe has never once said anything intelligent. Never once. Moving along, I am convinced of the claims that the Court had overstepped its jurisdiction to resolve a thorny social issue.^{3,4} The court were social engineers for *Roe v. Wade* just like they were being economists when they overrode the gold standard in 1933. (For an excellent discussion of the Court's history and the evolution of the Constitution, check out the audio short course in The Great Courses Series entitled, "The Bill of Rights."⁵) I wonder if efforts to codify abortion when democrats were in power failed to emerge out of complacency or more complex lurking issues. Abortion rights may be more bipartisan than politicians would lead us to believe because, as Michael Jordan would say,⁶ daughters of Republicans get knocked up too.

Claiming that it was nearly impossible to amend the Constitution, Progressives advocated that judges "interpret" the Constitutional limits out of the way...When the people wanted the Constitution amended, it was amended. When the elites wanted the Constitution amended, but the people did not, that is called democracy.⁷

~ Thomas Sowell, former Marxist turned free-market economist

The states' rights argument that the people of Mississippi might wish to live under a different moral code than Californians has merit. The US is said to already have abortion laws that are the most liberal in the world.⁸ You may recall a few years back when North Carolina activists were pushing for abortions up to birth (implicitly even later).⁹ I've heard claims that the choice of the life of the fetus or the mom is specious—that is what C-sections are for—but I'm not a doctor, and there are most definitely life-threatening pregnancies. I can also imagine scenarios in which the docs are looking at a truly pathetic failed late-stage pregnancy that cannot possibly end well and make the call. But that was not what was being codified. We are assured that *nobody* would ever abort a perfectly viable child within minutes of crawling out of the birth canal, but the proposed statutes (North Carolina, for

example) appeared to not preclude it. I think activists were doing what activists do: taking the cause to the extreme. I could also imagine a newborn taking one look at the world and crawling right back up the birth canal. As a pro-choice advocate, if you make me draw the line at one of the two extremes—never or up to birth—I view the latter as infanticide and would choose the former. Please don't make me choose.

To the extent this betrayal of the confidences of the Court was intended to undermine the integrity of our operations, it will not succeed...I have directed the Marshal of the Court to launch an investigation into the source of the leak.¹⁰

~ Chief Justice John G. Roberts, Jr.

Then there is the leak to the press days before the decision was announced. Of course, it was denounced by the court as inexcusable, but leaks serve a purpose. There are possible suspects beyond the butler with the candlestick:

- An irate clerk: Mind you, clerks are not clerical but rather elite lawyers heading off to spectacular careers.
- A left-leaning justice: That field narrows quickly. It could have been an attempt to motivate the court to back off. This seems improbable given that there is no way that the court wasn't braced for the backlash anyway.
- A right-leaning Justice: Fence-sitting justices could be pushed into making an ironic tough choice of kowtowing to the masses or defending the sanctity of the court. This is akin to blowing up a pipeline to end negotiations.
- Bipartisan justices: Anticipating the shit storm, a leak would burn off some steam before reality struck—14 days to flatten the mob.
- Dark forces: Maybe the court has already been swallowed by the Deep State and is stirring up discontent like every other wanker in the upper echelon of power.¹¹ Catherine Austin Fitts suggested British, Israeli, or U.S. intelligence leaked it. Is it about Roe or yet another attempt to tear apart the country? (I do not subscribe to this model, although maybe out of self-preservation.)
- Many bills with varying intent were set to trigger in the event of such a ruling. By example, Colorado immediately passed a bill allowing abortion up until birth.¹² Protesters did their analog of January 6th, albeit less raucous, by protesting at the Courthouse

and the justices' houses. I would argue the optics were bad, but that speech is a protected right by those in the mob's sights:

It is a prized American privilege to speak one's mind, although not always with perfect good taste, on all public institutions, and this opportunity is to be afforded for 'vigorous advocacy' no less than 'abstract discussion...In light of our "profound national commitment to the principle that debate on public issues shall be uninhibited, robust, and wide-open, and that it may well include vehement, caustic, and sometimes unpleasantly sharp attacks on government and public officials."¹³

~ *New York Times v. Sullivan*

The craziness started right on cue. The circus-like atmosphere included AOC pretending to be handcuffed as she was escorted away from the Supreme Court. (I still think she is not *that* stupid and the handcuffs elicit fantasies at so many levels.) Politicians and real people—an important distinction—screaming thoughtless threats are also protected. Threats against the justices were left up on Twitter,¹⁴ in staggering contrast to their handling of other hot-button issues. While threats break Twitter rules, they are a form of protected speech. The Supreme Court ruled that a threat against the life of LBJ was free speech because it lacked credibility.¹⁵ While the politicians have the right to pander, We the People ought to have the right to jam socks in their mouths.

I wonder how long we're going to have these institutions at the rate we're undermining them, and then I wonder when they're gone or they are destabilized, what we'll have as a country—and I don't think that the prospects are good if we continue to lose them.

~ Clarence Thomas, Supreme Court Justice

The media played its role in the drama. The neo-Stalinist social media platform, YouTube, began removing misinformation about abortion (whatever that is) to ensure that the lively debate would be ill-informed.¹⁶ Vivid clips of late-stage abortions were fine for some reason.¹⁷ A pro-choice twitter feed (MeidasTouch) emerged and had a million followers and a blue checkmark before the week was over.¹⁸ Bill Burr's hilarious anti-abortion routine using a half-baked-cake theme—"It wasn't a cake yet but I was gonna eat that fuckin' cake"—got a second wind.¹⁹ CNN met my expectations yet again by announcing that the biggest threat of the Roe v Wade decision was "violence from far-right groups."²⁰ Yeah. That makes sense, said nobody. Companies began offering all-expense paid trips to pro-abortion states to keep their employees off maternity leave.^{21,22} Walmart's support²³ was

inspired by the People of Walmart²⁴ website, which clearly illustrates that breeding is not always a good idea. As an aside, I think both sides of the debate could, in theory, support tree tube tying, which would cut back on abortions and unwanted pregnancies—a pragmatic move in an overcrowded world. Neither, however, seems likely to support my alternative to eugenics.

While Rome burned, the Supreme Court continued to fiddle on:

- The Supreme Court supported a high school football coach's First Amendment rights to pray at the 50-yard line during football games; his payers could choose whether to join in.²⁵ Hard to envision a left-leaning court would have ruled this way.
- The Court torched a Texas law that tried to prevent social media platforms from de-platforming contributors for political reasons.²⁶ I would say the court has not kept up with the digital era. There are likely to be some big decisions in our future.
- When Judge Ketanji Brown Jackson was asked by Sen. Marsha Blackburn, "Can you provide a definition for the word woman?" Judge Brown responded, "I can't. Not in this context. I'm not a biologist."²⁷ I will unexpectedly take her side; an elite judge ought to see the complexity and the trap. If you have an XXY triple chromosome count are you a woman or a man? Matt Walsh probably would be less charitable. (Just to creep my fellow whackjobs out, Judge Jackson had cut her teeth on the Pizzagate case.²⁸) The elite news outlet, Politico, captured the historic importance of Judge Brown's appointment:



In case you think the court will now be less contentious, they are said to be heading for a ruling that could ban affirmative action. And with that, I will stop unifying the nation by pissing off everybody on both sides and move along.

Truckers

Patriot Front

That is the 101st Airborne!

~ Joe Rogan

The Patriot Front is a funny story with a dark interior. They are a group of so-called white supremacists who march around covered in masks (leaders aside). They are a dapper group of young men who lack the paunches that you might expect to see in a MAGA militia and are articulate.¹ They march in step with military flare² Their shields are all the same and suspiciously like those in pictures from Ukraine. Early on they arrived in SUVs with deeply tinted windows and taped-over license plates, but they eventually switched

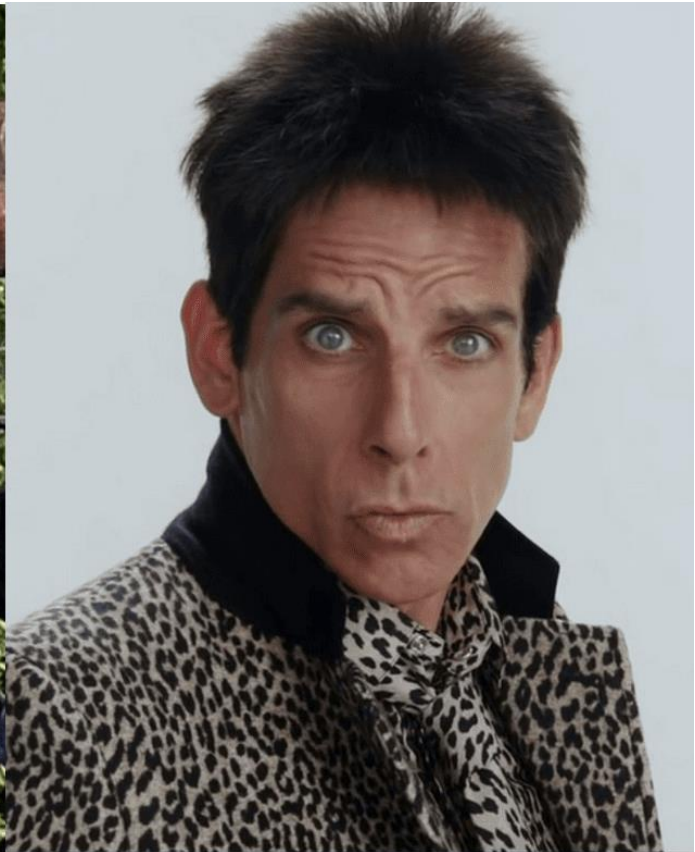
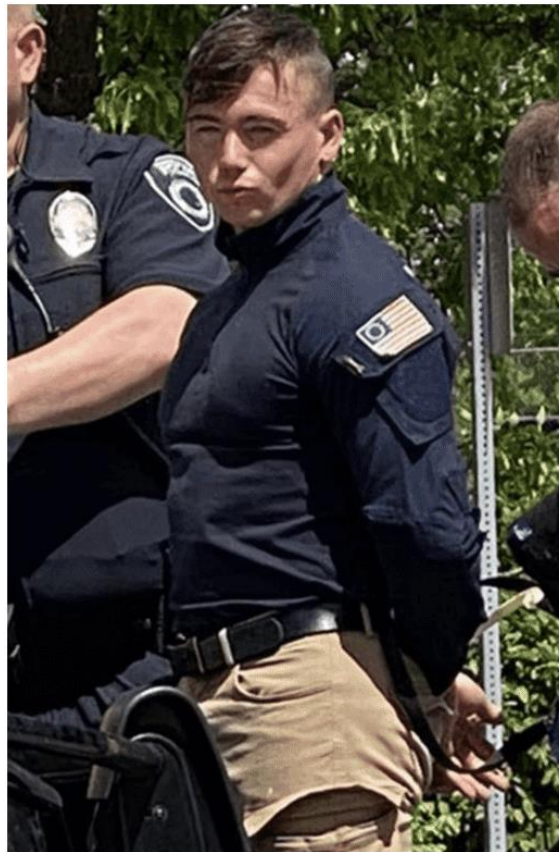
to U-Haul trucks. Strange videos show cops helping direct traffic while they load the truck.



On a fateful day in June, the Patriot front members converged from across the country to cause trouble at an LGBTQ pride event in Coeur d'Alene, Idaho (population of 50,000). Seems like an odd target and irrelevant venue to spend all that money. No BLM or Antifa, but Gay pride? An "anonymous tip" alerted the police, and they were arrested for "spooning in a U-Haul," which is the only crime committed up to that moment. "Conspiracy to riot" charge seems like a tough sell *before* the riot.³ Is this a pre-crime? It also seems odd the FBI didn't have a bead on them already.



The arrest was absurd. Their shoes show the same soles: standard issue? They were handcuffed with zip ties without taking off their masks, a megaphone, and even their backpacks. I guess the cops weren't worried about concealed weapons or pipe bombs. A Federal agent tore that apart, noting that *anything* posing a risk would be taken immediately and that it is entirely "stupid bullshit".⁴ Another noted you *never* leave a suspect on their knees; it is too easy to get on your feet and run.⁵ Others have had quite a hoot over the whole affair too.^{6,7}



Take a look at their mug shots: do you notice anything odd? Twenty-one white supremacists and not a single one has neck or facial tattoos.



Let's entertain the obvious theory that they are Feds. Why are they doing this? How is stirring up racial hatred not some sort of treason in this context? (I don't give the Feds a free-speech pass on this one.) When these guys signed up to protect the nation, how are they not repulsed by their role in undermining the fabric of society? Maybe they just work for the DNC.

I have only scratched the surface and had dismissed white supremacists as somewhere between irrelevant and urban legend. In one of the strangest and thoroughly made connections, these guys have been tied to the CIA and the Azov Battalion in Ukraine, part of the global Azov movement that includes the tiki torchers in Charlottesville that caused The Donald so much trouble.⁸ There is nothing humorous about this Azov movement, which is increasingly looking like a global problem with Ukraine as a training ground. All roads lead to Ukraine.

Uvalde and Other Shootings

In the past 48 hrs, the USA horrifically lost 34 people to mass shootings. On average, across any 48 hrs, we also lose...500 to medical errors 300 to the Flu, 250 to Suicide, 200 to Car Accidents, and 40 to Homicide via Handguns. Often our emotions respond more to spectacle than to data.

~ Neil deGrasse Tyson (@neiltyson), world-renowned voice of physics

As we grieve the children of Uvalde today, we should take time to recognize that two years have passed since the murder of George Floyd under the knee of a police officer. His killing stays with us all to this day, especially those who loved him.¹

~ Barack Obama, former POTUS, pandering and getting guff for it

Contrary to popular opinion, the U.S. is not the world leader in mass killings.³
In the U.S., rifles kill fewer people than fists or knives.⁴

Comparing Annual Death Rate from Mass Public Shootings (Comparing European Countries to US and Canada From January 2009 to December 2015)

Rank	Country	Death Rate per million people from Mass Public Shootings from 2009 through 2015
1	Norway	1.888
2	Serbia	0.381
3	France	0.347
4	Macedonia	0.337
5	Albania	0.206
6	Slovakia	0.185
7	Switzerland	0.142
8	Finland	0.132
9	Belgium	0.128
10	Czech Republic	0.123
11	US	0.089
12	Austria	0.068
13	Netherlands	0.051
14	Canada	0.032
15	England	0.027
16	Germany	0.023
17	Russia	0.012
18	Italy	0.009

I am unclear when my interest in mass shootings morphed from morbid rubber-necking to distrust. It could have been the Florida nightclub shooting where I kept seeing the same guy with a screwy hat in every scene in the mainstream media. There is, however, something going on here. I was on a panel discussion this year in front of 500 investors and was asked to name one conspiracy, not defend it, and take questions from the audience. My response: Many if not most of the mass shootings are sovereign backed.

He is not the first mass shooter to destroy or hide digital clues. In 2007, [the] Virginia Tech shooter...took the step of removing the hard drive of his computer and disposing of his cell phone shortly before the massacre...The 2008 Northern Illinois [University] shooter, Steven Kazmierczak, removed the SIM card from his phone and the hard drive from his laptop, and neither was recovered...In 2012, Sandy Hook shooter Adam Lanza had removed the hard drive from his computer and smashed it with a hammer or screwdriver.⁵

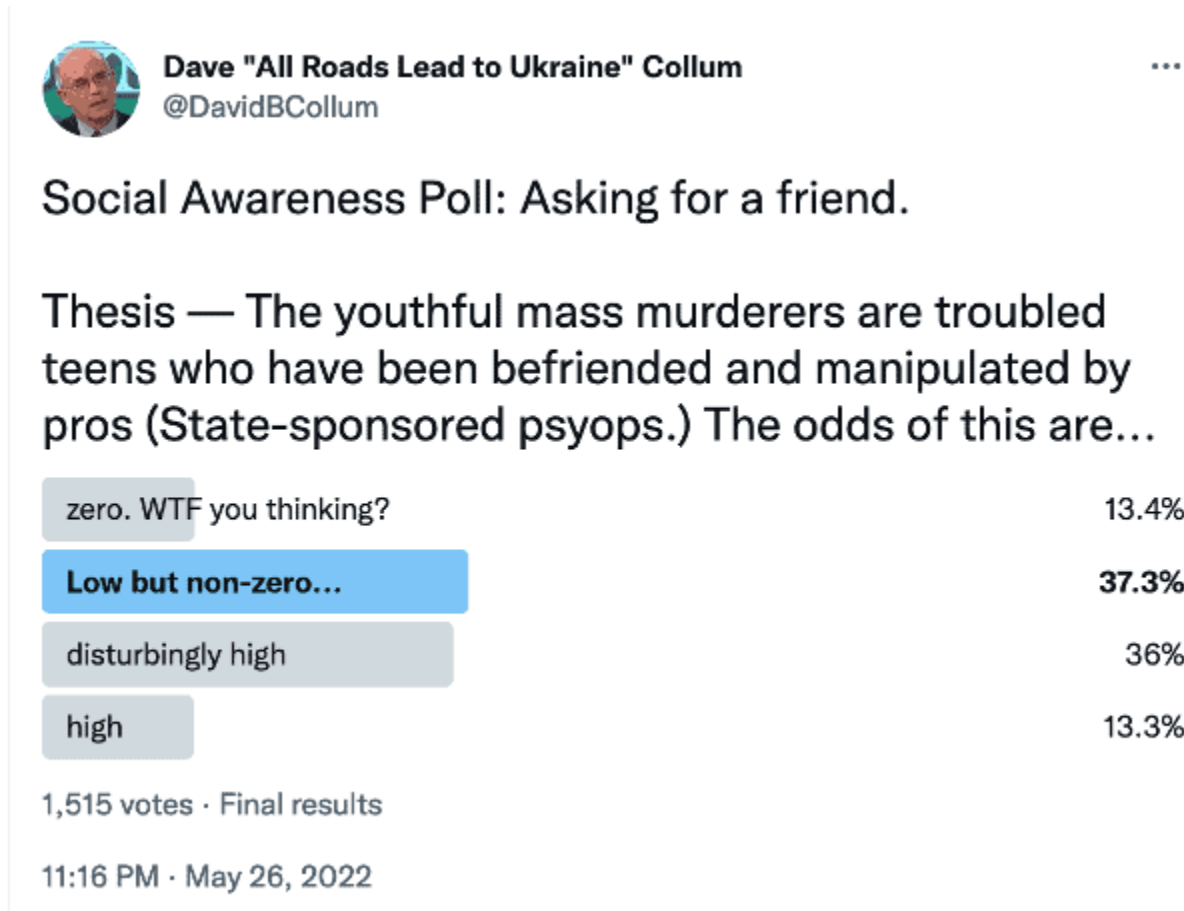
~ABC News, now scrubbed but I read it.

The shootings follow a similar protocol in which witnesses on the scene allude to multiple shooters with the plot distilling within 24 hours to one drug-addled teenager. After the body count, the kid is getting sentenced in court, never to be seen again—no digging for an explanation. The missing hard drives are problematic. Alex Jones discovered that chasing such stories to the extreme can be very expensive. This rogue's gallery of shooters looks like the senior class in the M. K. Ultra School for Wayward Boys.⁶



The Rosetta Stone for me is the Las Vegas shooting in which over 500 concertgoers were shot and 50 died at the hand of Stephen Paddock high up in the Mandalay Bay Casino. The largest domestic killing in the US since Gettysburg: when was the last time you heard it mentioned? Why does the anti-gun lobby not use that as their rallying cry? I wrote over a dozen pages pointing out countless absurdities in the plot⁷ and have no intention of revisiting that story in depth, only a couple of updates. A documentary emerged^{8,9,10} or what I call an “answer key” to check how I did. *You really should watch it.* There is *nothing* about this narrative that holds water. This is not a plot with kinks in it but rather a story in which nothing holds up to scrutiny. It was what is called a psyop (psychological operation) by sovereign State actors. One of the most interesting theories to emerge is that it was cover for a State-sponsored assassination of Saudi Prince Al Waleed bin Talal,¹¹ but I will leave that for Alex to ponder. Two characters who played prominently in my awakening: (1) Sheriff Lombardo of Clark County, whose story morphed from it being “physically impossible” for one shooter to fire that many rounds to “one shooter” overnight. Mike Cronk, a hick from Alaska, just kept getting interviewed over and over while his absurdly implausible story drifted. He even participated in a staged (faked) visit to his friend at the

hospital. He eventually got labeled by others as a “crisis actor,” which brought in more fact-checkers than Alaskan mountain men normally warrant. Well, as of November 2022, they are now Governor Lombardo and State Senator Cronk. They played their parts. I may be nuts but not alone:

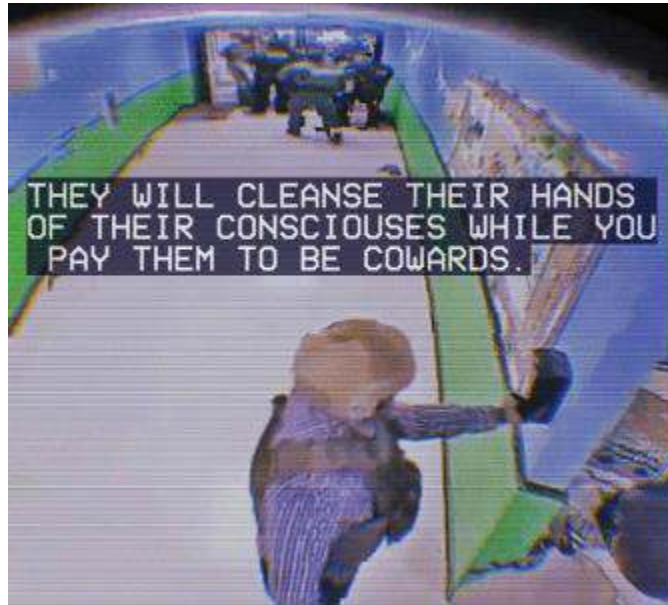


After a hiatus in shootings to make room for Covid, January 6, and Ukraine, a couple reappeared. The heartwarming story was when a 22-year-old named Elisjsha Dicken cut short a mall massacre with seven out of eight shots hitting the psycho from 40 paces.¹² Young Wyatt Earp now has his own clothing line, a lifetime collection of memes, and a full dance card.



This is all heading somewhere. The headliner was the shooting in Uvalde, Texas in which in June of 2022 an 18-year-old named Ramos slaughtered 19 kids and two adults while the cops stood by and did nothing. Parents (some armed) trying to save their kids were pushed back with pepper spray and restrained with handcuffs. 77 minutes of carnage transpired before an off-duty border agent took him out. The cops had been trained only months earlier¹³ and had installed expensive risk assessment tools.¹⁴ Their profound lack of response has been blamed on incompetence, cowardice, and bureaucratic ossification resulting from anti-cop movements rendering individuals unable to act outside strict, formulaic protocols. Videos show cops relentlessly retreating¹⁵ and meme-generating performances with one cop sanitizing his hands. The official story is that the cops waited for the master key to enter the building. Wait. *What?* It is no surprise that lawyers for the police tried not to release evidence.¹⁶





There are problems with this story that bug me. Unlike Las Vegas, where I think the craziness is so easy to document that it dominates the story, I do not have the smoking gun, but if sovereign actors are involved in even some of the mass shootings we have to stay on this plot. Do it for the children. I warn you, there is no punchline, just concerns presented here in no particular order:

- The incompetence and cowardice models do not work for me. Most of those cops were dads. I imagine a few were ex-military. *None* ran in? The formal training says that once there is a shooting, you get to the shooter. Period.¹⁷ I would have said that if you picked 20 guys out of the phonebook randomly, some number of them would have responded to the primal screams in their head, yelling, 'Kids are dying; let's get in there now.' Recall the flight that went down over Shanksville, PA?
- Tucker went all in on Las Vegas and asked some analogous thorny questions about Uvalde too.¹⁸
- Ramos was from an impoverished family yet had \$4,000 worth of guns and ammo.
- Ramos was shooting up Uvalde 15 minutes before entering the school.
- There is debris that, as shown by Alex should be left alone, but is out there for the most curious.^{19,20}

- A mother ran into the school to save her two children. She claimed the police were muzzling her and told a strangely inconsistent tale of the events.²¹ She describes escaping being detained in the school by the officers, begging them “for a vest”, and then declaring there “was not one officer in the school.”
- Uvalde is a hamlet of 15,217 located in the Texas Hill Country, 80 miles west of San Antonio and 54 miles east of the Mexico–United States border. Curious: 372 cops were said to be on the scene.
- Four years ago, two 14-year-olds in Uvalde were arrested for plotting to commit mass murder. Investigators said they were infatuated with the Columbine shootings. The plan was to do this *upon graduation*,^{22,23} which would be June 2022, the month of the shooting. Neither kid was Ramos. The author of the articles was named Ramos, a common name in the region.
- Both the border guard who killed the shooter and the mom who saved the kids are heroes: where did they go? What are their names? Why are they not famous with tons of interviews?

The entire Uvalde school district police force was suspended five months later.²⁴ My school never had a district police force. The survivors just filed a class-action lawsuit, which makes sense although \$27 billion is a reach.²⁵

Climate Change

And so, I hope President Putin will help us to stay on track with respect to what we need to do for the climate.

~ John Kerry, February 23, 2022

Having banged out dozens of pages describing my transition from climate believer (but not a true believer) to climate denier (a true denier), I have come to terms with the climate change story and retain little interest: whether it is occurring or not, the dominant narrative is a mass movement playing into an estimated \$150 trillion gift.¹ I'd love some of that action. Here are just a few tidbits:

- 31,000 scientists signed a petition saying I am not the only nutjob denying the climate crisis.² Jordan Peterson did a real nice riff on it.³
- There are calls for the censorship of climate denial because the climate cultists are morons and demand shit like that.^{4,5}

- Everything from increased numbers of hurricanes—there is no such increase⁶—to a pandemic of myocarditis—there is one of those—are attributed by the cult to climate change.
- Scientists trying to resurrect the woolly mammoth presume we are Neanderthals when they claimed that mammoths would help climate change by packing down the snow.⁷
- The National Oceanographic and Atmospheric Administration (NOAA) suggested pollution *decreases* severity of the hurricanes, which is funny, but I don't believe that either.⁸
- Sri Lanka bought into the story, racking up a near-perfect Environmental, Social, and Governance (ESG) score higher than Swedes the old-fashioned way: they are now starving to death and grumpy about it.⁹
- Germans want to hike the price of meat by 56% through a meat tax.¹⁰ The lack of food this winter could solve that problem.
- The Dutch farmers were told not to grow any food as we may be heading into the teeth of global “food insecurity” also known as “famine” owing to “nitrogen pollution.”¹¹ Next up: oxygen pollution.
- U.S. authorities want \$4-6 trillion per year to fight climate change.¹² The true believers are being gifted on a colossal scale. Saving the whales was successful and a *lot* cheaper.

I am sorry if I insulted you [*Editor's Note*: No, he is not.], but I do think some of you are what Eric Hoffer would call “true idiots.” If you wish to talk about environmental destruction, resource depletion, and even overpopulation, I am all ears. I also *know* there are serious climate scientists out there. It is time for y'all to speak up or get tarred with my big brush. Here is my general rule of thumb: when someone mentions climate change in a non-scientific article, they have no clue what they are talking about.



Nina Jankowicz

My expectation for the Biden administration was low but not zero. I thought he would pivot to the center and be a generic president. It is not a partisan thing—almost all of my friends are democrats and I had no serious gripes about Obama—but I believe Biden has been a wretched president. His personal screwups are legion—I have pages of notes and anecdotes—but somehow chronicling them doesn't interest me. Somebody filled his administration with total misfits. Just because he is demented, I refuse to give him a pass. I think he is hair sniffing perv, corrupt-to-the-core swindler, compulsive liar, and treasonous his international dealings with foreign countries. Those making major decisions for him—certainly not Harris and, in my opinion, not Obama either—appear to be hell-bent on destroying the country.¹ I am biased, profoundly so at this point.

Unless you turn back now and disband this Orwellian Disinformation Governance Board immediately, the undersigned will have no choice but to consider judicial remedies to protect the rights of their citizens.²

~ Letter from 20 State Attorneys General

I want to zoom in on one appointment in particular, Nina Jankowicz, because her role is very interesting to me. Nina was appointed to be head of the new “Disinformation Governing Board” which has come to be called the Ministry of Truth, located within the Department of Homeland Security. That such an Orwellian concept was put into practice underscores my disdain—no, hatred—for the neo-Stalinists who have been pushing the nation to the brink. Nina, however, is a quirky individual. She introduced herself to the world by singing Mary Poppins tunes about the evils of Donald Trump.^{3,4}



Her neo-Stalinist leanings, however, are anything but benign. She expressed the need to intervene (edit and moderate) social media.⁵ In her alternative reality, social media (prior to Elon's purchase) was censoring the political left, which was ridiculous at the time and demonstrably false now with the release of the Twitter documents.⁶ She believes government should set minimum speech standards. Banning misogyny, referring to “freedom of expression and fairy dust” and that algos would “allow us to get around some of the free speech concerns”⁷ and that free speech makes her “shudder”.⁸

Critical race theory has become one of those hot-button issues that the Republicans and other disinformers, who are engaged in disinformation for profit, frankly...have seized on.

~ Nina Jankiewicz, Disinformation Governance Board

Despite the New York Times' spin, the plot takes several odd turns. The decidedly left-leaning *The Nation* ran an exposé on Nina, accusing their peers of faltering due diligence.¹¹ Our insufferable Vaudevillian has a dark side lurking below the surface. Beginning in college she worked with StopFake, a government-funded propaganda machine charged with combating Kremlin lies. StopFake was pivotal in sanitizing violent Ukrainian neo-Nazi groups. It partners with Facebook fact-checkers to censor news. It was founded in 2014 during Ukraine's CIA-led coup that brought a US-backed government into power. It was sold as a grass-roots antagonist to Russian propaganda. It even has George Soros's Open Society Foundation backing to make the story juicy. Jankowicz was in Ukraine as a Fulbright Clinton Public Policy Fellow. Years before Jankowicz's "warm portrayal of volunteer battalions," *The Nation* had described their 'ISIS-style' War Crimes." The article is a must-read to understand both Nina, Ukraine, and the Ukrainian Azov Battalion. And, if that is not weird enough, Nina Jankowicz just satisfied Federal Law by registering as a foreign agent.¹² All roads lead to Ukraine.

And with all those foreshadowings, let's actually look at what the hell is happening in Ukraine in Part 2 of the 2022 Year in Review.

[Continue to Part 2](#)

Part 2 - Public

All of the Public may access Part 2 of this content, [2022 The Year in Review: The War in Ukraine](#).

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