



Peak Prosperity

INSIGHTS FOR PROSPERING AS OUR WORLD CHANGES

2017 Year in Review

Markets Fiddle While Rome Burns



David B. Collum
Betty R. Miller Professor of Chemistry and Chemical Biology
Cornell University

Email: dbc6@cornell.edu

Twitter: [@DavidBCollum](https://twitter.com/DavidBCollum)

Introduction

“He is funnier than you are.”

~David Einhorn, Greenlight Capital, on Dave Barry’s Year in Review

Every December, I write a survey trying to capture the year’s prevailing themes. I appear to have stiff competition—the likes of Dave Barry on one extreme¹ and on the other, Pornhub’s marvelous annual climax that probes deeply personal preferences in the world’s favorite pastime.² (I know when I’m licked.) My efforts began as a few paragraphs discussing the markets on Doug Noland’s bear chat board and monotonically expanded to a tome covering the orb we call Earth. It posts at *Peak Prosperity*, reposts at *ZeroHedge*, and then fans out from there. Bearishness and right-leaning libertarianism shine through as I spelunk the Internet for human folly to couch in snarky prose while trying to avoid the “expensive laugh” (too much setup).³ I rely on quotes to let others do the intellectual heavy lifting.

“Consider adding more of your own thinking and judgment to the mix . . . most folks are familiar with general facts but are unable to process them into a coherent and actionable framework.”

~Tony Deden, founder of Edelweiss Holdings, on his second read through my 2016 Year in Review

“Just the facts, ma’am.”

~Joe Friday

By October, I have usually accrued 500 single-spaced pages of notes, quotes, and anecdotes. Fresh ideas occasionally emerge, but most of my distillation is an intellectual recycling program relying heavily on fair use laws.⁴ I often suffer from pareidolia—random images or sounds perceived as significant. Regarding the extent that self-serving men and women of wealth do sneaky crap, I am an out-of-the-closet conspiracy theorist. If you think conspiracies do *not* exist, then you are a card-carrying idiot. Currently, locating the increasingly fuzzy fact–fiction interfaces is nearly impossible thanks to the post-election bewitching of 50 percent of the populace.

“The best ideas come as jokes. Make your thinking as funny as possible.”

~David Ogilvy, marketing expert

You might be asking, “What’s with the title, Dave? My 401K is doing great, and I own a few Bitcoin!” Yes, indeed: your 401K fiddled its way to new highs day after day, but this too shall pass—it always does—and not without some turbulence. This year was indeed a tough one to survey. As many peer through beer goggles at intoxicatingly rising markets, I kept seeing dead people (Figure 1).

“We seem to be living in the riskiest moment of our lives, and yet the stock market seems to be napping: I admit to not understanding it.”

~Richard Thaler, winner of the 2017 Nobel Prize in Economics

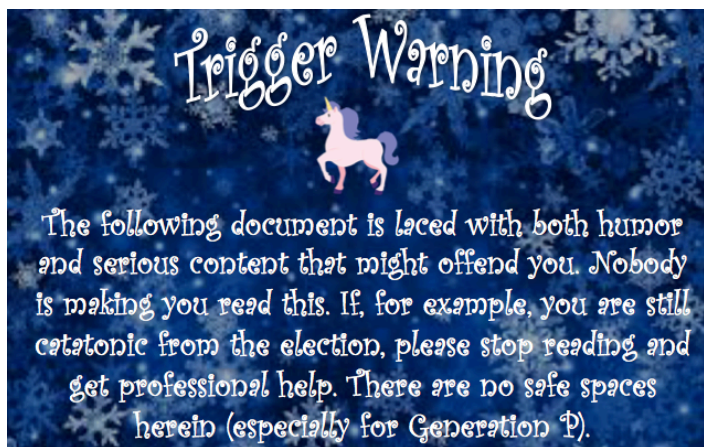


Figure 1. An original by CNBC's Jeff Macke, chartist and artist extraordinaire.

A poem for Dave's Year In Review
 The bubble in everything grew
 This nut from Cornell
 Say's we're heading for hell
 As I look at the data...#MeToo
 ~@TheLimerickKing

Some will notice that in decidedly political sections, the term “progressives” is used pejoratively. Their behavior has become nearly incomprehensible to me. My almost complete neglect of the right wing loonies may reflect some bias, but politically, they have taken a knee. They have become irrelevant. Free speech is a recurring theme, introducing interesting paradoxes for employee–employer relationships.

Some say I have no filter. They obviously have no clue what I *want* to say. In case my hints are too subtle, I offer the following:



Sources

I sit in front of a computer 16 hours a day, at least three of which are dedicated to non-chemistry pursuits. I'm a huge fan of Adam Taggart and Chris Martenson (*Peak Prosperity*), Tony Greer (TG Macro), Doug Noland (*Credit Bubble Bulletin*), Grant Williams (Real Vision and *TTMYGH*), Raoul Pal (Real Vision), Bill Fleckenstein (Fleckenstein Capital), James Grant (*Grant's Interest Rate Observer*), and *Campus Reform*—but there are so many more. *ZeroHedge* is by far my preferred consolidator of news. Twitter is a window to the world if managed correctly. Good luck with *that*. And don't forget it's public! Everything needs an open mind, discerning eye, and a coarse-frit filter.

“You are given a ticket to the freak show. When you're born in America, you are given a front row seat, and some of us get to sit there with notebooks.”

~George Carlin, comedian

Contents

Footnotes appear as superscripts with hyperlinks in the “Links” section.

Part 1

- Introduction
- Sources
- Contents
- My Personal Year in Review
- Investing
- Economy
- Broken Markets
- Market Valuations
- Market Sentiment
- Volatility
- Stock Buybacks
- Indexing and Exchange-Traded Funds
- Miscellaneous Market Absurdities
- Long-Term Real Returns and Risk Premia
- Gold
- Bitcoin
- Housing and Real Estate
- Pensions
- Inflation versus Deflation
- Bonds
- Banks

- Corporate Scandals
- The Fed
- Europe
- Venezuela
- North Korea
- China
- Middle East

Part 2

- Natural Disasters
- Price Gouging
- Sports
- Civil Liberties
- Antifa
- Harvey Weinstein and Hollywood
- Political Correctness–Adult Division
- Political Correctness–Youth Division
- Campus Politics
- Unionization: Collum versus the American Federation of Teachers
- Political Scandals
- Clintons
- Russiagate
- Media
- Trump
- Las Vegas
- Conclusion
- Acknowledgements
- Reference Links

My Personal Year in Review

Who cares what an academic organic chemist thinks? I'm still groping for that narrative. In the meantime, let me offer a few personal milestones that serve as a résumé while feeding my inner narcissist. I remain linked into the podcast circuit, having had chats with Max Keiser and Stacy Herbert (Russia Today aka RT),⁵ Chris Martenson,⁶ Jim Kunstler (*The KunstlerCast*),⁷ Lior Gantz (Wealth Research Group),⁸ Anthony Crudele (*Futures Radio Show*),⁹ Susan Lustick (News-Talk 870 WHCU),¹⁰ Jason Burack (*Wall St. for Main St.*),¹¹ Dale Pinkert (*FXStreet*),¹² Lance Roberts (*Lance Roberts Show*),¹³ and Jason Hartman (Hartman Media Company).¹⁴ I also spoke at Lance Roberts's Economic and Investment Summit discussing campus politics¹⁵ and the Stansberry Conference (Figure 2) arguing the merits of price gouging.¹⁶ I got into a big spat with the American Federation of Teachers and some local social justice warriors that

made it to the national press (see “Unions”) and dropped 30 pounds unaided by disease.

“And, before anyone should doubt what a chemistry professor would know about unions and what effect they would have, it should be noted that Collum has amassed a following for his annual 100-page papers on the state of business and politics. Turns out, he knows a thing or two about economics and politics as well.”

~Joe Cunningham, *RedState*



Figure 2. The lovely Grant Williams, brainy Danielle DiMartino Booth, and one of the Paddock brothers in Las Vegas.

On the professional side, I had a great year: I finished my stint as department chair; started a sabbatical leave; broke my single-year total publication record; and broke my single-year record for papers in the elite *Journal of the American Chemical Society*. I attempted to extend a contiguous string of 20 federal grants without a rejection by submitting *two* NIH grants and subsequently got totally blown out of the water. (OK. I’m still walking that one off. I think the panel finally noticed that I am deranged.) I was accepted into an organization called the Heterodoxy Academy, whose membership includes hundreds of tenured professors standing up for free speech on college campuses.¹⁷

“My job is to write the exact same thing between 50 and 100 times a year in such a way that neither my editors nor my readers will ever think I am repeating myself.”

~Jason Zweig, *Wall Street Journal* columnist

Investing

“I dig your indefatigable bearishness, my friend.”

~Paul Kedrosky, one of the earliest bloggers

I’m sensing a tinge of Paul’s sarcasm. My net worth from January 1, 2000, has compounded at a ballpark annualized rate of 7 percent. That’s not so bad, but the path has been rather screwy. From mid ’99 through early ’03, I carried cash, gold, silver, and a small short position. I kept buying gold through about 2005 (up to \$700 an ounce), resumed in 2015, and bought several multiples of my annual salary’s worth in 2016. I’m done now. Gold is up 8 percent, and silver is down –2 percent in 2017 thanks to a minor end-of-year sell off. The spanking from ’11 to ’15 seems to have subsided.

Precious metals, etc.:	29%
Energy:	0%
Cash equivalent (short term):	62%
Standard equities:	9%

“Most people invest and then sit around worrying what the next blowup will be. I do the opposite. I wait for the blowup, then invest.”

~Richard Rainwater

I was totally blindsided by the downturn in gold starting in ’11 and energy in ’13. (Energy peaked in ’08 but was on the mend until ’13.) I bought energy steadily starting in ’01 with broadly based energy funds and a special emphasis on natural gas. The timing of entry was impeccable and all was going swimmingly—I was a genius!—until the Saudi oil minister attempted to talk oil down from \$110 to \$80 per barrel¹⁸ in ’13. He thought he could blow the frackers out of the game fast, but it was a hold-my-beer moment for our credit system. The frackers kept fracking, the oil price overshot the Sheik’s target by \$50 per barrel, and I got whacked for 30–45% losses over four years starting in ’14.¹⁹

It is impossible to know when you’re being a highly disciplined buy-and-hold investor—a Microsoft and Apple gazillionaire refusing to sell—or just an idiot. I sensed that the rotten debt had been purged and we were through the worst of the energy downturn. I worried that a recession could do a number on me, but it took years to get to my position through incremental buying. I’m holding on, goddammit! We seem to be running out of downside. Unbeknownst to me until October, however, my employer had liquidated my energy funds—every last one of them—and put me in a life-cycle fund in April. Sell ’em *after* they plummet? Thanks guys. A rational investor, if committed to hold them, would undo the

general equity fund restrictions—I did—and buy the energy funds right back—I didn't. Friends in high places all said to wait. About a week later, the Middle East erupted in what looked like a sand-to-glass phase transition (see "Middle East"), and energy started to move in sympathy. Peachy.

Fidelity actually saved me a little money, but I am still white-knuckling the cash, growing a long wishlist, waiting for a generalized sell-off/recession to offer some serious sub-historical-mean bargains (see "Broken Markets"). The correction in '09 at the very bottom brought us to the historical mean, but not through it. For this reason, I have largely skipped this equity cycle. The current expansion is long in the tooth and founded on poor fundamentals. I hope that the wait won't be too long. Until then . . .

"Remember, when Mr. Market shows up at your door, you don't have to answer."

~Meb Faber, co-founder and CIO of Cambria Investment Management

Economy

"A decade after the biggest crisis since the Depression, a broad synchronized recovery is under way."

~*The Economist*, March 2016

Whoa! Fantastic! Goldilocks survived another bear. There is just one hitch: that was a total load of crap in 2016, and it's a colossal load now. Let's take a peek at a few gray rhinos—"large and visible problems in the economy that are ignored until they start moving fast." GDP growth rates from 1930–39 and 2007–16 were as follows.²⁰

GDP growth in the 1930's

1930: -8.5%	1935: 8.9%
1931: -6.4%	1936: 12.9%
1932: -12.9%	1937: 5.1%
1933: -1.3%	1938: -3.3%
1934: 10.8%	1939: 8.0%

GDP growth in the new millennium

2007: 1.8%	2012: 2.2%
2008: -0.3%	2013: 1.7%
2009: -2.8%	2014: 2.4%
2010: 2.5%	2015: 2.6%
2011: 1.6%	2016: 1.6%

Whether you use the arithmetic or geometric mean, both gave us 1.3 percent annualized growth. Let's spell this out: during the recent era in which markets soared, the economy tracked the Great Depression. It is instructive to look at the economy with a little more granularity than the writers at *The Economist-Lite*.

According to John Mauldin, total domestic corporate profits have grown at an annualized rate of just 0.1 percent over the last five years.^{21,22} Goldman's Abby Joseph Cohen says R&D spending is down to 2.5 percent of GDP from 4.5 percent and is a drag on the economy.²³ Economic bellwether General Electric saw revenue drop 12 percent and earnings fall 50 percent year-over-year,²⁴ and these numbers are aided by the company's legendary creative accounting schemes.²⁵ Meanwhile, corporate America witnessed a 71 percent rise in business debt since 2008. According to economist Lacy Hunt, "It's the investment, the real investment, which grows the economy," prompting the legendary market maven @RudyHavenstein to state dryly, "I like Hunt." Where are they spending all that borrowed money? Hold that thought. Long-term demographic problems—"quantitative aging" (Figure 3)—exacerbated by dropping sperm counts²⁶ suggests the economy will continue to shoot blanks.

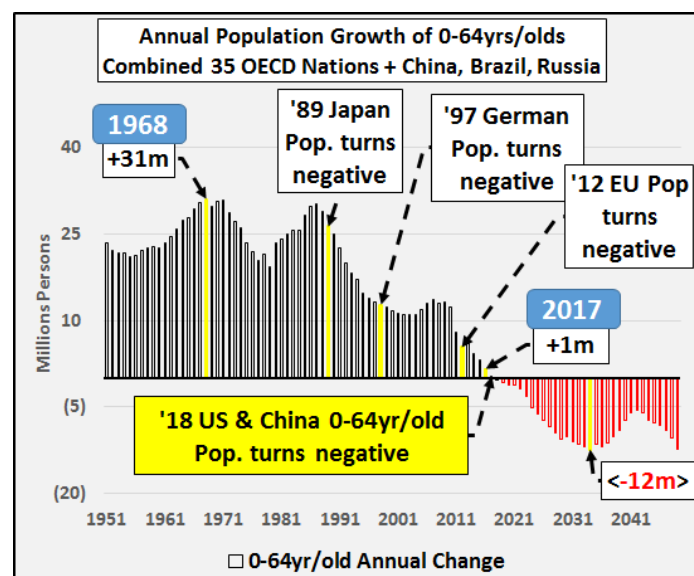


Figure 3. Demographics looking sketchy.

Putative job gains affiliated with this low growth are fragile if not dubious as hell and are being boosted by the “Dusenberry effect”—consumers’ reluctance to stop spending even after their income drops—which will cause the next recession to be a real Dusey. (Sorry.) Eventually, common sense prevails as companies run out of credit and savings-deficient consumers reassume the fetal position. According to extensive work by Ned Davis Research, cash levels among households are near their lowest levels of all time; consumer resiliency is always temporary.

“When it is all said and done, there are approximately 94 million full-time workers in private industry paying taxes to support 102 million non-workers and 21 million government workers. In what world does this represent a strong job market?”

~Jim Quinn, *The Burning Platform* blog

The Bureau of Labor Statistics has turned to Common Core math. How can we have 100 million working-age adults—40 percent of the working-age population—not working, 4 percent unemployment, *and* employers claiming the labor market is tight? Are 90 percent of those without jobs professional couch potatoes? Let’s first look at employment in some detail and then address that whole “tight” part. Googles of pixels have been dedicated to the obligatory labor force participation rate (Figure 4), a critical component of any economic debunking. Of those employed, 26 million people are in low-wage, part-time jobs (Figure 5), 8 million hold multiple jobs, and 10 million are “self-employed.”²⁷ Another 21 million work for the government, which means they are a tax on the free market. In 2016, 40 percent of new jobs were fabricated through the specious “birth and death model.”²⁸ 2017 will presumably post similar numbers.

Occasional reports of large job growth are deceptive. July, for example, witnessed 393,000 benefit-free, part-time, low-skill jobs offset by a drop of 54,000 full-time workers. Payroll numbers keep coming in lower than expected, which economists invariably blame on some big, yet unseen effect they are paid to notice. Nine out of 10 millennials living on their parents’ couches a year ago are still clutching TV remotes.²⁹ There are now 45–50 million Americans on food stamps, up from 14 million in December 2007,³⁰ when the last recession was already underway.

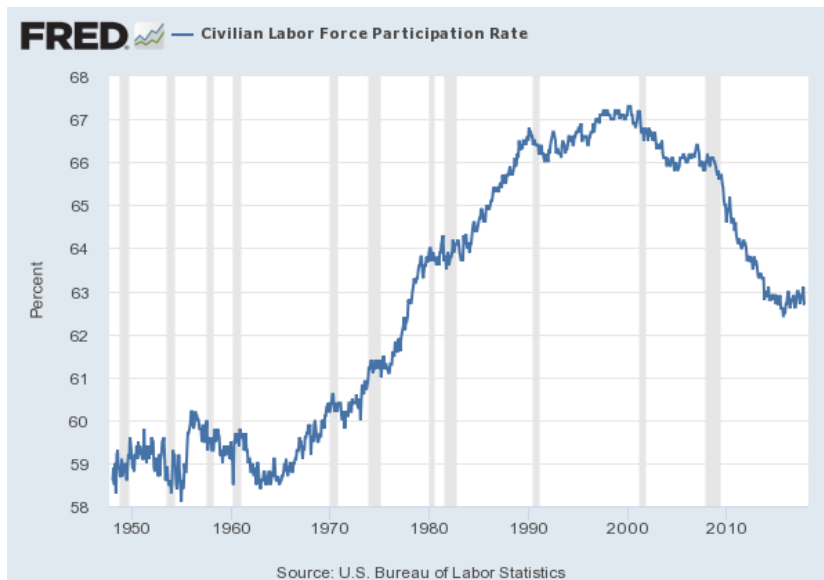


Figure 4. Labor force participation.

I am going to let Jeff Snyder take a crack at explaining the tight labor market:³¹

“The economy is tight, not favourably tight as in no slack in the labour market, but more so tight in that there is little margin for addition. . . . The reality in the markets is this: executives are reluctant to pay wages at a market-clearing rate.”

~Jeff Snyder, Alhambra Investments

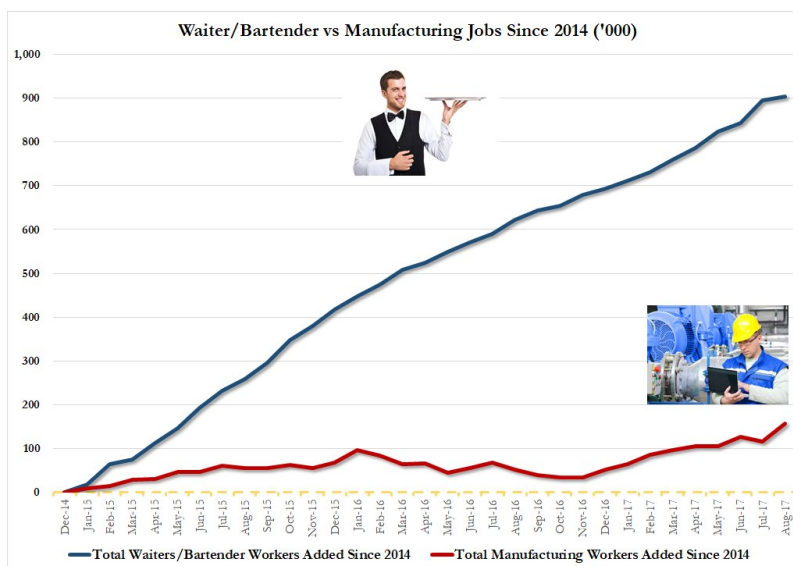


Figure 5. Low-paying service jobs versus manufacturing jobs.

Poor economic numbers are pervasive. Auto sales are canaries in the coal mine and getting crushed despite aggressive incentives.³² Ford is already suffering

and predicting a multi-year slowdown.³³ A car industry crunch analogous to that in '09 may appear in '18 as expiring leases leave consumers underwater owing to dropping used car prices, and decreasing profits in the auto industry may “then turn from secular to structural problems.”³⁴ Morgan Stanley predicts a 50 percent drop in used car prices over the next 4–5 years,³⁵ which will gut the new car business. The auto downturn has already begun. Wells Fargo is reporting large drops in auto loans after a long stretch during which subprime car loans flourished yet again.³⁶ That should put a fork in the new car market.

Yield-starved investors are chasing cash- and income-starved car buyers. Subprime auto-asset-backed securities will take yet another beating. Chrysler is teaming up with Santander Consumer USA to push out “unverified income” subprime auto loans using “automated decision making.” Santander seems to have nine lives, and they’ll need all of them. The hyperdeveloped loan market for used cars, however, is already faltering (Figure 6); delinquency rates are rising. Goldman expects “challenging consumer affordability” and has downgraded General Motors to “sell.”³⁷ Those cars y’all bought on cheap credit yesterday will not be bought tomorrow. Claims that the hurricanes cleared out auto inventory³⁸ are grotesquely underestimating the magnitude of the overhang and will be paid for by reduced consumption in other sectors. *Any* consumption pulled forward with *debt* has a deferred cost.

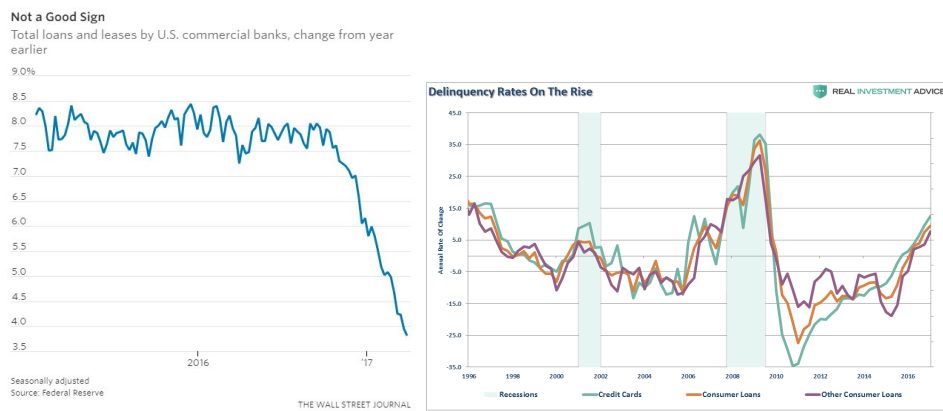


Figure 6. Some key auto industry stats (a) loans and leases, (b) loan delinquencies.

We’ll take a crack at the housing market in its own section and simply note here that the cost of renting or buying *normalized to income* has never been higher. Approximately half of tenants spend more than 30 percent of their income on rent, doubling from a decade ago.³⁹ A survey of 20 cities showed that housing costs are growing at a 6 percent annualized pace. Our paychecks are not. Housing is a bubble and likely to offer fire-sale bargains *again*. What many fail to grasp is that the reduced cost of borrowing owing to low rates is offset by higher prices. When interest rates were 15 percent, houses were cheap.

Austrian business cycle theory says easy money policies generate overdevelopment and other malinvestment. The day of reckoning appears to be

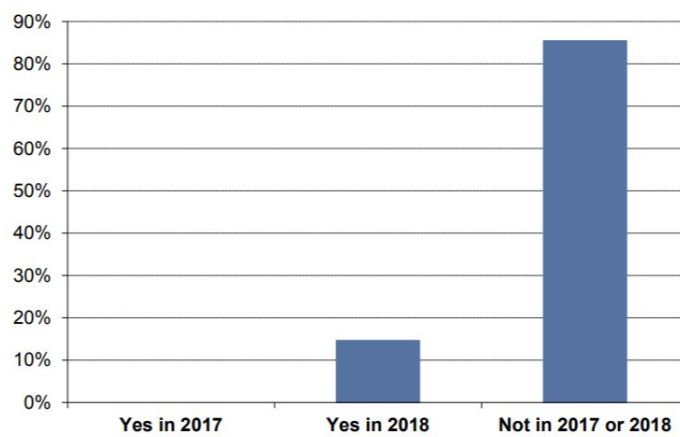
here. (I say that every year...channeling Gail Dudek.) Familiar brands like Toys “R” Us (my keyboard has no backwards R), JCPenny, Abercrombie & Fitch, Sears, Bon-Ton, and Nordstrom are gasping their last gasps before drowning in debt with no customers to save them. Total retail revenues and sales (including online) are up only 28 percent from the 2007 high.⁴⁰ The management of Ascena Retail referred to an “unprecedented secular change.”⁴¹ More than 100,000 retail jobs have vaporized since October 2016.⁴² Credit Suisse estimates that more than 8,000 retail outlets closed this year.⁴³ Consumer goods companies have held up better because consumers generally put off starving or freezing to death until all options are exhausted. Restaurants are extending the longest stretch of year-over-year declines for 16 consecutive months (last I looked).⁴⁴ Business Insider blames millennials because they are “more attracted than their elders to cooking at home” (particularly when it’s their parents’ home.) Manhattan retail bankruptcies are called “horrificing.”⁴⁵

Chapter 11s and company reorganizations in foreign courts increased sevenfold.⁴⁶ Mall owners are using jingle mail—a term from the ’08–’09 crisis referring to leaving keys to creditors. Commercial retail will be coming into its own refinancing wave in 2018. Bears are sniffing around commercial-mortgage-backed securities as malls around the country begin to die.⁴⁷ The next downturn will finish many of them off. Exchange-traded funds (ETFs) are positioning to short the brick-and-mortar retail. (Quick: somebody grab the ticker symbol “MAUL.”) Some suggest the Rout in Retail is merely a secular shift to online. Sounds logical except online sales represent only 8.5 percent of total retail sales.⁴⁸ This argument might be masking a huge downturn in retail corresponding to the bursting of yet another Fed-sponsored bubble.

As Amazon encroaches on every nook and cranny of retail sales, what began as a murmur has turned into a chorus: “This isn’t fair; somebody must do something!” Walmart knows this plotline. Market dominance does not connote “monopoly,” but Amazon has an image problem. Amazon gets a \$1.46 subsidy (discount) per box from the USPS, well below its cost.⁴⁹ Seems cheesy. Congress is showing concern out of self-interest. A monopoly is when a company uses its power to blow its competitors out of the water garishly. Who decides what is garish and when enough is enough? A judge under political pressure. A detailed summary of the breadth of Amazon’s market share and its anti-competitive pricing suggests that we are getting close.⁵⁰ There’s nothing like a protracted anti-trust suit to mute the growth of a large conglomerate. Just ask the Microsoft high command.

If our problems are not Amazon, what are they? Austrian business cycle theory says that our debt-driven, consumer-based economy endorsed by sell-side economists and analysts worldwide is unsustainable. Wealth is made, mined, grown, or coded, only *then* do you get to consume it. Wealth is extinguished by consumption, depreciation, and destruction. Central bankers seem to believe you can will wealth into existence by generating animal spirits.

The next recession will start unnoticeably. Economists seem to miss every single one, often declaring telltale indicators irrelevant. Then you will hear phrases like “technical recession,” “growth recession,” or “earnings recession,” all eventually giving way to somebody opening the Lost Arc. If the next recession flushes the waste products (malinvestment) left behind by the central-bank-truncated '08-'09 recession, it will reveal the central bankers to be charlatans. Even a typical recession witnesses near 40 percent losses in equity portfolios, which will leave already immunocompromised consumers vegetative. Banks will constrict lending to preserve capital, further slowing the economy. Weak businesses living off easy credit will become pink mist. An accelerating vicious cycle downward will take with it formerly viable businesses that could have survived a less arrogant monetary policy. This collateral damage was avoidable at least in its magnitude, but it can't be avoided now. Are we on the cusp of the next recession? Citigroup “clients” say not even close (Figure 7). I think we are staring into the abyss.



Source: Citi Research – US Equity Strategy

Figure 7. June 2017 Citigroup client survey of recession odds.

Will this expansion continue because it has been pathetic or die because it is old? I cast my vote for the latter. The Fed and its central bank brethren, whether to retrieve residual credibility—they have precious little—or out of the deep-seated, albeit misguided belief that they are in charge of the economy, have decided it is time to “normalize rates” and undo quantitative easing. (We are now forced to accept the equally silly term “quantitative tightening.”) You can blame the ensuing problems on the tightening if you wish, but the huge mistakes were made long before this tightening cycle commenced. Every postwar recession until now was preceded by a tightening cycle (although not all tightening cycles lead to recessions). Why not simply refuse to tighten? It won't work, but the Fed governors are probably entertaining this possibility.

“The central banks did their job. Unfortunately, almost nobody else has done theirs.”

~Martin Wolf, *Financial Times*

“As has come to be commonplace, almost everything Mr. Wolf suggests is incorrect.”

~Tim F. Price, Cerberus Capital and author of *Investing Through the Looking Glass* (see “Books”)

I’ll close this discussion with a brief mention of “creative destruction,” the process by which the new (and improved) ushers out the decrepit and out-of-date. It is a central tenet of capitalism—survival of the fittest—but has a disruptive dark side. McDonald’s (and every other service industry) is turning to kiosks to replace more costly human labor. Driverless cars will be awesome but also force car-based workers—potentially millions of them—to find new work. The financialization of the economy by central bankers has tipped the capital–labor balance profoundly toward capital. We will produce goods better and more efficiently, but the Darwinian adjustments will rock the system. Accelerated product cycles facilitated by excess capital can also be highly inefficient. The Erie Canal was completed in 1825 and faced its own black swan—railroads—*that same year*. Blockbuster was offed by Netflix as fast as it appeared. Can creative destruction happen too fast? Have product cycles become too short? Bulldoze your house every five years to build a better one and tell me how that works. Loose credit accelerates creative destruction, but not without a price.

“A high initial saving rate has been associated with subsequently stronger economic growth, while a low saving rate produces a lower growth pattern.”

~Lacy Hunt, economist, noting soaring consumer debt

Broken Markets

“I think we have fake markets. . . . Everything is so tight, it is hard to pick a winner from a group that is fake.”

~Bill Gross, Janus

"One word characterizes why the bull market can go on for years... 'Goldilocks'"

~Sam Ro, Yahoo Finance

“I’m not worried about the economy so much; what I’m concerned about is valuation.”

~David Swensen, Yale University’s longtime CIO

"I think the bull market could continue forever."

~Jim Paulsen, Wells Fargo

Regression to the mean is a force of nature. It is also a mathematical truism that markets reside below the mean for half of their price-weighted existence. The failure to go *through* the mean in '09 is an anomaly caused by global central bankers that remains as an IOU on investors' balance sheets and foreshadows trouble to come.

Our system is constantly being overtly displaced from equilibrium by central bankers who view displacement as their mandate. Physical scientists know that any system displaced from equilibrium tends to return to equilibrium. The French physicist Carnot, often called the father of modern thermodynamics, showed that the round trip *necessarily* comes at a cost no matter how efficient the process: it's a law of physics. Any chemist will tell you that a system *massively* displaced often returns with a considerable cost: you blow up your laboratory. Geologists? Volcanoes and earthquakes. Ski bums? Avalanches. How far are asset markets from equilibrium? The pros have some opinions:

"Asset valuations historically aren't way out of line, but elevated I would say, relative to historical averages."

~Lael Brainard, Federal Reserve governor

"Measured against interest rates, stocks actually are on the cheap side compared to historic valuations."

~Warren Buffett, Berkshire Hathaway, channeling the Fed model

"Compared to the Dutch Tulip Mania of 1637, stocks still look undervalued."

~Rudy Havenstein (@RudyHavenstein), Funniest Tweeter of the Millennium

Case closed. Let's get a six-pack and watch football. The problem is that Brainard is a Fed governor, Havenstein is nuts, and Buffett is known for spewing some serious bullshit. Buffett's favorite indicator—market cap to GDP—is double the historical mean (*vide infra*)—what market analyst John Hussman calls "historically offensive valuations." Buffett also wrote an article in 1999 stating without qualification that returns are *not* about the economy at all.⁵¹ Secular bull markets are powered by falling interest rates and secular bear markets by rising rates. With interest rates at multi-century lows, it seems likely the old codger knows that his implicit reliance on the Fed's valuation model is lunacy. As an

aside, Berkshire has the largest cash hoard in its history—\$100 billion—and it’s *not* being used to buy stocks that are “on the cheap side.”

Others, only partially impeded by cognitive dissonance and the task of selling assets at any cost, seem to have neurons firing spasmodically (sense something):

“We think the market still has the potential to move higher as investors capitulate into equities.”

~Merrill Lynch

“Folks, I have been in this business for over 46 years, and observing markets with my father for 54 years, and I have never experienced anything like what is currently happening. . . . There are years left to run in this one.”

~Jeff Saut, Raymond James

“It seems like uncertainty is the new norm, so you just learn to live with it.”

~Ethan Harris, global economist at Bank of America Merrill Lynch

The fear of missing out (FOMO) is driving the markets way out over their skis. Markets could get much crazier, of course, but as any serious blackjack card counter will tell you, when the deck is stacked against you, size your bets accordingly.

"If you pay well above the historical mean for assets, you will get returns well below the historical mean."

~Paraphrased John Hussman

This Hussman quote is a recycle from last year but well worth repeating to make sure you understand it. He goes on to channel Ben Graham by noting that the devastating losses come from purchasing low-quality securities when times are good. The Hussman quote also pairs well with ideas about valuation I cobbled together from a well-known maxim about savings:

“Overvaluation is appreciation pulled forward.”

“Undervaluation is deferred appreciation.”

~David Collum

This one passed the Google test for originality. I don’t know about you, but I want

my appreciation in the future, or as James Grant (channeling Joe Robillard) likes to say, “I want everybody to agree with me . . . only later.” Valuations are meaningless as long as market participants are determined to buy stocks, but that mood will change at some point. Once markets are overvalued, however, you will give back those and any further gains during the next irrepressible regression to the mean, more so as you linger below the mean. I hasten to add that slight overvaluation is *not* a problem: the regression will be embedded within the noise. If, however, markets are *way* overvalued, an unknowable but inevitable combination of price drop and time—a retrenchment that could last decades—will usher invested boomers to the Gates of Hell. What do current valuations tell us about future returns assuming the laws of thermodynamics have not been repealed?

Market Valuations

“The median stock in the S&P has never been valued higher than it is today.”

~Jesse Felder, The Felder Report

“There’s just no other way to say it: the market is insanely overvalued right now. It’s the longest recovery in history. It’s also the weakest. But you’d never know it from the stock market.”

~ David Stockman, former Reagan economic advisor and former Blackstone group partner

“We are observing an episode that will make future investors wince. Just like the two closest analogs, the 1929 high and the tech bubble, I expect that future investors will shake their heads in wonder at the stark raving madness of it all, and ask what Wall Street could possibly have been thinking.”

~John Hussman, Hussman Funds

“The gap between the S&P 500 and economic fundamentals can now be measured in light years.”

~Eric Pomboy, president of Meridian Macro Research

"I believe fragilities today are much more systemic on a global basis than back in 2007. Where’s the Bubble? Virtually everywhere... The scope of today’s global Bubble goes so far beyond 2007."

~Doug Noland, McAlvaney Wealth Management

It took a few years to blow up yet another equity bubble—referred to fondly by Jesse Felder and others as the “everything bubble”—but determined central bankers are not in short supply. A host of metrics point to a very mean regression cited below. As I rattle off a few stats, bear in mind the serious yet unknowable losses possible if regression rips *through* the mean.

“Russell 2000 with a 75 p/e is just astronomical.”

~Jesse Felder

Starting simple: McDonald’s saw *zero* revenue growth between 2008 and 2016 but had a 154 percent growth in debt. Its share price is up more than 200 percent. This is not an outlier. Additional examples assembled by Mike Lebowitz of 720Global are shown in Figure 8. I know it’s a table, but look at the contrasting revenue growth versus share price gains!

5 Year Percentage Change (6/2012 - 6/2017)						
Name	Ticker	Revenue		Shares Outst.	Debt Outst.	Market Cap :
		Growth	Price Change			Sales
YUM! BRANDS INC	YUM	-54.29%	58.91%	-19.25%	197.46%	89.41%
PHILLIPS 66	PSX	-52.03%	175.60%	-3.84%	24.78%	317.92%
SEAGATE TECHNOLOGY	STX	-46.32%	34.13%	-0.80%	75.38%	103.61%
VALERO ENERGY CORP	VLO	-39.79%	248.72%	-10.03%	20.52%	275.29%
MOTOROLA SOLUTIONS INC	MSI	-34.51%	76.41%	-7.49%	191.37%	54.09%
EBAY INC	EBAY	-31.49%	117.52%	n/a	447.56%	n/a
SYMANTEC CORP	SYMC	-29.56%	124.57%	-11.10%	103.48%	131.64%
LYONDELLBASELL INDU-CL A	LYB	-25.29%	145.96%	-10.38%	108.11%	96.64%
ASSURANT INC	AIZ	-24.83%	174.17%	-18.00%	16.89%	152.98%
ILLINOIS TOOL WORKS	ITW	-19.36%	179.75%	-4.96%	64.11%	140.95%
MERCK & CO. INC.	MRK	-19.34%	53.37%	-2.89%	31.13%	71.15%
DEERE & CO	DE	-17.20%	55.30%	-2.53%	19.48%	48.44%
AON PLC	AON	-16.06%	212.31%	-4.33%	31.92%	171.83%
PFIZER INC	PFE	-14.15%	55.22%	-3.23%	12.65%	35.57%
MARATHON PETROLEUM CC	MPC	-13.61%	149.69%	-3.25%	277.99%	105.31%
KIMBERLY-CLARK CORP	KMB	-13.57%	46.57%	-2.22%	28.02%	61.41%
NETAPP INC	NTAP	-13.01%	37.52%	-7.85%	57.56%	7.13%
MCDONALD'S CORP	MCD	-11.92%	73.05%	-19.80%	112.23%	58.62%
COLGATE-PALMOLIVE CO	CL	-10.34%	39.96%	-1.52%	24.65%	46.99%
Average		-25.61%	108.35%	-7.42%	97.12%	109.39%

Figure 8. Revenue growth versus price change.

“And please don’t claim corporate profits are soaring, so the valuations are justified. . . . Corporate profits are unchanged since 2014—no growth at all.”

~Charles Hugh Smith, *Of Two Minds* blog

The S&P 500 resides 70 percent above its '07 high even though nominal GDP and total sales rose 10 percent during the same period. Price-to-revenue ratios are sharing the nosebleed seats with 1929 and 2000 (Figure 9).⁵² Buffett’s market cap-to-GDP indicator is no better, prompting Felder to guesstimate prospective 10-year returns—returns going to somebody else, apparently—at -2.6% annualized.⁵³ In case you suck at math, you will be 10 years older, 33 percent poorer, and in need of a 50 percent gain to stumble your way back to

even. Ever the optimist, John Hussman and his relatively complex valuation model, which shows high correlations when back-tested, predicts 60–70 percent losses over the next 10 years.⁵⁴ To help the value-driven bottom-feeders, Hussman broke down the markets by valuation “deciles” and found that even the deep-value guys are looking at a >50 percent haircut—“haircut” sounds better than “castration” or “blood eagle”—at the end of the current market cycle.⁵⁵

“Given the performance of certain stocks, we wonder if the market has adopted an alternative paradigm for calculating equity value. . . . What if equity value has nothing to do with current or future profits and instead is derived from a company’s ability to be disruptive, to provide social change, or to advance new beneficial technologies, even when doing so results in current and future economic loss? . . . After years of running into the wind, we are left with no sense stronger than, ‘it will turn when it turns.’ . . . Just because AMZN can disrupt somebody else’s profit stream, it doesn’t mean that AMZN earns that profit stream. For the moment, the market doesn’t agree. Perhaps, simply being disruptive is enough.”

~David Einhorn with tongue in cheek

The legendary Howard Marks, using non-GAAP earnings (with a 25 percent fictional fudge factor)⁵⁶ to calculate trailing P/E ratios, sees a 40 percent regression to the mean. The Case-Shiller weighted P/E ratio—far superior to the non-GAAP alternatives—is in the top 3 percent of historical readings,⁵⁷ prompting Bob Shiller to dryly note that the markets are “at unusual highs.” (By the way, it was Shiller who slipped Greenspan the phrase “irrational exuberance.”) Dividend yields have flopped around over the centuries. A 56 percent equity decline is required to attain the 150-year historical average of 4.4 percent—assuming reduced cash flows owing to the price collapse don’t lead to dividend cuts.⁵⁸ Tobin’s Q—essentially price-to-book value ratio and the favorite of Mark Spitznagle—is at all-time highs. *The Economist* sounds dismissive by suggesting that “a high Tobin’s Q signals that an industry is earning a lot from its assets,”⁵⁹ which suggests that *The Economist* is underutilizing its intellectual assets.

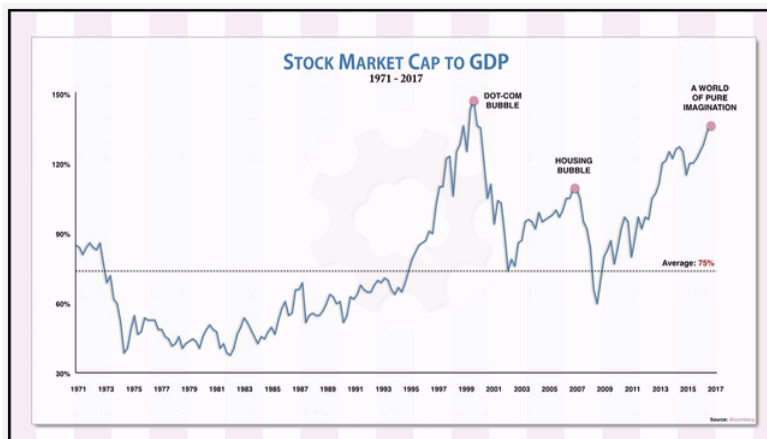




Figure 9. Valuation metrics from Grant Williams’s *World of Pure Imagination*.⁶⁰

Consistency aside, how can these predictions possibly be correct? The reported P/Es are not that bad. The high-growth QQQ index, for instance, is sporting a P/E of only 22, and the Russell 2000—the small-cap engine of economic growth—is in the same neighborhood. Alas, Steve Bregman of Horizon Kinetics notes that the P/E of the QQQ is calculated by rounding all P/Es above 40 down to 40 and assigning a P/E of 40 to all negative P/Es—companies losing money, aka Money Pits.⁶¹ For some of the largest companies in the QQQ—think Amazon—with almost no GAAP earnings, these little fudge factors are not just rounding errors. In the scientific community, we call such adjustments “fraud.” Bregman pools the market caps and earnings to give a more honest analysis, which gently nudges the QQQ P/E to 87. In short, Wall Street is “making shit up.” Mark Hulbert, noting that more than 30 percent of the Russell 2000 companies are losing money, concurs with Bregman and suggests that the rascals at the parent company would get a P/E of 80 if they weren’t fibbing like teenagers.⁶²

Market Sentiment

Which FANG Stock Will Be The First To Break Out?

~Headline, Investor’s Business Daily (September)

I couldn’t care less about market sentiment except to understand how we got to such lofty valuations and how investors have become drooling idiots babbling incoherently about their riches. *Nothing* scares these markets. Previous bubbles always had a great story, something that investors could legitimately hang their enthusiasm on. The 1929 and 2000 bubbles were floated by dreams of truly fabulous technological revolutions. The current bubble is based on a combination of religious faith in central bankers and, as always, investors’ deluded confidence in their own omnipotence as market timers. Oh gag me with a spoon, really? Unfortunately, some group of prospective toe-tagged investors with silver dollars on their eyes are going to own these investments to the bottom. For now, though, we have nothing to fear but fear itself. Veni vidi vici.

“This is not an earnings-driven market; it is a momentum, liquidity, and multiple-driven market, pure and simple.”

~David “Rosie” Rosenberg, economist at Gluskin Sheff

The FOMO model is not restricted to Joe and Jane Six-pack. Norway’s parliament ordered the \$970 billion sovereign wealth fund to crank up its stock holdings from 60 percent to 70 percent.⁶³ Queuing off an analysis I did last year, a collective (market-wide) allocation shift of such magnitude would cause a 55 percent gain in equities.⁶⁴ The percentage of U.S. household wealth in equities is in its 94th percentile and above the 2007 numbers.⁶⁵ A survey of wealthy folks shows they expect an annualized 8.5 percent return *after inflation*.⁶⁶ Good luck with *that* if you wish to stay wealthy. At current bond yields, a 60:40 portfolio would need more than 12 percent each year on the equities. Venture capitalists think they can get 20 percent returns (despite data showing this to be nuts.)⁶⁷ Maybe they can set up an ETF to track the 29-year-old high school dropout and avid video gamer who professed to love volatility and got himself a 295 percent gain in one year trading some crazy asset (probably Tesla or “vol”).⁶⁸ He actually ordered a Tesla and proclaimed, “I will soon get my license!” Better get that Tesla ordered soon, young Jedi Knight, given the company’s annualized \$2+ billion burn rate and stumbling production numbers. Meanwhile, the legendary Paul Tudor Jones’ fund saw 50 percent redemptions.⁶⁹ (Boomers: Insert Tudor Turtle joke here.) Prudence disappoints investors in the final stages of a market cycle.

Unsurprisingly, the complacency index is at an all-time high.⁷⁰ The oft-cited Fear and Greed Index (explained here⁷¹) is pegging the needle on extreme greed (Figure 10). A survey by the National Association of Active Investment Managers found investment managers to be more than 90 percent long the market.⁷² An American Association of Individual Investors survey showed that retail portfolios were at their lowest cash levels in almost two decades.⁷¹ High “delta,” which supposedly reflects investors’ willingness to use levered calls to catch this rally,⁷² suggests that investors perceive that risk has been eradicated in these central-bank-supervised markets.

The few investors retaining a modicum of circumspection are “suffering extreme mental exhaustion” (PTSD) watching the consequences of the “deadweight of [the] US\$400 trillion ‘cloud’ of financial instruments . . . supported by ongoing financialization” levitate anything with a price tag on it.⁷³ Booyah Skidaddy. Let’s not forget, however, that traders make tops and investors make bottoms. In the next bloodletting, we may see bonds and stocks compete in synchronized diving. While traders run with the Pamplona bulls, investors sit in the shadows waiting for their day in the sun.

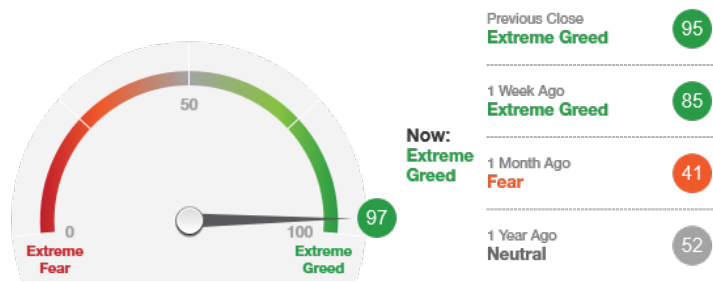


Figure 10. Fear and Greed Index.

Volatility

Market pundits hurl around several definitions of volatility, and both have gotten huge press this year. A narrow dispersion of prices has arisen from the collusion of sentiment, \$3 trillion of quantitative easing *this year alone*,⁷⁴ trading algos, and programmed contributions to index investments that have created markets that seem very tame (not volatile). Headlines reported all sorts of records such as days without a 1 percent drop,⁷⁵ consecutive S&P 500 closes within 0.5 percent of previous closing price,⁷⁶ longest streak of green closes on the S&P, consecutive months without a loss,⁷⁷ index advances accompanied by new 52-week lows,⁷⁸ and days without a 3 percent draw down.⁷⁹ Often the records were kept intact thanks to late-day panic-buying by the FOMO crowd. For the short sellers, it has been the Bataan Death March, particularly in February, when a leveraged fund was forced to liquidate billions of dollars of short positions.⁸⁰ Even the treasury market shows an “implied volatility” at its lowest level in more than 30 years,⁸¹ which highlights historic investor complacency. Some say it is a new era; others see a calm before the storm.

A second definition of volatility is explained in Investopedia:⁸²

Volatility: A variable in option pricing formulas showing the extent to which the return of the underlying asset will fluctuate between now and the option’s expiration. Volatility, as expressed as a percentage coefficient within option-pricing formulas, arises from daily trading activities. How volatility is measured will affect the value of the coefficient used.

Glad to have cleared that up. It’s no surprise the market players found a way to turn an arcane market indicator into a trading device: you can buy and sell vol through various indices such as the “VIX,” XIV, and “SVXY.” What’s more, the buying and selling of vol influences the markets (10x leveraged according to Peter Tchir). As the vol indices go down, the markets go up, and if I have this right, there is causality in both directions. Vol has been plumbing record lows. Indeed, those shorting vol (driving it down) are making fortunes—a one-decision trade—at least until buying vol becomes the new-and-improved one-decision trade. Billions have flooded into vol short funds each week.⁸³ It is estimated to be

a \$2 trillion market. Barron's called shorting the VIX "the nearest thing to free money."⁸⁴ References to exceptionally high "risk-adjusted returns" leave me wondering: How do you adjust for risk on the vol trade? Maybe we should consult the logistics manager at a Target store who made a cool \$12 million in five years by shorting the VIX.⁸⁵ He reminds me of those Icelandic fishermen-turned-bankers. They did quite well for a while, but they returned to fishing the hard way.

In an incisive analysis of the risks of the vol trade,⁸⁶ Eric Peters notes that "to sell implied volatility at current levels, investors must imagine tomorrow will be virtually identical to today." Seems like a reach given that such an assumption has no precedent in the recorded history of anything. The fact that 97 percent of VIX shares are sold short also seems a wee bit lopsided (Figure 11).⁸⁷ The VIX even had a flash crash⁸⁸: how ironic is *that*? JPM's Marko Kolanovic—reputed to be one of the best technical traders in the known universe—says that a regression of the VIX to the historical norm could cause "catastrophic losses" because of all the shorts.⁸⁹ Given that volatility begets volatility, forcing an epic short squeeze on \$2 trillion of vol shorts at some point, one wonders what comes after "catastrophic"?



Figure 11. Volatility (VIX) short positions.

Stock Buybacks

"Companies might have to start rotating out of the debt that they incurred to buy back their stock and start issuing stock."

~Chris Whalen, *The Institutional Risk Analyst*

In 2016, I referred to Whalen's vision of stock buybacks as "buying high—selling low."⁹⁰ Peter Lynch's original enthusiasm for buybacks was that clever management sneakily buys back *undervalued* shares, not *overvalued* shares. This buyback ploy began to turn into a scam in 1982, when buybacks were excluded from rules prohibiting price manipulation.⁹¹ Buybacks are so large now that they correlate with and quite likely cause large market moves (Figure 12).

Since 2009, U.S. companies have bought back 18 percent of the market cap, often using debt—lots of debt.⁹² The 30 Dow companies have 12.7 billion fewer shares today than in '08: “the biggest debt-funded buyback spree in history.” An estimated 70 percent of the per-share earnings—24 percent versus only a 7 percent earnings gain since 2012—is traced to a share count reduction from buybacks.⁹³ Pumping the share prices at the cost of rotting the balance sheet (which gullible investors ignore) achieves two imperatives: it prolongs executive employment and optimizes executive compensation. Contrast this with paying dividends to enrich shareholders to the detriment of option holders. The rank-and-file employees might be comforted if companies plugged the yawning pension gaps instead (*vide infra*), but such contributions would have to be expensed, lowering earnings and, stay with me here, reducing executive compensation.

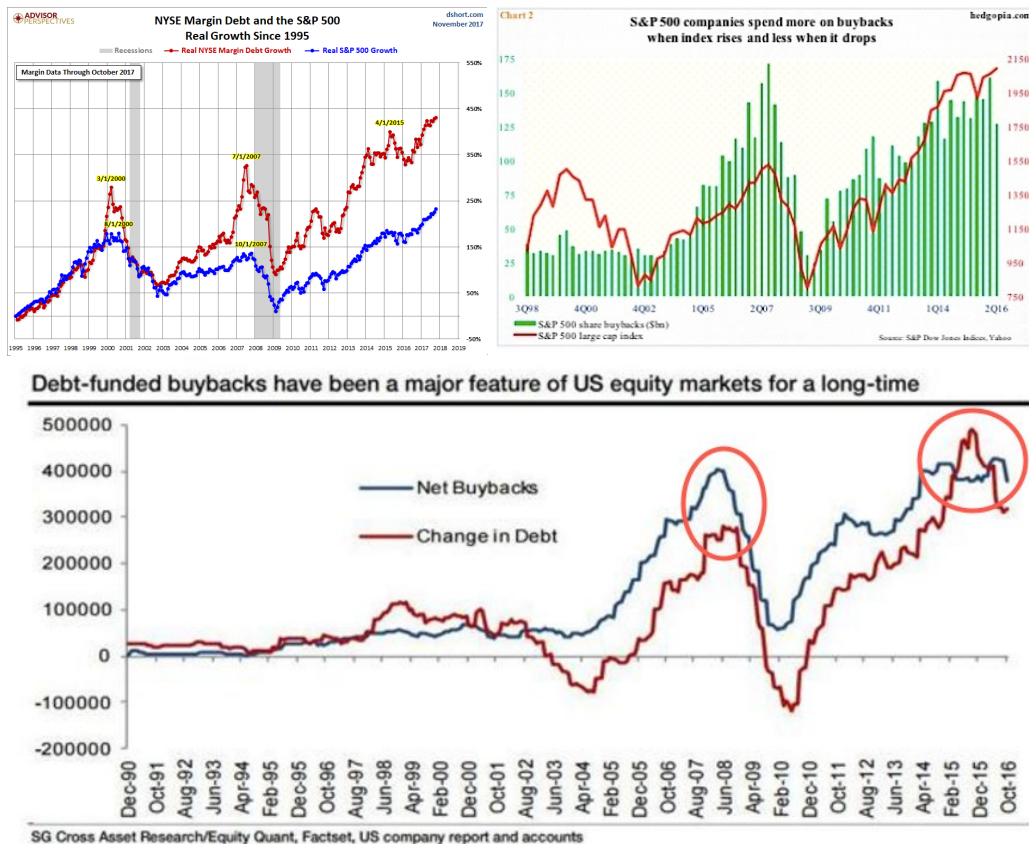


Figure 12. (a) S&P *real* returns versus margin debt. (b) S&P *nominal* returns versus share buybacks, and (c) buybacks versus corporate debt.

In one hilarious case, Restoration Hardware, a loser by any standard except maybe Wall Street’s, used all available cash and even accumulated debt to buy back 50 percent of its outstanding shares to trigger a greater than 40 percent squeezing of the short sellers who, mysteriously, think the company is poorly run.⁹⁴ In the “eating the seed corn” meme, the 18 biggest pharmaceutical companies’ buybacks and dividends exceed their R&D budgets.⁹⁵

Market narrowing—the scenario in which a decreasing number of stocks are lifting the indices—is acute and ominous to those paying attention.⁹⁶ The so-called FAANGs + M (Facebook, Apple, Amazon, Netflix, Google, and Microsoft) have witnessed a 50 percent spike in their P/E ratios in less than 3 years.⁹⁷ The FAANGs compose 42 percent of the Nasdaq and 13 percent of the S&P. An astonishing 0.2 percent of the companies in the Nasdaq have accounted for 45 percent of the gains.⁹⁸ This is a wilding. The average stock, by contrast, is still more than 20 percent off its all-time high. What is going on?

Indexing and Exchange-Traded Funds

“When a measure becomes an outcome, it ceases to be a good measure.”

~Goodhart’s Law

Charles Goodhart focused on measuring money supply,⁹⁹ but his law loosely applies to any cute idea that becomes widely adopted (such as share buybacks). This is total blasphemy, but market indexing may be a colossal illustration of Goodhart’s Law. John Bogle was the first to articulate the merits of indexing in his *undergraduate* thesis at Princeton.¹⁰⁰ Columbia University professor Burt Malkiel provided a theoretical framework for the notion that you cannot beat the market, which was translated into the best-selling book *A Random Walk Down Wall Street*. Even Warren Buffett endorses the merits of indexing, although once again, his words belie his actions. Bogle’s seminal S&P tracking fund now contains 10% of the market cap of the S&P 500 after quadrupling its share since ’08. (Behaviorist Peter Atwater attributes the recent enthusiasm to investors who are PO’d at active managers.)¹⁰¹

“When the world decides that there is no need for fundamental research and investors can just blindly purchase index funds and ETFs without any regard to valuation, we say the time to be fearful is now.”

~FPA Capital

Then there are the massively popular ETFs that allow you to index while picking your favorite basket of stocks (have your cake and eat it too). Is there anybody who disagrees with the merits of indexing? Didn’t think so. Do ya see the problem here? Goodhart might. Maybe I was oblivious, but acute concerns about indexing seem to have emerged only in the last year or so. Let’s ponder some of them, but only after a brief digression.

“There is no such thing as price discovery in index investing.”

~Eric Peters, CIO of One River Asset Management

In his must-read book *The Wisdom of Crowds*, James Surowiecki posits that a large sample size of non-experts, when asked to wager a guess about something—the number of jelly beans in a jar, for example—will generate a distribution centered on the correct answer. Compared with experts, a crowd of clueless people offers more wisdom. I submit that this collective wisdom extends to democracies and markets alike. A critical requirement, however, is that the voting must be *uncorrelated*. Each player *must* vote or guess independently. As correlation appears, the wisdom is lost, and the outcome is ruled by a single-minded mob. Thus, when everybody is buying baskets of stocks using the same, wholly thoughtless protocol (indexing), the correlation is quite high. Investors are no longer even taking their own best guesses. The influence of correlation is amplified by a flow of money (votes) putting natural bids under any stock in an index, even such treasures as Restoration Hardware. What percentage of your life's savings should you invest without a clue? Cluelessness has been paying handsome rewards.

A big problem is that index funds and ETFs allocate resources weighted according to market cap and are float-adjusted, reflecting the market cap only of *available* shares not held by insiders. You certainly want more money in Intel and Apple than in Blue Apron, but indexing imposes a non-linearity that drives the most overpriced stocks to become even more overpriced. That is precisely why the lofty valuations on the FAANGs just keep getting loftier. The virtuous cycle is the antithesis of value investing. The float adjustment drives money *away from shares with high insider ownership*. Curiously, an emerging strategy that is not yet broadly based (recall Goodhart's Law) is to find investments that are not represented in popular indices or ETFs on the notion that they have not been bid up by indexers.

“With \$160-odd trillion global equity market capitalization, we have much more opportunities for ETFs to grow, not just on equities, but in fixed income. And I believe this is just the beginning.”

~Larry Fink, CEO of Blackrock, the largest provider of ETFs

The indexed subset of the investing world could be at the heart of the next liquidity crisis. In managed accounts, redemptions can be met with a stash of cash at least for the first portion of a sell-off. This is why air pockets (big drops) often don't appear early in the downdraft. By contrast, ETFs trade shares robotically—quite literally by formulas and algos (the robots)—with zero cash buffer.

The first hint of trouble causes cash inflows to dry up and buying to stop. Redemptions by nervous investors cause instantaneous selling. Passive buying will give way to active selling. The unwind should also be the mirror image of the ramp: FAANGs will lead the way down owing to their high market caps. Once again, selling begets selling, and the virtuous cycle quickly turns vicious. Investors will get ETF'd right up the...well, you get the idea.

“You’re better off knowing which ETFs hold this stock than what this company even does. . . . That’s scary to me. . . . The market needs to have a major crash.”

~Danny Moses, co-worker of Steve Eisman

“Throw them out the window.”

~Jeff Gundlach, CIO of DoubleLine Capital, on index funds

I would be remiss if I failed to note that there are also some really wretched ETFs. What are the odds, eh? I’m not sure I even believe this, but it has been claimed that a 3x-levered long gold mining ETF lost –86 percent while a 3x-levered *short* gold mining ETF lost –98 percent, both over the same time frame that the GDX returned zero percent. You wouldn’t want to pair-trade those bad boys. It is also rumored that the SEC has approved 4x-levered equity ETFs. Investors are going to be seeing the inside of a wood chipper at some point. A 3x-levered Brazilian ETF (BRZU) lost 50 percent in a single day. Apparently none of these investors ever saw *The Deer Hunter*. We might as well set up ETFs in which investors choose the leverage multiple. One quick click, and it’s gone.

“ETFs are the new Investment Trusts (similar vehicles in 1920’s) that led to the Great Crash and will lead to the next crash.”

~Mark Yusko, CEO and CIO of Morgan Creek Capital Management

“Passive investing is in danger of devouring capitalism. . . . What may have been a clever idea in its infancy has grown into a blob which is destructive to the growth-creating and consensus-building prospects of free market capitalism.”

~Paul Singer, founder and president of Elliott Management Corporation

Miscellaneous Market Absurdities

“Last time this mood took over, it ended very badly. Look at your investments with 2009 eyes. Did you tail hedge then? Should you risk up now?”

~Jeff Gundlach

Recent initial public offerings (IPOs) get routinely flogged. SNAP’s 33 percent drop has become onomatopoeic. What would you expect for a company whose customer demographic is 12- to 18-year-olds with no income? GoPro (GPRO)

has lost 95 percent in two years. A few more show precipitous drops from post-IPO highs: FIT, TWLO, FUEL, TWTR, ZNGA, and LC. Blue Apron (APRN) dropped 45 percent from its highs in the 36 days after its IPO. The company also cut 1,200 of a total of 5,000 jobs, prompting one veteran to ponder: “Seriously, how is that not illegal?” This is a new era, dude.

The froth creeps into the screwiest places. The hard asset purchase of the year was the da Vinci painting of Salvatore Mundi that sold for \$450 million. It was the only known da Vinci in private hands. A Modigliani nude sold for \$170 million. A Basquiat painting purchased in 1984 for \$19,000 moved across the auction block at a snot-bubble-blowing \$111 million (23% compounded annualized return). The fabulously creative modern artwork, *The Unmade Bed* (Figure 13), sold for a cool \$4 million.¹⁰² (I have one of those in my bedroom that I got for a lot less.) According to CBS News, a Harambe-shaped Cheeto sold for almost \$100K on eBay.¹⁰³ An obscure Danish penny stock company (Victoria Properties) surged nearly 1,000 percent in a few days, prompting management to remind investors that “there has been no change in Victoria Properties’ economic conditions. . . . The company’s equity is therefore still equal to about zero kroner.”¹⁰⁴ Ford is valued at around \$7,000 per car produced. Tesla is valued at \$800,000 per car produced—they are literally making one model by hand on a Potemkin assembly line.¹⁰⁵ A company called Switch has a “chief awesomeness officer.”¹⁰⁶ Ding! Ding! Ding!



Figure 13. A \$4 million masterpiece of modern art.

Long-Term Real Returns and Risk Premia

“Maybe it’s time to quietly exit. Take the cash, hide it in the mattress, and wait for the next/coming storm to pass.”

~Bill Blain, Mint Partners

“People have just gotten so immune to any pain and anguish in any of these markets that when it happens it is going to be very psychologically painful.”

~Marilyn Cohen, Envision Capital Management

If the next correction is only 20–30 percent, I was simply wrong. I set out a 50 percent or larger thwacking, and I am declaring victory (in a twisted sort of way). When the pain finally arrives, the precious few positioned to take advantage of the closeout sales will include idiots sitting in cash through the current equity binge buying (me). In theory, the short sellers would be in great shape too, but they all reside in shallow graves behind the Eccles Building. Some wise folks, like Paul Singer, have had the capacity and foresight to be raising billions of dollars for the day when monkey-chucking darts can find a target.¹⁰⁷

“We think that there has never been a larger (and more undeserved) spirit of financial market complacency in our experience.”

~Paul Singer after raising \$5 billion to buy distressed assets in the future

There will be few victory laps, however, because boomers will be living on Kibbles 'n Bits. How painful will it be? Figure 14 from James Stack shows the fractions of the last 100 years' bull markets that were given back.¹⁰⁸ On only one occasion were investors lucky enough to hang onto three-fourths of their bull market gains. One-third of the bulls were given back entirely. Two-thirds of the bulls gave half back. The results are oddly quantized. How much will the next bear take back? It depends on how much the reasoning above is out of whack. Do ya feel lucky?



Figure 14. Fraction of the bull taken by the bear.¹⁰⁸

“The vanquished cry, but the victor doesn’t laugh.”

~Roman proverb

Ethereal gains bring up an interesting point, more so than I first thought. In a brief exchange with Barry Ritholtz, I asserted that the “risk premia” on equities—the higher returns because of underlying risk—will be arbitrated away in the long run because occasionally risk turns into reality, and you get your ass kicked. I’m not talking inefficient high-frequency noise but rather the long term—call it a century if you will. With his characteristically delicate touch, Barry noted that I was full of hooey. Refusing to take any of his guff, I dug in. Certainly a free market would price equities much the way junk bonds are priced relative to treasuries to account for mishaps. Look back at Figure 14 in case it didn’t sink in. There is also the problem with interpreting index gains owing to survivor bias. Economist David Rosenberg claims that if the eight companies who left the Dow in April 2004 had remained, the Dow would still be below 13,000.¹⁰⁹ Of course, presumably investors swapped them out as well if they were indexing (although somebody ate those losses).

“I will get back to you next week with the answer to your singular investment question. Should you have further easy questions such as: is there a God and what gender he/she may be, that will necessarily be part of a separate email chain.”

~Brian Murdoch, former CEO of TD Asset Management on bonds versus stocks

Start with the inflation-adjusted principle gains on the Dow (Figure 15), which returns less than 2 percent annualized. Think that’s too low? Take a look at my all-time favorite chart—the Dow in the first half of the 20th century, when inflation corrections weren’t needed (Figure 16). Now throw in some dividends (4 percent on average) and some wild-ass guesses on fees and taxes (including those on the inflated part of the gains). I get a *real* return on the Dow in the 20th century—a pretty credible century to boot—of only 4–5 percent annualized. Let’s adjust recent returns using the Big Mac inflation metric.¹¹⁰ Big Macs have appreciated sixfold since 1972 (4–5 percent compounded) with little change in quality. Over the same period, the capital gains on the Dow rose twentyfold. Adjusted for Big Mac–measured inflation, the Dow averaged less than 3 percent compounded (ex-dividends). An eightfold rise in the price of extra-large pizzas since 1970 (cited in my now-extinct blog for Elizabeth Warren) paints an even bleaker picture of inflation-adjusted S&P returns.



Figure 15. Inflation-adjusted DOW.

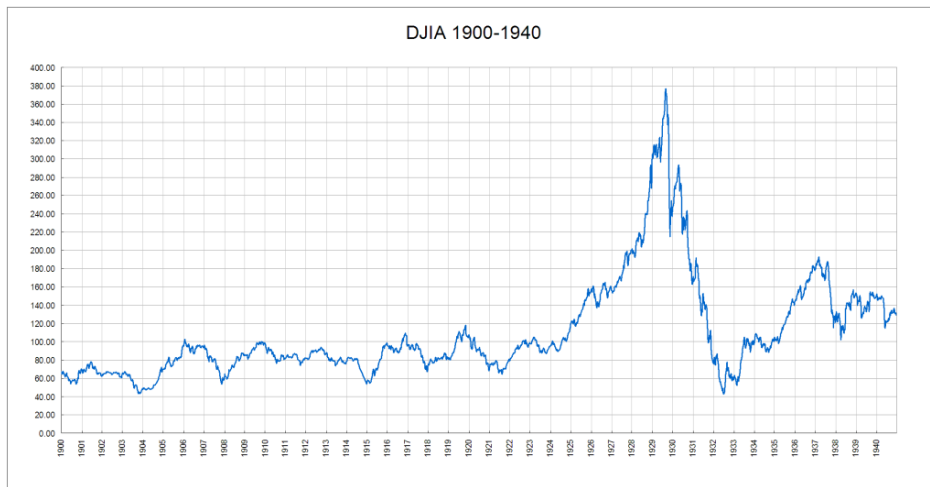


Figure 16. Non-inflation-adjusted Dow: 1900–1940.

Those 4–5 percent inflation-adjusted equity gains do not account for the fourfold increase in the U.S. population, which should be included because the wealth of the nation was shared by four times as many carbon-based life-forms. *The returns are also not in the same zip code as the 7–8 percent assumed by many pensioners.*

Back to the debate, the 4–5 percent inflation-adjusted equity gains contrast with 30-year treasuries returning about 4–5 percent *nominally*. Hmm...Seems like equities still won, and that Ritholtz appears to have been right. I consulted both digital and human sources (Brian Murdoch, Benn Steil, and Mark Gilbert), and everybody agreed: that punk Ritholtz was right. Even more disturbing, is it possible that Jeremy Siegel is not being a total meathead by asserting that you should buy equities at all times (BTFD)?

The explanations for why markets fail to arbitrage the risk premia are said to be rather “mysterious.” According to Brian Murdoch, “academics have been

remarkably unsuccessful in modeling it. . . . Despite three decades of attempts, the puzzle remains essentially intact.” Benn Steil concurred. Academic studies (warning!) claim that bonds do not keep up with stocks even over profoundly long periods, and no amount of fudging (fees, taxes, disasters, or survivor bias) accounts for the failure to arbitrage the marginal advantage of stocks to zero. Schlomo Benartzi and Richard Thaler suggest that short-term losses obscuring long-term gains—“myopic loss aversion”—is the culprit.¹¹¹ (Ironically, I read this paper a week before the Nobel committee told me to read this paper.) Elroy Dimson *et al.* dismiss all the possible errors that could be root causes and put the sustainable risk premium on stocks at 3–5 percent.¹¹²

Let’s flip the argument: Why would you *ever* own a bond? There are rational answers. To the extent that you do not buy and hold equities for 100 years (unless you are Jack Bogle), you also pay a premium for the liquidity—the ability to liquidate without a huge loss because you were forced to sell into a swoon. You also forfeit the ability to sell into a rally, however, and certainly wouldn’t want to sell into a bond bear market either. Of course, the role of financial repression—sovereign states’ ability to force bond yields well below prices set by free markets—could explain it all. Governments like cheap money and have the wherewithal to demand it. Maybe the message is to never lend to governments. I remain in an enlightened state of confusion.

Gold

“Gold is no more of an investment than Beanie Babies.”

~Gary Smith, economist

“If you don’t have 5–10% of your assets in gold as a hedge, we’d suggest you relook at this. . . . [I]f you do have an excellent analysis of why you shouldn’t have such an allocation to gold, we’d appreciate you [sic] sharing it with us.

~Ray Dalio, Bridgewater Associates

Ray is rumored to have ramped Bridgewater’s gold position fivefold this fall. He cites geopolitical risk as a reason to own the barbecued relic.

“If we actually see missiles in the air, gold could go higher.”

~CNBC trader on thermonuclear war

Since the early 1970s, gold has had an annual return of 8 percent (nominal). Gold bears are quick to point out it doesn’t pay interest. Nor does my bank, and by the way, what part of 8 percent don’t they understand? By that standard, the 8 percent gain in 2017 was good but not statistically unusual. Coin sales are

down,¹¹³ which suggests that either retail buyers are not in the game or the bug-out plans of hedge fund managers—I’m told they all have them—are complete. Sprott Asset Management made a hostile move on the Central Fund of Canada, a gold–silver holding company, in a move that *might* portend promising future returns.¹¹⁴

“Significant increases in inflation will ultimately increase the price of gold. . . . [I]nvestment in gold now is insurance. It’s not for short-term gain, but for long-term protection. . . . We would never have reached this position of extreme indebtedness were we on the gold standard. . . . It wasn’t the gold standard that failed; it was politics. . . . Today, going back on to the gold standard would be perceived as an act of desperation.”

~Alan Greenspan, 2017, still babbling

On the global geopolitical front, Deutsche Bundesbank completed repatriation of 700 tons of gold earlier than originally planned.¹¹⁵ The urgency may be bullish, but a possible source of demand is now gone. Chinese gold companies have been actively searching for domestic deposits and international acquisitions as they push to quadruple their reserves to 14,000 tons by 2020.¹¹⁶ (The U.S. sovereign stash is less than 9,000 tons.) The gold acquisitions of China (Figure 17) show a curious abrupt and sustained increase in activity in 2011. When did gold begin its major correction? Right: 2011. Makes you wonder if geopolitics somehow preempted the supply–demand curve. Because gold can leave Shanghai but not China, it’s a one-way trip. The Shanghai Gold Exchange must get its bullion from other sources. Russia continues to push its reserves up too. Rumors swirl that China and Russia are colluding for something grand, possibly a new global reserve currency based on the petro-yuan and gold. This would change the global landscape way beyond generic goldbuggery.

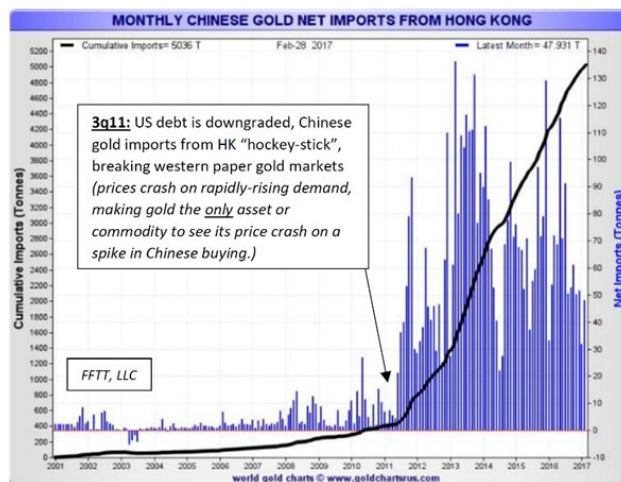


Figure 17. Abrupt changes in Chinese gold acquisitions through Hong Kong in 2011.

“Bringing back the gold standard would be very hard to do, but boy would it be wonderful. We’d have a standard on which to base our money.”

~Donald Trump, 2016

The gold market continues to be dominated by gold futures rather than physical gold. The bugs think this will end. I can only hope. In this paper market, gaming is the norm. On a seemingly monthly basis, gold takes swan dives as somebody decides to sell several billion-dollar equivalents (20,000–30,000 futures contracts) when the market is least liquid (thinly traded). Stories of fat-fingered trades abound, but I suspect these are just traders molesting the market for fun and profit, unconcerned that a regulator would ever call them on it. The silver market looked even creepier for 17 days in a row (Figure 18). I *never* trust that kind of linearity.



Figure 18. Silver acting odd over 5 minutes and 17 days.

Price changes often appear proximate to geopolitical events, but everything is proximate to a geopolitical event somewhere. India’s success at destroying its cash economy—the only economy it had—via the fiat removal of high-denomination bills¹¹⁷ was akin to announcing that only electric cars are legal starting next week. Some suggested that the move was also an attempt to flush gold out of households and into the banking system.¹¹⁸

Gold inched toward currency status at a more local level as Idaho, Arizona, and Louisiana voted to remove state capital gains taxes on gold—baby steps toward an emergent gold standard.¹¹⁹ The Brits are going the other way by banning salary payments in gold.¹²⁰

Finishing with some fun anecdotes, a massive gold coin worth millions was stolen from a German museum.¹²¹ Some guy restoring a World War II tank found \$2.5 million in gold bullion tucked in a fake fuel tank.¹²² A piano repairman discovered 13 pounds of gold in an old piano.¹²³ According to British law, the repairman gets half, and the folks who donated the piano get squat. Beyond that, the gold market has been quiet for almost five years (Figure 19). Some wonder

whether Bitcoin is sucking oxygen away from gold. Which way is gold gonna break if Bitcoin or the dollar tanks? Inquiring minds want to know.



Figure 19. Five years of gold price discovery.

Bitcoin

"Worse than tulip bulbs. It won't end. Someone is going to get killed. . . . [A]ny [JPM] trader trading Bitcoin will be fired for being stupid. . . . [T]he currency isn't going to work. You can't have a business where people can invent a currency out of thin air and think the people buying it are really smart. It's worse than tulip bulbs."

~Jamie Dimon, CEO of JPM

Unbeknownst to Dimon, his daughter was trading Bitcoin: "It went up and she thinks she is a genius." More to the point, traders at JPM were already firing up crypto exchanges (while Goldman and the CFTC seemed to be positioning to enter the game). Dimon decided it was a prudent time to STFU (shut up) by declaring, "I'm not going to talk about Bitcoin anymore." The joke was on us, however; nobody seemed to notice that Dimon slipped in an earnings warning the same day his Bitcoin quotes hit the media.¹²⁴ Well played, Jamie.

"Bitcoin owners should appeal to the IRS for tax-exempt status as a faith-based organization."

~Andy Kessler, former hedge fund manager

I wish I had a Bitcoin for every time somebody asked me about it. Cryptos and goldbugs share a common interest in escaping the gaze of the authorities. My ignorance of blockchain technology is profound, but I suspect that is true for many who talk the talk. I wonder if somehow blockchain might play a role in bypassing the SWIFT check-clearing system used by Western powers to shake

down opposition (Russia).¹²⁵ I also wonder, however, if the miracles of blockchain should not be confused with those of Bitcoin. Any mention of price or gains below should be followed with an implicit "last time I checked" or even "as of two minutes ago."

My failure to jump on Bitcoin leaves no remorse: (a) I never take a position that risks a you-knew-better moment, and (b) I would have been flushed out, and then I *really* would have kicked myself. Recall the legendary founding shares in Apple that were sold for \$800 and are now estimated to be worth maybe \$100 billion?¹²⁶ There's rumor of a guy who lost his Bitcoin "codes" that are now estimated at more than \$100 million. That's *real* pain.

I offer my current view of cryptos from a position of total technical ignorance guided by an only slightly more refined understanding of history and markets. Please forgive me, crypto friends. I know you are tired of hearing the counter arguments and the cat calling. I am restrained by the words of a famous philosopher:

"Only God is an expert. We're just guys paid to give our opinion."

~Charles Barkley, former NBA star

What would have flushed me out of a Bitcoin long position? Let's take it to the hoop:

- *The price action.* Exponential gains, even wildly bent on a semi-log plot, have few analogs in history, all of which led to legendary busts (Figure 20). The South Sea bubble, Tulipmania, Beanie Baby, and Mentos-in-a-Coke analogies are legion. They all had a story that convinced many.



Figure 20. One-year price chart of Bitcoin (as of 2 minutes ago).

- *The participants.* I have a friend—a very smart former Wall Street guy—who swears by it and is up 100,000 percent. You do not need to size your

position correctly with that kind of gain. But then there is the gaggle of camp followers emblematic of all manias. We have grad students speculating in Bitcoin. A 12-year-old bought his first Bitcoin in May 2011 with a gift from his grandmother.^{126a} At more than \$17,000 per coin, his stash is more than \$5 million. On MarketWatch, he declared he had a price target of \$1 million.

“I’m obviously very bullish, but I expect to make a couple million dollars off very little money. This is the opportunity of a lifetime. Finance is getting its Internet.”

~Bitcoin investor

- *Competitors.* A Bitcoin competitor issued by Stratis soared to more than 100,000 percent since its initial coin offering (ICO) this past summer. As of December 1, there were 1,326 cryptocurrencies with a total market cap of >\$400 billion.¹²⁷ Paris Hilton has a cryptocurrency.¹²⁸ The market is saturated more than the dot-com market ever was. It is a certainty that more than 99 percent will die much like most of the 270 auto companies in the '20s and dot-coms in the '90s. A site called Deadcoins shows that some already have.¹²⁹ The debate is whether 100 percent is the final number.
- *Volatility.* Massive corrections followed by ferocious rallies akin to a teenager on driving on black ice would have convinced me it was too crazy for my style. Corrections last seconds to hours, with wildly enthusiastic buyers poised to BTFD. Isaac Newton got into the South Sea bubble, was smart enough to get out, and then reentered in time to go bankrupt. I am decidedly dumber than Isaac.



Figure 21. Bitcoin photo bomber (acquiring \$15K of Bitcoin via crowdsourcing).

For Bitcoin to become a currency in its current form, out of reach of sovereigns, seems to require a society-upheaving revolution, which is a rare event that usually gives way to new, equally ham-fisted regimes. The chances seem slim to none for several reasons.

“No government will ever support a virtual currency that goes around borders and doesn’t have the same controls. It’s not going to happen.”

~Jamie Dimon (again)

- *The competition.* I am doubtless that central banks and sovereign states will never endorse Bitcoin in its current form. They have their own digital currencies and a monopoly on the power to create more, and they commandeer our assets through taxation. Existential risk will bring on the power of the State. When sovereigns decide to do battle, the cryptos will be brought to heel or forced underground.
- *Instabilities.* Digital currencies are showing digital instabilities that could just be growing pains or evidence of more systemic problems. How software buffs who know that software is duct tape and bailing wire could think that a software-dependent currency is invincible is beyond me. Ethereum dropped 20 percent in a heartbeat when a hacker theft was reported.¹³⁰ It dropped 96 percent after the Status ICO clogged the network.¹³¹ One user put a stop-loss on Ethereum at \$316 on GDAX, which executed at \$0.10 during a flash crash.¹³² So-called “wallets” have been freezing up, although there is some debate as to whether the owners lost the Bitcoins.¹³³ This stuff happens with all risk assets now but not with usable currencies.
- *Volatility.* Nobody will use a currency to pay for groceries if prices move 10 percent a day or even 5 percent as you move from the frozen food to the vegetable aisle. This, by the way, is the same explanation for why I don’t consider gold “money” or a “currency.” As long as there exists a Bitcoin–dollar conversion, a sovereign wishing to keep Bitcoin in the realm of a speculative plaything could use its unlimited liquidity to trigger price swings with a little day trading.
- *Legality.* If up against the wall, sovereigns will use arguments about fighting crime, stemming ransomware, or controlling monetary policy and declare a War on Cryptos akin to the potential War on Cash. China has already blown shots across the Bitcoin bow by shutting down exchanges as well as ICOs as they struggle with excessive sovereign debt and capital outflows.¹³⁴ Britain has also done some sabre rattling.¹³⁵ The IRS has declared gains taxable (akin to gold) and is paying companies to locate digital wallets.¹³⁶ The fans of BTC declare invincibility—freedom! The average blokes may smoke pot and drive too fast, but they seem less likely to risk a spat with the State on this stuff.

“Right now the trust is good—with Bitcoin people are buying and selling it, they think it’s a reasonable market—but there will come a day when government crackdowns come in and you begin to see the currency come down.”

~Mark Mobius, executive director at Franklin Templeton Investments

Others have unshakeable faith even in the more obscure cryptocurrencies. I’m unsure what I’m hoping for on this bet (Figure 22):

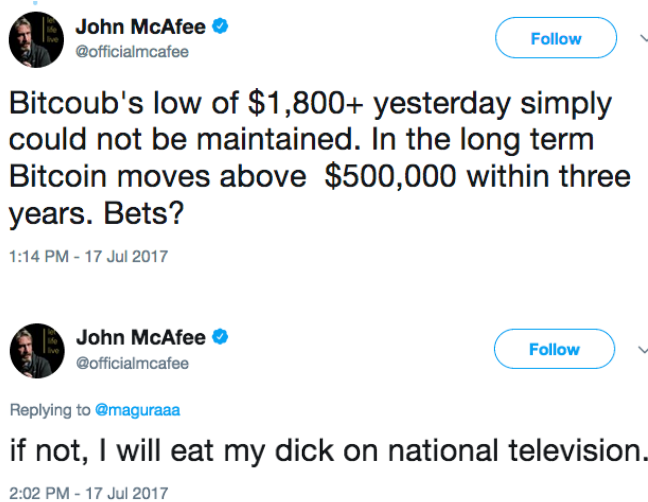


Figure 22. John McAfee, technology pioneer, chief of cybersecurity, visionary of MGT Capital Investments, going all in on cryptocurrencies.

Housing and Real Estate

“We bailed out the financial system so that financiers with access to cheap credit can buy up all of America’s real estate so that they can then rent it back to you later.”

~Mike Krieger, Liberty Blitzkrieg blog

Greenspan claimed those who predicted the housing bubble were “statistical illusions” (as were those who saw Greenspan as a charlatan). There are, once again, housing bubbles littered across the globe at various stages of expansion and contraction owing to central banks providing in excess of \$3 trillion dollars of QE *this year*. Credit is fungible, so the flood of capital can come from anywhere and migrate to anywhere it finds an inflating asset. Hong Kong’s spiking prices are rising by dozens of basis points *per day*. Attempts by authorities to cool the market only fanned the flames, resulting in “a sea of madness.”¹³⁷ Australian authorities tried to cap the dreaded interest-only loans at 30% of the total pool, prompting one hedge fund to return money to investors and declare that

“Mortgage fraud is endemic; it’s systemic; it’s just terrible what’s going on. When you’ve got 30-year-olds, who have never seen a property downturn before, borrowing up to 80% to buy three and four apartments, it’s a bubble.”¹³⁸

Prices in London are now collapsing.¹³⁹ Why would anything collapse with so much global credit? Simple: top-heavy structures tend to collapse from even small shocks. I will focus, however, on only two countries—the U.S. because it is my home turf and Canada because it is the most interesting of the markets.

The U.S. appears to be in a bubble, an overvalued market that does not approach the insanity of 2007 (detected by statistical illusions as early as 2002).¹⁴⁰ Twenty percent down payments have become passé again. A survey of 20 cities reveals 5.9 percent annualized price rises.¹⁴¹ The median sale price of an existing home has set an all-time high and is up 40 percent since the start of 2014¹⁴¹ despite what seems to be muted demand (Figure 23). Thus, home ownership has dropped by 8 percent since '09 because soaring prices have rendered them unaffordable. More than 40 percent of 25-34 year olds, a group historically en route to home ownership, have nothing set aside for a down payment.¹⁴¹ Those who scream about the need for affordable housing don’t notice that we have plenty of low-quality houses. We lack low-cost houses. And the Fed says inflation is good.



Figure 23. Median new home sales price in the U.S. versus number sold and versus home ownership rate.

In 1960, California had a median home price of \$15,000—three times the salary of an elementary school teacher.¹⁴² The median home price in San Francisco is now \$1.5 million,¹⁴³ which is unlikely to be three times a teacher’s salary. A couple earning \$138,000 will soon qualify for subsidized housing in San Francisco. California housing seems to be interminably overvalued, possibly owing to the draw of droughts, mudslides, crowds, and, fires. Despite modest 6 percent population growth since 2010, housing units have shown an only 2.9 percent increase. There could be a supply–demand problem, especially when the fires subside.

Florida is rumored to have eager post-hurricane sellers—those with something left to sell, that is.¹⁴⁴ Condo flippers drove prices skyward in Miami, but they are heading earthward with a glut of units scheduled to come online in 2018. It's not just the sand states starting to see softness. In New York City, rising rates seem to be nudging commercial and residential real estate down and foreclosures up to levels not seen since the 2009 crisis (79 percent year-over-year in Q3).¹⁴⁵ Sam Zell is, once again, a seller and claims "it is getting hard."¹⁴⁶ Recall that Zell nailed the real estate top by selling \$38 billion in real estate in '07.¹⁴⁷

"The condo market at the high-end [in Manhattan] . . . is a catastrophe and will get worse."

~Barry Sternlicht, Starwood Property Trust

Those who already own houses can once again "extract equity" from their homes using home equity lines of credit (HELOCs).¹⁴⁸ They then wake up with more debt on the same house. Pundits claim consumers' willingness to mortgage their future is "a healthy confidence in the economy." Fannie Mae and Freddie Mac have also entered phase II of the catch-and-release program. Their regulators have authorized them to once again engage in unchecked, reckless lending, prompting some to begin estimating the cost of the next bailout.¹⁴⁹

What happened to all that inventory from the colossal boom leading to the Great Recession? Some fell into the foundations, but a lot found its way into private equity firms. Mind you, single-family rentals are a low- or no-profit-margin business under normal circumstances. As long as rates stay low—Where have I heard that one before?—inherently thin profits can be amplified to a significant transitory revenue stream through leverage. A proposed merger of Invitation Homes (owned by Blackstone Group) and Starwood Waypoint Homes (owned by Starwood Capital) would spawn the largest owner of single-family homes in the United States with a portfolio worth over \$20 billion.¹⁵⁰ Of course, rates *will* rise again, and these sliced-and-diced tranches of mortgage-backed securities must be offloaded to greater fools. Private equity guys are already frantically boxing and shipping.¹⁵¹

To avoid costly and time-consuming appraisals, market players are using "broker price opinions," which can be had by simply driving by the house and taking a guess (or just taking a guess). In '09, the legendary "Linda Green" signed off on thousands using dozens of different signatures.¹⁵² U.S. securities regulators are investigating whether bonds backed by single-family rental homes and sold by Wall Street's biggest residential landlords used overvalued property assessments.¹⁵³ Let me help you guys out: yes.

“The main risk on the domestic side is a sharp correction in the housing market that impairs bank balance sheets, triggers negative feedback loops in the economy, and increases contingent claims on the government.”

~IMF, on the Canadian housing market

Heading north, we find that Canada’s real estate market never collapsed in ’09 (Figure 24), an outcome often ascribed to the virtues of the country’s banking system. An estimated 7 percent of Canadians work in housing construction,¹⁵⁴ and Canadians are using HELOCs like crazy.¹⁵⁵ After Vancouver tried to burst a huge bubble in 2016 with a 15 percent buyers’ tax,¹⁵⁶ Chinese buyers chased Toronto houses instead. Annualized gains of 33 percent with average prices of \$1.5 million are pushing even the one-percentile crowd to remote ’burbs.¹⁵⁷ Toronto authorities have now imposed the Vancouver-like 15 percent foreign buyers tax,¹⁵⁸ causing a single-month 26 percent drop in sales and ultimately chasing the hot money to Montreal,¹⁵⁹ Guelph, and even Barrie.¹⁶⁰

“Make no mistake, the Toronto real estate market is in a bubble of historic proportions.”

~David Rosenberg

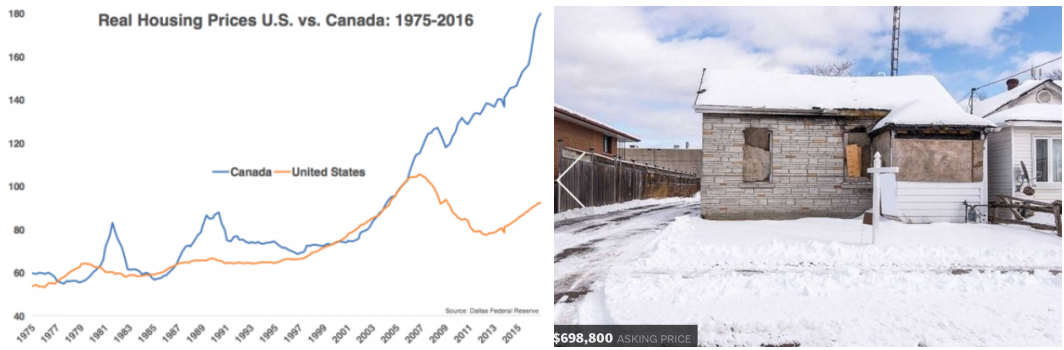


Figure 24. Canadian versus U.S. median home prices and what they buy (\$700,000 for that little gem).

The most interesting plotline and a smoking gun in Canada’s bursting bubble was failing subprime lender Home Capital Group (HCG). Marc Cahodes, referred to as a “free-range short seller” and “the scourge of Wall Street,” spotted criminality and shorted HCG for a handsome profit.¹⁶¹ HCG was so bad it was vilified by its auditor, KPMG.¹⁶² Imagine that. HCG dropped 60 percent in *one day* when news hit of an emergency \$2 billion credit line at 22.5 percent interest by the Healthcare of Ontario Pension Plan.¹⁶³ (The CEO of the pension plan sits on Home Capital’s board and is also a shareholder.) Cahodes was printing money and ranting about jail sentences when, without warning, the legendary stockjobber Warren Buffett took a highly visible 20 percent stake in HCG at “mob

rates” (38 percent discount).¹⁶⁴ The short squeeze was vicious, and Cahodes was PO’d. As Paul Harvey would say, “now for the rest of the story.”

HCG is, by all reckoning, the piece of crap Cahodes claims it is. Buffett couldn’t care less about HCG’s assets—Berkshire can swallow the losses for eternity. Warren may have bought this loser as a legal entry to the Canadian banking system, which is loaded with hundreds of billions of “self-securitized” mortgages. The plot thickened as a story leaked that Buffett met with Justin Trudeau (on a tarmac).¹⁶⁵ When the Canadian real estate bust begins in earnest, Buffett will have the machinery of HCG *and* the political capital to feed on the carcasses of the big-five Canadian banks.

Pensions

“This massive financial bubble is a ticking time bomb, and when it finally goes off, it is going to wipe out virtually every pension fund in the United States.”

~Michael Snyder, *DollarCollapse.com* blog

The impending pension crisis is global and monumental with no obvious way out. The World Economic Forum estimates the pension gap—unfunded pension liabilities—at \$70 trillion and headed for \$250 trillion by 2050.¹⁶⁶ Conservative but still conventional assumptions about prospective investment returns and spending patterns in old age suggest that retiring into the American dream in your mid 60s requires you bank 20–25 multiples of your annual salary (or a defined benefit plan that is the functional equivalent) to avoid the risk of running out of money. A friend—a corporate executive no less—retired with 10 multiples; he could be broke within a decade (much sooner if markets regress to historical means). Of course, you can defiantly declare you will work ‘till you drop, but then there are those unexpected aneurysms, bypass surgeries, layoffs, and ailing spouses needing care. I’ve seen claims that more than 50 percent of retirees do not fully control their retirement age.

“Companies are doing everything they can to get rid of pension plans, and they will succeed.”

~Ben Stein, political commentator

The problem began as worker compensation became reliant on future promises—IOWs planted in pension plans—often assuming the future was far, far away. However, a small cadre of demographers in the ’70s smelled the risk of the boomer retirements and began swapping defined-benefit plans for defined-contribution plans.¹⁶⁷ (A hybrid of the two traces back to 18th century Scottish clergy.¹⁶⁸) The process was enabled by the corporate-friendly Tax Reform Act of

'86.¹⁶⁹ Employees were unknowingly handed all the risk and became their own human resource specialists.

Retirement risk depends on the source of your retirement funds. Federal employees are backstopped by the printing press, although defaults cannot be ruled out if you read the fine print.¹⁷⁰ States and municipalities could get bailed out, but there are no guarantees. Defined-benefit corporate plans can be topped off by digging into cash flows provided that the cash flows and even the corporation exist. The depletion of corporate earnings to top off the deficits, however, will erode equity performance, which will wash back on all pension funds. The multitude of defined-contribution plans such as 401(k)s and IRAs managed by individuals are totally on their own and suffer from a profound lack of savings.

Corporate and municipal defined-benefit plans assumed added risks by falling behind in pension contributions motivated by efforts to balance the books and, in the corporate world, create the illusion of profits. The moment organizations began reducing the requisite payments by applying flawed assumptions about prospective returns, pensions shifted to Ponzi finance. My uncanny ability to oversimplify anything is illustrated by the imitation semi-log plot in Figure 25. The red line reflects the assumed average compounded balance sheet from both contributions and market gains. The blue squiggle reflects the vicissitudes of the market wobbling above and below the projection. If the projections are too optimistic—the commonly reported 7–8 percent market returns certainly are—the slope is too high, and the plan will fall short.

If the projected returns are reasonable but management stops contributing during good times—embezzling the returns above the norm to boost profits—the plan will fall below projection again. Of course, once the plan falls behind, nobody wants to dump precious capital into making up the difference when you can simply goose projected returns with new and improved assumptions. In a rational world, pensions would be overfunded during booms and underfunded during busts. Assuming we can agree that we are deep into both equity and bond bull markets and possibly near their ends, pensions should be bloated with excess reserves (near a maximum on the blue curve), and bean counters should keep their dirty little paws off those assets and keep contributing because we won't stay there.

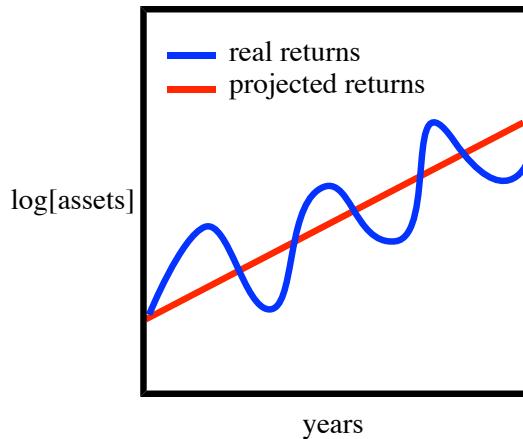
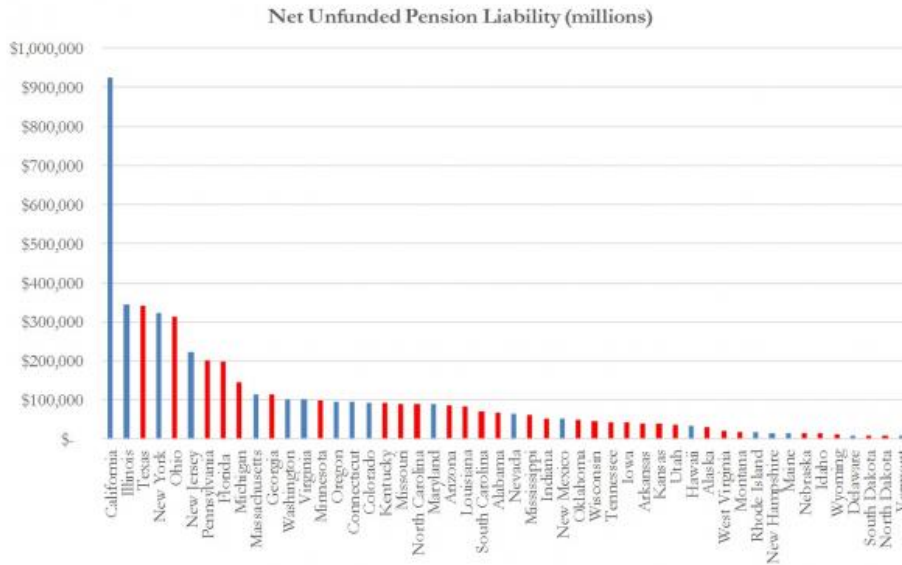


Figure 25. Childish construct of pension assets.

That’s a good segue to drill down into the contemporaneous details. Public pensions are more than 30 percent underfunded (\$2 trillion).¹⁷¹ A buzzkiller at the Hoover Institution says that the government disclosures are wrong and puts the deficit at \$3.8 trillion.¹⁷² Bloomberg says that “if honest math was being used . . . the real number would actually be closer to 6 trillion dollars.”¹⁷³ What is honest math? Using prevailing treasury yields for starters. Bill Gross—the former Bond King—says that if we get only 4.0 percent total nominal return rather than the presumed 7.5 percent, pensions are \$5 trillion underfunded.¹⁷⁴ Assuming 100 million taxpayers, that’s \$50,000 we all have to pony up. California’s CalPERS fund dropped its assumption to a 6.2 percent return—still seriously optimistic in my opinion—leaving a \$170 billion shortfall.¹⁷⁵ The Illinois retirement system is towing a liability of \$208 billion with \$78 billion in assets (\$130 billion unfunded).¹⁷⁶ Connecticut is heading for a “Greece-style debt crisis” with \$6,500 in debt per capita (every man, woman, and child?).¹⁷⁷ The capital, Hartford, is heading for bankruptcy.¹⁷⁸ South Carolina’s government pension plan is \$24 billion in the hole. Kentucky’s attempt to fill a gigantic hole in its pension fund (31 percent funded) was felled by politics.¹⁷⁹ A detailed survey of municipal pension obligations shows funding ranging from 23 percent (Chicago) to 98 percent (Suffolk).¹⁸⁰ My eyeball average says about 70 percent overall. Notice that despite being at the peak of an investment cycle, *none* are overfunded (Figure 26.) Large and quite unpopular 30 percent hikes in employee contributions are suggested. The alternative of taking on more municipal debt to top off pension funds is a common stop-gap measure of little merit long term; somebody still has to pay.



Source: George Mason University and Zero Hedge.

Figure 26. State pension deficits.

The 100 largest U.S. corporate defined-benefit plans have dropped to 85 percent funded from almost 110 percent in 2007. During the recent market cycle that burned bright on just fumes, the companies gained only 6 percent above the 80 percent funding at the end of 2008. Of the top 200 corporate pensions in the S&P, 186 are underfunded to the tune of \$382 billion (Figure 27). General Electric, for example, is \$31 billion in the hole while using \$45 billion for share buybacks.

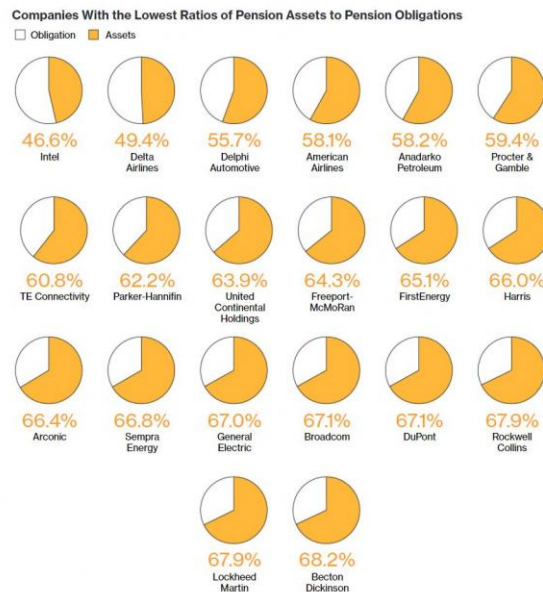


Figure 27. Underfunding of 20 S&P pension funds.

When are serious problems supposed to start, and what will they look like? Jim Bianco says “slowly and then suddenly.” Some would argue “now.” The Dallas

Police and Firemen Pension Fund is experiencing a run on the bank.¹⁸¹ They are suing a real estate fund who slimed them out of more than \$300 million¹⁸² and are said to be looking at \$1 billion in “clawbacks” from those who got out early trying to avoid the pain.¹⁸³ The Teamsters Central States and the United Mineworkers of America plans are failing.¹⁸⁴ The New York Teamsters have spent their last penny of pension reserves.¹⁸⁵ The Pension Benefit Guaranty Corporation has paid out nearly \$6 billion in benefits to participants of failed pension plans (albeit at less than 50 cents on the dollar), increasing its deficit to \$76 billion. CalPERS intends to cut payouts owing to low returns and inadequate contributions (during a boom, I remind you).

“The middle 40% [of 50- to 64-year olds] earn \$97,000 and have saved \$121,000, while the top 10% make \$251,000 and have \$450,000 socked away.”

~Wall Street Journal

Looks like those self-directed IRAs aren't working out so well either. Two-thirds of Americans don't contribute anything to retirement. Only 4 percent of those earning below \$50,000 a year maxes out their 401(k)s at the current limits.¹⁸⁶ They are so screwed, but I get it: they are struggling to pay their bills. However, only 32 percent of the \$100,000+ crowd maxes out the contribution. When the top 10 percent of the younger boomers have *two* multiples of their annual salary stashed away, you've got a problem.¹⁸⁶ If they retired today, how long would their money last? That's not a trick question: two years according to my math. Half the boomers have no money set aside for retirement. A survey shows that a significant majority of boomers are finding their adult children to be a financial hardship.¹⁸⁷ Indeed, the young punks aren't doing well in all financial categories; retirement planning is no exception. Almost half of Gen Xers agreed with this statement: “I prefer not to think about or concern myself with retirement investing until I get closer to my retirement date.”

Moody's actuarial math concluded that a modest draw down would cause pension fund liabilities to soar owing to a depletion of reserves.¹⁸⁸ There is a bill going through Congress to allow public pensions to borrow from the treasury; they are bracing for something.¹⁸⁹ This is a tacit bailout being structured. The Fed cowers at the thought of a recession with good reason: Can the system endure 50% equity and bond corrections—regressions to the historical mean valuation? What happens when monumental claims to wealth—\$200 trillion in unfunded liabilities—far exceed our wealth? Laurence Kotlikoff warned us; we are about to find out.¹⁹⁰ Beware of any thinly veiled claim that the redivision of an existing pie will create more pie.

My sense is that we are on the cusp of a phase change. Stresses are too large to ignore and are beginning to cause failures and welched promises. Runs on pension funds akin to runs on banks would be deadly: *people would quit working to get their pensions*. At this late stage in the cycle, you simply cannot make it up

with higher returns. Enormous appreciation has been pulled forward; somebody is going to get hosed. It's only fourth grade math. Bankruptcy laws exist to bring order to the division of limited assets. We got into this mess one flawed assumption at a time.

On a final note, there is a move afoot to massively reduce contributions to sheltered retirement accounts. This seems precisely wrong. (I have routinely sheltered 25–30 percent of my gross income as a point of reference.) Congress is also pondering new contributions be forced into Roth-like accounts rather than regular IRAs. I have put a bat to the Roth IRA both in print¹⁹¹ and in a half-hour talk.¹⁹² Here is the bumper sticker version:

- Roth IRAs pull revenue forward, leaving future generations to fend for themselves;
- Fourth grade math shows that Roth and regular IRAs, if compounded at the same rate and taxed at the same rate, provide the same cash for retirement.
- Roth IRAs are taxed at the highest tax bracket—the marginal rate—whereas regular IRAs are taxed integrated over all brackets—the effective tax rate.

If you read a comparison of Roth versus regular IRAs without reference to the “effective” versus “marginal” rate, the author is either ignorant or trying to scam you. Phrases like “it depends on your personal circumstances” are double-talk. This synopsis of a Harvard study has two fundamental errors: Can you find them?

“If a worker saves \$5,000 a year in a 401(k) for 40 years and earns 5% return a year, the final balance will be more than \$600,000. If the 401(k) is a Roth, the full balance is available for retirement spending. If the 401(k) is a traditional one, taxes are due on the balance. Let's say the person's tax rate is 20% in retirement. That makes for a difference of \$120,000 in spending power, which a life annuity will translate into about \$700 a month in extra spending.”

~John Beshears, lead author of a Harvard study

Inflation versus Deflation

“Deflation does not destroy these resources physically. It merely diminishes their monetary value, which is why their present owners go bankrupt. Thus, deflation by and large boils down to a redistribution of productive assets from old owners to new owners. The net impact on production is likely to be zero.”

~Guido Hülsmann. Mises Institute

“My own view is that we should be cautious about tightening policy further until we are confident inflation is on track to achieve our target.”

~Lael Brainard

“Inflation is a tax and those least able to afford it generally suffer the most.”

~Esther George, president and CEO of the Federal Reserve Bank of Kansas City

“Barring major swings in value of the dollar, inflation is likely to move up to 2 percent over the next couple of years.”

~Janet Yellen, Federal Open Market Committee chair

Barring major swings in the value of the dollar? What kind of circular reasoning is that? The Fed tells us inflation is too low relative to their arbitrary 2 percent target. I say they are lying—through their teeth—and I have company. John Williams of ShadowStats has been ringing the alarm for decades, currently putting inflation at 6 percent compared with official numbers of less than 2 percent (Figure 28).¹⁹³ A study by the Devonshire Group concurs with Williams.¹⁹⁴ The most notable support for the official consumer price index (CPI) inflation numbers comes from MIT’s Billion Prices Project (BPP). I hammered this in 2014 and repeat it here.¹⁹⁵ Rumor is that the BPP is reverse-engineered to match the CPI, presumably to maintain credibility while usurping the CPI market share by claiming a bigger sample size. The BPP is statistically flawed, ironically, because its sample size is too large. There is no way to statistically weight a billion prices. Ask the creator (Roberto Rigobon) how he does it. I did.

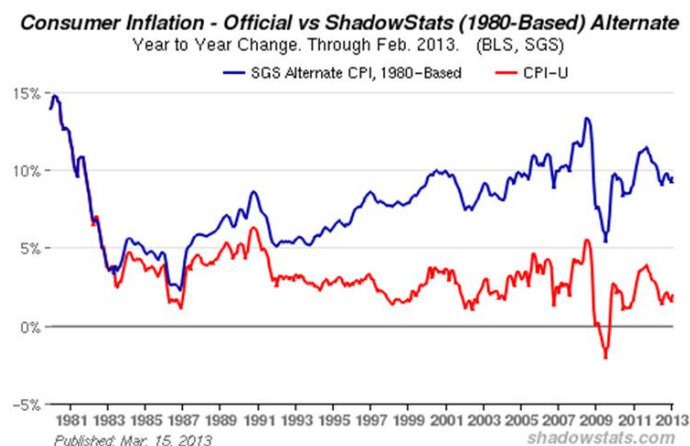


Figure 28. CPI-based versus ShadowStats-based inflation.

Many cite fantastic product improvements to justify low inflation numbers. The price of front-edge tech is *always* dropping. Having a supercomputer in your pocket is cool and getting cheaper on a performance-adjusted basis. Yes: that stuff is deflationary. Nonetheless, every one of those rug rats you sired necessarily owns one along with the bigger laptop version and requisite Internet connection fees. The digital world is not making paychecks go further. More to the point, however, no savings on your tech tools and toys can possibly offset the soaring tuition, food, healthcare, and rent that account for a vast percentage of a lifetime consumption. But, hey, at least you have a cool \$1,000 iPhone 8!

“The deflation devil is gone.”

~Jens Kramer, NordLB

The divergences of the CPI from alternative measures began decades ago and have gotten progressively worse. The discrepancies trace to tricks like “hedonic adjustments” and “substitutions” that would in any other setting euphemistically be called “bullshit.”¹⁹⁶ Hedonically adjusted car prices are reported to have been flat since the late '90s; the median price rose 73 percent.¹⁹⁷ Nobody seems to correct for the fact that the stuff we buy has the life expectancy of a fruit fly and can't be repaired. The fraud is motivated by cost-of-living adjustments in government payouts that would soar if tethered by reality. The fudge also causes the reported *inflation-corrected* GDP to be grossly overestimated (Figure 29), which makes politicians and central bankers look good. (The GDP has its own goofy fudge factors, too, like payments by you to you for mowing your lawn.) There is, of course, the fact that every interest-bearing asset requires the system have more money at the end of the year to pay the interest in lieu of offsetting losses elsewhere. The miracle of compound interest requires a compounding money supply. Read that one again. Take the time to watch physicist Albert Bartlett discuss exponential functions.¹⁹⁸

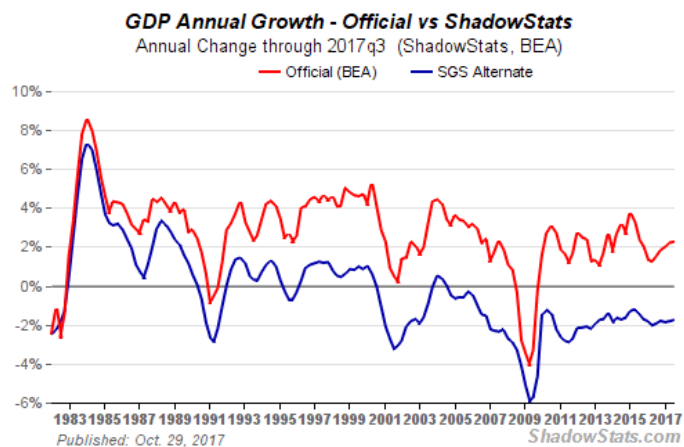


Figure 29. CPI- and ShadowStats-adjusted GDP.

Inflation also creates an insidious taxation that confounds most investors. Consider two hypothetical scenarios in a 10-year investment:

- (A) Six percent *nominal* annualized gain negated by +6 percent annualized inflation;
- (B) Six percent *nominal* annualized loss negated by –6 percent annualized inflation (6 percent deflation).

The inflationary 80 percent *nominal* gain in Model A feels a *lot* better than the deflationary –48 percent *nominal* loss in Model B. But adjusted for the two 'flations, they are necessarily equal—they both sported precisely 0 percent *real* return. But that is not really true. In the inflationary case, your 80 percent *nominal* gain gets tagged with a 20 percent capital gains tax, bringing your *real* return over the decade to –16 percent! The technical term for that is “loss.” If taxes are meted out annually, the loss is closer to –20 percent. By contrast, the *dreaded* deflationary *nominal* loss leaves you with the same buying power (zero percent loss), no taxes, and a potential tax write-off against future gains. How odd: a 'flation-adjusted return in a deflationary environment costs you nothing and the State gets nothing. By contrast, the inflationary environment causes you to forfeit 16 percent of your assets to the State. *Gains resulting from the inflation component are not just zero, but net losses after taxes.* The windfall profit for the State from printing money for free *and* the taxes on the inflationary gains leaves little wonder that the State likes inflation.

“If one is completely honest, how much do we really know about the inflation process?”

~Claudio Borio, Bank for International Settlements

The Phillips curve—the relationship between low unemployment and high inflation and vice versa (Figure 30)—appears to be flummoxing the Fed governors. Why is inflation low concurrent with low unemployment? This is yet another conundrum resolvable with low-level neural activity. Both inflation and employment stats are unsuitable for wrapping fish. Moreover, claims of a tight labor market are really employers being unable to pay new employees the going wage. Supply–demand curves meet at price, but employers refuse to go there because, quite simply, the economy has a degenerative rot (see “Economy,” above).

The Phillips Curve

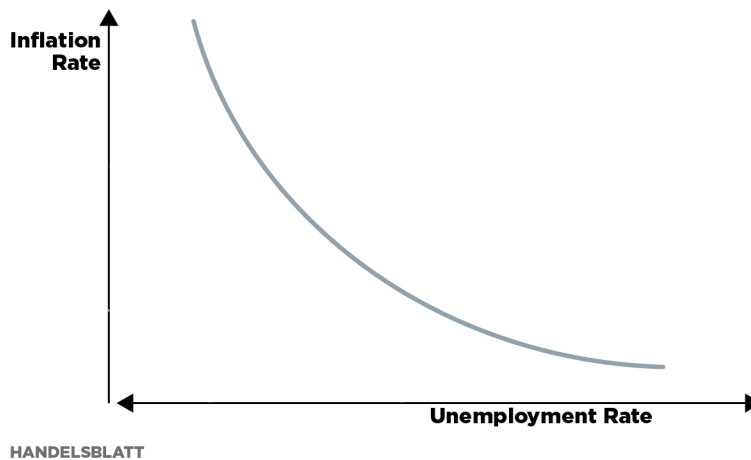


Figure 30. Phillips curve created by William Phillips.

A point that I've made before but feel compelled to dwell on¹⁹⁹ is that the most hidden inflation of them all is accelerated depreciation. If you create wealth at the same rate you consume it, depreciate it, or destroy it, wealth will not compound. Any apparent compounding is in the metric of wealth—inflation. That said, the garbage I buy depreciates very quickly. My house and its contents are depreciating assets on a tear. What used to last 20 years lasts one-tenth of that. Consequently, any adjustment for inflation must include depreciation.

“What fraction of nominal gains at the top of the distribution gets eaten up by disproportionately high-price inflation for status goods? That is, some of this just means higher prices for fine art and Hamptons real estate, not standard of living gains.”

~Josh Barro, *Business Insider*, explaining how inflation hurts the rich

"What is a dick?"

~Austin Rogers, *Jeopardy*

The velocity of money is, in simple terms, the sum of financial transactions divided by the money supply. It stands to reason that if you jam money into the system (the denominator) via quantitative easing and other dubious monetary policies, the velocity of money will necessarily drop, particularly if you saturate the financial system, as shown in Figure 31. This figure also shows what the Fed chooses to ignore—asset inflation. We'll see that again in the section on bonds. The Fed and markets seem to interpret low velocity as a low inflation risk. The money velocity in Weimar Germany also plummeted—twice even—but then it took off like a discharging monetary capacitor (or smacking the bottom of a ketchup bottle).²⁰⁰ Once faith in the money erodes, it starts moving in highly inflationary ways. The “Financial Stability Monitor” of the U.S. Department of the Treasury shows that inflation risk and contagion risk are very, very low.²⁰¹ Even if

true—it's not—it won't last forever. On a final humorous note, workers at the Bank of England may strike for a pay raise to counter rising prices. These blokes are unable to hedonically adjust their lifestyles.

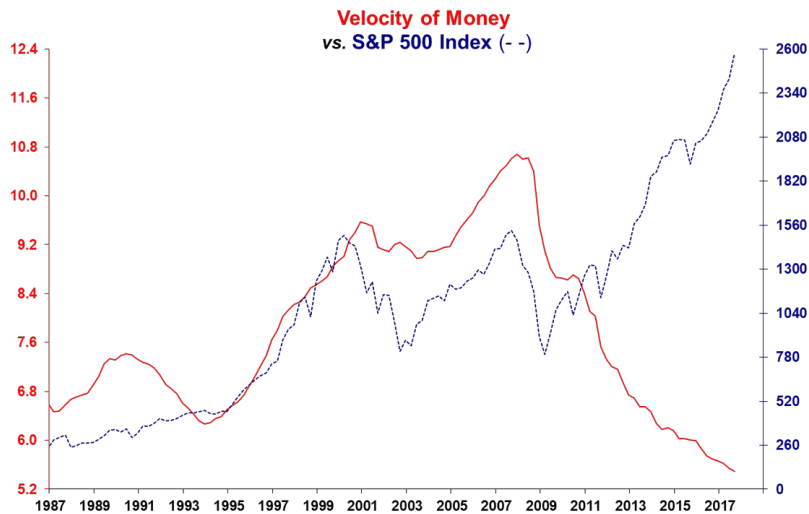


Figure 31. Velocity of money versus the S&P 500.

Let's take a protracted walk down memory lane to see what uncontrolled inflation looks like at the street level:

“Along with the paradoxical wealth and poverty, other characteristics were masked by the boom and less easy to see until after it had destroyed itself. One was the difference between mere feverish activity, which did certainly exist, and real prosperity, which appeared, but only appeared, to be the same thing. There was no unemployment, but there was vast spurious employment—activity in unproductive or useless pursuits. The ratio of office and administrative workers to production workers rose out of all control. Paperwork and paperworkers proliferated. Government workers abounded, and heavy restraints against layoffs and discharges kept multitudes of redundant employees ostensibly employed. The incessant labor disputes and collective bargaining consumed great amounts of time and effort. Whole industries of fringe activities, chains of middlemen, and an undergrowth of general economic hangers-on sprang up. Almost any kind of business could make money. Business failures and bankruptcies became few. The boom suspended the normal processes of natural selection by which the nonessential and ineffective otherwise would have been culled out. Practically all of this vanished after the inflation blew itself out.”

~Jens O. Parsson, *The Dying of Money*, on the great Weimer inflation

“Let us at least hope that the great monetary misadventure has burned itself out. In the wrong circumstances, such a doctrine is a formula for asset bubbles and deranged financial cycles, and that is precisely what events have conspired to produce.”

~Ambrose Evans-Pritchard, editor of the *Daily Telegraph*

Bonds

“Observe Mr. Bond, the instruments of Armageddon.”

~Stromberg in *The Spy Who Loved Me*

It is difficult to cordon off bonds, debt, banks, pensions, etc. This section focuses on some of the zanier aspects of dumb creditors. Bonds are like stocks: low yields reflect appreciation pulled forward, appreciation that you will *not* get prospectively. As a rule of thumb, the nominal return on bonds is approximated by the interest rates. What are the odds, eh? That estimate is the upper limit, however, because defaults become large as rates rise. The paradox of the new-era bond market is that monetary inflation, rather than scaring the credit markets and driving up yields, has charged into bonds to drive the yields down. Once rates start rising, banks tighten lending, which causes high-risk creditors to roll over their debts at higher cost . . . or default. Delinquencies beget delinquencies, and the edifice begins to crumble. When the 36-year secular bond bull market finally ends, duck, because it's gonna get fugly.

“If 2.60% is broken on the upside—if yields move higher than 2.60%—a secular bear bond market has begun.”

~Bill Gross, the former Bond King

“If we take out 3 percent in 2017, it's bye-bye bond bull market. Rest in peace.”

~Jeff Gundlach, the new Bond King

The \$13 trillion in bonds returning *negative* nominal yields is exceedingly likely to cause catastrophic damage because it represents colossal losses *before* inflation adjustments. The idiocy of negative rates was concocted by men and women attempting to be important. As we ponder some bond anecdotes, ask yourself whether bonds have adequate risk premia to protect against their two arch nemeses: inflation and default. Are you counting on selling your bonds to someone who is even more gullible than you, possibly even a sovereign state in a bailout?

“The idea of negative nominal interest rates takes some getting used to, but it should be possible to persuade the public that such flexibility is well worth it to provide better employment security and more secure lifetime savings.”

~Marvin Goodfriend, professor of economics at Carnegie Mellon University

“I find a lot of what is written by representatives of the financial sector—they’re very hostile to negative rates—to be kind of ignorant.”

~Ken Rogoff, professor of public policy and economics at Harvard University

"Mainstream economics had come to rest on a number of gloriously improbable assumptions."

~Edward Chancellor

We begin with the gold standard—the U.S. sovereign debt. Wonky folks often extol the virtues of low rates, noting that the U.S. should borrow as much money as possible because it’s cheap! We as a nation can sell 30-year bonds at less than 3 percent yield. Would you lock in less than 3 percent for 30 years? I wouldn’t buy those with *your* money, but *somebody* will own those bonds for the next 30 years. Economists estimate the rate on a 100-year U.S. bond should be around 4 percent.²⁰² That’s a darker kind of stupid. Treasury Inflation-Protected Securities (TIPS) are priced to earn approximately 0.50 percent,²⁰³ try to live off \$5,000 (before taxes) for every \$1 million in savings. The Fed took control of the bond market to force us to look elsewhere for returns. Let’s reach for more yield and see where it takes us.

“More people have died reaching for yield than at the point of a gun.”

Staying in the U.S., you could get Apple 30-year bonds for about 1 percent over the treasuries.²⁰⁴ Will Apple exist in 30 years? Will you? Amazon—that wonderful juggernaut—offers 10-year bonds that pay less than 1 percent over treasuries. Illinois is within a whisker of being the first state to have its bonds rated as “junk,” which has caused yields on their 10-year bonds to “soar” to 4.8 percent.²⁰⁵ I think they will find a legal default mechanism before you get your money back. Hartford municipal bonds are already junk. I can’t imagine buying bonds deemed worse than those in Illinois. Inflation in Germany is heading for 2 percent with 10-year bonds around 30 basis points (0.3 percent), but maybe you can make it up with risk-parity leverage.

“As banks are the transmission mechanism of monetary policy, we all have to wonder why central bankers think that damaging bank profitability is a good strategy.”

~Peter Boockvar, Lindsey Group

There was a fledgling bond rout in Japan, prompting the Bank of Japan to put a bid under its 10-year bonds to keep rates at 0.11 percent.²⁰⁶ Nothing there. The Japanese bond market is so dysfunctional that there are days in which not a single bond trades.²⁰⁷ The nearly \$2 trillion Chinese bond market showed an inverted yield curve suggesting that something is seriously wrong.²⁰⁸ Europe is also bad. It's the home of negative interest rate policy. I'll pass on losing money like that. Irish 5-year paper paid 17 percent six years ago and now has negative yields.

“When there's in fact no apparent difference anymore between euro junk bonds and U.S. treasuries, then all kinds of bad economic decisions are going to be made and capital is going to get misallocated.”

~Wolf Richter, *Wolf Street blog*

The real toxic brew was generated when Mario Draghi's QE targeted corporate bonds, taking possession of 15 percent of all eligible European corporate bonds and driving yields on high-yield corporate bonds *below those of U.S. treasuries* (Figure 32). To clarify, they are called “high-yield” bonds because “junk bonds” sounds bad, and “widow-making sacks of shit” suffers serious branding issues. Quality European corporate bonds have, by proxy, become way overpriced too: Nestle now has *negative-yielding bonds* (and chocolate bars with negative calories).²⁰⁹ You can get positive yields on Austrian 100-year “century bonds.”²¹⁰ Recall that we were bombing the hell out of them only 70 years ago. Draghi said he would “do whatever it takes,” which translated to the purchase of \$2.6 trillion in QE (monetary bestiality). Those who took him at his word in 2012 have made *1,000 percent returns on friggin' bonds*.²¹¹ You must also do whatever it takes too—whatever that means now.

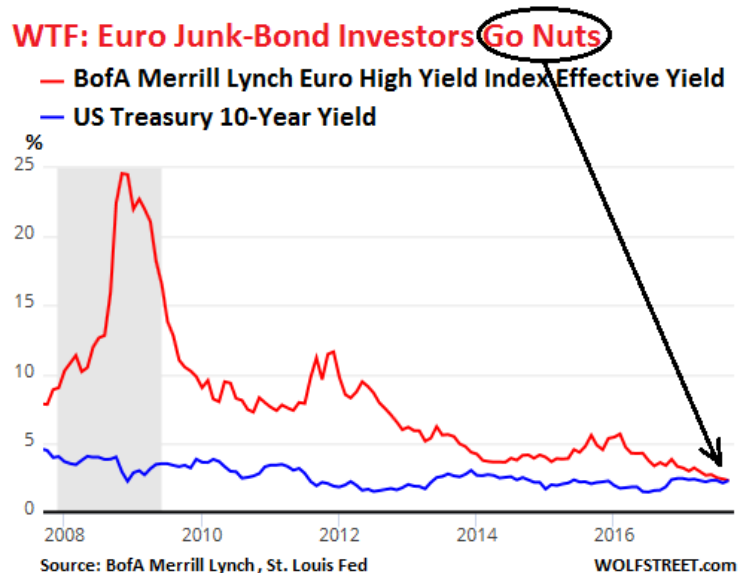


Figure 32. European high-yield corporate bond yields relative to treasuries.

Now let's try *groping* for yield. According to Stuart Culverhouse, chief economist at Exotix Partners, "there is strong appetite for frontier issues—and markets have taken the Federal Reserve tightening policy in their stride." The phrase "strong appetite" means that the nutjobs are already in the markets. "Frontier" is where law and order comes from the barrels of AK47s. Culverhouse alerts readers to upcoming issues from Sri Lanka and Papua New Guinea.²¹² I imagine the bonds are covenant-lite too. A Nigerian 30-year series sold at 7.6 percent.²¹³ Recall that Nigerian princes often solicit your help moving their assets offshore. *ZeroHedge* rhetorically asked, "When does North Korea come to the market?"

"Junk Bond Fever Hits a New High in Tajikistan"

~*Bloomberg* headline

We should probably go south of the border, if only for entertainment's sake. Argentina has issued a MOAB (mother of all bonds)—a 100-year bond that yields 8 percent. For those keeping score, the gauchos have defaulted six friggin' times in the previous 100 years. There is no chance the buyers of those bonds assumed a free-market-based profit (cough*bailout*cough). Venezuelan 10-year bonds are currently returning 32 percent with inflation at 900 percent.²¹⁴ They were denominated in dollars, which means the socialists held the duration risk while the bond holders retained the default risk. I'm using past tense because they defaulted.²¹⁵ For inexplicable reasons, Trump banned the trading of Venezuelan bonds.²¹⁶ Does anybody really need to be banned from this? In the category of "I'm not making this up," Goldman got an exemption.

Our last stop is Puerto Rican municipal bonds. Puerto Rico has more debt than any state except California, New York, and Massachusetts. Kyle Bass noted they owe \$50,000 per worker when you include off-balance-sheet crap.²¹⁷ They're

never gonna pay up. Kyle said maybe 10–20 cents on the dollar after a “record-setting bankruptcy.” This analysis was *before* the hurricanes squeegeed every last tangible asset off the island. According to Cate Long, less than 25% of Puerto Rican debt is held by hedge funds, and the bonds have been in technical default since 2015.²¹⁸ Bass’s comrade, Seth Klarman of Bauposte, was sitting on over \$1 billion of these things that, for reasons beyond me, were held in various well-concealed shell companies.²¹⁹ Klarman has tricks up his sleeve, but it seems clear that owners of Puerto Rican debt are explicitly betting that insolvency will be precluded by interventions.

When the headlines read that we “forgave” or “wiped out” sovereign debt for some banana republic, *we are not doing God’s work*. We are sending *your* dollars directly to the banks that are on the hook. This is cronyism of a higher order, not free-market capitalism. Once the hurricane hit Puerto Rico, The Donald chimed in:

“You know they owe a lot of money to your friends on Wall Street. We’re gonna have to wipe that out. That’s gonna have to be—you know, you can say goodbye to that. I don’t know if it’s Goldman Sachs, but whoever it is, you can wave goodbye to that.”

~Donald Trump

My read says he is telling the banks to swallow it. One could imagine that the Trumpster has few if any warm memories of bankers from his multiple bankruptcies. His utterances caused a rout in Puerto Rican bond prices. A bill in Congress allocated billions of hurricane aid (and bailed out the highly subsidized and fully insolvent National Flood Insurance Program),²²⁰ but it does not appear to have explicit debt bailout. Nonetheless, it is suggested that “creditors will be lining up to try to claim portions of the aid intended for Puerto Rico, a complication democrats in Congress are working to sort out.”²²¹ NPR suggests that wiping out the debt “would be a drastic and highly unusual intrusion of the government into the debt markets.” Unusual intrusion into the debt markets? Sure.

“Be careful what you wish for, Ray [Dalio]. You may find that risk you are looking for and then some. Unwinding risk parity funds will add some serious fuel to the inferno. Bridgewater Associates will probably apply for bank status late some Sunday night.”

~David Collum, 2015 *Year in Review*

“It will be a lively day on Wall Street if, in response to an upside spike in volatility, risk-parity portfolios have to unwind all at once.”

~James Grant, writer and publisher, October 6, 2017

Ray Dalio brought us “risk parity” investing: you lever up your bond portfolio to achieve the equivalent risk and, by implication, returns on bonds relative to equities.²²² I’ll take the other side of that bet: real risk parity might be achieved by having fewer dollars committed to bonds than equities. James Grant made some pointed assertions that Ray Dalio is doing some very quirky (and even dubious) things of late,²²³ which no doubt pissed off Ray. Mark Yusko claims that Ray retained enough marbles to exit his risk parity trade, leaving others to wonder what happened when the bond rout arrives. The possible unwinding of risk parity trades prompted Goldman to suggest that “as an alternative to bonds and given little potential for diversification across assets, we remain overweight cash.” The junk bond market has seen some big outflows and looks ready to topple. Junk bond funds are now buying equities.²²⁴ Bad decisions make good stories.

“Liquidity that has been pumping up the markets will be drying up in 2018. . . . We’ve been in an artificially inflated market for stocks and bonds largely around the world.”

~Jeff Gundlach

Banks

“We are trying to preserve conglomeration. . . . There will be another financial crisis. And it will pop out. And we’ll all say, ‘How did it happen?’”

~Henry Kaufman, legend of Wall Street

More than scandals in any other industry, banking scandals follow the business cycle, which means they are currently in a period of relative calm. That said, Wells Fargo’s problems continue to mount, as estimates of the bogus accounts first reported in 2016 nearly doubled to 3.5 million.²²⁵ Almost a million auto loans were tagged with unnecessary (and difficult to cancel) insurance policies reputed to push a quarter million drivers into delinquency and create a pile of wrongful repossessions.²²⁶ Management is gobsmacked at how this occurred right under its nose. Reserves for legal costs are in the many billions.²²⁷ Warren Buffett, a big fan of owning well-managed companies and the largest shareholder of Wells Fargo, could not be reached for comment. Meanwhile, Wells Fargo director Elaine Chao joined the Trump administration, but not before collecting a \$5 million bonus paid to all banking executives for taking government jobs to continue working for the banking industry.²²⁸

Bankers haven’t gone to jail because they haven’t committed crimes

~*Wall Street Journal* headline

Speaking of non-criminal behavior, the U.S. Supreme Court ruled that a municipality can sue banks under the Fair Housing Act of 1968 for preying on people of color and saddling them with high-risk loans. The investigation of the infamous London Whale who lost billions of dollars for JPM got dropped—vaporized, to use an MF Global term—without explanation. Prosecutors claim that he was hiding offshore and refused to come when summoned.²²⁹ It's unclear which JPM office he works at now. Monte dei Paschi di Siena—Didn't they die?—has earmarked 1.5 billion euros to compensate retail junior bondholders who were, technically speaking, “reamed out” by deceptive sales tactics.²³⁰ Retail senior bond investors will be reimbursed by the Italian government.²³⁰ Only Italian debt holders will be paid back, while those outside of Italy will get hosed. The entire Italian banking system is a hot mess. Bailouts are following the usual playbook: the banks get to keep the good stuff, and taxpayers get the bad.²³¹ Heads I win, tails you lose. Nothing changes. On the bright side, Vietnam gave the death penalty to bank frauds. Odd that it gets called “third world.”

I've droned on incessantly about depositors in banks getting nothing for their hard-saved capital. Bank of America, for example, paid \$200 million in interest on \$500 billion of deposits while those same retail depositors paid \$4.1 billion in fees, which corresponds to a *negative* interest rate of 0.64 percent.²³² On the bright side, Interactive Brokers established a “Stock Yield Enhancement Program” that enables clients to participate in picking up extra yield by allowing their shares to be lent out for shorting.²³³ Isn't that how it used to be done?

Despite favorable borrowing rates and end-of-cycle booms, stresses in the banking system can be detected. Banks are not that profitable owing to central bank policies. Chris Whalen notes that Citigroup has picked up the synthetic collateralized debt obligation (CDO) pipe once again in what is likely an epic reach for yield.²³⁴ The word “synthetic” is always a red flag. A CDO is “a product that fraudulently leverages the real world and literally caused the bank to fail a decade ago.” The too-big-to-fail crowd is, once again, using dubious off-balance-sheet derivatives, which illustrates that, and I quote Chris,

“The large banks cannot survive without cheating customers, creditors and shareholders . . . and, eventually, will suffer a catastrophic systemic risk event.”

~Chris Whalen, *Risk Analytics*

The bank derivative positions (Figure 33) are huge. I am well aware that those are notional values, but the trick of “netting”—cancelling positions like you factor equations in algebra—failed in '09 and will fail in the next crisis because crises don't wait for humans to catch up. The only thing worse than “excessive” leverage is excessive off-balance-sheet leverage. Deutsche Bank continues to struggle and seems likely to be at the heart of the next banking crisis. If you would like an incisive description of what the money markets looked like from inside the system during the last crisis, check out this link.²³⁵

NOTIONAL AMOUNT OF DERIVATIVE CONTRACTS						
TOP 25 COMMERCIAL BANKS AND TRUST COMPANIES IN DERIVATIVES						
DECEMBER 31, 2011, Figures in \$ MILLIONS						
RANK	BANK NAME	STATE	TOTALS IN \$MILLIONS		DERIVATIVE TO	DOOMSDAY
			ASSETS	DERIVATIVES	ASSET RATIO	PERCENTAGE
1	JPMORGAN CHASE BANK NA	OH	\$1,811,678	\$70,151,756	\$38.72	-2.58%
2	CITIBANK NATIONAL ASSN	SD	\$1,288,658	\$52,102,260	\$40.43	-2.47%
3	BANK OF AMERICA NA	NC	\$1,451,969	\$50,135,890	\$34.53	-2.90%
4	GOLDMAN SACHS BANK USA	NY	\$103,790	\$44,192,474	\$425.79	-0.23%
5	HSBC BANK USA NATIONAL ASSN	VA	\$206,010	\$4,321,240	\$20.98	-4.77%
6	WELLS FARGO BANK NA	SD	\$1,161,490	\$3,332,642	\$2.87	-34.85%
7	MORGAN STANLEY BANK NA	UT	\$67,047	\$1,722,966	\$25.70	-3.89%
8	STATE STREET BANK&TRUST CO	MA	\$212,293	\$1,390,579	\$6.55	-15.27%
9	BANK OF NEW YORK MELLON	NY	\$256,206	\$1,375,225	\$5.37	-18.63%
10	PNC BANK NATIONAL ASSN	DE	\$263,310	\$389,730	\$1.48	-67.56%
11	SUNTRUST BANK	GA	\$171,292	\$309,154	\$1.80	-55.41%
12	NORTHERN TRUST CO	IL	\$99,831	\$244,337	\$2.45	-40.86%
13	REGIONS BANK	AL	\$123,368	\$150,281	\$1.22	-82.09%
14	U S BANK NATIONAL ASSN	OH	\$330,471	\$107,934	\$0.33	N/A
15	TD BANK NATIONAL ASSN	DE	\$188,913	\$73,794	\$0.39	N/A
16	KEYBANK NATIONAL ASSN	OH	\$96,199	\$70,700	\$0.82	N/A
17	BRANCH BANKING&TRUST CO	NC	\$168,968	\$69,027	\$0.41	N/A
18	FIFTH THIRD BANK	OH	\$114,540	\$68,382	\$0.60	N/A
19	UNION BANK NATIONAL ASSN	CA	\$88,968	\$53,238	\$0.60	N/A
20	RBS CITIZENS NATIONAL ASSN	RI	\$106,941	\$39,572	\$0.37	N/A
21	ALLY BANK	UT	\$85,332	\$32,692	\$0.38	N/A
22	TD BANK USA NATIONAL ASSN	ME	\$13,521	\$30,300	\$2.24	-44.62%
23	CAPITAL ONE NATIONAL ASSN	VA	\$133,478	\$27,448	\$0.21	N/A
24	DEUTSCHE BANK TR CO AMERICAS	NY	\$51,180	\$27,370	\$0.53	N/A
25	BMO HARRIS BANK NA	IL	\$97,264	\$25,586	\$0.26	N/A
TOP 25 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$8,682,613	\$230,444,576	\$26.54	-3.77%
OTHER COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$2,554,276	\$349,810	\$0.14	N/A
TOTAL COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$11,236,890	\$230,794,386	\$20.54	-4.87%

Office of the Comptroller of the Currency
 Ensuring a Safe and Sound National Banking System for all Americans.

Graphic by Mark J. Lundeen

Figure 33. Top 25 bank assets (\$8 trillion) and derivatives (\$230 trillion).

Corporate Scandals

“Would you like to pay the \$50 upcharge to not be beaten unconscious in an overbooking re-accommodation situation?”

~United Airlines (not)

The shenanigans of corporate America are always a source of considerable entertainment. Some are humorous, posing existential risk, whereas others simply make you wonder who is driving that cab (like when the CEO of Uber got in a kerfuffle with an Uber driver on camera.)²³⁶ The transportation industry was on a roll.

Airlines became frequent flyers in the mile-high club. United booted two women for wearing yoga pants.²³⁷ I can only imagine. EasyJet bumped a kid off a flight and abandoned him unsupervised.²³⁸ The big story, however, was when United kicked a doctor off a flight, breaking his nose in the process.²³⁹ An out-of-court settlement within the week probably made the good doctor some serious money and tainted the “fly the friendly skies” slogan forever. The plot within the plot is that the free market was subverted. If the flight attendants had the authority to up

the bid—they did not—or if the airlines sold cheaper tickets to passengers willing to risk getting booted, both parties would have parted ways satisfied.

Once passengers got grumpy, all hell broke loose. American Airlines got sued by a passenger who claims to have been crushed between two obese passengers.²⁴⁰ For a brief moment, laptops were banned from air flights from Europe.²⁴¹ The reversal of that bit of genius was predictable. A passenger threw such a shit fit over a \$12 blanket that Hawaiian Airlines had to divert the flight.²⁴² A man was thrown out of a plane in Mexico—not off the plane, out of the plane.²⁴³ He landed on a hospital (no joke) but had lapsed in paying his Obamacare premiums (joke).

“I think all CEOs should keep their mouths shut. You want to be a political pundit? Go on CNN.”

~Caller to talk radio

Politics crept into the boardroom, often with no obvious gain and dubious results. The Camping World CEO told Trump supporters to shop elsewhere, somehow missing the subtlety that the *Field & Stream* crowd might include more than a few Trump supporters.²⁴⁴ A Pepsi commercial depicted one of the Kardashians breaking the ice with Orwellian police in a scene right out of *1984*.²⁴⁵ Target took an overt and very progressive stand supporting the notion that you should use whichever bathroom you identify with, forgetting that their customers are demographically a bunch of parents.²⁴⁶ The Starbucks CEO announced he would hire 10,000 refugees.²⁴⁷ Potential domestic baristas were not happy. Walmart was forced to apologize for a sign marketing a rack of guns as back-to-school supplies.²⁴⁸ A Keurig spokesperson tweeted that the company tried to pull its ads on Sean Hannity’s show because of a controversial guest, forgetting that those who would be offended by his guests don’t watch the show. Youtube filled with scenes of creative destruction (smashing Keurig coffee makers).²⁴⁹ Sean overtly helped Keurig pull their beans from the fire (possibly for additional remuneration).²⁵⁰ A Google employee on her way out the door cancelled the account of Twitter's most famous poster, Donald Trump (Figure 34); Kellyanne thanks you for trying.



Figure 34. Trump supporting Twitter employee cancels Trump’s Twitter account.

Poland Spring got in hot water for selling bottled tap water.²⁵¹ You gotta love the profit margin on that product. By the way, anybody who is buying bottled water while not fully funding their 401(k) and paying off all debts public and private is more than a few quarts short. Kobe Steel got caught faking quality standards for the last 50 years.²⁵² Its credit default swaps have soared, suggesting that more problems are coming. Amazon got grief for its searches being biased toward placing more expensively priced products as top links. That's not a scandal—it's how the world works.

Over at Equifax, 143 million accounts got hacked—a little ironic for a company that monitors credit records and protects against identity theft.²⁵³ The fun started when three senior executives were outed for selling shares *after* the company discovered the security breach but *before* it was announced.²⁵⁴ Bond rating agencies tagged their “less than creditworthy” bonds with downgrades.²⁵⁵ Customers scampered over to LifeLock, not realizing it purchases data from Equifax. Few may recall that the LifeLock CEO posted his social security number on a truck to demonstrate his conviction in his own product and then got his identity stolen 13 times.²⁵⁶ And when you thought the bottom had been plumbed, Equifax sent out an email asking people to check their accounts—sounds like a phish—by making customers agree not to sue them.²⁵⁷ Soon thereafter, Uncle Sam hired Equifax to safeguard taxpayer data.²⁵⁸

The Fed

“I find myself more and more relying for a solution of our problems on the invisible hand which I tried to eject from economic thinking twenty years ago.”

~John Maynard Keynes

“Fed officials are launching a political campaign to retain their vast discretionary control over the American financial system. The brazenness of the effort shows how far afield central bankers have roamed from their traditional remit of monetary policy. . . . [T]he Fed has succeeded in lifting some asset prices, and no one knows what will happen to those prices once the Fed begins unwinding its portfolio. (Yes we do!) . . . You have to ignore history to believe that regulators are suddenly so wise that they know the current regulatory regime will prevent the next crisis.”

~*Wall Street Journal* Editorial Board

The Fed governors—including a few ex-Fed governors—seemed particularly rudderless this year. In the spirit of David Letterman, I begin with “Stupid Fed Tricks” interwoven with some of the Fed’s most enthusiastic detractors.

“A return to a reasonable pattern of home equity extraction would be a positive development for retailers and would provide a boost to economic growth. . . . The previous behavior of using housing debt to finance other kinds of consumption seems to have completely disappeared.”

~Bill Dudley, president of the Federal Reserve Bank of New York

“Waiting too long to begin moving toward the neutral rate could risk a nasty surprise down the road—either too much inflation, financial instability, or both.”

~Janet Yellen, after 8 years of waiting too long

“What Yellen had to say doesn’t even reach the status of babbling; it was flaming incoherence.”

~David A. Stockman (@DA_Stockman)

“The good news is that, while the current expansion is quite old in chronological terms, it is still relatively young in terms of the health of household finances.”

~Bill Dudley

“Are you kidding? Are you kidding? No one knows what you’re doing.”

~ John Taylor, economist, replying to Bill Dudley’s claims of clarity

“There doesn’t seem to be any risk to keeping rates low and lots of benefits to it.”

~Narayana Kocherlakota, former president of the Federal Reserve Bank of Minneapolis

“Each and every subsequent economic and financial hiatus has been a direct result of excessively loose monetary policy to clear up the previous mess. The current perilous state of the global financial system is evident to anyone who scrapes at the cheap veneer of normality. . . . The Yellen Fed is no longer data dependent, but is instead thinking of its legacy.”

~Albert Edwards, Société Générale

“Maybe our rate hikes are actually doing real harm to the economy.”

~Neel Kashkari, president of the Federal Reserve Bank of Minneapolis

“If there’s a future crisis and we really need people to believe in us, we’ve earned and established that credibility.”

~Neel Kashkari

“I don’t think you have to have a PhD in Economics . . . to be Fed chair or governor or president of the Federal Reserve Banks.”

~Bill Dudley, GED

“The Federal Reserve might have PhDs from great Ivy League schools, but they don’t understand markets.”

~Rick Santelli, CNBC

“The Fed has been reluctant to target equity prices.”

~James Bullard, president of the Federal Reserve Bank of St. Louis (tacitly admitting they target equity prices)

“Normalizing monetary policy will require that the Fed disown the idea that the level of wealth (i.e., financial-asset valuations) is an appropriate objective of monetary policy.”

~Peter Fisher, former Fed Governor

“I actually feel bad for Bullard. The cognitive dissonance between what the job requires and what any thinking human being observes must be crippling.”

~Ben Hunt (@EpsilonTheory)

“Are central bankers twisted geniuses manipulating the markets in order to meet their inflation goals? Or are they bumbling ex-academics whose ramblings are over interpreted by investors besotted with their brilliance?”

~James Mackintosh, *Wall Street Journal*

And just a few more detractors to pile on.

“The Fed remains incoherent on their objectives and the means used to achieve them.”

~Mike Lebowitz, Clarity Financial, LLC

“For non-gamblers at home that means there’s as much of a chance she’s bluffing as she is full of sh*t.”

~Tony Greer (@TGN2000), TG Macro, on Yellen

“I think we injected cocaine and heroin into the system and now we are maintaining it on Ritalin.”

~Richard Fisher, former president of the Federal Reserve Bank of Dallas

I have all but given up trying to understand the hubris—the Hayekian fatal conceit—the Fed suffers to conclude that *it can and should control the economy*. The best economic analyses draw strong analogies from Darwinism, wherein repeated trial and error nudges markets in a relentless quest toward equilibrium. The notion of QE is anathema to free market thinkers, but not new. Tiberius called for it in 33 AD to stem a panic, and just as we have witnessed of late, it worked for a while.²⁵⁹ Those who credit the Fed for saving us from disaster in ’08–’09 ignore two teeny details: (1) they were the root cause of the crisis by fueling and cheerleading a systemically dangerous housing bubble; and (2) the subsequent stick save cost a fortune, and the bill has yet to be delivered. We are way more out of whack now than in ’07. It is reminiscent of WWI failing to correct the imbalances—and actually generating new ones—which made the conflagration in WWII inevitable. The next recession should make my point.

The markets are buoyed by unprecedented QE, also known as batshit-crazy money printing. In case you are tempted to say the Fed is on the sidelines (with the cash, apparently), money is fungible: global money printing creates bubbles globally. We are on target for \$3 trillion in global QE this year, \$1 trillion more than last year.²⁶⁰ The total since ’09 is quoted to range from \$20 to \$33 trillion.²⁶¹ In case you’re wondering what a trillion means, I find this useful:

One million seconds = 11 days ago (your bread is now stale)
One billion seconds = 1985 (Madonna was like a virgin)
One trillion seconds = 32,000 BC (central bankers began to roam Europe)

All this money has done a lot of long-lasting damage to the economy. Savers and wage earners were sacrificed to the Gods of Banking (unless they bought Bitcoin or the FAANGs). Claims that the economy is in great shape are unsupported by the numbers (see “The Economy”). Inflation is not tame, which the monkey-

spankers at the Fed would know if they realized that *everything* “is rising faster than inflation” or if they simply went shopping. Wage inflation, by contrast, is stupendously under control. The Fed gave bankers gobs of money to use during the next crisis and then, by paying interest on reserves at the Fed, compensated the banks for not lending it (except to companies for share buybacks).

“Just a word about money-market mutual funds. They should not exist. Unfortunately, they do.”

~Ben Bernanke, Citadel and former chairman of the Federal Reserve, in 2011 Fed meeting minutes

Bernanke may have, by his own assertion, a huge IQ, but he is dead wrong: the most important price in the world—the price of capital—should be determined by price discovery *in the money markets* rather than under the jurisdiction of a committee of clueless academics. Past Fed heads have been criticized for causing recessions through Fed-induced monetary contraction. This current clutch of governors is a cowardly one. The Greenspan–Bernanke–Yellen-era Fed developed a neurodegenerative aversion to the natural restorative forces that corrections have on markets and recessions have on economies.

The current Fed governors have been left with a huge debt overhang and \$200 trillion in unfunded liabilities (\$2 million per taxpayer).²⁶² Their working model seems to be that they can “inflate it away” without riling markets. Mind you, this notion has been around a long time, but it leaves some yawning unresolved issues. First, it presumes that inflation is some kind of smart bomb. It’s more like a biological weapon, heading where it wants, not where central bankers want. Right now, the inflationary tractor beam is financial assets. The Fed *must* know this. Second, money is created by creating debt:

“Loans create deposits, not the other way around.”

~Bank of England

Inflating away debt is an Escherian paradox unless you do so by loss of confidence in the money itself.

Third, an oft-stated tenet of the inflate-it-away model is that the *inflation must be unexpected*. Once the markets and society at large subliminally sniff out the inflation, they begin to adjust. It is no longer unexpected, and the pushback becomes an overwhelming force of nature that can run uncontrollably. I’m not sure I even believe what I just said, but it may explain why the Fed claims inflation is low: it is trying to dupe us.

“We’ve never had QE like this before; we’ve never had unwinding like this before. Obviously, that should say something to you about the risk that might mean, because we’ve never lived with it before. . . . The tide is going out.”

~Jamie Dimon

I believe the Fed governors are terrified of recessions because of the awareness—yes, I believe they have some left—that a recession will cause pensions, municipal budgets, and economically sensitive social structures to break. By contrast, they seem unafraid of inflation out of a misplaced 100% confidence they can control it. Nobody else believes this.

“Inflation cannot be allowed to develop because there would be no way of avoiding a dramatic rise in rates.”

~Aleksandar Kocic, Deutsche Bank

“The Federal Reserve . . . has no clue what they are doing. They are going to ruin us all.”

~Jim Rogers

If the Fed has inflation under control, why do they proclaim ignorance?

“We do not, at present, have a theory of inflation dynamics that works sufficiently well to be of use for the business of real-time monetary policymaking.”

~Daniel Tarullo, former Fed governor

“This year the shortfall of inflation from 2%, when none of those factors is operative, is more of a mystery, and I will not say that the committee clearly understands what the causes are of that.”

~Janet Yellen

“Our understanding of the forces driving inflation is imperfect.”

~Janet Yellen

“If inflation remains in a slump, the Fed may require a shallower path of rate rises.”

~Charles Evans, Federal Open Market Committee

The Fed has kept interest rates “too low for too long” yet again. Dubious claims about tame inflation and the strong economy that don’t square with the numbers are a narrative to justify rate hikes. Many share the belief that the Fed was offered opportunities to lift the rates over the last eight years but stood with the bat on its shoulders, frozen in fear of a 1937-like downturn. It is now forced to raise rates into an economy that is weakening.

“I have confidence in one thing: The Fed will blow it.”

~Robert Rodriguez, FPA Capital Fund

The Fed is also wrestling with what to do about its balance sheet in the aftermath of QE. A chat with Jim Kunstler got me thinking too. I must confess that the transmission mechanism through which a bloated Fed balance sheet causes future economic problems is not in my wheelhouse. That aside, the governors have pondered reducing it *very slowly* by letting the assets expire,²⁶³ but how? The balance sheet expanded when the Fed created money “from thin air” with a simple spreadsheet entry and then bought bonds and who knows what else. By statute, all interest payments (minus expenses) are remitted back to the Treasury. In essence, the interest paid by the Treasury to the Fed gets returned to the Treasury: *The Fed monetized Treasury debt* (free money). When a bond expires, the Treasury pays the principal to the Fed. So here is the big question: does the Fed extinguish it with the stroke of the same accounting pen that created it, in turn negating the original monetization? Alternatively, the Fed could pass the principal back to the Treasury, making it a permanent fixture of the monetary base. I asked some smart people about this: nobody knew, although David Andolfatto, vice president of the Federal Reserve Bank of St. Louis, was confident the money would be extinguished. Given that remittance back to the Treasury would be inflationary, I’ll take the other side of David’s bet; the Fed will choose the inflationary path.

“The unpopularity of inflation may be due to reasons that economists find unpersuasive.”

~Ben Bernanke

Unpersuasive? No offense, but you are clueless. Try this one: us plebes are getting donkey-punched by your financially repressive policies. Unfazed by my opinion, Bernanke chimed in with a paradigm-shifting new theory on inflation targeting.²⁶⁴ Instead of trying to stick inflation at 2 percent like a Mary Lou Retton vault, the Fed should pursue “price-level targeting,” which sounds like inflation targeting to me. The distinction is that price-level targeting can, in his words, “‘look through’ a temporary change in the inflation rate so long as inflation returns to target after a time.” He’s had years to ponder this problem, and his grand epiphany is to target an *average* inflation rate of 2 percent? The cleverness of that solution is impossible to underestimate.

The Fed took money from the savers and gave it to the debtors, who then took out more debt. The patients have now all been bled. Both groups are broke and wages are stagnant. Is it any wonder the economy is stuck? Neel Kashkari wrote an essay explaining why the Fed protects financial institutions during a crisis, but he fails to detect the circular reasoning: the Fed *defines* a crisis as any time the financial institutions need protection.²⁶⁵ The Fed lacks the DNA to let a credit purge play out. I leave you with a few more words from some veterans:

“While conventional monetary policy boosts economic activity in the pre-crisis period, bond purchases are found to have no statistically significant real effects post-crisis.”

~Bank of International Settlements

“With all the thought and work and good intentions, which we provided, we achieved absolutely nothing. . . . [N]othing that I did, and very little that old Ben [Strong of the Federal Reserve] did, internationally produced any good effect or indeed any effect at all except that we collected money from a lot of poor devils and gave it over to the four winds.”

~Montagu Norman, governor of the Bank of England (1920–1944)

“I have unwittingly ruined my country. A great industrial nation is controlled by its system of credit . . . by the opinion and duress of a small group of dominant men.”

~Woodrow Wilson, after signing the Federal Reserve into existence

Europe

“The divide is not between the left and the right anymore but between patriots and globalists!”

~Marine Le Pen, French politician

“Many people are saying that the world and Europe are going a bit off the rails.”

~Angela Merkel, chancellor of Germany

"Let's hope that nothing is declared tomorrow because perhaps the person who makes the declaration will end up like the person who made the declaration 83 years ago."

~Spanish spokesperson, delivering a death threat to the president of Catalonia

Given that a bad year for Europe is when the entire continent is a raging inferno, life was good. Many geopolitical events—movements of chess pieces—make sense in the context of post-WWII attempts to prevent WWIII.

Europe continues to try to “unlock value” by spinning off components. I’m still trying to figure out whether Brexit is going to happen or if the gaffers and nobs will tell the sods to wank themselves. Secession movements moved from Britain to Spain. Catalonians began seceding from Spain, whose measured response included beating voters senseless and hurling death threats at the Catalonian leader. Catalonians voted 90 percent in favor of secession.²⁶⁶ The Spanish high command said “screw that” and ousted the Catalonian government, which is still stuck in Belgium avoiding extradition. Catalonia will be governed from Madrid by a party that got 8.5 percent of the vote.²⁶⁷ Meanwhile, Spanish bond yields plumbed unbelievable lows. Spain sure looked like a failed state to me, with an insolvent banking system, precisely zero euros in its pension fund, and heading into anarchy and chaos. I stand corrected. At least Madrid solved the “manspreading” problem—the crime against humanity of sitting on a subway or train with your legs apart for thermal regulation—by simply banning it.²⁶⁸

"Europe will be devastated by African refugees if they don't make it more difficult for Africans to reach the continent."

~Bill Gates, co-founder of the Gates Foundation

"Immigrants who don't like The Netherlands' freedoms should 'f*** off' and leave."

~Ahmed Aboutaleb, Muslim mayor of Rotterdam (2015)

Millions of teddy-bear-clutching immigrants from North Africa and the Middle East face challenges settling into their new digs in Europe. There are sovereign battles over how many refugees each country should take. Seems that only Poland has a target number of zero.²⁶⁹ (It has credits accrued for taking in Jews during the early 16th century.²⁷⁰) Rioting in Paris continues in areas that the police refuse to enter.²⁷¹ France set up a decidedly Orwellian site for Muslims who wish to voluntarily “deradicalize.” There have been *no* takers.²⁷² Shockingly, lucrative contracts are to be had in the “deradicalization industry.” The French are finally getting ahead of the problem: they've banned burkinis (swimwear).²⁷³ In Rotherham, UK, cops have been overwhelmed by pressure to create a Sharia-based no-go zone. A Huffington Post article by René Zografos stated, “It’s well

known for Scandinavians and other Europeans that liberal immigration comes with drugs, rapes, gang wars, robbery and violence...we see the respective nations' cultures fading away, for good and for bad."²⁷⁴ The article was deleted by sundown.

The situation in countries like Sweden and the Netherlands appears dire, with cultural clashes commonplace. Sweden is a superpower of humanitarianism: it culturally seems to take whatever guff comes its way. Those who speak out are called racists or Islamophobes.²⁷⁵ I'm not sure whether the criteria of phobia—irrational fear—is warranted in some cases (*vide supra*). In one Swedish city, 268 apartments were commandeered by local officials for immigrants while existing residents have been placed on a three-year waiting list.²⁷⁶ Those working at the police station in Rinkeby, Sweden require police escorts to go to work. Sweden has 55 no-go zones at last count.²⁷⁷ At some point, that number will begin to drop as they merge. In high-density neighborhoods, modest garb is being demanded of non-Muslim residents. Given that dogs are “impure”—my three Labs certainly are—dog owners are being told to keep the dogs indoors. Could get a little rank in there. The Swedes response is a little odd: they are proposing an hour-long paid break each week for sex.²⁷⁸

Hamburg authorities took possession of six residential units and are now renovating the properties for immigrants.²⁷⁹ A district spokeswoman noted that “all renovation costs will be billed to the owner.” Ouch. The chairman of the Association of German Administrative Law Judges, says that “courts are now completely stretched to our limits. . . . At some point, everything will collapse.” They are imitating the Swedes (sort of) by setting up bestiality brothels as part of a push for “lifestyle choice.”²⁸⁰ A year after accepting billions of euros to retain millions of refugees, President Erdogan (pronounced er-do-wan or air-jor-dan) threatened to open Turkey's borders to Europe.²⁸¹ Of course, Switzerland is way too busy printing money and buying hard assets (like FAANG stocks)²⁸² to worry about immigrants.

Venezuela

“Would the Left's greatest minds still proclaim the Gospel of Socialism after Venezuela's collapse? Unlikely.”

~Steve Hanke, professor of economics, Johns Hopkins University

The big story south of the border is Venezuela. The lethal combination of dictatorial rule, socialism, the “curse of resources,” and consequent hyperinflation has created a “failed state.” While getting some help from Russia and China,²⁸¹ U.S. sanctions and who knows what else nudged the country off the cliff. Nonetheless, the wounds are largely self-inflicted. (As an aside, *Overthrow* is a much better look at the U.S.'s role in toppling governments than *Confessions of an Economic Hit Man*.)

Hyperinflation reached more than 4,000 percent by November while the bolivar headed to zero (Figure 35). You lose half your spending power in a *week* at that rate. They tried the standard “out with the old, in with the new” currency swap ploy, which never solves the problem without structural reform. It didn’t this time either; they are flirting with establishing their own oil-backed cryptocurrency even though they seem incapable of producing oil now.²⁸² Although Venezuela has the largest reserves of crude oil in the world—296 billion barrels—its production collapsed because, well, that’s what happens in failed states. The country degraded into anarchy and defaulted on its sovereign debt. In the unlikely event the U.S. does a humanitarian debt forgiveness, it will merely be to give money to influential banks who bet that we would bail them out.

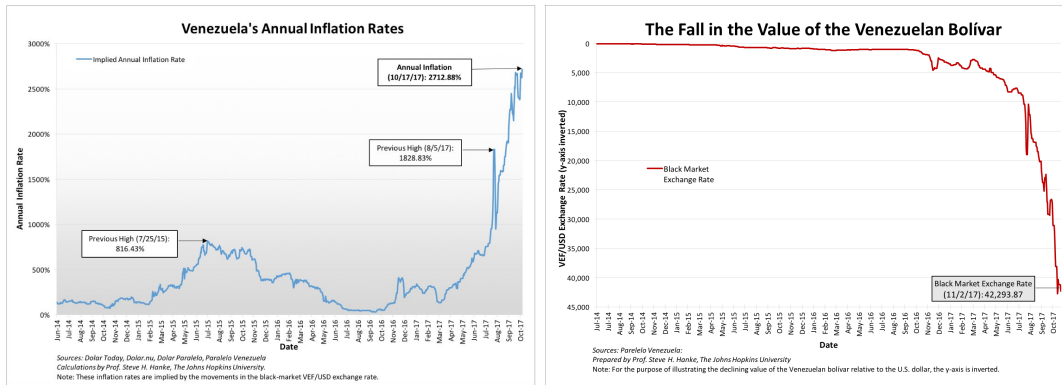


Figure 35. Venezuelan hyperinflation and the value of the bolivar.

Venezuela is a case study in life during the zombie apocalypse. Angry mobs—quite literally millions of people—rioted in the streets.²⁸³ Gangs of marauding bikers using Molotov cocktails robbed tractor trailers—full *Mad Max*.²⁸⁴ Venezuelans are starving, losing an average of 19 pounds in 2016.²⁸⁵ I suspect that they lost more in 2017. Although citizens in the U.S. are getting rather numb to scandals, in Venezuela, footage of a portly dictator eating an empanada raised eyebrows.²⁸⁶

North Korea

“Little Rocket Man . . . We’re going to do it because we really have no choice.”

~Donald Trump

Things are heating up in North Korea—or at least that’s what we’re told. I sensed this in 2016 when the rhetoric demonizing Kim Jun Un (K’Jun or L’il Kim) ramped up. Of course, he is a bad dude—demonizing him is trivial—but the volume and frequency was the tell. K’Jun played into our hands by sending American tourist Otto Warmbier home in a basket after the putative hijinx of stealing a banner.²⁸⁷ Whether he did it or not, Warmbier should get a Darwin Award for merely traveling to North Korea. China was rumored to be preparing to whack K’Jun and

install his brother, Kim Jong Nam, until somebody—K’Jun maybe—whacked Mr. Nam. Two apparently white women swiped Nam with nerve-gas-impregnated ointment and then claimed they thought it was a spoof. The message was similar to the message sent when a Roosky got offed using plutonium. In any event, it would be logical that it was K’Jun's doings. . . or somebody making it look like K’Jun assassinated him . . . or somebody else making it look like the first somebody assassinated him. Whatever.

We’re told that K’Jun launched rockets that could destroy Earth with footage serving as trailers for WWIII. Seems a little unnerving. The baffling part is that propaganda footage coming from the north invariably shows K’Jun with his 65-pound big-hatted generals (Figure 36) displaying military weaponry that he got because he didn’t sell enough flower seeds to get the coveted Daisy BB gun. Alternatively, his armaments were grabbed from the “free” table after a circa 1950 global military–industrial arms show. These rather elaborate shows are where the U.S. sells weapons to its enemies . . . such as the North Koreans.²⁸⁸



Figure 36. Kim Jun Un and the North Korean Navy.

One theory is that we have wars to teach ourselves geography. Maxine Waters confused Crimea with North Korea. I would expect nothing less. An online survey showed that few could identify North Korea on a map (Figure 37). No problem, because for a while at least, it looked like North Korea soon wouldn’t be on any maps.

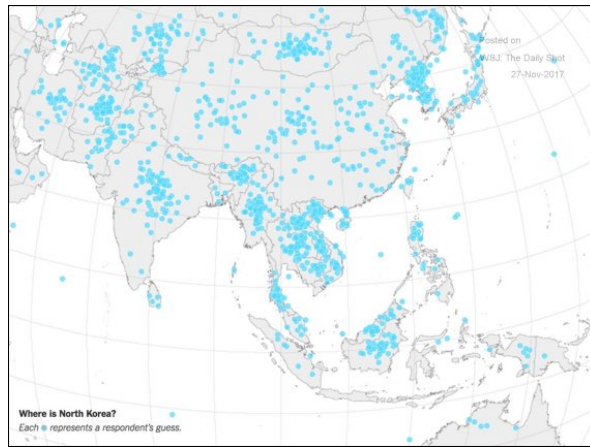


Figure 37. Survey showing putative locations of North Korea.

"[Trump] has dispatched Maxine Waters to NOKO to talk to Lil Kim. After 1/2 hour with her he will drink whatever he gave to his 1/2 brother."

~Mike Huckabee

China

"If command and control economies worked, we'd all be speaking Russian."

~Kyle Bass, Hayman Capital

China is approaching superpower status if it is not already there. Like everybody else, I don't really have a clue what's happening, but China is key. Trump played a game of chicken with China over North Korean strategy. (I hope it's a strategy.) The world was too busy criticizing The Donald to notice that China blinked: they banned steel and coal imports from North Korea and forbid business owners from transactions with North Korea to satisfy UN mandates.²⁸⁹ North Korea is very much China's problem, and they will probably deal with K'Jun at some point.

I suspect several big issues are in China's interest: (a) establishing a petroyuan—a market for oil denominated in yuan to unseat the dollar as the reserve currency, (b) creating (in conjunction with Russia) an alternative to the euro-dominated banking system (specifically the SWIFT check-clearing system²⁹⁰) because of our tendency to use it as a blackmail device, and (c) surviving the next recession without losing control of its banking industry or the masses.

The dollar has been the global reserve currency since the fateful Bretton Woods Conference in 1944.²⁹¹ It is a mixed blessing in that we get to print dollars recklessly, and the world absorbs them. The problem, however, was described

by Robert Triffin and is called Triffin's dilemma or paradox.²⁹² The requisite trade imbalance eventually destroys your currency (*Day of the Triffens*). Reserve currency status is a suicide mission in which you get the 72 virgins up front. China seems positioned to take on the burden, as evidenced by aggressive gold purchases (see Figure 17) and increasing numbers of bilateral trade agreements and exchanges. It buys oil from the Saudis, oil and other resources from the Russians (maybe uranium with help from the Clintons?), and gold from a number of countries using newly formed gold exchanges.

"China is the largest global imbalance that I've ever seen in my life."

~Kyle Bass, on China's \$40 trillion in debt

A few obstacles stand between China and global domination. It has expanded credit at an annualized rate of 25 percent for years, causing huge distortions in its banking system.²⁹³ It also has a two-tiered economy: a vibrant private sector and stagnant state-sponsored economy. Luke Gromen says that if US dollar printing goes supernova to cover \$200 trillion in unfunded liabilities—\$1–2 million per taxpayer—it will also break China if the petro-yuan is not firmly established.²⁹⁴ China's stock market is now state sponsored (supported by central planners). It has the same kind of record-breaking streaks as US markets without corrections. Admittedly, *all* equity and bond markets are state sponsored, but misery will not love company; it never really does. China's yield curve just inverted:²⁹⁵ short-term interest rates rose above long-term rates. Pundits will claim it doesn't matter this time, which will coincide with China entering recession. *Then* we begin to probe the durability of its banking and social structures under stress.

"Considering the pace of the slump, which is very fast, it's fair to say we are likely in a bond disaster."

~Qin Han, Guotai Junan Securities, on the yield curve inversion

How dangerous is China's next recession? It has a truly gargantuan 300 percent debt-to-GDP ratio.²⁹⁶ Its banks have "ghost capital," rehypothecated (repeatedly) to support this mountain of debt and rendering debts essentially uncollateralized.²⁹⁷ Pundits around the globe raved about China's Forex reserves to protect them.²⁹⁸ The U.S. had them in the 1920s, and Japan had them in the 1980s. How'd they work out? China's reserves have already dropped 25 percent since 2014.²⁹⁹ A thorough report by Myrmikan Capital describes in lurid detail the near tripling of China's bank assets since 2008 to stimulate the smokestack industries.³⁰⁰ It concluded that "the insanity is unwinding."

"China is done."

~Myrmikan Capital

If you think big change will occur seamlessly, you might be optimistic. I was amazed that beginning in the early '80s, China sent its best students to the U.S., many never to return. In retrospect, it seems like a diplomatically strategic move. And then there's the Chinese pilot who pulled a *Top Gun*—quality stunt by flying upside down above a U.S. spy plane.³⁰¹ China has no intention of forging a future without carrying a big stick.

“If the U.S. and South Korea carry out strikes and try to overthrow the North Korean regime and change the political pattern of the Korean Peninsula, China will prevent them from doing so.”

~*Global Times*, China's state-run newspaper

Middle East

“This is not a war. It is cruel murder.”

~Ron Paul, former politician, on our support of the Saudis in Yemen

What an odd mix of cultures. Portions of the Middle East are 21st century on steroids, whereas other parts remain unchanged since the Crusades. We should just stay the hell out, but somehow *our* oil ended up under *their* sand. U.S. Middle East policy has been abysmal for decades, acutely so since 9/11/01. Millions have died, and much of the death and dismemberment traces to U.S. Middle East policies that look like war crimes in a war with the criminal price tag of \$4–6 trillion.³⁰² If I were king, I would put the sheiks on notice:

“Guys. We want to buy your oil at market price. We're going home now. If you should decide not sell us the oil, we'll be back, and there will be hell to pay. Have a nice day.”

Dave Collum, as King

Weird things are happening in the Middle East even by Middle East standards. Saudi power shifts were supposedly evident in 2014, but chess pieces started moving around the board quickly this year. Soon after Trump got the red-carpet treatment in Saudi Arabia,³⁰³ King Salman arrested 11 Saudi princes, including some famous ones (Prince of Persia).³⁰⁴ That same day, another eight big wigs (tall turbans?) died in a helicopter crash (or at least feigned doing so). The princes were shaken down for an estimated \$800 billion in assets, although that might have been an afterthought.³⁰⁵ Missiles started sailing over the kingdom and were soon being blamed on Iran³⁰⁶ (a theory supported by U.S. neocons). The prime minister of Lebanon wussed out—resigned out of fear of assassination.³⁰⁷ Qatar was hit by an embargo cutting off an estimated 40% of its food supply

while the country was already embroiled in a serious cash crunch.³⁰⁸ It looked like game day, but then all seemed to go quiet again.

I'm not sure where this fits in, but we dropped the MOAB (mother of all bombs) with a kill radius of a mile to remove 36 terrorists in what seemed like overkill in the most literal sense.³⁰⁹ It was likely a message to somebody—maybe everybody—that we could nuke them without leaving a radiation afterglow.

“It doesn’t make sense that Assad would do it. Let’s not leave our brains outside the door when we examine evidence. It would be totally self-defeating as shown by the results. . . . Assad is not mad.”

~Peter Ford, former UK ambassador to Syria

Of course, the war in Syria is a bloodbath that has left an estimated 500,000 dead³¹⁰ and millions displaced into Turkey and Europe. The demonization of Assad continued to focus on gas attacks that nobody seems to believe happened. None of this makes sense to me. None.

A warning for those who proceed
Part Two is contentious indeed
The "P***y Generation"
May feel agitation
From all of the truth that they read

~@TheLimerickKing

Natural Disasters

“God always forgives. Man often forgives. Mother Nature never forgives.”

~Pope Francis

It’s easy to overlook how much Mother Nature batters the world, but this year she tore a new one through North America.³¹³ Wildfires and extraordinary temperatures are scorching California. Los Angeles witnessed 104°F on October 4th (seems high).³¹⁴ San Francisco had back-to-back triple-digit days for only the third time since 1870, reaching 115°F south of the city.³¹⁵ Record-breaking wildfires are destroying neighborhoods, vineyards, and forests throughout northern and southern California.³¹⁶ The risk of floods after forest fires is enormous.³¹⁷ Rains earlier in the year took out the spillway of the Oroville Dam in the Sacramento Valley, threatening a Biblical flood for those downstream.³¹⁸

"Yellowstone super volcano may blow sooner than thought—and could wipe out life on the planet."

~USA Today headline

Earthquakes and volcanoes have been capturing imaginations of late. A devastating earthquake in Mexico went underreported because of bandwidth-sucking hurricanes (see below).³¹⁹ For decades, Oklahoma has averaged only two earthquakes a year above a magnitude of 2.7. That number has crept up to 4,000 *per year*, all attributed to fracking.³²⁰ The big one, however, is the Yellowstone Caldera. Six hundred thousand years ago, an eruption created the 40-mile-wide caldera that is now rising more than an inch *per year* and is accompanied by unusual “swarms” of earthquakes.³²¹ NASA suggests drilling into the super volcano to dissipate the heat with water.³²² And you guys call yourselves rocket scientists? Please do *not* touch it. The prospects of generating electricity may explain the plan: there is money to be made.

“Irma, you just became the strongest storm, what are you going to do next?

I’m going to Disney World!”

~Paraphrased tweet

Of course the big story was Harvey and his friends. Not Steve Harvey, who crowned the wrong Miss America, or Harvey Weinstein, who probably assaulted her, but rather Hurricane Harvey along with Irma, Jose, Maria, and the rest of the near-record-breaking alphabet. Irma was showing up on seismometers.³²³ The Caribbean Islands got totally weedwacked; it is difficult to imagine how those areas will ever recover. Mother Nature seems to be trying to take back the Everglades; it was never really meant for human habitation in the first place.

The aftermath of the hurricanes is what interests me. Economists grope to find silver linings in the destructive forces of storms. Auto industry analysts, for example, claimed that the 2017 hurricanes solved the industry’s massive inventory problem.³²⁴ Indeed, it is a new-era cash-for-clunkers program, *but somebody has to pay that tab*. Then there is the wholly misguided notion that a post-disaster, debt-fueled spike in GDP owing to rebuilding is good for the economy. Such idiotic thinking—so-called Bastiat’s broken window fallacy—has been fully debunked in entry-level economics textbooks.³²⁵ Once in a while, however, some unsuspecting Bieber-bright boob can’t resist:

“The long-run effect of these disasters unfortunately is it actually lifts economic activity because you have to rebuild all the things that have been damaged by the storms.”

Embedded in such buffoonery is also the message that the Fed views fueling economic growth as “unfortunate,” which is oddly consistent with its actions. Moving along, let me digress by looking at some disasters from the past. I have a point to make.

1835: A massive fire destroyed much of Georgetown, VA. The fledgling federal government created one of its first social programs by giving the hapless victims money. As the story goes, a farmer told Congressman Davy Crockett that he would not vote for him again because of Crockett’s support for the relief: “What protects me from Congress giving even more money next time or money for a lesser cause?” the farmer queried. Crockett had his come-to-Jesus moment and purportedly gave a famous tongue-lashing to Congress saying, “It is not yours to give.”³²⁶

1889: As described in David McCullough’s *The Johnstown Flood*, an earthen dam in Johnstown, PA, washed out, killing 2,300 residents. Industrialists from Pittsburgh sent trainloads of goods immediately. Government troops showed up two weeks later to help with law and order.

2001: Planes hit the Twin Towers. Boats spontaneously converged at the southern tip of Manhattan. The Coast Guard, recognizing the problem, put out a call for *all* boats to come. Without organization or planning, 800,000 people were evacuated—more than were evacuated from Dunkirk, France, during WWII—in 14 hours. You *must* watch “*BOATLIFT: A Tale of 9/11 Resilience*.”³²⁷ Try not to tear up.

2005: Katrina hit New Orleans, and the levees failed. Walmart sent a fleet of trucks with essential goods but were turned back by FEMA, which was doing a “heckuva job.”³²⁸ The nation watched in horror as 1,800 people died.³²⁹ The display of “bystander bias”—inaction caused by the belief that somebody else (FEMA) will act³³⁰—may be the most horrific in U.S. history.

2011: Hurricane Irene veered away from New York City, where journalists waited with great anticipation. It thwacked northern New York and Vermont instead, causing rivers to rise almost 30 feet.³³¹ My wife became a volunteer relief coordinator while on vacation. FEMA showed up two weeks later, applied *one* Band-Aid, put up a banner for photos, and left. Soon thereafter, I joined my wife to find new temporary bridges, hundreds of miles of new roads, and recovery in progress.

2017: Hurricanes hit Puerto Rico and Houston particularly hard. The now-famous Cajun Navy, still smarting from Katrina, spontaneously headed to Houston with boats in tow (Figure 38).³³² The navy was staffed by folks of marginal means and of the type the progressive left is quick to call white supremacists. The Antifa Army, by contrast, was nowhere to be seen. J. J. Watt of the Houston Texans

raised \$35 million from 200,000 donors for hurricane relief. Contrast this response with that in Puerto Rico.³³³ U.S. air carriers tried to get to San Juan before the storm; a heroic Delta Airlines crew made it.³³⁴ Post-storm relief stalled for weeks as political battles and government graft prevented the distribution of goods and services.³³⁵ Where was the Clinton Foundation? Still screwing up Haiti?³³⁶ William Dudley arranged to have a jet loaded with pallets of cash sent to the stricken island.³³⁷ Nice gesture, Bill, but they needed food and medicine. I wonder who got the money.



Figure 38. Cajun Navy and Antifa Army.

Here's my point. Government response often sucks. By contrast, citizens will step up to the plate if they are unimpeded by government and bystander bias. I submit that far fewer would have died in New Orleans if FEMA didn't exist. Knowing that it was us or nobody, We the People would have saved We the People.

“Anyone who chooses to not heed this directive cannot expect to be rescued and should write their social security numbers in permanent marker on their arm so their bodies can be identified. The loss of life and property is certain. Get out or die.”

~Official message from a judge to one Texas county during Harvey

There is also another important message: preparation for disaster is key. Figure 39 shows possible responses when disaster looms. My worldview changed with Y2K. I detected risk and mitigated it by preparing accordingly. Others did nothing. Who was right? I knew you'd get that wrong: *I was right*. The ant was right, not the grasshopper, as was the third little pig—not because of what happened but because of what *could* have happened. If you are in Miami and trying to buy water, food, gas, or transportation with a storm looming, you are not preparing: you are responding. An iconic photo of a woman being given the last generator after Hurricane Irma to save her potentially dying father shows the generosity of the human spirit but begs the critical question.³³⁸ Why didn't she already own a generator?



Figure 39. When hurricane winds, fires, tornadoes, and floods threaten.

Half of Houstonians had no flood insurance.³³⁹ Half of all Americans have *no* emergency supplies in their homes.³⁴⁰ Even fewer have fire extinguishers. Which of the following items would be really nice to have in the aftermath of a hurricane?

- Plywood
- Generators
- Food
- Bottled Water
- Chain Saws
- Tank of Gas
- Ice
- Flood Insurance
- Duct tape

How much does it cost to have a chain saw, 100 pounds of rice and beans, some tarps, flashlights and batteries, and bottled water before the crisis? \$400 or \$500? Are these items more valuable as you stare into the teeth of a hurricane? Certainly. Without them, you may join the ranks of undocumented shoppers (looters). A viral photo of a nun with a chain saw (Figure 40) reminds you how fortunate it is to have a chain saw (and makes you wonder how long before it catches her flowing habit and takes her to the pearly gates). The Northmen hit by Hurricane Irene recovered quickly because they *all* have tools, skills, and a work ethic that would knock your socks off. They're *always* prepared. What do we do

about the poor in Houston or Puerto Rico? I don't have an answer; they always get screwed. If the rest of us are prepared, however, FEMA can focus on them. Like I said, they always get screwed.



Figure 40. Nun with a chain saw.

Other disasters are harder to anticipate. I was shocked at how fast the California fires moved. I was in a fire in high school. Contrary to TV dramas, you have seconds to get the hell out. (Try doing so buck naked from a second-story window with temperatures at -2°F .) I have no idea how to prepare for earthquakes except to stay out of California. For the Yellowstone Caldera? Finish that bucket list.

Price Gouging

“Price gouging . . . a pejorative term . . . a seller spikes the prices of goods, services, or commodities to a level much higher than is considered reasonable or fair.”

~The Internet

Which government agency is in charge of determining what is “reasonable or fair”? Most find charging people more when they really need something ethically repugnant. Let's ponder a few examples. Utility linemen are paid handsomely to leave their families and help hurricane recovery. That seems fair. Nobody bitches that the insurance companies pull in their shingles when the hurricane is imminent; it's just business. My dog kennel raises fees during the holiday season. Those bastards! The captive audience at the movie theater gets totally gouged for that bucket of stale popcorn slathered with WD-40, but you don't have to buy it. (Would *butter* really cut into your profits that much?) The business model of Uber causes prices to spike when demand exceeds supply, which has the effect of pulling drivers out of their houses and, in turn, driving prices back down (pun intended). What a curious concept: high prices generate supply. I

smell a Nobel Prize. The price of bottled water seemed to soar at Best Buy before one of the hurricanes (Figure 41).³⁴¹ Now we're talkin'! An unvarnished example of price gouging. You know it when you see it, but are you sure?



Figure 41. Price gouging at Best Buy.

When the hurricanes arrive, the battle against price gougers commences. Hotlines are set up to report evildoers. The South Carolina Homeland Security Act of 2002 imposed penalties of up to \$1,000 and as many as 30 days in prison for charging “an unconscionable price” for 30 days after the declaration of an emergency by the president or governor.³⁴² The Florida attorney general got ahead of the problem this year (Figure 42):

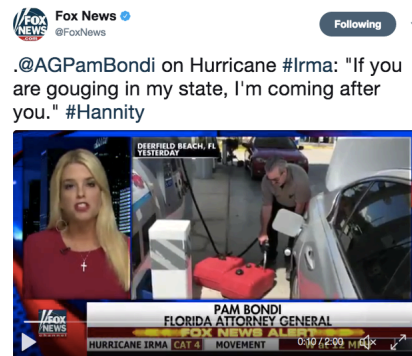


Figure 42. War on price gougers.

Here's a few questions: Aren't the supplies needed for hurricanes more valuable during hurricane season than during the months on either side? Wouldn't it behoove people to do their shopping during quiet periods? Do you think that woman in Figure 43 would be so slovenly greedy if the price of bottled water rose with demand? Maybe the woman behind her wouldn't be forced to say, “Hey

bitch. How about sharing?” I know: let’s add anti-hoarding laws! Let’s create a Bottled Water Authority (BWA) to determine what is reasonable and fair. The free marketeers have a simpler solution: Let prices move freely, and a few hurricanes with spiking prices would reinforce the merits of planning. I bet \$4 per bottle might help quench that seemingly insatiable thirst of our intrepid hoarder.



Figure 43. Hoarding and shortages.

And since you forgot to ask, who are these price gougers? Local businesses would be committing professional suicide if they price gouged their neighbors. Big chains like Walmart would suffer *huge* reputational damage. Best Buy certainly did for those bottled water prices, but look carefully at Figure 41: you can see through those laser-printed signs. *The picture is photoshopped.* Best Buy couldn’t take the time to prove its innocence and began apologizing for its rogue employee.³⁴³

The only so-called price gougers are entrepreneurial folks who take time away from family and job, fill trucks with needed goods, and at great personal and financial risk, enter the disaster zone hoping to make a buck. If you add additional legal risks to the ample risks already present, *they will not come.* “But...but...I need stuff and will be happy to pay!” Tough luck, dude. It’s not fair to the disadvantaged.

In short, price gouging laws impede the arrival of needed goods and services. No matter how ethically itchy—no matter how much it triggers you—the free market will find the price that is fair and reasonable. The prospects of making huge profits will generate more supply, arbitraging the price back to “fair and reasonable.” If you feel the need to help the poor, as members of a civilized society are often wont to do, add credit to some food stamp cards. Entrepreneurs will bring handheld, battery-powered card swipe devices. Send Bill Dudley down with pallets of money. What’s good enough for Puerto Rico and even Afghan warlords may be good enough for us. Of course, Davy Crockett might disagree, but he’s dead.

The carnage of natural disasters is mitigated by preparation, good Samaritans, the force of free market capitalism, and in total desperation, even pathetically inept federal assistance programs. Price gouging laws inhibit the natural flow of goods and services. Some will not see the merits of my case and be offended. Have a ball.

The Biosphere and Price Gouging

“Bring out your dead.”

~Monty Python

Mother Nature took a whack at the world’s health through the biosphere. Epidemics are beginning to reappear owing to the drop in the vaccination rate. (Sorry anti-vaxxers: I think the scientists have this one right.) A dozen teenagers contracted rabies from having carnal relations with a donkey.³⁴⁴ In a no-questions-asked announcement, authorities sought anyone who had “approached” and “admired” the animal closely. You guys haven’t heard of condoms? There is a bubonic plague emanating from Madagascar (east of Africa in the game Risk.)³⁴⁵ Plague cases are common in the Southwest US, but history shows that you don’t want it getting out of control.

Of more dire long-term concern, pharmaceutical companies appear to be losing the war against bacteria. Vancomycin was so important as the last line of defense that it was kept under lock and key. Hospitals now use it routinely: did it lose its prominent role or did the medical community simply get sloppy? An antibiotic-resistant superbug in China is said to be an “alarming evolutionary event.”³⁴⁶ Big-cap pharma can’t get antibiotics to market before they start losing efficacy, forcing companies to abandon their antibiotic development programs. Although technically not a health problem, the backyard mosquito situation is being dealt with by “scientists” who are about to release 20 million genetically engineered mosquitos.³⁴⁷ Hope you guys know what you’re doing.

The challenges to pharma companies, ironically, take us back to price gouging. We all know the face of price gouging:



Martin Shkreli was finally convicted of terminal smugness when he offered \$5,000 for a strand of Hillary’s hair.³⁴⁸ But the debate is deeper and more nuanced, as illustrated with three examples.

Eli Lilly cranked up the price of insulin at a brisk annual compounded rate (Figure 44).³⁴⁹ The unseemly profits are difficult to find: a zero percent annualized capital gain over 17 years suggests that they are either hiding all this cash in secret accounts in the Caymans or that pharmaceutical research is *remarkably costly*.

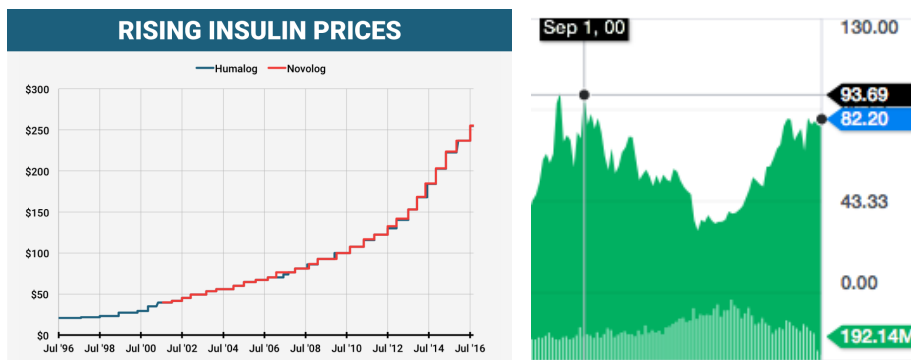


Figure 44. Price of insulin and zero percent annualized return (ex-dividends) of Eli Lilly.

Novartis is marketing a single-dose chemotherapeutic agent for \$475,000.³⁵⁰ living another 50 years? Priceless! (Figure 45a) Critics of the price haven’t wrapped their brains around the cost of development and production. Novartis is not printing money either, returning capital gains (ex-dividends) of 3 percent annualized to investors over the last 20 years.

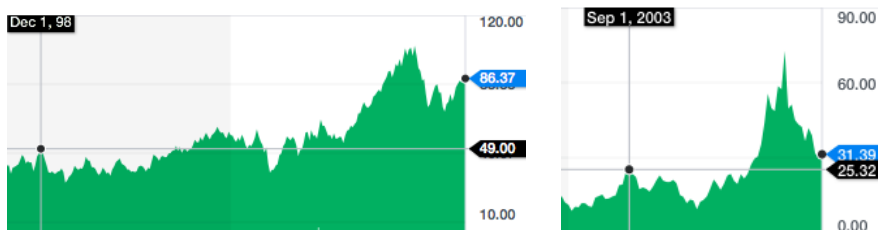


Figure 45. (a) Novartis’s 3 percent annualized returns boosted by \$475,000 cancer treatment, and (b) Mylan’s 1 percent annualized gains owing to soaring EpiPen prices.

Mylan offers the most instructive example (Figure 45b). It cranked up the price of EpiPens while the share price shows a 1 percent annualized gain over 15 years. Business Insider gloated with *schadenfreude*.³⁵¹

“Mylan’s EpiPen—the center of one of the many blistering scandals in Big Pharma price gouging—is getting hammered in the market, as competitors have burst on the scene.”

~Business Insider

Competitors bursting on the scene brought down the price? Where have I heard this before? Once again, unimpeded price discovery cures what are perceived to be unfair and excessive prices. Alas, with this kind of arbitrage, the pharmaceutical industry could become not-for-profit, possibly even nationalized. Progressives call this a victory. I’m kinda hoping they stay viable.

Sports

“A Hockey Fan Stabbed in Head With Screwdriver Refused Treatment Until Game Ended”

~Headline, Medialite

That is not me. I have little time now to watch sports, but there were some truly stupendous performances that caught even my inattentive gaze. Alex Honnold climbed the 3,000-foot of sheer cliff face of Yosemite’s El Capitan without any ropes or other climbing gear (free climbing).³⁵² The only other guys who tried it are dead. Tom Brady engineered a miraculous comeback from a 25-point deficit to beat the Atlanta Falcons in Super Bowl LI. Amazingly, the Patriots won it with fewer scores than the Falcons—7 versus 8—at the end of the regular play, which according to democratic football fans, means that the Patriots stole the Super Bowl. UFC champion Conor McGregor shocked the world by going toe-to-toe with Floyd Mayweather Jr., winning the first few rounds before losing in a 10th-round technical knockout. (I saw it; he was great.) Conor pissed off professional whiners by claiming, “I turned him into a Mexican tonight” (made him fight scrappy).³⁵³ Mayweather then shocked the world by announcing he was a Trump supporter.³⁵⁴ To that, Conor said, “Fook ’im.”

I detest end zone displays—act like you’ve been there before. That said, a Tulsa wide receiver had his touchdown negated owing to a *single* strut-like stride en route to the end zone.³⁵⁵ Let’s start with the clown who feigned lifting his leg on the goalpost. A softball team of 12- to 14-year old girls got booted from the Junior League World Series after several of them flipped the bird to an opposing team in a social media photo.³⁵⁶ I have mixed emotions on this one: it was a good lesson, but harsh. Not speaking of baseball, you wanna see Major League Baseball’s 2030 home run champion? Check out the bat speed on this beastly 12-year-old slugger.³⁵⁷

“Colin has to make up his mind whether he’s truly an activist or he’s a football player. Football is commercial. You have owners. You have fans. And you want to honor that if you’re making that kind of money.”

~Jim Brown, white supremacist

Colin Kaepernick created quite a stir in the NFL. I supported him last year when he explained that he’d simply had enough of the clowns running the country.³⁵⁸ Triggered by inflammatory tweets by the POTUS, the NFL and the greater sporting world found itself in a full-Nelson headlock from which it couldn’t seem to extract itself and paid dearly in lost revenues and millions of viewers (Figure 46). This comes at a time when concussions are causing the league serious trouble. The NFL has strict rules about behavior (on the field at least). Previous displays that broke from these rules, no matter how meritorious to the common man, have been stopped cold. You demonstrably cannot take a knee to pray, mourn 9/11, display support for fighting cancer, support dead police officers, or oppose domestic violence.³⁵⁹ (There’s some irony.) Some say the outrage against the take-a-knee movement is racism. I say it is the change from common men with uncommon football skills leaving it on the field every Sunday for low pay to a bunch of overpaid prima donnas (who still leave it on the field every Sunday). They are also millennials, but I draw a line at calling them snowflakes. Other sports seem to have avoided the take-a-knee dilemma by nipping it in the bud. In a moment of hilarity, one chap in Major League Baseball was the only one to take a knee to oppose injustice and then was arrested the next week for jamming a gun in the face of a fast-food worker.³⁶⁰ Injustice indeed.

“You’re free to take a knee during the Anthem. POTUS is free to criticize you. And we’re free to turn you off. And that’s what’s happening.”

~Joe Walsh (@WalshFreedom)

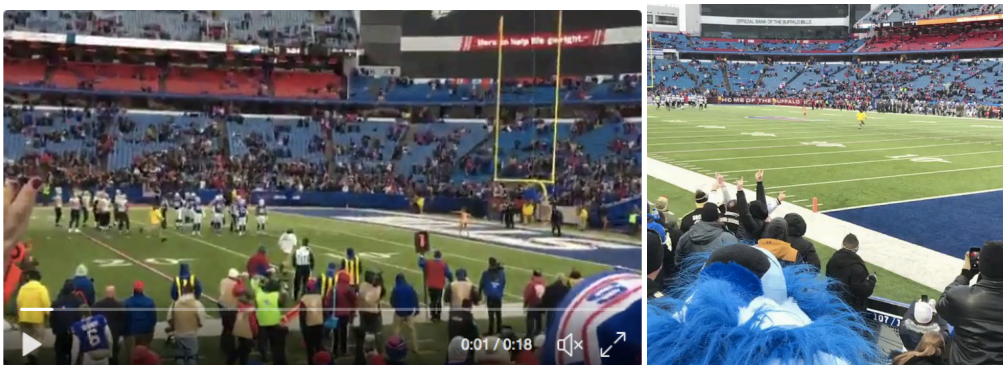


Figure 46. Veteran’s Day boycott of the NFL.

Viewers wish to escape to the now largely color-blind, apolitical world of sports. Many detested Carter for boycotting the 1976 Olympics in Moscow. I certainly

did. More recently, ESPN’s demographers led them astray, steering them toward highly politicized messages. It came to a head when Jamele Hill blasted President Trump as a “white supremacist.”³⁶¹ After a stern warning, she advocated boycotting NFL advertisers who opposed taking a knee.³⁶² Predictably, ESPN suspended her. Even more predictably, liberals (including Reverend Al Sharpton) proposed boycotting ESPN.³⁶³ Can’t we just all “play ball”?



The FBI investigated coaching legend Rick Pitino at Louisville after being ratted out by rivals for cheesy recruiting tactics. Whatever. Here’s my gripe. The big programs bring in athletes and immerse them in college sports. Kids who could have done well in school end up in sports dorms that seem unlikely to be conducive to academic performance. Other athletes cruise through college doing nothing—fraudulent levels of nothing. Why not teach them life skills—some carpentry, electrical work, possibly accounting to help them run a small financial enterprise? We all saw *Hoop Dreams* and know how it ends for most of these man-children. Send them home with a prayer of being something other than a failure.

I am going to take a brief shot at supporting Title IX’s roles for promoting women’s sports. I was irate at what universities did to minor men’s sports to be Title IX compliant. As I watch women’s sports flourish, however, I find myself concurring that the ends justified the painful means. I used to spar undergraduate men *and* women on Cornell’s tae kwon do team. I could see women’s growth point blank—well inside their personal spaces. Driving by athletic fields watching young girls go toe-to-toe in some seriously ferocious combat warms my heart: they are developing life skills.

Enter transgenderism. We now have the most socially complex problems brewing as formerly pre- and post-pubescent boys and girls transition to become young girls and boys, respectively. It is no shock that the nouveau girls are competing rather effectively in girls' sports. A young girl who formerly wrestled as a boy and wished to remain in the boys' division was forced to wrestle in the girls' division (Figure 47a).³⁶⁴ She is doing *very* well. Others are winning high school track and field championships³⁶⁵ and weight lifting championships³⁶⁶ and even rocking the octagon of the UFC.³⁶⁷ We just got women's sports up to speed with serious support: don't screw it up now. I suspect that most parents of young daughters do not wish to watch them get beat by a former boy bringing huge genetically derived advantages to bear. Eight members of Iran's women's soccer team are "men awaiting gender reassignment" (Figure 47b). That's remarkably progressive for Iran. A former nationally ranked men's handball player in the UK is waiting for the courts to rule on him playing in the women's league. Let's be *really* progressive. Let's let what have been called "women without vaginas" by the LGBT community compete in *men's* sports. It all makes me wonder if there is any activity in which you cannot simply take the boys and girls off in their respective directions and let them develop.



Figure 47. (a) Transgender wrestler and (b) Iranian women's soccer team.

I'll finish with a few Snapple cap moments. Tennis star Boris Becker lost the last of his €100 million fortune in part because of questionable investments in the Nigerian oil industry.³⁶⁸ Pete Rose hermetically sealed the Hall of Fame by admitting sexual relations with a teen in the 1970s.³⁶⁹ Tiger Woods went through a painful and personal descent, but I suspect redemption is in his future, as he posted one of his lowest scores in years.³⁷⁰ He has the right stuff. Although Johnnie Cochran is dead, Marsha Clark writes murder mysteries, Judge Ito retired, and Christopher Darden is one fat bastard, OJ is now out and planning his next career move. Although many feel he got off easy, the punishment was appropriate if not severe for the conviction of armed assault. Jerry Rice is rocking, making a hobby of crashing weddings for photo ops as a lark.³⁷¹

"I don't care where OJ is as long as he's not standing behind me with a butcher knife."

~Christopher Darden on MSNBC

Civil Liberties

“Even under the best forms of Government, those entrusted with power have, in time, and by slow operations, perverted it into tyranny.”

~Thomas Jefferson

“Tyranny naturally arises out of democracy, and the most aggravated form of tyranny and slavery comes out of the most extreme form of liberty.”

~Socrates as relayed by Plato

I’ve railed on the erosion of civil liberties in past years, taking the side of inner-city victims of police brutality in one year and the side of the police in another. But it’s not just the big breaches. You give up civil liberties one at a time, and it’s like a diode: you don’t get them back. Irrespective of my views on gun control, the NRA model of fighting every fight—don’t give an inch—is exceedingly logical.

The War on Big Soda continues. What began as a tax on Big Gulps in NYC morphed into a tax on all sugary soft drinks in Philly.³⁷² It had the effect hoped for by progressives: it decreased consumption. But it also demonstrably hurt small businesses. Store owners are reporting a 30–50% sales drop to explain employee layoffs.³⁷² These so-called “sin taxes”—taxes that sell well to the public because they sound moral (and the public is gullible)—are despicable, in my opinion. I do not want the State deciding morality through taxation. They are coming for your cheeseburger, salted snacks, fossil fuel cars, and anything else that some municipal government employee lacking a life wants to tax.

“Civil asset forfeiture” is starting to get the attention it deserves, but this decidedly totalitarian tactic shows only hints of abating. Civil asset forfeiture is when cops confiscate your assets because they suspect you’re a criminal and fail to return them even if no arrest, let alone a conviction, is made. Last year, it was reported the cops now steal more than crooks.³⁷³ Connecticut has pushed back by demanding that the confiscation be part of a lawful arrest and returned if there is no conviction. Sounds good until you look at the numbers on plea bargaining, which secures the conviction for those who cannot afford to fight—particularly after losing all their assets. And even with that yawning loophole, the Department of Justice is pushing back by giving police federal laws to hide behind in states trying to impede confiscation. Arizona police may confiscate assets from those involved in demonstrations that *could* evolve into riots.³⁷⁴ How many Constitutional amendments does *that* trample? Approximately half the states lack explicit mechanisms to track the assets: they do not itemize what they steal.³⁷⁵ Try reading Radley Balko’s *Rise of the Warrior Cop* or Matt Taibbi’s *The Divide*.

Here is my personal promise to society: if it ever happens to me, I will get even. It might entail a manifesto, but it's the least I can do.

While on that topic, 84 percent of drug arrests were for possession, and 38 percent of those possession arrests were for pot.³⁷⁶ New changes in reporting policies will make that distinction difficult to tease out. A guy was boiled to death in a correctional facility shower *rigged for punishment*.³⁷⁷ A court ruled that his civil rights were not infringed upon. Indeed, you cannot find "boiling" in the Constitution.

Recent WikiLeaks revelations show that the CIA and FBI knew about a gigantic security hole in our smartphones but left it there for spying.³⁷⁸ Why am I not shocked? It seems that we have given up every shred of privacy in the digital world, but we should still fight to keep authorities from using the data to hurt us. Employers are using sensors to monitor employees.³⁷⁹ Cell phone searches of U.S. citizens reentering at the borders involve authorities demanding your password. *Don't give it up*. This country exists because the founding fathers and their friends did *not* phone it in.

The Road to Ruin will occur in incremental steps because we didn't stand up and declare enough is enough. Some absurd examples follow:

- Teenagers in Gardendale, AL, must pay \$100 for a license to mow lawns.³⁸⁰
- Seattle may license dog walkers.³⁸¹
- You are now paying fees merely for being arrested.³⁸²
- Missouri requires at least 1,000 hours of training to legally braid hair.³⁸³
- Speeding ticket: \$293. "Convenience fee" for online payment: \$9. Hurling my computer through the window: priceless.
- A man got a ticket for an idling, unattended vehicle in his own driveway.³⁸⁴
- You can be fined for saying you are an engineer, even if you have an engineering degree.³⁸⁵
- Genital mutilation is occurring in the U.S. Do you protect freedom of religion or the young? I'll let you decide.³⁸⁶
- Undercover cops arrested kids for selling bottled water on the National Mall.³⁸⁷
- A mother was arrested for leaving a 10-year-old kid unattended in the Lego Store at a mall.³⁸⁸ I was hitchhiking at 12.
- U.S. customs agents demanded ID before letting passengers *leave* a domestic flight.³⁸⁹
- A California bill would have effectively made being wrong on the Internet a crime. A digital-rights advocacy group said the bill was "so obviously unconstitutional" that they "had to double-check that it was real."³⁹⁰ It got pulled.
- Laura Southern described a dystopian society and what it would be like if you got locked out of the digital system.³⁹¹

- Across the pond, Italy’s highest court has ruled that masturbation in public is not a crime “as long as it is not conducted in the presence of minors.”³⁹²

Occasionally, there is pushback. A court ruled that we have the right to film police in their duties.³⁹³ Many police were opposed to wearing body cameras but have come to realize that it may be in their best interest. Equipping them with facial recognition software, however, seems disquietingly futuristic. A judge ruled that one municipality must return \$3 million in tickets from stationary speed-trap cameras that were deemed unconstitutional.³⁹⁴ I would *love* that decision to get legs.

Antifa

“Antifa is the moral equivalent of neo-Nazis”

~*Washington Post*

Before discussing Antifa, let me first dispense with the Nazi menace. There are bad folks out there. If you see people sporting swastikas, they are likely to be particularly incorrigible and dangerous. Nazis do not scare me, however: they have a *wretched* branding problem. Just as a food poisoning epidemic from Little Debbie Shit Cakes seems unlikely, a social movement marketed as Nazism is going nowhere. I will reconsider if they reappear under a fuzzy new campaign.

Consider, by contrast, Antifa. It arrived from left field almost to the day that Hillary lost the election. Antifa derives from “antifascist” (although “anti-First Amendment” works too). Antifa loosely translates to “fascists.” Its members wear black garb, masks, and a fancy Antifa logo, all of which is hauntingly familiar (Figure 48). By contrast, their opponents are often referred to pejoratively as “Trump supporters” or, in the limit, “white supremacists,” and they typically do not cover their faces and are often adorned with American flags.





Figure 48. Fascist logo from 1933 and terrorists on the left; Antifa logo and Antifa members on the right. Or is it vice versa?

Antifa caught the gullible off guard, prompting some remarkable defenses of its actions in the early going. CNN tacitly endorsed its catch phrase “Peace through Violence,”³⁹⁵ which was soon followed by some serious backpedaling. Prominent figures, including a few republicans, took the bait:

“It’s a falsehood to equate white supremacists or neo-Nazis with those who oppose their ideologies.”

~Janet Napolitano, former governor of Arizona, supporting Antifa

“Antifa is short for anti-fascists. Their main goal is disrupting neo-Nazis and white supremacists, seeking peace through violence.”

~CNN

“No, not the same. One side is racist, bigoted, Nazi. The other opposes racism and bigotry. Morally different universes.”

~Mitt Romney, former governor of Massachusetts, supporting Antifa

Hey, Mitt: time to strap the dog to the roof and move back to Utah. After considerable consternation and delay, politicians like Nancy Pelosi and Paul Ryan condemned Antifa as a violent group. Antifa appears to be backed by powerful forces (if my mole in the highest law enforcement agency of the country is to be believed). Members of the Berkeley Antifa are rumored to have been recruited from the Oakland gangs.³⁹⁶ Berkeley protests, however, went into riot mode when the protesters realized the police had been told to stand down.³⁹⁷ There is scant evidence that these individuals have a loftier cause than just violence and anarchy.

“Antifa is a radical, anti-American, anti-free market, communist, socialist, hard left, sensorial organization that tries to stop speakers on campuses from speaking. They use violence . . . trying to tear down America.”

~Alan Dershowitz, Harvard University

Antifa warriors wield bats, clubs, pepper spray, fists, and occasionally guns. What complicates this story is that they are joined by gullible youthful activists who have no awareness about the consequences of their actions. The result is an odd brew of violent thugs and LGBT and Black Lives Matter groups, all occupying the same political space with, at times, clashing agendas.³⁹⁸

Memes abound. A violent Antifa warrior got nicknamed “Pepperballs” after getting hit in the crotch by a canister of tear gas.³⁹⁹ He boasted on social media and was promptly charged with four counts of mayhem and one count of stupidity.⁴⁰⁰ An opponent of Antifa became “Stickman” (Figure 49). He was eventually identified⁴⁰¹ and now experiences repeated vandalism to his car.⁴⁰² Hey, Joe Rogan: A pay-per-view battle of Pepperballs versus Stickman in the octagon would make millions.



Figure 49. Stickman.

Another odd meme emerged when a protester showed serious evidence of camera shyness.⁴⁰³ She soon reveled in the limelight (Figure 50). The blogosphere surmised that she is an Antifa leader. My suspicion is that she is on the FBI payroll. Sources tell me the agency is crawling around campuses. The FBI eventually declared Antifa a “domestic terrorist group.”⁴⁰⁴ In August, the United Nations put out an “early warning” about domestic violence in the U.S.⁴⁰⁵ Didn’t seem that early to me, dudes.



Figure 50. “Antifa organizer.”

Antifa appears to have lost some of its virulence, as often happens with any epidemic. It could be an effort to rebrand as something less wretched. Alternatively, the powerful backers may have abandoned the group, quietly recalling the paid-to-play brawlers and leaving the gullible weekend warriors. My advice is to stay vigilant.

I think it would be unfair to blame Antifa for all the mayhem from the left. Those who oddly call themselves progressives have shown a level of verbal and physical violence that surprises those unfamiliar with violent political movements. The “Punch a Nazi” campaign seems unconstructive if not ironic.⁴⁰⁶ The 82nd Avenue of Roses Parade in Portland, OR, was canceled for the first time out of fear of violence from the left.⁴⁰⁷ Tennessee felt compelled to make it legal to injure protesters who are blocking roadways and other rights-of-way.⁴⁰⁸ It eliminates liability when you run somebody over who is blocking your car, provided you were exercising “due care.” I wonder how far you can drive before the people under your axles are no longer blocking you. Moral of the story: stay away from angry mobs.

“I think we’re in a time when we can’t ignore the extremism from the Left.”

~Oren Segal, director of the Center on Extremism

Harvey Weinstein and Hollywood

“Hollywood has the best moral compass, because it has compassion. We were the people who did the fund-raising telethon for the victims of 9/11. We were there for the victims of Katrina and any world catastrophe.”

~Harvey Weinstein, 2009

Hollywood stars are the most sanctimonious crowd of insufferable blowhards, wallowing in self-importance and convinced that they are indeed the world. They denounce anything and everything that will make their peers wet their pants. Just watch the Academy Awards. (Plummeting ratings suggest nobody does.)

“I don’t watch the Oscars to get harangued about racism, rape, sex abuse, greedy bankers, global warming, and gay rights. I watch to be entertained. If you want to preach at us, darlings, get into politics.”

~Piers Morgan, British television personality

Meanwhile, right under all their noses, rape and pedophilia ran unchecked. After a series of scandals involving Roger Ailes, Bill O’Reilly, and even Donald Trump, Ronan Farrow of NBC published a tell-all from a dozen women who described assaults by Harvey Weinstein, one of Hollywood’s most powerful moguls.⁴⁰⁹

There were hints of Harvey’s behavior, what Hollywood might call “foreshadowing”:

“I’ve turned down intercourse with Harvey Weinstein on no less than three occasions.”

~30 Rock punch line (2012)

“Congratulations. You five ladies no longer have to pretend to be attracted to Harvey Weinstein.”

~Seth McFarlane, at the 85th Academy Awards (2013)

“If Harvey Weinstein invites u to a private party at the Four Seasons, DON’T GO”

~Courtney Love (2005)

Reading about Harvey is like binge-watching *Law & Order: Special Victims Unit*. Brad Pitt is rumored to have had a chat with Harvey after he misbehaved with his then wife, Angelina Jolie.⁴¹⁰ If it had been me, Harvey would be drinking his food through a straw. Other A-listers such as Matt Damon interceded to protect Harvey.⁴¹¹ Non-disclosure agreements also provided protection.⁴¹² Sounds legally dubious, but the threat of legal action may have sufficed. Harvey was *contractually* required to pay his own sexual harassment settlements,⁴¹³ including bribes offered by legendary attorney David Boies to New York County District Attorney Cyrus Vance Jr. to not prosecute.⁴¹⁴ *The* most compelling mea culpa from Hollywood came from screenwriter Scott Rosenberg, who declared, “*everybody effing knew*” and, it would appear, *everybody kept their effing mouths shut*.⁴¹⁵ Amazing how far the moral bar drops when your paycheck depends on it.

The DNC got copious donations from Harvey, and I bet they effing knew too (Figure 51). People are now calling for the money to be returned, but to whom? Harvey?



Figure 51. Huma Abedin, Harvey Weinstein, and Hillary Clinton . . . oh, the irony.

Bravo to the dozen courageous women who stepped forward and told their stories—that took some serious ovaries, Dudettes—and to the *New Yorker* for publishing it after Farrow’s employer declined.⁴¹⁶ Hats off to Rose McGowan who *really* put the bat to Harvey. To Twitter authorities who saw fit to cancel McGowan’s Twitter account *that week* because she tweeted an F-bomb at Ben Affleck I say, "Well played, you Twits." Special kudos to a couple of guys who spoke out early and were undoubtedly damaged by the predators and the *adults who effing knew*.

"I can tell you that the number one problem was, is, and always will be pedophilia."

~Corey Feldman, 2013, on Hollywood

"Powerful figures in the movie business were protecting pedophiles."

~Elijah Wood, 2016

Condolences to all the showbiz parents whose children died of drug overdoses that may have been caused by more than just living too large. Let’s hope the families didn’t effing know about abuse and keep *their* effing mouths shut because their little star just needed an effing break.

". . . (crickets) . . ."

~Corey Haim, deceased Hollywood victim and friend of Feldman

The mix of skanky old men and innocent young girls in Hollywood is probably without parallel, but that's not to say that it doesn't occur everywhere. They are being called out daily in droves as I type. Charlie Rose? Matt Lauer? Al Franken? The floodgates have opened. Good riddance to the rest of you biohazards who are losing sleep because you know they are coming for you. Recall, however, that more than 60 people found syringes in cans of Pepsi.⁴¹⁷ All were convicted of fraud. We should be measured in our actions and use due process.

Political Correctness—Adult Division

“Verbal purity is not social change.”

~ACLU on political correctness

“Political correctness is America’s newest form of intolerance. . . . [I]t comes to you disguised as tolerance.”

~George Carlin, ahead of his time

The transition between a section on sexual assault to one on political correctness is a challenge, but let's grip it and rip it. At stake is the very existence of free speech, apparently no longer guaranteed by the First Amendment. You *know* we've got trouble when more than 200 ACLU staffers cosigned a letter stating that the ACLU's "rigid stance" defending hate speech undermines racial justice.⁴¹⁸ The mayor of Berkeley's response to potential violence at a free speech event was to cancel the event.⁴¹⁹



“I value diversity and inclusion, am not denying that sexism exists, and don’t endorse using stereotypes. When addressing the gap in representation in the population, we need to look at population-level differences in distributions. If we can’t have an honest discussion about this, then we can never truly solve the problem.”

~James Damore, ex-Gogler

One of the big stories of the year was James Damore’s essay, distributed internally while employed by Google, arguing that we must examine gender differences to understand the shortage of women at Google.⁴²⁰ It was feedback to a diversity program. The essay floated around Google and was openly debated. Google prides itself for outside-the-box thinking, but that ceased when it leaked outside the box to the public. My read was that Damore made some good points, although parts seemed a bit risky. A majority within Google supported him.⁴²¹ Five experts who study gender differences said Damore had done his homework.⁴²² The CEO chimed in:

“We strongly support the right of Googlers to express themselves, and much of what was in that memo is fair to debate, regardless of whether a vast majority of Googlers disagree with it.”

~Sundar Pichai, CEO of Google

Pichai then fired Damore’s sorry ass,⁴²³ but not before cobbling together an abbreviated version of the events that omitted some of Damore’s clear statements supporting diversity.⁴²⁴ Ironically, by dismissing Damore’s arguments about inherent gender differences in job choice, Google inadvertently admitted that the company must be at fault for the underrepresentation of women. Damore got a pile of press and some job offers.⁴²⁵ Google got a black eye and may have hermetically sealed its employees into that metaphorical box. Here is the funniest part of all: Damore has friggin’ autism.⁴²⁶ *Google fired an autistic genius for a memo lacking social awareness.* What an excellent time to be a lawyer.

“There are many actors in the whole Google/diversity drama, but I’d say the one who’s behaved the worst is the CEO, Sundar Pichai.”

~David Brooks, conservative pundit

2017 was a year in which the symbols of white men of yore began tumbling. I am oddly agnostic in some cases and have mixed emotions in others. At first blush, tearing down the history of the southern leaders seems a bit like ISIS tearing down the Mesopotamian past. Closer inspection, however, reveals that the chronology of the erection of these statues coincides remarkably well with periods of racial unrest.⁴²⁷ They were, in some cases, racially motivated statements. The method of removing them willy-nilly, however, seems suboptimal;⁴²⁸ deductive reasoning and logic are often sacrificed when a protest

turns into a mob. I suspect, for example, that those who defaced the century-old Francis Scott Key monument in Baltimore think it reflects more of a “racist anthem” than it really does.⁴²⁹ By contrast, I wonder when statues of ex-KKK member Senator Robert Bird will come under scrutiny.

Women’s Pants Don’t Have Big Enough Pockets—And That’s Sexist

~Headline, *Affinity Magazine*

There is a heap of ideas that just makes you wanna scratch your head. A few follow, in no particular order:

- *Gone With the Wind* was banned from a Memphis, TN, movie theater.⁴³⁰
- A Canadian family whose name is Grabher lost its 16-year-running vanity plate because it was suddenly considered misogynistic.⁴³¹
- A guy gave a speech composed entirely of Hitler quotes to the cheers of Antifa activists.⁴³²
- Donna Hylton helped kidnap, torture, and kill a gay man in 1985. Now out of prison, she spoke at the 2017 Women’s March.⁴³³
- British doctors have been told to call expectant mothers “pregnant people.”⁴³⁴
- A group protesting the NRA has embraced Assata Shakur, a woman convicted of killing a policeman.⁴³⁵
- Mexico’s largest university is hosting a conference on feminism with no female panelists.⁴³⁶
- The burning of “bourgeois limousines” in the streets of Washington, DC, left a Muslim immigrant with \$70,000 in losses.⁴³⁷
- Slate declared that deceased liberal pundit Alan Colmes was a “liberal weakling . . . buffoon.”⁴³⁸
- A gay coffee shop owner booted Christians from his shop without incurring a \$135,000 court-mandated fine.⁴³⁹
- In California, health care workers who incorrectly addressed a senior transgender patient using the wrong pronoun can receive harsher penalties than individuals who knowingly infect their sexual partners with HIV.⁴⁴⁰
- Activist Linda Sarsour sought donations for a Hurricane Harvey relief fund that turned out to be a left-wing political fund-raising machine.⁴⁴¹
- A guy who had two ninth great grandparents “massacred” by American Indians in the late 17th century declared he was owed reparations. (OK. That’s me.)
- The company that made and then pulled its “Anne Frank” Halloween costume very much needs some sensitivity training.⁴⁴²

“The smart way to keep people passive and obedient is to strictly limit the spectrum of acceptable opinion, but allow very lively debate within that spectrum.”

~Noam Chomsky

Underlying the wave of political correctness is a strong undercurrent of new-era racism and gender bias. It is an activist movement that transcends efforts to achieve equality by pushing for reparations. More than 50 percent of white Americans polled by NPR claim that they are discriminated against.⁴⁴³ The FBI reports that white men are the fastest growing targets of hate crime.⁴⁴⁴ Extremists claim that antagonistic views of whites, men, or the evil combination—white men—aren’t racism or gender bias because such classifications are impossible because of their privilege.⁴⁴⁵ That is a serious load of crap, but I’m guessing I would get pushback on that view. Many moderates are probably frustrated by the current sad state of affairs but cannot push back without getting tagged as “phobic.”

Why Guys Get Turned on When You Orgasm—and Why That’s a Bad Thing

~Headline, *Cosmopolitan*

Political Correctness—Youth Division

“I don’t think parents should have much of a say in education/curriculum. Parents are not experts. The parent isn’t the consumer.”

~ABC’s *The Drum* (@ABCthedrum)

Those are fighting words from a clueless idiot to the parents of the world, but they illustrate the problems we face. This is a form of fascism—look up the definition if you must—that achieves its goal by indoctrinating the most vulnerable. I was agnostic on school vouchers, but those days are over. Bring ’em on. Let’s get into just a few problems. Of course, the root cause is not the kids but rather the adults overseeing them. The kids shoulder the damage. I am wildly supportive of the two-career family—I think a mediocre home life destroyed my mother—but it has come at a price. Brilliant women with access to all opportunities have been pulled from traditionally female jobs (teaching and nursing), leaving a bell curve that has shifted to the downside. It also leaves parents less time to pay attention: they’ve got no reserve tank for battling the forces of change.

“I argue that it is possible to imagine a theory that utilizes different philosophical ideas and which therefore would be more compatible with feminist values.”

~Ágnes Kovács, professor at Central European University, on Boyle’s ideal gas law (chemistry)

Here are a few snippets of oddities confronting kids, parents, and teachers:

- A pro-Trump tweet supporting an immigration ban got an elementary teacher put on administrative leave.⁴⁴⁶
- A Day Without Women protest by teachers left working women with the insoluble problem of what to do with their kids.⁴⁴⁷
- One hundred middle school kids called in sick to avoid meeting Speaker of the House Paul Ryan and satisfy their parents’ needs (to be narrow-minded douches).⁴⁴⁸
- A teacher helped a student transition by having him go behind a curtain and come out in a dress. She is now a 5-year-old girl.⁴⁴⁹
- A teacher in London had her students write their own suicide notes as part of their studies of *Macbeth*. Machiavelli’s *The Prince* should generate some seriously cool homework.⁴⁵⁰
- Teenagers are being taught that you need consent during sex every 10 minutes,⁴⁵¹ turning the girls into parking meters and boys into lab rats. The rule is not *that* confining: they only need 2–3 minutes anyway.
- *To Kill a Mocking Bird* has been banned from some schools because it made students “uncomfortable.”⁴⁵² *That* is the purpose of the book!
- The Boy Scouts of America has agreed to accept girls because . . . well, just because.⁴⁵³ The heads of Girl Scouts of America are PO’d. There is *no* boy-centric activity that doesn’t have some parent of some girl trying shove her in.⁴⁵⁴
- A school librarian (Figure 52a) defiantly rejected Melania Trump’s gift of Dr. Seuss books because they are “tired and cliché” (Figure 52b).⁴⁵⁵



Figure 52. (a) Trump-hating librarian or (b) Dr. Seuss fan?

“Being crazy isn’t enough.”

~Dr. Seuss

We’ve also got some serious educational impairment. Common Core math is incomprehensible to many who know math.⁴⁵⁶ The most benign interpretation is that bureaucrats embedded in the educational–industrial complex have lost their minds. A darker interpretation is that it is a form of social engineering to ensure not just equal opportunity but equal outcome by making everybody ignorant. Societally, we have steadily transitioned from a world in which competition, whether it be winners and losers in athletics or under- and overachievers in academics, has mutated into a world rich in losers toting participation trophies. Valedictorians and class ranks are being replaced with amorphous evaluations. Academic weakness is met with teaching about social justice rather than remedial training. If you tell kids that they are victims, they will believe you. It’s hard to persist at challenging problems when the reason you failed is because you’ve been victimized. There are smart people in the world, but they are vastly outnumbered.

Campus Politics

“And let today be a lesson to all; Trump supporters are not welcome on our campus.”

~Grayson Lanza, student and diversity chair, University of Central Florida

“We see on campus extremely badly parented young people who do not like the First Amendment.”

~George Will, conservative pundit

Writing this section presented a serious challenge: I have 79 pages of raw notes describing the insanity happening on college campuses in 2017. They span overt acts of racism, political bigotry, violence, feckless administrators, a powerful diversity–industrial complex, educational rot, and other intellectual enemas. To be fair, the headlines are a tiny fraction of the many fantastically positive things happening on campuses, but the crazies are creating intellectual no-fly zones. The correlation of higher-order reasoning and standard intellectual metrics (GPA, SAT, school reputation) has broken down. It’s getting too dangerous to speak to somebody with differing political views. Jonathan Haidt of NYU argues that this new form of activism “is like a religion in which opponents must be vanquished.” I am reminded of flesh-eating bacteria.

“It’s a shame. Liberals are creating a fantasy land on college campuses that does not exist in the real world.”

~S. E. Cupp, conservative political panelist on *Real Time with Bill Maher*

Attempts to impart campus codes against hate speech have, with 100 percent fidelity, been batted down by the courts,⁴⁵⁷ but the ploy is a popular mechanism to curb ideas that are unpopular to the progressives no matter how widely embraced and rational they may be. Although campus anger is a subset of the anger sweeping the country, it has gone supernova since Hillary lost the White House—*abandon all ye hope!* The adults charged with ushering Generation P toward adulthood—have you figured out what the P stands for yet?—have, in many cases, abrogated their responsibilities. Allan Bloom foreshadowed it in his widely criticized 1980 book, *The Closing of the American Mind*. Jonah Goldberg of the *National Review* attributes the onset of the entitlement movement underpinning the tantrums to Nathaniel Branden’s 1969 paper, “The Psychology of Self-Esteem.”⁴⁵⁸

“A few students discovered that pompous teachers who catechized them about academic freedom could, with a little shove, be made into dancing bears.”

~Allan Bloom, former Cornell University professor and author of *The Closing of the American Mind* (1987)

I am forced to edit ferociously and open with a dreaded bulleted list to analyze the tip of the iceberg—just the tip. I swear to God—oops! Sorry. I “guarantee” that none of these are from *The Onion*.

- Harvard is terminating clubs for being exclusionary. The Organization of Asian American Sisters in Service and the Black Men’s Forum got exemptions.⁴⁵⁹
- A Drexel University professor is under investigation for endorsing “white genocide.”⁴⁶⁰ How long was that guy floating in the harbor?
- Hoop earrings have been declared “cultural appropriation.”⁴⁶¹ Given their origins, one presumes the Sumerian-Americans raised holy hell.

“I do not for a second support the view that this generation has an unhealthy aversion to engaging differences of opinion. That is a modern trope of polarization, as is the portrayal of universities as hypocritical about academic freedom and political correctness.”

~Lee C. Bollinger, president of Columbia University

“Thinkers invited to talk for a portion of an hour from the right rather than the left and then have dinner with a few people and fly home are treated as if they were reanimated Hitlers.”

~John McWhorter, research scholar at Columbia University

- Stockton University removed a bust of Richard Stockton, its namesake and signer of the Declaration of Independence, because he owned slaves.⁴⁶²
- An academic conference on advanced manufacturing techniques was interrupted for an hour-long workshop on microaggressions.⁴⁶³
- A campus guide described a microassault as something like “sitting as far as possible from a homeless person on the subway.”⁴⁶⁴

“If our mission is founded upon the discovery of truth, how does free speech uphold that value?”

~Pomona College student

- A student reporter got booted for asserting that killing apostates and infidels is sanctioned in some Muslim countries.⁴⁶⁵ At least the administration didn't lop off his head.
- A law student at Edinburgh University is being investigated for committing a hate crime after mocking ISIS on Facebook.⁴⁶⁶ Bomb 'em? Sure. Mock 'em? Hell, no!
- Members of the National Union of Students concluded that whooping, cheering, and clapping at the union's conference are exclusionary to deaf people.⁴⁶⁷
- A Yale study concluded that smoking pot and drinking lower your GPA.⁴⁶⁸ The real news would be that researchers found a control group.

“The average person has one ovary and one testicle; beware of statistics.”

- Berkeley closed its free audio library because it was inaccessible to the hearing-disabled community.⁴⁶⁹
- Berkeley students protested a standard exam and demanded a “take-home essay with significant time to prepare” in its place.⁴⁷⁰ If word gets out that you guys need such treatment, you will be unemployable.
- A committee at Yale vets artwork to determine whether it is “painful” or “hurtful” (presumably anything with sticks and stones in it).⁴⁷¹
- Ann Coulter (conservative) gets excluded from speaking at Berkeley, whereas Linda Sarsour (Sharia law advocate) speaks on campuses unopposed.

"[The rioters were] very well-organized and very efficient...They attacked property but they attacked it *very sparingly*, destroying just enough University property to obtain the cancellation order for the MY event and making sure no one in the crowd got hurt."

~Déborah Blocker, associate professor of French at UC Berkeley

- A University of Minnesota football coach stood up for his players' "rights to due process" and got fired.⁴⁷² Some of the players were black. Think about it.
- Princeton activists want President Woodrow Wilson's name removed from the School of Public and International Affairs because he was a "white supremacist."⁴⁷³ How about because he helped create the Federal Reserve?
- Two Columbia University professors told the university president in writing, "We know no one at Columbia who is *not* upset, chronically and deeply, since the election."⁴⁷⁴ Oh FFS, get a life and some diversity training.
- A feminist campaign is encouraging people to call out *all* microaggressions.⁴⁷⁵ A more inclusive model would be for *everybody* to tell everybody *everything* that annoys them. Wouldn't that be fun?
- Illinois State University officials are preparing to roll out a new "bystander training program on microaggressions."⁴⁷⁶ These programs are commonplace now.

"There's something to be said about exposing yourself to ideas other than your own, but I've had enough of that."

~Oberlin College student

- A University of Michigan group that criticized the school for failing to promote "diversity, equity, and inclusion" called for a space that will not allow white students.⁴⁷⁷
- Syracuse University's list of microaggressions includes "avoiding or excluding others."⁴⁷⁸ Even if they are douchebags or dickweeds?
- University of Pennsylvania took down a picture of Shakespeare in the English department because . . . oh, just take a guess.⁴⁷⁹
- A group at Berkeley has insisted that Barrows Hall, named after a former Berkeley president, be renamed after Black Panther Assata Shakur, a convicted cop killer who escaped from prison in 1979 and was on the FBI's list of most wanted terrorists.⁴⁸⁰ How about something neutral like Doofus McDildo Hall?

“My wife @ErikaChristakis spent her whole career working with marginalized populations; has deep, abiding humanity. But still they came for her.”

~Nicholas Christakis, Yale University professor

- Yale’s Nakanishi Prize for “exemplary leadership in enhancing race and/or ethnic relations at Yale College” was given to the two students who verbally harangued Professor Nicholas Christakis (see above).⁴⁸¹
- Student groups at the University of Virginia have demanded mandatory “education” about Thomas Jefferson’s connection to white supremacy.⁴⁸² You guys accepted an offer at a school founded by a despicable racist? Oh...My...God!
- The University of Washington Bothell is offering its librarians social justice training to “interrupt acts of oppression,” such as when a male co-worker speaks condescendingly to a woman.⁴⁸³ What the hell does that even mean? Mansplaining while manspreading?
- Schools around the nation are offering courses on “toxic masculinity.”⁴⁸⁴ Time to look up misandry in the dictionary.
- Carleton University removed a weight scale from its gym to promote healthy body image.⁴⁸⁵ Why not just convert the gym into a dining hall?
- Cardiff Metropolitan University banned the use of words like mankind, housewife, manmade, and sportsmanship in the classroom,⁴⁸⁶ forcing students to the urban dictionary to fill the void.

“You are creating a kind of liberalism that the minute it crosses the street into the real world is not just useless, but obnoxious and dangerous. I want you to be offended every single day on this campus. I want you to be deeply aggrieved and offended and upset, and then to learn how to speak back. Because that is what we need from you.”

~Van Jones, one of *Time* magazine’s 100 Most Influential People

- Harvard is having a “blacks only” graduation ceremony.⁴⁸⁷ Recall: these are the geniuses who banned all exclusionary clubs. Four hundred years of excellence doing laps around the drain.
- Students at the University of London voted to ban 30 publications, including *The Sun*, *the Express*, and the *Daily Mail*.⁴⁸⁸ How about *Guns & Ammo*?
- Santa Clara University’s student government denied recognition of a pro-capitalism campus club citing the possibility that the group might invite conservative speakers.⁴⁸⁹
- Columbia students were “taking turns” hunger striking to allow time to grab a snack. The university actually put medical personnel on site.⁴⁹⁰ Including a shrink?
- A survey of 4,410 faculty members at Yale showed that three donated to a Republican candidate during the 2016 primaries.⁴⁹¹

“We lament political correctness and Stalinism on campuses, but the real crime is the ignorance that empowers it.”

~Victor Davis Hanson, the *National Review*

- An Oxford University student who stabbed her boyfriend (probably ex-boyfriend) was spared a jail sentence because the judge appreciated her “extraordinary talent” and said that a prison sentence would damage her career, as she aspires to be a heart surgeon.⁴⁹² The judge was apparently impressed by her advanced scalpel technique. I hope they did a psyche consult on her.
- In what is called “vicarious trauma,” students at the University of Chicago are demanding reparations for slavery, calling capitalism a “monstrosity.”⁴⁹³
- Three members of the “College Republicans” at Cal State—all three of them—have been sued by the “California College Democrats” for opposing increased car and gas taxes.⁴⁹⁴
- A University of Georgia professor adopted a “stress reduction policy” allowing emotionally brittle students to select their own grades if they felt “unduly stressed.” For in-class presentations, he allows “only positive comments.” The administration encouraged him to rethink that one.⁴⁹⁵ Maybe he can give himself tenure or possibly even a few research grants.

“Everybody is afraid of the students. The students are afraid of the students. The faculty are afraid of the students.”

~Jonathan Haidt, NYU

- A professor at City University of New York lamented academia’s support for “standard American English” as part of his “battle against linguistic racism.”⁴⁹⁶
- An assistant professor of philosophy at Rhodes College was bullied by her peers for a paper titled “In Defense of Transracialism.”⁴⁹⁷ The left is eating its own.
- An academic article on colonialism was pulled by the journal editor owing to death threats.⁴⁹⁸
- A banana peel spotted in a tree caused the cancellation of a mixed-race fraternity–sorority retreat.⁴⁹⁹ A student finally confessed under intense questioning: “I didn’t see a trash can.”
- Ohio State offered a safe space for the Trump inauguration.⁵⁰⁰ Try the library.

“They want a campus where everybody looks different but thinks alike. That is their definition of diversity.”

~*Vanity Fair*

- Conservative students appear to be transferring out of St. Olaf College for safety reasons.⁵⁰¹
- Students sued a college for not shutting down sexist Yik Yak posts.⁵⁰²
- A girl at Scripps College posted a photo with Mike Pence on Facebook. Very cool—a bucket list moment—until the “tyranny of public opinion” from students and faculty commenced.⁵⁰³ I mean, seriously: STFU.
- The University of Southern Maine offers courses in “social justice” to raise the school’s lowly 13 percent four-year graduation rate.⁵⁰⁴ Why not some remedial work on, oh, I don’t know, chemistry?

“It is past time for the racially oppressed to do what people who believe themselves to be ‘white’ will not do, put end to the vectors of their destructive mythology of whiteness and their white supremacy system. #LetThemFuckingDie.”

~ Johnny Eric Williams, professor at Trinity College

Let me make a brief comment about professors getting fired for, not the total detritus in the above quote, but a mere slip-up in the classroom. It is *very* difficult to get fired as a tenured professor. A woman writing wretched anti-Semitic posts only got fired on a technicality by failing to cooperate with an investigation. The so-called “professor” in many stories is often a lecturer. Lecturers get totally abused in many schools. They are as disposable as diapers, and there are more than you can imagine (like diapers). The average lecturer makes \$1,000 per *credit* hour (higher in affluent schools).⁵⁰⁵ Teaching 15 credit hours per semester—a superhuman feat—affords the tidy annual salary of \$30,000. Now add to that hyper job risk. Driving for Uber has its appeal. One can understand the angry outbursts in class.

“You are a taxpayer-funded school, and the taxpayers expect you to provide an environment of education, not a dystopia of indoctrination.”

~Washington State representative to Evergreen State College

I would like to compare two seemingly related campus events. Evergreen State College, located near Mount Olympus, Washington, is a picturesque campus that is progressive by design. Its annual “Day Of Absence” celebrated by students of color involves voluntarily skipping classes to participate in off-campus discussions about race and equality.⁵⁰⁶ The faculty recognize its merits and make provisions accordingly. It was decided this year that white students should abstain from class instead, prompting an email from Professor Bret Weinstein (no relation to Harvey) suggesting that you cannot mandate *other* students’ actions.

Oh dear. Chaos in 3...2...1... The college president, George Bridges, lacked the skills to do his job and suffered humiliation at the hands of progressives. The students metaphorically ball-gagged him and wrote slogans on his forehead with lipstick. Bridges had a history of being a dipstick when he denounced the University of Chicago's endorsement of free speech in 2016. The campus descended from protest into total anarchy, with marauding bands of social justice warriors who are comically unscary, although the bats would leave bruise or two (Figure 53).



Figure 53. Bat-wielding social justice warriors.

The aftermath leaves us with Bret Weinstein, shown by a great interview with Joe Rogan to be thoughtful, articulate, decidedly less progressive than a month earlier, and probably looking for a change in scenery. Bret sued Evergreen for \$3.8 million and settled for \$500,000.⁵⁰⁷ State of Washington lawmakers have proposed legislation to revoke Evergreen's public funding,⁵⁰⁸ calling the students an "embarrassment." With a 97 percent admissions rate,⁵⁰⁹ a drop in applicants of more than 3 percent will send Evergreen hurtling toward insolvency even without a push from the state. The nagging question is where else can a student go to take a course in "Gastropoetics?"⁵¹⁰ The Evergreen president is being courted by McDonald's Hamburger University for an entry-level position.

Now we head to the equally picturesque campus of Middlebury College, which is by no measure a safety school (at least not yet). Allison Stanger, a self-professed liberal with an open mind, invited well-known conservative Charles Murray to speak. Protests canceled the talk, and then activists got violent in the parking lot. Both Stanger and Murray wrote of the harrowing ordeal.^{511,512}

“It was clear to me that they had effectively dehumanized me.”

~Allison Stanger, professor of international politics and economics at Middlebury College

“A campus where a majority of students are fearful to speak openly because they know a minority will jump on them is no longer an intellectually free campus in any meaningful sense. . . . If faculty members routinely condemn intellectual thuggery, the majority of students who also oppose it will feel entitled to say ‘sit down and shut up, we want to hear what he has to say’ when protesters try to shut down intellectual exchange. My best guess is that Middlebury’s response will fall short of what I think is needed: A forceful statement to students that breaking the code of conduct is too costly to repeat.”

~Charles Murray, libertarian author

Here is where I veer from the predicted plotline. The protesters were a funny mix of hipsters toting high SAT scores too busy getting validated to have a clue, accompanied by an oddly different group who looked like their studying days were in the rearview mirror (Figure 54). My suspicion is that the latter were Antifa fighters brought in from the outside world. That is not to let Middlebury totally off the hook, however. Dozens of Middlebury professors signed a letter protesting Murray’s impending visit. They wrote, “To introduce him—even to critique his arguments—only lends legitimacy to his ideas as worth engaging with.” The echo chamber is alive and well. However, an equal number condemned the students’ behavior and supported free speech. Middlebury subsequently stood up strongly in support of its right to deny right-wing speakers access to campus.⁵¹³ Nice job, guys. I think Murray would say that is “falling short of what is needed.”



Figure 54. Middlebury student protesters and “student” protesters.

“Men need to feel a cold spike of fear when they begin a sexual encounter.”

~Ezra Klein, editor of Vox, on California’s “affirmative consent” law

Title IX, the U.S. Department of Education’s mandate that universities get tough on sexual misconduct, is a hot topic that got hotter with Trump’s appointment of Betsy DeVos to run the department. *Nobody would argue with the goal of Title IX: it is a truism of a civilized society that violence of all kinds should be opposed.* However, the marching orders and latitude coming from Obama’s “Dear Colleague” letters sent to universities has created a toxic waste dump of conflicts.⁵¹⁴ Schools have taken the position that their success at opposing sexual violence is not measured by their lofty convictions but by a lofty *number* of convictions. The debate is whether attempts to push back against sexual assault justify abrogation of any semblance of due process beyond a simple coin toss (or worse).

Ideally, university Title IX offices would be staffed with highly competent people trying to find the Wisdom of Solomon while wading through a heap of he said—she said battles. How many instances of sexual misconduct leave a clean paper trail and hard data? Not many. It is a wretched task that, unsurprisingly, attracts people who have a passion for the subject—an agenda if you will—that might be blinding at times. I’m guessing that headlines about Title IX coordinators going rogue bely a mountain of successful and utterly rational investigations and due processes, but the headlines paint a disturbing picture nonetheless.

“When I . . . finished reading all the briefs in this case, my comment was, ‘Where’s the kangaroo?’”

~Judge speaking to a University of California Title IX lawyer

Dozens of Title IX convictions are being reversed in courts; it is now said to be the *majority*.⁵¹⁵ The reversals are not so much about whether the sexual misconduct occurred—so often nobody has the foggiest idea—but whether the college provided minimum acceptable due process. Some cases that seem clear on casual inspection are not. I always presumed, for example, that Emma Sulkowicz—Mattress Girl—at Columbia University felt betrayed by the absence of convincing evidence. She toted a mattress around campus for a year to wide acclaim by many. Maybe so, but Ann Coulter wrote a scathing indictment of Emma, providing gory details of the case that, if correct, show Emma to be a seriously disturbed person.⁵¹⁶ According to the *Columbia Spectator*, Columbia settled a lawsuit with the accused (Paul Nungesser) and “reaffirmed that Columbia’s investigation had found Nungesser not responsible and expressed regret that his time after the investigation was ‘very difficult for him and not what Columbia would want any of its students to experience.’”

“Judge: If everybody on this campus who takes a drink of alcohol and kisses their boyfriend or girlfriend, is that nonconsensual?”

University administrator: Potentially, yes.

University administrators have highly varying skills in resolving disputes that arguably are better resolved in courts, and this variation is exacerbated by the mandated criteria and protocols for sexual misconduct hearings. The implementation of these protocols also varies wildly, but the accused is not guaranteed the right to be represented by legal counsel, compel the production of evidence through a “discovery” process, review all *existing* evidence, obtain a statement of the allegations made by the accuser in advance of a hearing, cross-examine the accuser, or even be guaranteed an unbiased equivalent of a judge.⁵¹⁷ In short, the accused lacks the basic foundational rights and protections long established in civil courts that use the preponderance of the evidence standard. (My department’s process for challenging a kid for shaving three points from a test is *far* more rigorous.) A university lawyer told me that Title IX *requires* decisions that cannot hold up in a court of law.

Casual sex with two consenting students lubricated by equivalent levels of intoxicants—in some cases *any* intoxicants whatsoever—is understood to invalidate female consent while removing no responsibility from the male.⁵¹⁸ One of the nasty little secrets is that minority students appear to take the brunt of the accusations, which *should* put progressives in a particularly awkward bind.⁵¹⁹ One Title IX coordinator testified that “sexual assault occurs whenever a woman has consensual sex with a man and regrets it because she had internal reservations.” That coordinator is a menace.

“One rape is one too many, one assault is one too many, one aggressive act of harassment is one too many. One person denied due process is one too many.”

~Betsy DeVos, Secretary of Education

“A system without due process ultimately serves no one in the end.”

~Betsy DeVos

As crazy as campuses have gotten, there will be pushback—a regression to normalcy—and optimists see it already. Activists hate Betsy DeVos, but I see nothing to dislike. Noting excessive “intimidation and coercion,” she is promising to elevate the currently dismal standards of due process.⁵²⁰ Georgia is trying to push sexual misconduct cases into the court system, but there will always be a gray area that schools must wrestle with. Four self-identified feminist Harvard law professors asked the Department of Education to bestow “fairness for all students under Title IX.”⁵²¹ I do have one bit of advice: if you are a college student in a bar and a guy named John Doe or a woman named Jane Roe approaches you, run for your life. Nothing good will come of it.

“The real question isn’t whether free speech is under threat in the United States, but rather, whether it’s irretrievably lost.”

~Pamela Geller, conservative blogger

“Here we’re going to disagree, and I know we’re going to disagree. As soon as you start suppressing speech, you open the question of who gets to decide . . . and we know, historically, that never goes well.”

~Martha Pollack, president of Cornell University, to an activist said to be Kevin Hines (remember that name)

Tennessee is looking to ban campus “free speech zones,” presumably because they suggest that the remainder of the campus does not allow free speech.⁵²² Texas, Arizona, and even *California* are working on laws to mandate free speech on campuses,⁵²³ although I thought we resolved that about 250 years ago. Some legislatures want to ban classes on social justice.⁵²⁴ I get it, but I would rather let schools sort through their merits. Claremont McKenna College suspended five students who led attempts to shut down a college-sponsored lecture by Heather Mac Donald, the pro-police conservative commentator.⁵²⁵ The new message: speak freely, but don’t prevent others from speaking freely. Heterodox Academy is a growing group of tenured professors (probably more than 1,000 now) that supports the principles of free speech.⁵²⁶ I am a proud member.

“My advice to progressives like myself, and this is advice I give my own daughters who are about to head off to college, is don’t go around just looking for insults.”

~Barack Obama

Even the students are showing flickering neural activity. A Marxist student group at Swarthmore College disbanded earlier this year after “realizing that its members were too rich and too white to be real commies.”⁵²⁷ Democrats are worried that the generation replacing their millennial allies on college campuses are libertarian, approximating moderate Republicans.⁵²⁸ Freshmen at the profoundly progressive Reed College showed some genitalia by telling upperclassman who were attacking the humanities professors—the *humanists* for Christ’s sake—to shut the hell up.⁵²⁹

In a stunning display of pushback, Lindsay Shepherd of Wilfrid Laurier University was dragged in front of a tribunal of three faculty that drilled her with repugnant new-era fin-slapping doublespeak for presenting controversial ideas to her class on “critical thinking.” She taped it.⁵³⁰ The backlash was immediate and broadly based. The apologies from the participants and the university were pathetic. It is one of those must-listen moments. In contrast to the pathetic faculty, Shepherd

was a rock star. The affair prompted me to watch an excellent discussion by Jordan Peterson, Shepherd, and a number of transsexuals on the issues underlying transgenderism that left all who listened better off.⁵³¹

“As a university professor, I’m not sure I have any support at all for safe space. I think that you as a student have to develop the skills to be successful in this world and that we need to provide you with the opportunity for discourse and debate and dialogue and academic inquiry”

~Rita Cheng, president of Northern Arizona University

“Incoming students were young and unruly, so confident in their own abilities that they did not apply the requisite level of effort in class. So universities instituted hazing requirements; before their education could begin, new students needed to complete humiliating tasks in order to be purged of their pride, gluttony, and other sins. . . . [T]he students were beaten and humiliated.”

~15th-century Europe

Sometimes the pressure comes from the outside. Dartmouth activists recommended a flag-burning day. Rolling Thunder, a veteran biker group, showed up to defend the flag.⁵³² The students decided to make some of those “vomit omelets” that put Dartmouth on the map⁵³ and head off to the library.

“The dangers of curbs to free speech depends on how powerful the transmission belt is between academia and the rest of the country.”

~Heather Mac Donald, Manhattan Institute

I recommend that those who clash with campus activists contact an organization called the Foundation for Individual Rights in Education, or FIRE; it will defend you for free and will do so vigorously.⁵³⁴ And universities are acutely aware of their FIRE ratings. I listen to enough talk radio to know that getting help early is always advisable, and I did. Writers who fight for the ideals of free speech and due process include Laura Kipnis, Ashe Schow, K. C. Johnson, William Jacobson, Emily Yoffe, Cathy Young, Jonathan Haidt, and Lauren Southern.

“American universities these days seem committed to every kind of diversity except for intellectual diversity. . . . Conservative voices and views, already a besieged minority, are being silenced entirely. . . . Freedom of speech and thought is not just warm fuzzy ideas that we find comfortable . . . it’s for ideas that we find offensive. There is an anti-intellectualism on the left . . . an attitude of self-righteousness that says we are so pure, so morally superior, we cannot bear to hear an idea with which we disagree.”

~Fareed Zakaria, CNN host

Unionization: Collum versus the American Federation of Teachers

“A lack of self-reflection seems to be endemic among the campus crazy crowd.”

~Ashe Schow, senior political columnist for the New York Observer

There is a wave of graduate student unionization movements crossing the nation. The stakes are high: each unionized graduate program will provide an *annual* annuity exceeding \$1 million in dues to the national union in perpetuity—potentially over \$200 million per year in all. I have numerous problems with the efficacy and influence of a graduate student union—huge heterogeneity of the departments, for example—but that “in perpetuity” part is at the top of the list. It is an irreversible experiment.

A dozen years ago the United Auto Workers showed up at Cornell. Our pro-labor, world-renowned School of Industrial and Labor Relations provided the perfect staging and boots on the ground. I was quite active, but it was the free and open debate of the issues that led to a resounding 2:1 defeat of the United Auto Workers.

About three years ago, the American Federation of Teachers (AFT) showed up, hoping to exploit its friendlier name and the decidedly left-wing shift of campus politics. A multimillion-dollar, three-year effort was launched to grab that annuity. An anti-union group, cofounded by one of *my* graduate students—what are the odds, eh?—prepared for more free and open debate. The union’s tactics were brilliant: they *refused* all open debate, instead relying on their worker bees disseminating information of questionable merit behind closed doors. An early email I sent to colleagues to generate awareness fell on deaf ears: we *were* in a different era. AFT filed its first formal complaint about me. Days before the union vote, when all looked hopeless to me, I sent another email:

“Although we must be circumspect in communications with students, I can be brutally blunt with you: I believe it will be a disaster in the long run if unionization occurs—an existential risk to Cornell’s graduate program.”

~David Collum, email to approximately 200 chairs and department heads

The AFT got mad again, filed another complaint, and posted my email on social media.⁵³⁵ That was their first tactical mistake. The *Cornell Daily Sun* wrote a highly critical article about me.⁵³⁶

"Professor Publishes Anti-Union Email Days Before Election"

~Headline, *Cornell Daily Sun*

Seemed a little odd: AFT organizers published the email, not me. In the final line of the unflattering article, I was quoted as saying, “I’m not done,” and I wasn’t. The National Labor Relations Board ruled that I was within the rules. The *Sun* article led to a friendly and thorough interview by the right-wing *Cornell Review*, founded by Ann Coulter, that racked up a significant click count.⁵³⁷ The president of AFT, with the support of the sniveling, vote-mongering Senator Chuck Schumer, gave a rallying speech the day before the vote with a telling finish.⁵³⁸

“[This is] the only political piece I’ll say today. I am really offended that somebody who has a lot of power, and who has tenure and who has voice, would actually say in a university that has an ILR school here, that having real labor relations is an existential threat.”

~Randi Weingarten, president of the American Federation of Teachers

Had defeat been snatched from the jaws of victory? The issues must have been hotly debated in those last few days, because the turnout at the polls was a credible 70+ percent. The union was defeated by a remarkably narrow margin of 60 votes (of 2,300 eligible voters). There was some post-defeat wound-licking by the union,⁵³⁹ criticism of Cornell’s dean of the graduate school (Barbara Knuth),⁵⁴⁰ grouching about the unfortunate role of the AFT,⁵⁴¹ and generalized finger-pointing. I mentioned to a high-ranking administrator that Knuth and I were the Sith Lords, to which he responded, “You are the darkest of Dark Lords.”

dox (verb): search for and publish private or identifying information about (a particular individual) on the Internet, typically with malicious intent.

While basking in the tranquility of civilian life, I was hit without warning by a scathing indictment of my suitability to be a department chair by another smear in

the *Cornell Daily Sun*. The piece was authored by the following graduate students, which I refer to as the Cornell Seven:⁵⁴²

Kevin Hines, Robert Escriva, Ethan Susca
Mel White, Rose Agger, Kolbeinn Karlsson, Jane
Glaubman

All were active, pro-union soldiers, struck with a sudden burst of self-righteousness. They went through my *Year in Review* writings and Twitter feed, cherry-picked some choice clauses, added their own special kind of sleazebaggage, and jammed them right up my ass. My favorite was a roofie joke to a friend heading to Vegas (an allusion to the movie *Hangover*) that was spun as “promoting rape.” Hmm. A little humorless, are we? Well, it was serious enough that I lawyered up with the help of FIRE.⁵⁴³

“I don’t even need to come up with a comeback. Really takes the pressure off.”

~Chrissy Teigen, supermodel

The following Monday, a co-worker in the Cornell Law School, William Jacobson of *Legal Insurrection* fame,⁵⁴⁴ wrote a rebuttal—with the skill you would expect from a Cornell law professor—calling for an apology to me (Figure 55). I wrote an email to my entire department (staff, students, faculty) that was also posted publically.⁵⁴⁵ The union quickly distanced itself from the Cornell Seven, denying that the letter was unvarnished retribution.⁵⁴⁶ The tide had turned. Jacobson was interviewed repeatedly as the story moved from the blogs up the food chain—*ZeroHedge*,⁵⁴⁷ Glenn Reynolds at *Instapundit*,⁵⁴⁸ and *RedState*,⁵⁴⁹ and eventually Ashe Schow at *The Federalist*,⁵⁵⁰ and the *Lars Larson Show*.⁵⁵¹ No Tucker Carlson? My bucket list remains unfinished. The plot: world-renowned chemist—I like that part—and conservative professor had been reamed out by lefties in retribution. *RedState* referred to them as going “full Alinsky” in reference to militant activist and mentor of Hillary Clinton, Saul Alinsky.

“Prof. Collum has been widely criticized by union supporters for opposing the union drive. The letter appears to be payback.”



| Letter to the Editor: Prof. Collum, Chemistry, is owed an apology and a retraction

Figure 55. Rebuttal by Professor William Jacobson (*Legal Insurrection*).

“It’s not a conservative versus a liberal issue. The attacks made against Collum were devoid of any verifiable fact and instead relied on out of context tweets and a thinly-veiled grudge over grad student unionization.”

~Joe Cunningham, *RedState*

I have some final thoughts. There were some tough days, but support by colleagues, students, and administrators at Cornell warmed my heart. One could chalk the Cornell Seven’s bad behavior to youthful indiscretion, but their average age is likely to be in the high 20s if not older. These loons ensured that I would never be a dean, provost, or president. For that, I am thankful. I do believe, however, that they did some damage. Like so many from the left these days, they like to throw punches and assume there will be no retribution because they have some moral high ground. They seemed clueless that, had they really put me on the ropes, my defense would have involved inflicting unimaginable pain to them through the legal system. They would have been digging out for the last 10 years of their PhD programs.

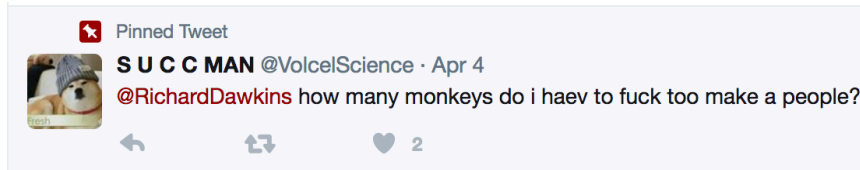
“Life offers no emotionally safe spaces—statements to the contrary are a crock—but you can take actions to optimize the world around you. The adults on campus are poised and anxious to help.”

~David Collum, email to my department

“To paraphrase Raymond J. Donovan after his acquittal on fraud charges, to what department does Professor David B. Collum go to get his reputation back?”

~William Jacobson (@LegInsurrection), professor of law, Cornell University

I suspect I would not like the Cornell Seven very much. Jane Glaubman calls herself Jane Glaubperson on Facebook. Let me Collumsplain something: that is just sooo clever, but Glaubag has a nice ring too. And then there is Kevin Hines. You, Kevin, are a serious piece of work. Three independent sources concluded that you know the anonymous tweeter @VoicelScience aka “S U C C MAN” really well. While you attack me for *my* Twitter feed, that S U C C MAN guy had pinned the following tweet:



That is some serious darkness. I'd love for S U C C MAN to explain what this means.

Many of the Cornell Seven are in fields with tight job markets. Important things will be done in their fields, but they won't amount to squat if they don't grow brain stems. You might ask why I listed their names. I will let Glenn Reynolds of *Instapundit* fame answer that question:

“As somebody once pointed out, SJWs always lie. I'm glad [Jacobson] used all their names, so that they'll show up in search engines. I can't imagine that their role in launching false attacks against a famed chemistry professor will help their job prospects. Nor should it.”

~Glenn Reynolds, *Instapundit*

Political Scandals

“Of course, the deep state exists. There's a permanent state of massive bureaucracies that do whatever they want.”

~Newt Gingrich, former speaker of the U.S. House of Representatives

I have notes that are uniformly left-wing scandals owing to my right-leaning bias and the utter failure of the republicans to field a team this year. Who cares about Lindsey Graham or John McCain? (There was, however, a GOP candidate for Congress who claims she had been abducted by aliens.)⁵⁵² The Republican National Committee was white noise. The section on Trump catches some tomfoolery, but bashing Trump may be the fastest growing sport in America; it's a crowded field. The scandals herein are Democratic with apologies for the lopsidedness.

“The ‘Overton window’ is an approach to identifying which ideas define the domain of acceptability within a democracy’s possible governmental policies. . . . Proponents of current policies, or similar ones, within the window seek to convince people that policies outside it should be deemed unacceptable.”⁵⁵³

The window has been thrown wide open now. Starting easy with some little stuff, Maxine Waters bought a \$4.3 million mansion after 40 years of government work.⁵⁵⁴ Susan Rice is said to have a \$50 million net worth as a civil servant with a salary of \$172,000.⁵⁵⁵ Nancy Pelosi has a \$196 million net worth on a senator’s salary of \$193,000.⁵⁵⁶ FBI honcho Robert Mueller (see “Russiagate”) has money in hedge funds with \$10 million minima (including a Soros-affiliated fund),⁵⁵⁷ which suggests that the FBI pays well. In an illustration of soft corruption that every ex-president enjoys, the Obamas got a \$60 million book contract.⁵⁵⁸ Must be some high margins in that industry because the top-selling books only move 1–2 million copies.⁵⁵⁹ Even at the state level, NY governor Andrew Cuomo made almost a cool million selling 3,200 copies of a book.⁵⁶⁰ The \$200 million Clinton empire (*vide infra*) certainly didn’t come from bake sales. One federal prosecutor looking into Democratic National Committee (DNC) corruption was found dead on a Miami beach from blunt trauma, which has a chilling effect on such investigations.⁵⁶¹ Unfortunately, there were even lower watermarks in 2017.

One of the most interesting scandals involved three Pakistani family members—Imran Awan et al.—who’d been handling the most intimate details of 31 Congressional IT servers for 13 years.⁵⁶² I don’t think it’s xenophobic to question the judgment of the HR department. The Awans were put on administrative leave while trouble was brewing. Meanwhile, Debbie Wasserman Schultz kept them on the payroll—\$6 million collectively.⁵⁶³ In what some think was an intentional lapse,⁵⁶⁴ Imran “lost” a server that was found by a U.S. marine. Congressional security refused to give the server back to Wasserman Schultz, who put on a garish display of sleaze combined with panic, proclaiming, “There will be consequences.”⁵⁶⁵ Yes, Debbie, you are being set up for a prison term or a late-night romp on a beach in Miami.

Imran put his real estate up for sale, including “motivated seller” in the listing.⁵⁶⁶ The Awans went with plan B instead: Imran’s brother bought the house with only a 5% down payment, a particularly good deal if you’re fleeing the country anyway. By the time the Awans were indicted, they had liquidated well over \$2 million in U.S.-backed assets and property, as much as \$800,000 of which they got *after* Imran’s arrest.⁵⁶⁷ Hold that thought.

The wife left for Pakistan with some serious cash. Weeks later, Imran wiped his phone clean (with a cloth) and headed for Dulles Airport with \$283,000 but got caught.⁵⁶⁸ He lawyered up with help from connections to the Clintons⁵⁶⁹—you read that right—and is currently locked up. When the Clintons help you post bail, ya gotta wonder if the Clinton Body Count (*vide infra*) is about to grow. Of course, Wasserman Schultz is blaming the brouhaha on “Islamophobia.”

“I was presented with no evidence of anything that they were being investigated for. And so that, in me, gave me great concern that his due process rights were being violated. That there were racial and ethnic profiling concerns that I had.”

~Debbie Wasserman Schultz, U.S. representative from Florida, on the arrest of Imran Awan

It gets darker. Federal agents said that, preceding his arrest, Imran acted like a man who'd been tipped off.⁵⁷⁰ The arrest of Imran's wife was purportedly *blocked* by then FBI director James Comey and then deputy director Andrew McCabe.⁵⁷¹ (Oddly enough, the Clinton Foundation donated \$700,000 to help McCabe's wife launch a political career.)⁵⁷² One FBI insider muttered, “When you have a guy's wife locked up and you're looking at the husband, you have leverage to get him to cooperate. This is really great leverage, and it wasn't even put into play.”⁵⁷³ In any event, her escape to Pakistan miraculously sidestepped the FBI at Dulles International.⁵⁷⁴ Last I heard, she was back in the states, presumably to testify under a protective immunity deal.⁵⁷⁵ Imran is also being accused of sexual assault for laughs. Maybe this story won't just go away. Nah. Of course it will.

“The Awan story is—at the very least—a tale of massive government incompetence that seemingly allowed a family of accused swindlers to bilk federal taxpayers out of millions and even put national secrets at risk.”

~Kimberley Strassel, *Wall Street Journal*

One of the most disturbing scandals that permeates so many stories now is the rot within the FBI. 2016 witnessed the fix in which Comey let Hillary off the hook on the emails. New Freedom of Information Act requests show that the tarmac meeting between Loretta Lynch and Bill Clinton was well known within the FBI, although everyone there fibbed about this.⁵⁷⁶ The letter exonerating Hillary was also drafted months before 16 witnesses were interviewed and immunity was given to key people.⁵⁷⁷ Comey testified under oath that the decision was not made in advance. The perjury was safe, of course, because soon Hillary would be president. I have reason to believe ('nuff said) that rank and file agents would like to see the top dogs at the bureau go to prison.

“I can state w/confidence that many intel members now decrying ‘leaks’ of classified info have themselves ‘leaked’ classified info knowingly.”

~Carl Bernstein, investigative journalist of Watergate fame

The leaks from the White House were legendary. The root cause—one of the many root causes—was a decision made by Obama with 16 days left in office that allowed the National Security Agency (NSA) to distribute its cache of dirt to

16 other agencies,⁵⁷⁸ opening the floodgates of classified information to loose-lipped bureaucrats looking for ships to sink. A 25-year-old federal contractor is facing charges for leaking a classified NSA document to a news outlet in May.⁵⁷⁹ Her name is, no kidding, Reality Leigh Winner. She's said to be a few marbles short, threatening to "burn down the White House" and having "pledged her allegiance to the Taliban."⁵⁸⁰ How someone clinging to reality by a thread obtained top secret information has yet to be revealed. It is nearly impossible to keep the other leakers straight. National security adviser and Obama holdover Susan Rice leaked a bunch of stuff.⁵⁸¹ She was also the one who shopped the Benghazi cover-up to the media.⁵⁸² When confronted, she declared, "I leaked nothing to nobody," either masterfully playing a double negative or still working on that grammar thingie.⁵⁸³ She also released names ("unmasked") a bunch of Trump associates who were "incidentally" spied on during the campaign, a story that was kept under wraps until putative alt-righter Mike Cernovich outed her,⁵⁸⁴ which prompted Bloomberg to report the leak after parking on the story. In one of those odd coincidences, *60 Minutes* did a hit job on Cernovich—an easy target—calling him "fake news" a few days before the Susan Rice scandal broke. I got in trouble for backing Cernovich (see "Unions"). CNN boycotted the Susan Rice story:

"On this program tonight, we will not insult your intelligence . . . nor will we aid and abet the people trying to misinform you, the American people, by creating a diversion."

~CNN, the biggest sack of garbage in journalism, doing all of the above.

Who is vying to be the next scandalous president? I cannot name any republicans; they all seem so uncompetitive. Of course, there are the obvious Democrats: Hillary Clinton and Elizabeth Warren. The toxicity of a Hillary run has Democratic strategists in a panic. Warren has a few dings but will be a strong front-runner. I betcha New York prosecutor Preet Bharara has his eye on prize: he talked tough on Wall Street without getting enough convictions to piss them off. I'm seeing Congresswoman Tulsi Gabbard, a military veteran, making the right moves. She has introduced a bill to stop arming terrorists.⁵⁸⁵ we needed *that?* Gabbard opposes our efforts in Syria (check)⁵⁸⁶ and doubts the data hanging chemical attacks on Assad (check).⁵⁸⁷ Also, liberal leaders seem to oppose her (check).⁵⁸⁸ Michelle Obama is being drafted in the first round. She looks undented by 8 years in the White House, although dynastic presidencies may be on the decline. Last and certainly least is "Gropin' Joe" Biden. Biden is not only said by secret service agents to require special handling to keep him away from the "wives and children,"⁵⁸⁹ but there is also video footage of the perv—lots of it.⁵⁹⁰ I'm sure he'll get moral support, at least from Harvey.

Dark horse candidates include Dwayne "The Rock" Johnson, Oprah Winfrey, and Mark Zuckerberg. The Zuckster is making pathetically awkward moves, inviting himself to dinners with rural folks for surreal photo ops, milking babies, kissing

farm animals, denouncing his former atheism,⁵⁹¹ and giving \$3 million to help fight San Francisco's housing problem.⁵⁹² (That's *one* bungalow, Mark.) Zuck has, however, hired Hillary's campaign strategist.⁵⁹³ As to his campaign slogans, I keep wondering what rhymes with "Zuck."

MSNBC: "Do you have any concerns about the DNC's involvement in the primary in 2016?"

Chuck Schumer: "I didn't follow it."⁵⁹⁴

I'll do a little cleanup on the national scene before hitting local politics. Lois Lerner will *not* be prosecuted for using the IRS to target right-wing organizations.⁵⁹⁵ She must know where the bodies are buried. Twenty-eight pages of classified documents were released and showed that the Saudis were behind 9/11.⁵⁹⁶ There's a news flash. Bush Jr. flew Saudi royals home right after the towers fell in our hastily assembled terrorist-for-oil program.⁵⁹⁷ Former U.S. senator Jon Corzine was fined \$5 million for his antics at MF Global.⁵⁹⁸ That's interest on the interest of the money he rehypothecated. A judge dismissed a class action suit alleging DNC bias in the primaries, declaring that it's not the court's problem (true according to the law).⁵⁹⁹ Congress got metaphorically "busted!" when it was outed as a "small business" to avoid Obamacare and for using a taxpayer-funded slush fund to pay civil damages for their multiple sexual misconducts.⁶⁰⁰ Fighting my professional biases favoring "chemical" castration for the whole lot of them, I vote for a dull butter knife.

And now for some state and local news. Vermont is claiming fraud against economist Jonathan Gruber, the guy who pumped the numbers to make Obamacare look good. Vermont had paid Gruber \$400,000 for his advice.⁶⁰¹ Chicago mayor and former Clinton hack Rahm Emanuel took 500 contributions at more than \$5,000 a pop over two years; 70 percent were explicitly tied to lucrative contracts.⁶⁰² Ray Nagin, former mayor of New Orleans, got 10 years in the hoosegow for not knowing or bribing the right people.⁶⁰³

"In politics nothing happens by accident. If it happens, you can bet it was planned that way."

~Franklin D. Roosevelt

The Clintons

"When you lose to somebody who has 40 percent popularity, you don't blame other things—Comey, Russia—you blame yourself."

~Chuck Schumer, U.S. senator from New York

“None of this is good for the party. It’s the Hillary Show, 100 percent. A lot of us are scratching our heads and wondering what she’s trying to do. It’s certainly not helpful.”

~Hillary fund-raiser

I swore I would never do this again, but here I am writing about these two (three) grifters because, to put it bluntly, they refuse to get on that damned boat with Frodo. They get cameos in “Political Scandals” and “Russiagate.” In this section, I do a post-election wrap-up.

“[The Clintons] were to soft corruption in politics what Henry Ford was to automobile production.”

~Jesse’s Café Américain

The Clinton Foundation and the Clinton Global Initiative continue doing God’s work to make the world a better place. Just kidding. These two organizations established to launder money to friends and family began wrapping up operations immediately after the election.⁶⁰⁴ Layoffs were announced.⁶⁰⁵ Only a skeleton crew remained to carry the last few suitcases of money off to some tropical island. Clinton’s son-in-law closed his hedge fund.⁶⁰⁶ There was no more influence to sell. The only one standing is Chelsea, but I’ve gotten ahead of myself.

In support of democracy, Hillary wished The Donald well and quietly began turning her fame toward public service. I lied again. She burst into blames giving speeches whining about who caused her stunning defeat, always leaving one conspicuous name off the list.⁶⁰⁷ She wrote a book, *What Happened*, which I devoured (not), explaining in detail—naming names—who blew it, again forgetting a conspicuous name. Amazon had to help her, first with a 40 percent discount *before* it was released⁶⁰⁸ and then by canceling all the negative reviews that, admittedly, were hateful people who likely didn’t read it.⁶⁰⁹ With a few keystrokes, Mr. Bezos morphed the book into a highly regarded historical treatise. The *Onion* suggested the sequel *Also What Happened*.

“The best thing she could do is disappear. . . . She’s doing harm to all of us because of her own selfishness. Honestly, I wish she’d just shut the f*** up and go away.”

~Another Hillary fund-raiser

To even the untrained eye, the DNC was beside itself trying to get her toxicity off the public stage to rebuild the party. (If they figure that out, the Republicans need to take detailed notes.) Although awareness of sexual assault heightened this year, one can’t help but wonder whether the beatings finally put on Bill for his misbehavior aren’t part of the DNC’s efforts to purge Clinton rot.

“In loving memory of . . . my DNC colleague and patriot, Seth Rich.”

~Donna Brazile, political strategist, from the acknowledgments in her book

Of course, the Clinton scandals don't just go away, and there are messes to clean up. The Clinton body count inched upward this year.⁶¹⁰ For those unfamiliar with this Alex Jones–ready stat, it is a list of people—well over 100—who have a non-zero percent chance of having met their maker at the hands of Clinton operatives. The list is undoubtedly way longer than the real count, which is probably not zero. One intrepid statistician estimated that those within political reach of the Clintons are 1,473 times more likely than the national average to commit suicide.⁶¹¹ Some of the cadavers seem like “long shots,” whereas others are disturbing. Topping the list, of course, is Vince Foster.⁶¹² This year, Haitian government official Klaus Eberwein got suicided days before testifying before an anti-corruption commission examining the Clinton Foundation's role in Haiti.⁶¹³ He had said his life was in danger. Eberwein was going on record to state that a paltry 0.6 percent of donations to the Clinton Foundation targeted for Haitian relief made it to Haiti. That same week, a GOP strategist from Chicago, Peter Smith, who was on the trail of Hillary's emails, decided he should kill himself instead of meeting with a *Wall Street Journal* reporter.⁶¹⁴ Friends called foul.⁶¹⁵ A Chicago boy swimmin' wid da fishes? Clinton crony Rahm Emanuel had no comment. Charles Ortel had spoken with Smith right before Smith slipped on a bar of soap and noted, “I certainly didn't leave that phone call saying, ‘Oh shit, the guy's at the end of his rope.’”⁶¹⁵ As I am putting the 2017 beast to rest, a surgeon scheduled to testify against the Clinton Foundation for its deplorable performance in Haiti decided to, instead, stab himself in the chest with a scalpal.⁶¹⁶ I'm sensing a pattern.

“It is particularly troubling and puzzling that [Donna Brazile] would seemingly buy into false Russian-fueled propaganda.”

~Clinton campaign staffers^{626b}

The body count conspiracy, which I happen to believe with appropriate statistical weightings, got a “shot in the arm” when Donna Brazile, former head of the DNC, thanked Seth Rich as a “colleague and patriot” in her tell-all book. In the book and in a revealing article and interviews,^{617,618} Brazile has mentioned that Seth Rich's death scared the hell out of her, prompting her to take defensive measures that included closing her curtains.⁶¹⁹ She also revealed that the DNC rigged the election because the Clinton Crime Syndicate actually *purchased* the near-bankrupt DNC lock, stock, and “barrel.” You have to wonder whether Hillary regrets calling Brazile a “water buffalo.”⁶²⁰

Hillary has opened a new scam, “Onward Together,” aimed at funding and supporting a coalition of Democratic groups opposing Donald Trump's policies.⁶²¹

Compared with the Haiti relief money, those funds have a better chance of being used as promised. I think we can count on Clinton corruption expert Charles Ortel to keep us posted, unless of course...oh let's not go there.⁶²²

Please, God, Stop Chelsea Clinton from Whatever She Is Doing

~*Vanity Fair* headline⁶²³

As Yoda said, “There is another.” Chelsea is already being groomed for the big time. She joined the board of directors of travel company Expedia—for \$45,000 in cash and \$250,000 in stock options per year.⁶²⁴ She won't be eating dog food. Puff pieces are written by friends of the Clintons. Chelsea can, at times, display an almost Zuckerberg-like sense of timing:

“I left the church when I was 6 because it opposed abortion.”

~Chelsea Clinton

Paternity issues aside,⁶²⁵ Chelsea is her mother's daughter.

Russiagate

“Having a good relationship with Russia is a good thing, not a bad thing. . . . Only ‘stupid’ people, or fools, would think it is bad! We have enough problems around the world without yet another one.”

~Donald Trump

“We had no relationship at all. . . . I never met him. . . . Have you all lost your senses over there?”

~Vladimir Putin, president of Russia



Which scandal are we talking about? Trump’s collusion? Russian hackers? Hillary’s uranium sales? The FBI’s role in all of it? The media’s incorrigible shilling and whoring? I’ll try to piece it together, because it defined 2017, much to my chagrin. I keep wondering what would’ve happened had there been Twitter during the Cuban Missile Crisis. I also *must* present what I *think* is true—choose a narrative—recognizing that I could be waiting for the plane on Fantasy Island. Even *The Federalist* admitted to being confounded by it all.⁶²⁶ Before plowing into the swamp, I’ve got to confess that for a number of years now I have found myself sympathetic to Putin. He’s no snowflake, but his moves on the global chessboard and role in Russian affairs seem decidedly logical relative to ours; he is tactically maxed out.

“Why pick fights [with the Russians]? \$1 trillion to upgrade the nuclear arsenal. Is that where you want to spend your money?”

~Steve Bannon, former chief strategist for the Trump administration

During the election, Trump reasoned that the two nuclear superpowers must coexist. This is a truism that his detractors opposed. The deep state—the military–industrial complex and its lapdogs in DC—didn’t think kindly of a pro-Russia president. The media droned on all year about Trump’s collusion with Russia and Putin’s efforts to rig our elections. The election investigation was run by stern FBI agent Robert Mueller. We were told that \$100,000 of Russian-sponsored Facebook ads—half of them posted after the election—swung the election.⁶²⁷ That’s a special kind of stupid. Maybe they were just ads. Facebook wiped the data after completing its analysis to avoid outing some serious morons inside the system.⁶²⁸ No joke: CNN reported that Russian “troll farms” weaponized the video sensation *Pokémon Go* to stir up racial divides to rig the election.⁶²⁹ It would be more credible to claim they hacked our appliance microchips to leave spots on our dishes and burn our leftovers.

Project Veritas caught CNN producer John Bonifield on tape saying that the Russia–Trump collusion is crap stirred up for ratings.⁶³⁰ Why would he open his piehole to a stranger? There was beer, and she was blonde. Jimmy Carr, another CNN genius, also confessed to a flirtatious blonde that viewers are “stupid as shit.”⁶³¹ Only the ones who watch CNN. Liberal pundit and Trump hater Van Jones said, “the Russia story is a big nothing burger.”⁶³¹ Van is enigmatic; he dovetails rational, insightful analysis with social gibberish.

“The principal problem for Democrats is that so many media figures and online charlatans are personally benefiting from feeding the base increasingly unhinged, fact-free conspiracies.”

~Glenn Greenwald (@ggreenwald), *The Intercept*

Unbeknownst to Trump (maybe not), one of his opponents in the Republican primaries paid a British intelligence agent, Christopher Steele, to dig up dirt on

The Donald.⁶³² The so-called Steele dossier got shopped by Republicans like McCain but was not used.⁶³³ (What a disappointment McCain has been.) Within 24 hours after the polls closed, Team Clinton and the DNC concocted the Russian collusion story and picked up the tab for the remainder of Steele’s investigation—a tab that Reuters puts at \$12 million.⁶³⁴ The *Washington Post* reported that a law firm used by Team Clinton transferred money to Fusion GPS, a company that specializes in “opposition research,” digging up dirt for character assassination.⁶³⁵ There is a special place in hell for those guys. The *New York Times* connected Obama communications director Anita Dunn to the dossier.⁶³⁶ Where it gets surreal is that the FBI helped transfer some of the payments.⁶³⁷ As I am putting this *Year in Review* to rest, FBI agent Peter Strzok is being excoriated for being pro-Hillary in a vast number of investigations and possibly putting his fingerprints on the dossier.⁶³⁸ Lest we forget, J. Edgar Hoover ran the FBI as a dark ops agency for decades.

“Unlike the Dems, I didn’t sabotage Bernie Sanders in the primaries, then try to cover my tracks with ludicrous Russia conspiracy theories.”

~Jill Stein, former presidential candidate

Eventually, the Steele dossier was debunked. Steelegate? Byron York of the *Washington Examiner* said the FBI was unable to corroborate any of the dossier’s assertions.⁶³⁹ You *knew* the debunking was real when Democrats hightailed away from it in their talking points.⁶⁴⁰ Tucker Carlson couldn’t get a Democrat on his show.⁶⁴¹ Reporters began expressing irritation that Democrats had lied (face in palm).⁶⁴² CNN had three high-level resignations over the fake and retracted Russia collusion story.⁶⁴³

“Tom Perez and the new leadership of the DNC were not involved in any decision-making regarding Fusion GPS.”

~DNC disclaimer

The Nation, a left-leaning magazine, returned to its roots as true journalism with a striking disclaimer from its editor:⁶⁴⁴

“For more than 150 years, *The Nation* has been committed to fearless, independent journalism. We have a long history of seeking alternative views and taking unpopular stances. We believe it is important to challenge questionable conventional wisdom and to foster debate—not police it. Focusing on unreported or inadequately reported issues of major importance and raising questions that are not being asked have always been a central part of our work. This journalistic mission led *The Nation* to be troubled by the paucity of serious public scrutiny of the January 2017 intelligence-community assessment (ICA) on purported Russian interference in our 2016 presidential election, which reflects the judgment of the CIA, the FBI, and the NSA. . . . To this day, however, the intelligence agencies that released this assessment have failed to provide the American people with any actual evidence substantiating their claims about how the DNC material was obtained or by whom. . . . That is why *The Nation* published Patrick Lawrence’s article ‘A New Report Raises Big Questions About Last Year’s DNC Hack.’ . . . The article largely reported on a recently published memo prepared by Veteran Intelligence Professionals for Sanity (VIPS), which argued, based on their own investigation, that the theft of the DNC e-mails was not a hack, but some kind of inside leak that did not involve Russia.”

Katrina vanden Heuvel, editor and publisher of *The Nation*

She further noted, “Not only could Russian hackers *not* have obtained the DNC emails in the way they are alleged to have obtained them, but metadata was in fact manipulated to implicate Russia in the leak.” Speculations of CIA involvement in Russiagate seem reasonable to me. Claims that “all 17 intelligence agencies” signed off on the collusion story were >5× exaggerated. Any half-wit knew that the Coast Guard hadn’t signed off, for Christ’s sake. Only three had signed off—the FBI, CIA, and NSA—and their credibility was in shambles by the end of 2017.⁶⁴⁵

Seymour Hersh denounced the media’s handling of the Russian hack story.⁶⁴⁶ Leon Panetta, former CIA director, called for an investigation of the \$9 million in campaign funds used to pay for the Steele dossier.⁶⁴⁷ Clinton and her high command feigned ignorance. Glenn Simpson, a former *Wall Street Journal* reporter and founder of Fusion GPS, went stealth.⁶⁴⁸ His lawyer said he would plead the fifth if subpoenaed,⁶⁴⁹ which loosely translates to, “Hey, Hillary, there’s no need to whack my client.” Somehow, the FBI forgot to look at the DNC server before denouncing Russian hackers. Go figure.⁶⁵⁰

“Somebody, for some reason, appears to be shopping a fairly convincing fake NSA document that purports to directly implicate somebody from the Trump campaign in working with the Russians in their attack in the election.”

~Rachel Maddow, MSNBC

Apparently, the “creation date” on the document received by Maddow matches creation dates on other forged documents. Maybe Trump was feeding garbage to the media as a bait-and-switch discrediting tactic, or maybe that’s too generous.

“The assumption of the critics of the president, of his pursuers, you might say, is that somewhere along the line in the last year is the president had something to do with colluding with the Russians . . . to affect the election in some way, and yet what came apart this morning was that theory.”

~Chris Matthews, MSNBC

Meanwhile, another collusion plotline was running in tandem (or so it seems). A Russian operative named Natalia Veselnitskaya (sidekick of Boris Badenov) was making contacts with Team Trump through Donald Jr. Veselnitskaya offered dirt on Hillary (like there wasn’t enough of that?) but was really looking for help with opposing the Magnitsky Act, a bipartisan bill signed by Obama to punish Russia because somebody whacked Sergei Magnitsky in a Moscow prison.⁶⁵¹ There is *no* chance that we give a hoot about Magnitsky, but the punishment of Russia is certainly a chess move of interest. In any case, the DNC turned this brief and failed attempt by Veselnitskaya to lobby Trump Jr. into a collusion case.

“They don’t want the truth there at the moment. They need an enemy. Some because they are looking to undermine Trump, some because they want to fuel the conflict with Russia.”

~Natalia Veselnitskaya, Russian lawyer, on not being asked for testimony about meeting with Trump

Veselnitskaya’s role isn’t that simple either; nothing in this story is, I guess. She appears to have needed help expediting her visa status to collude with Trump Jr. Help materialized as a “discretionary act that the statute allows the attorney general to do in extraordinary circumstances.” In short, assistant U.S. attorney Paul Monteleoni used special powers *within Loretta Lynch’s justice department* to help Veselnitskaya.⁶⁵² And, not surprising, we’re told that Veselnitskaya had hired Fusion GPS for her Magnitsky Act lobbying in 2014.⁶⁵³ This is now a Quentin Tarantino movie.

“We went from Russia hacked election to Russia interfered in election to a Russian lawyer offered up fake dirt in a 20-minute meeting.”

~@redpilleconomist

Thus, the Trump collusion and Putin election meddling stories appear to be largely if not totally bogus, but Russiagate is not dead yet. In what was a mind-bogglingly risky ploy to link Trump to Russia, Team Clinton inadvertently revealed *its* ties to Russia. Some of this is old news that was simply ignored, but 2017 brought some new revelations.

“The funny thing is . . . I was sent in 1994 to Russia by the Clinton administration to get involved in THEIR elections!”

~Michael Caputo, Republican strategist who helped get Boris Yeltsin elected

“Turn a globe and point your finger anywhere, you will find American interests and interference there.”

~Vladimir Putin

An article in *The Hill*, not known for right-leaning content, busted open the uranium deal for those who missed it the first time.⁶⁵⁴ The big story, outlined in lurid detail several years ago by Peter Schweizer in *Clinton Cash*, was the transfer of 20 percent of the U.S.’s uranium reserves to Moscow while the Clinton Foundation pocketed \$150 million in Russian funds. It was engineered by Bill and Hillary while she was secretary of state.⁶⁵⁵ The new revelations this year were that the DOJ knew about it for years without fessing up to anybody.⁶⁵⁶ The State Department and government agencies on the Committee on Foreign Investment in the United States unanimously approved the sale of uranium assets to Russian nuclear giant Rosatom while “compromising American contractors in the nuclear industry with kickbacks and extortion threats.”⁶⁵⁷ This was all under the watchful eye of Robert Mueller—the same Robert Mueller investigating *Trump’s* Russian ties—and the honorable Attorney General Eric Holder. I’m not even sure *any* of this was fresh insight, but now people cared. Credible sources claim there is video footage showing suitcases of money transferring hands.⁶⁵⁸ Charles Ortel, the Clinton criminal enterprise expert,⁶⁵⁹ confirmed to me that said footage had not surfaced at the time of this writing.

I wait with baited breath to see whether the investigation flips onto the Clintons or if Mueller follows Comey’s lead and claims there is nothing indictable. I think the Democrats are in trouble on Russiagate, but that’s not to say that *anything* will come of what looks to be egregious scandals.

“After a full year of mainstream media hysteria over alleged Trump-Russia collusion, it now appears as though the Hillary campaign may have been the only one to funnel cash to ‘Kremlin operatives’ in return for political dirt.”

~ZeroHedge

What about the subplot in which Paul Manafort got indicted for skanky dealings? It turns out that, indeed, he did work for Trump and appears to be a generally shady character, but the indictment was for pre-2005 dealings when he worked for Team Clinton. Let that sink in.⁶⁶⁰

“Everyone is colluding with Russia except Trump.”

~Mark Steyn, Canadian political commentator, stating some supreme irony

My conclusion is that fabricated collusion stories and other political hijinks implicating the Russians are dangerous games. Obama put more sanctions on Russia right before Trump’s inauguration.⁶⁶¹ Senator Marco Rubio drilled Secretary of State Rex Tillerson, demanding to know why he would not publicly declare Putin a “war criminal.”⁶⁶² I can answer that one: cause nuclear war sucks, Marco. You are a brick. A Russian studies expert at Princeton says he has never been this worried about a war with Russia.⁶⁶³ Nonetheless, we voted to sanction Russia for election meddling with a bill that passed 419–15. It also gave Congress the power to prevent Trump from weakening it:

“The White House doesn’t like this bill. The State Department doesn’t like this bill. This bill is going to become law, OK.”

~ Bob Corker, U.S. senator from Tennessee

And then Trump signed it. *That* is a problem. Where did his détente policy go? Into the black hole of the deep state, I guess. Three more quotes from prominent Russians remind me that I do not know who the bad guys are anymore:

“Today, however, the nuclear threat once again seems real. Relations between the great powers have been going from bad to worse for several years now. The advocates for arms buildup and the military–industrial complex are rubbing their hands.”

~Mikhail Gorbachev, last general secretary of the Soviet Union

“We are seeing in the U.S. a developing political schizophrenia. . . . What surprises me is that they are shaking up the domestic political situation using anti-Russian slogans. Either they don’t understand the damage they’re doing to their own country, in which case they are simply stupid, or they understand everything, in which case they are dangerous and corrupt.”

~Vladimir Putin

“Any hope of improving our relations with the new U.S. administration is over . . . the U.S. just declared a full-scale trade war on Russia. . . . [T]he Trump administration demonstrated it is utterly powerless, and in the most humiliating manner transferred executive powers to Congress. . . . The purpose of the new sanctions was to put Trump in his place. Their ultimate goal is to remove Trump from power. An incompetent player must be eliminated.”

Dmitry Medvedev, prime minister of Russia

The Media

“If he took a dump on his desk, you would support it.”

~Anderson Cooper to Jeff Lord about Trump

“Here’s my advice to the media: turn the emotion down to 1, and turn the fact-checking up to 10.”

~Ben Shapiro (@benshapiro), political commentator

“There are literally no standards now—journalistic, ethical, or rational—when it comes to accusing people of being Kremlin operatives.”

~Glenn Greenwald

The founding fathers saw the press as essential to a free and democratic state, and we are at risk of losing it. Lies from the left and right do not merge to create truth; they just make a pile of lies. In theory, new journalistic enterprises emerge to fill the void, but what if the money and political trusts commandeer them too? Senator Frank Church investigated CIA ties to the media under the auspices of its program called Operation Mockingbird, launched in 1948.⁶⁶⁴ It would seem that our intelligence agencies have their hands in the digital news as well. Federal law requires cooperation from the big tech companies for data collection *and* places a gag order.⁶⁶⁵

I understand the potential implications of sovereign leaders cracking down on the press, but I'm sympathetic to Trump's combat against the media. Trump no sooner coined the phrase "fake news" to call out the press than authorities assured us they would help us figure out exactly what is fake. No thanks.

"If you can't believe the news, can you believe 'history'?"

~Ned Collum (@collum_edward), my brother

According to a former Czech intelligence agent, "you need a story that's at least 60, 70, or even 80 percent true. Even well-educated people will swallow untruth without too many questions if its plausible and reinforces their existing beliefs."⁶⁶⁶ Some news outlets that require you take a quiz to prove you read an article before commenting on it, but they would never filter for specific views, right? There are bliss ninnies in California hoping to ban websites that make controversial political statements. Seems unconstitutional, but they'll try it anyway.

"At least in recent decades, American presidents who took military action have been driven by the desire to promote freedom and democracy."

~*New York Times*

The mainstream media is dysfunctional bordering on worthless. It begins with a lopsidedness: 7 percent of journalists are Republicans.⁶⁶⁷ Huffington Post writer Ryan Clayton got caught passing out Russian flags at the 2017 Conservative Political Action Conference to gin up some hysteria.⁶⁶⁸ The *New York Times* audience strategy editor Nick Dudich repeatedly admitted on a hidden microphone that he promoted content that intentionally damages Trump's businesses to force his resignation.⁶⁶⁹ An anonymous donor gave the *Times* \$1 million for student subscriptions,⁶⁷⁰ which is indistinguishable from a bribe.

"It's just unfortunate that the most powerful person in the world is trying to delegitimize journalism and an organization that plays such a vital role in our democracy."

~Jeff Zucker, president of CNN

No, Jeff. That is a self-inflicted, potentially fatal wound. CNN is a Dumpster fire with no link to journalism. CNN reporters were filmed fabricating a protest by Islamic women in London after the 9/11 terror attacks.⁶⁷¹ In a must-watch comedic moment, they orchestrated a panel of Jane and Joe Six-packs spanning all races, creeds, colors, and several genders to condemn Trump's response to the Nazi menace in Charlottesville.⁶⁷² The segment careened off the rails when *all* said Trump was OK, the facts were too obscure to pass judgment, and Antifa, not the Nazis, were violent. The correspondent utterly failed to achieve her goal.

Videos were leaked showing CNN staff partying up a storm after Hillary's nomination; it looked like the Clinton campaign headquarters.⁶⁷³ Their disappointment at the election, by contrast, was just as palpable (Figure 53.) CNN ran a pre-inaugural piece speculating that Pence would become president if Trump got assassinated.⁶⁷⁴ Have you no shame?



Figure 53. Election night euphoria at CNN.

All hell broke loose when a 15-year-old Reddit user with the perfect Internet name, “HanAssholeSolo,” posted a video of Trump beating up a professional wrestler but with a CNN logo for a head (Figure 54).⁶⁷⁵ The Donald retweeted it, and the game was on. Taking no prisoners, CNN located the tasteless ’tween, found that he had posted some anti-Semitic and racist gibberish, and blackmailed him—threatened to dox him (Figure 55)—if he didn’t stop making memes and misbehaving.⁶⁷⁶ Mainstream media morons pitched the meme as provoking violence against journalists.⁶⁷⁷ Hans “feared for his personal safety” and expressed concern that he’d never make it to first base. Of course, the Internet had a few things to say about this little mess. #CNNBlackmail became the top-trending hashtag. Various beatings of CNN-headed victims attained supermeme status,⁶⁷⁸ and Hans probably got a CNN bump to his batting average. CNN was inducted into the Meme Hall of Fame with a Hitler–CNN parody.⁶⁷⁹ Epilogue: The gif that Trump tweeted was inspired by HanAssholeSolo but only inspired by it; someone improved upon it.⁶⁸⁰ *CNN blackmailed the wrong guy.* Seems ironic. The First Amendment protects the free press *and* free speech. CNN is covered by the latter.

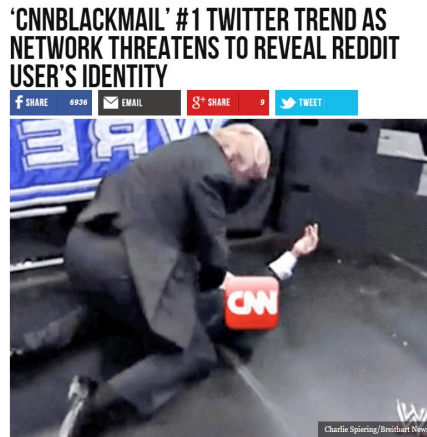


Figure 54. CNN-head meme at its inception.

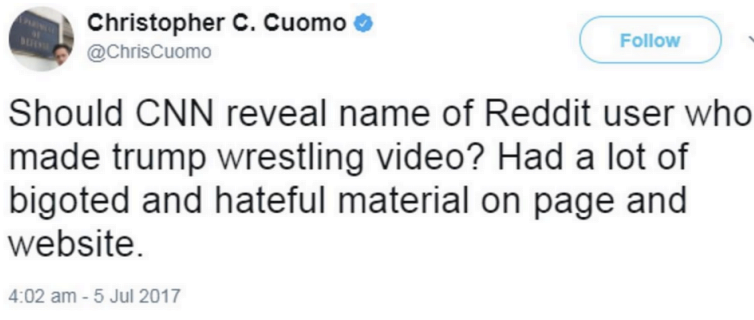


Figure 55. Emblematic threat of “doxing.”

“Just because Michael Brown dealt drugs doesn’t mean he was a ‘drug dealer’.”

~Chris Cuomo, CNN

The dark side of the mainstream press was clearly evident when Trump bombed Syria and the talking heads waxed enthusiastically about how “presidential” he was on that wondrous day. I was pissed thinking the deep state neocons had won but realized Trump did little more than put potholes in an airfield. When he dropped the 21,000-ton MOAB, which has a blast radius of a mile, it was also called a presidential show of force. A Fox correspondent declared that dropping the MOAB is “what freedom looks like; that’s the red, white, and blue.”⁶⁸¹ Geraldo Rivera chimed in: “It’s one of my favorite things to watch.” Brian Williams called it “a beauty.”⁶⁸² You twisted bastards! The media incessantly discussed the cost of a single MOAB, placing it between from \$175,000 and \$250 million.⁶⁸³ Either way, bloodlust was on full display.

“The number of members of the press who have lauded the actions last night as ‘presidential’ is concerning.”

~Dan Rather, journalist, on the support of the media for the bombing of Syria

The mainstream media has been in the custody of the deep state for years, and the Internet and social media have arrived like Martin Luther to nail a few opinions to the door. The battle to bring this new rogue menace to heel was on.

"Censorship is for losers."

~Julian Assange

Any discussion of censorship has to begin at the Death Star—Google. Their power is amplified by a 90 percent market share of searches and a goal to control and monitor 100 percent of those who use it. Here’s a trivial example that I stumbled on: search for "American inventors." You get the results in Figure 56.

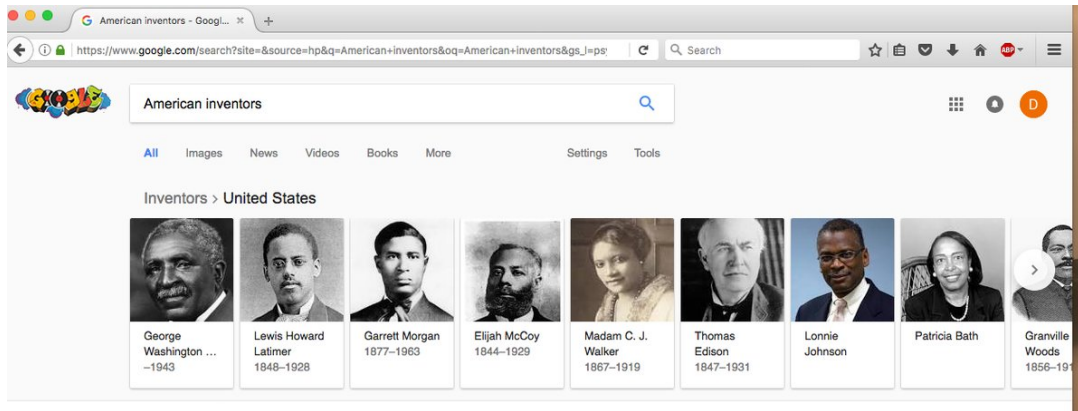


Figure 56. Google search for American inventors.

That is not a big deal in itself—the guy third from the right invented the Super Soaker, so he *had* to be showcased—but it illustrates a shaped search. Google overtly states that it intends to control information flow, going so far as placing Google employees in (infiltrating) local news rooms to help sort fact from fiction.⁶⁸⁴ Doing it for the children? I wrote a few blogs for Elizabeth Warren years ago. I have the manuscripts and can search sentence fragments: they are *totally* gone. How do you do that? With Google’s help. I also noticed, for example, that a search about a Democratic scandal (details long since forgotten) afforded only articles debunking it. For the *Year in Review* I had occasion to Google a number of contentious items. They almost invariably showed up right below the top link—a Snopes.com article debunking them. (We return to them below.) It gets darker still if you buy into stories—I do—that the intelligence communities (CIA and NSA) were angel investors in Google and other tech companies.⁶⁸⁵

Facebook Hoovers up personal data with the profound help of its customers. To join in the whole mind-control orgy, Facebook plans to exterminate “hate speech” and “fake news”—up to 60,000 stories per week⁶⁸⁶—by hiring “thousands of fact checkers” and seeking help from professional fact checkers including PolitiFact, FactCheck.org, ABC News, and Snopes.com.⁶⁸⁷ A Yale study (FWIW) finds that fact-checking and tagging inaccurate news stories on social media don’t work.⁶⁸⁸ The absurdity and danger is underscored by the backstory of Snopes.com,⁶⁸⁹ which is a husband–wife team with a decidedly left-leaning agenda. The husband is rumored to have embezzled \$98,000 (from his wife?), gone on the Atkins diet, left his dumpy wife, and married a prostitute.⁶⁹⁰ Who’s gonna fact check *those* assertions?

“When we remove something you posted and believe is a reasonable political view, it can feel like censorship. We know how strongly people feel when we make such mistakes, and we’re constantly working to improve our processes and explain things more fully.”

~Facebook

How about clarifying how this is different than the Stasi? Facebook also rolled out a censorship-lite version in which articles deemed unacceptable to its Ministry of Truth get smothered with articles presenting “the other side.”⁶⁹¹ Facebook also blocked Russia Today (now RT).⁶⁹² Are you telling me that RT comes in below the bar set by CNN? I’ve been on it four times, which makes me a commie dog.

“We don’t want to be and are not the arbiters of the truth. The fact checkers can give the signal of whether a story is true or false.”

~Tessa Lyons, Facebook’s “news feed integrity product manager”

That is some crisply worded doublespeak. The possibility of consequential bias was underscored by a WikiLeaks email from Facebook’s chief operating officer Sheryl Sandberg assuring Hillary that Facebook wanted her to win and that old Sheryl was there “to help as I can.”⁶⁹³ Zuckerberg followed up on a meeting with another WikiLeaks email stating, “I have put together my thoughts on the campaign ideas, and I have scheduled some meetings in the next few weeks for veterans of the campaign to tell me how to make these ideas better. This is simply a draft but do let me know if this is a helpful process for you all.”⁶⁹⁴ You can worry about Putin; Zuckerberg scares me.

Twitter is at the vanguard of social media—a gigantic global cocktail party in which you enter the room and join whatever conversation is going on. Where else can you find the now legendary shark tweet? (Figure 57)



Figure 57. Shark stepping on a Lego.

But Twitter has also joined the war on free speech with a massively lopsided bias against right-wing ideas. (Before you left-wingers cheer, remember that the door can swing both ways.) They boot provocateurs like Milo Yiannopoulos, who pushes the boundaries of civil debate.⁶⁹⁵ They also booted Matt Drudge and Roger Stone.⁶⁹⁶ Scott Adams of *Dilbert* fame was “shadow banned” in a way that he didn’t even realize.⁶⁹⁷ Parody accounts—high-water marks of the Twittersphere—are thinly veiled spoofs. Antifa parodies began getting silenced. (Hat tip to @BevHillsAntifa: you guys are *very* funny.) Former BlackRock fund manager Ed Dowd documented through screen grabs deletions of tweets about the CIA and NSA.⁶⁹⁸ After the second presidential debate, I began searching “who won” to find all the polls. The count climbed monotonically to 27, all but one showing a Trump victory. They then began disappearing, being replaced with articles *describing* “who won,” citing the one poll (CNN’s) showing a Clinton victory.

"Shortly, the public will be unable to reason or think for themselves. They'll only be able to parrot the information they've been given on the previous night's news."

~Zbigniew Brzezinski

Twitter is intending to let users know when a tweet contains “misleading, false or harmful information.”⁶⁹⁹ Gotta save us from harmful information. It has also taken to “unverifying” users, but only right-wing users. For you non-Twitter users, verification was instituted so that a person calling herself @HillaryClinton is the real Hillary Clinton and not some second-rate sociopath. By unverifying people, Twitter is attempting to lessen these users’ impact: you guys at Twitter are

looking pretty damn self-righteous or as prominent British conservative politician, Daniel Hannan, says, “Twitter is in the ideology business.”⁷⁰⁰

And then there is YouTube, now owned by Google, a subsidiary of the deep state.⁷⁰¹ It has begun deleting videos that clearly oppose political agendas.⁷⁰² I witnessed a pile of “inconvenient” videos get disappeared (see “Las Vegas”). How YouTube really does damage, however, is by “demonetizing” regular posters who get ad revenues if their click count is high enough. My right-wing Cornell Law School colleague who runs *Legal Insurrection* was demonetized without warning.⁷⁰³ A poster called “Timcast” was demonetized, and YouTube deleted all 660 of his videos.⁷⁰⁴ You might be saying, “OK, but these guys may be cranks. Give me a good example.” How’s demonetizing former congressman and presidential candidate Ron Paul?⁷⁰⁵ His decidedly free market and free speech message gets the boot? YouTube announced Creators for Change, a program that pushes creators who are “using their voices to speak out against hate speech, xenophobia, and extremism.”⁷⁰⁶ That’s a nicely packaged bit of political thought. Have you guys forgotten who the “You” is in YouTube? I suspect that a precedent-setting social-media-filtering case will find its way to the Supreme Court.

All is not completely lost, however. For years, I listened to right-wing talk radio only to have it turn into political hackery. I do not need lies from either side. I have detected a change, however. Limbaugh, Hannity, and Carlson all seem willing now to push back, even to denounce the neocon agenda. Carlson, a particularly surprising comeback from what I felt was terminal buffoonery, has found a real voice. He has mastered that expression that looks as though his guests “eat mayonnaise straight out of the jar.”

Gotta give some kudos to the lighter side. Alex Jones broke the story that “child sex slaves have been kidnapped and shipped to Mars,” and NASA had the sense of humor to deny the story.⁷⁰⁷ The *New York Times* denounced North Korea for a tweet from the DPRK News Service (@dprk_news), not realizing it was a parody account.⁷⁰⁸ *Cycling Weekly* included a caption that read “token attractive woman” next to a female cyclist. And to all you media pervs who are getting outed by the dozen, you thought you were too powerful to be called out by your victims. Well they seem to have found their voices. There are likely a lot more where you guys came from.

But what if your own lying eyes fool you? There are spooky-good graphical dubbing programs—video analogs of Photoshop—that can make anybody appear to say *anything you want him or her to say*.⁷⁰⁹ It’s only going to get more convincing. It may be time to panic.

“If you’re not careful, the newspapers will have you hating the people who are being oppressed and loving the people who are doing the oppressing.”

~Malcolm X, civil rights activist

Trump

“Donald Trump sensed something that his political rivals failed to grasp: that the truly surging force in American politics wasn’t Jeffersonian minimalism. It was Jacksonian populist nationalism.”

~*Foreign Affairs*

I had to either write this section or throw myself down the stairs. I must have flipped that coin a dozen times. I am somewhat of a political chameleon in that I liked George H. W. Bush, strongly opposed George W. Bush, thought Bill Clinton could have been one of the greatest presidents in history if he wasn’t a sociopath (or maybe because), was an endorser on Ron Paul’s official presidential website in 2008,⁷¹⁰ and was written up in the *Guardian* for backing Ron Paul and Elizabeth Warren.⁷¹¹ I support Putin as a rational (albeit thuggish) leader of Russia, and most heinous of them all, voted for Trump last year. I could have voted for Bernie out of his benevolence (surely not his politics), but the DNC gave us the Hobson’s choice—take Clinton or take a hike. Many of us took the hike. Now for a confession. I wrote this section last—procrastinated if you will—and have run out of gas. It will be short, particularly for a topic that has dominated society’s discussions.

“He is not a dumb person. . . . In his own way, he has a real intelligence. . . . It’s a shrewdness. Cunning, if you will.”

~Dan Rather on Trump

Last year, I concluded that the world had largely underestimated The Donald’s skills. His enemies took him literally but not seriously, whereas friends took him seriously but not literally. Many tried to throw him under the bus not realizing that he *is* the bus. I must confess that Trump the candidate was far more interesting than Trump the president. I find myself pondering the counterfactual: what would Trump’s first year in office have looked like had he not been battling the Democrats, Republicans, media, deep state, and half the population? We’ll never know: that’s what defines a counterfactual. The second question that his detractors seem unwilling even to consider is whether his actions are part of a grand and relentless bait-and-switch scheme to keep them on their heels. The alternative model is that he is a mix of Joffrey Baratheon, Cesare Borgia, and

Emperor Caligula with a dose of Jethro Clampett showing no self-control whatsoever. I'm guessing we're being fed a combo platter.

We knew what we were getting:



Figure 58. 2014 Trump Tweet

Paradoxically, Trump has met almost everybody's expectations. Once again, to do a rational analysis, I have to choose sides. I am declaring the jury is still out on what Trump can do (or could have done). I will, once again, lean to the unpopular stance (among liberal elite friends) and side with him. What has he actually done—not just said or proposed to do—that is so bad? I'm all ears. Lack of a compelling answer may attest to the durability of our system or that he isn't so bad after all. I attribute some of his erratic behavior to flailing against powerful forces entrenched within the system. Blathering is either for show or inconsequential. I also suspect he is dyslexic—a candidate for "ableism" if you will—which would explain some of his idiosyncrasies. Until the data are seriously rolling in—maybe catastrophically—I am reserving judgment and taking the upbeat stance. It will sound apologetic. Someday I may be apologizing.

"Let me tell you, you take on the intelligence community, they have six ways from Sunday at getting back at you. . . . He's being really dumb to do this."

~Chuck Schumer on The Donald

"Now we go nuclear. IC [Intelligence Community] war going to new levels. Just got an EM [former] senior IC friend, it began: 'He will die in jail.'"

~John Schindler, former National Security Agency analyst on Trump

“When we finish with Trump, we have to go after [Pence].”
~Maxine Waters, U.S. representative from California, possibly the most clueless in the history of Congress

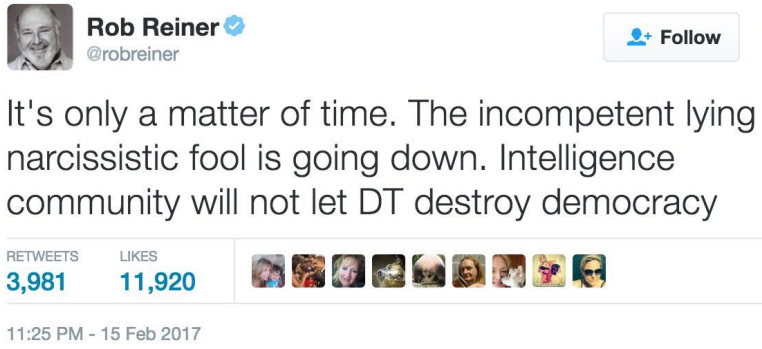


Figure 59. Rob Reiner failing to understand the nuances of democracy.

Nobody could possibly miss the plethora of self-inflicted wounds. Challenging Rex Tillerson to an IQ test⁷¹² attests to the fact that he would lose big, although that Harvard education keeps me wondering. Trump drove right across the green in a cart on his golf course, which to a golfer is like the Pope blowing his nose in the Shroud of Turin.⁷¹³ Reference to Andrew Jackson and the Civil War seemed a bit ahistorical.⁷¹⁴ His tweets can be cringeworthy. The “covfefe” tweet remains the Riddle of the Sphinx as to what it meant.⁷¹⁵ Yet his exploitation of social media for political gain is a momentous event in politics and will likely appear in Ph.D. theses across several disciplines (Figure 60).

“An alarming report issued by heads of the U.S. intelligence agencies on Friday asserts that the Twitter account of President-elect Donald Trump was successfully hacked by a four-year-old child.”
~Andy Borowitz, the *New Yorker*



Figure 60. 'Nuff said.

Team Trump was in a state of flux, although it seems to have settled down. The challenges were monumental. Foundationally, he lacked a political machine to help with the primaries and was dogged by the same problem during the transition. The Venn diagram of people who would work for him and those competent to do the work was a stretched MasterCard logo at best. Any administration has to work with holdovers and clean out those who won't or can't share the POTUS's vision. One can imagine that group was colossal, and the leaks showed they were cantankerous. My generous read of his putting family members in key positions stems from a combination of Kennedy-like thinking and a dearth of those he could trust. Lincoln assembled a *Team of Rivals* from a superb group of rivals. Trump was channeling Burt Reynolds in *The Longest Yard*.

"If you want to win the game, put Tom Brady on the field. Trump's hired a lot of professional people, people that are experienced, successful, smart, and patriotic."

~Jamie Dimon

A first shot at an attorney general (Sally Yates) bought the farm after she refused to honor his immigration/refugee policy. Dershowitz said it was a political rather than a legal argument.⁷¹⁶ Yates knew his opinions at the outset and shouldn't have been there. I'm not sure what happened with Steve Bannon, fondly called "Bannon the Barbarian." A Harvard Business School classmate described him as "top three in intellectual horsepower in our class—perhaps the smartest."⁷¹⁷ In the press, he was Satan. He was clearly brought in to be the enforcer (think hockey), but he may be more dangerous to Trump's "haters and losers" as a civilian at Breitbart.

“I built a f*cking machine at Breitbart. And now I’m about to go back, knowing what I know, and we’re about to rev that machine up. And rev it up we will do.”

~Steve Bannon

Trump’s ultimate affinity for ex-military guys likely stems from their understanding of hierarchy and willingness to stay for God, country, corps, and their sense of duty to provide adult supervision. Press Secretary Sean Spicer was probably just unqualified; saying Hitler did not use chemical weapons on his own people is a little loony.⁷¹⁸ I gotta say that pulling Sarah Huckabee Sanders off the bench was genius; she has some serious gravitas. The left hates her for it. Carpet F-bomber Anthony “The Mooch” Scaramucci broke the world record, serving as White House communications director for 10 days. Rumors swirl that he might be offered the lead in a sequel to *My Cousin Vinnie*. Harvard had him listed as deceased in its alumni directory; they probably meant politically.⁷¹⁹ And then there is Kellyanne “Alternative Facts” Conway, truly hated by anybody who hates The Donald. I get it, but he wouldn’t be in the White House without her. I also find her enormously entertaining. I can’t glean what she’s up to now.

“Reince is a f*cking paranoid schizophrenic, a paranoiac . . . I’m not Steve Bannon, I’m not trying to suck my own c*ck.”

~Anthony Scaramucci, former communications director for the Trump administration

“You want to push back on us, and yet you’ve got a 14% approval rating.”

~Kellyanne Conway, counselor to President Donald Trump, to the press

I’m not a big fan of Gary Cohn, Trump’s director of the National Economic Council. I think his past at Goldman is more sordid than just being at Goldman (and have said so).⁷²⁰ I have no opinion of ex-Goldmanite Steven Mnuchin except to say that I hope he signed a prenup (Figure 61).



Figure 61. Treasury Secretary Steven Mnuchin and the missus.

There's a lot to criticize about Michael Pence (particularly for me as a scientist with an attenuated atheist streak), but I think he has proven to be a highly effective vice president and right-hand man. I will be shocked if he isn't running in 2024. Of course, he could be POTUS sooner, but my hunch is that he won't.

"If you can keep your head when all about you are losing theirs and blaming it on you . . ."

~Rudyard Kipling, writer

The year was exciting—the fiction more so than the fact. As noted above, Russiagate can't seem to get legs. The leaks seem to have subsided. Rachel Maddow released Trump's taxes, showing that he and his wife paid a seriously consequential \$38 million for the "period in question," a higher rate than Bernie Sanders in 2014.⁷²¹ The buildup and outcome reminded me of Geraldo's opening of Al Capone's vault.⁷²² The "period in question" may have been optimal, possibly leaked by Trump. Classic. Rachel appears to have broken Federal law in making them public.⁷²³

A bill was introduced to facilitate Trump's removal from office.⁷²⁴ The whole Deferred Action for Childhood Arrivals (DACA) fiasco went bonkers. Trump was pegged by the media relentlessly, which I found curious because he actually called on Congress to do its job—not his job, its job—and solve the DACA problem. Countless Democrats have made the same claim.⁷²⁵ It really *must* be solved at some point. Congresswoman Maria Chappelle-Nadal joined a chorus of sick bastards calling for Trump's assassination. Euthanasia of a decidedly brain-dead congresswoman may be more appropriate.

"I think the media have been harder on Trump than any other president certainly that I've known about."

~Jimmy Carter, 39th president of the United States

“Trump could have undermined the messaging so much that he can actually control exactly what people think. And that, that is our job.”

~Mika Brzezinski, MSNBC

The Center for Community Change Action received \$3,000,000 from the W. K. Kellogg Foundation, \$2,350,000 from the Ford Foundation, and \$1,750,000 from George Soros’s Open Society Foundation to oppose Trump.⁷²⁶ Whether it’s these folks or the Koch brothers, I wish they would leave us alone. Of course, the press was merciless, as discussed above, but also largely discredited. The Fourth Estate is a more serious problem than Trump. As to whether he is less militaristic than his predecessors, the jury is still out. As to whether he is a good, bad, or truly ugly president also remains to be determined. I am reminded how many thought Reagan and Obama were total disasters. I do not share those opinions.

“The bottom line is that the Swamp is so undrainable that it will end up making mincemeat of Donald Trump.”

~David A. Stockman



Las Vegas

"A long time ago, crazy meant something. Nowadays everybody's crazy."

~Charles Manson, dead

I was in Vegas until the day before the shooting. I also have assiduously avoided discussing terrorist attacks: they have little content. One day, I mentioned in a

guest graduate lecture the seemingly simple notion that something about the Vegas story is wrong (without humor or political comment) and that I would figure it out. A snowstorm commenced: I got a visit from the department chair. In this section, I peer down that rabbit hole much farther than is comfortable.

“I am just going to go straight ahead and say it—this entire narrative of Paddock and his arsenal of rifles shooting hundreds of people from the 32nd floor of the Mandalay Bay in Las Vegas is pure bullshit, never happened.”

~Editor, *Veterans Today*

Terror attacks in the U.S. attract huge attention, and soon thereafter, theories proliferate. Handfuls of spaghetti are thrown to see what sticks. Many theories are intellectual non sequiturs. There are, however, those creepy moments, like Robby Parker’s smirk,⁷²⁷ or claims that Mohammad Atta’s passport was found in the WTC debris on 9/12,⁷²⁸ that give you pause. Moving up the oddity scale, you find a mobster whacking the presidential assassin and the complete absence of footage showing the Pentagon getting hit on 9/11,⁷²⁹ and your journey culminates in holy crap moments like the collapse of 7 World Trade Center, which seems to defy the laws of physics.⁷³⁰ Invariably, three categories of theory emerge: (1) the event occurred as told, (2) it was a false flag, and (3) the whole thing was faked. The Las Vegas shooting is no exception.



Figure 62. Not the real Donald Trump but real numbers...

At great reputational risk, I will lay out the oddities that seem to permeate all strata. It began for me with a baffling series of “Mike Cronk” interviews, but I am ahead of myself. Before laying out the story, I will hide behind a few prominent figures whose interest was also piqued.

“So, a person who’s ‘not a gun guy’ has either expended untold thousands of dollars to legally purchase fully automatic weapons, somehow found them on the black market, or purchased and substantially modified multiple semi-automatic weapons—and did so with enough competence to create a sustained rate of fire. This same person also spent substantial sums purchasing just the right hotel room to maximize casualties. I cannot think of a single other mass shooter who went to this level of expense and planning in the entire history of the United States.”

~David French, *National Review*⁷³¹

“Do you think this was all accomplished on his own, face value? You’ve got to make the assumption he had to have help at some point, and we want to ensure that’s the answer. . . . Maybe he’s super . . . working this out on his own, but it will be hard for me to believe that.”

~Joseph Lombardo, sheriff, Clark County, Nevada⁷³²

Lombardo later recanted, but he said it. So what are the parts that bother me? In short, all of them. Stephen Paddock, an avid gambler with no affinity for guns, dragging 23 automatic weapons not found in *Field & Stream* and hundreds of pounds of ammo up to his hotel room. The requisite advanced planning suggests his trip to Crazy Town was slow and methodical. Economic blogger Brandon Smith (*Alt-Market.com*) claims to be a proficient distance shooter and makes a strong case that the Vegas shooter had serious tactical skills and no reason to bring all those guns to the room.⁷³³ Paddock’s former neighbor—an ex-marine—says he and Paddock chewed the fat a lot.⁷³⁴ Paddock showed no interest in guns and simply wasn’t the guy he was hearing about after the shootings. Paddock is said to have earned his money years ago from real estate and more recently by playing video poker. You *never* beat a machine in Vegas, but the odds on video poker are particularly bad (Figure 63).⁷³⁵

“Serious news organizations are claiming that he made a living playing video poker. That’s like claiming someone made a living smoking crack. I don’t know all the ins and outs of Paddock’s life, but that’s a lie.”

~Ann Coulter, political commentator⁷³⁶

Hand	Odds	Payout Units
Royal Flush	1 in 40,390	4,000
Straight Flush	1 in 9,148	250
Four of a kind	1 in 423	125
Full House	1 in 86	45
Flush	1 in 90	30
Straight	1 in 89	20
Three of a kind	1 in 13	15
Two pair	1 in 7	10
Jacks or better	1 in 4	5

Figure 63. Odds and payouts on video poker.

I commandeered background checks on Stephen Paddock, his brother Eric, and Jesus Campos. Paddock shows a lot of addresses, but that's not nuts for a real estate speculator. He is, however, affiliated with Volant LLC.⁷³⁷ For what it's worth, a company called "Volant Associates LLC" has business ties to the intelligence community.⁷³⁸ Are the two affiliated or even one in the same? I haven't a clue, but the blogosphere noticed this too. Paddock supposedly had the guns in his hotel room for days. According to Steve Wynn (CEO of Wynn Resorts) housekeeping never honors "do not disturb" signs for days to avoid smelly carcasses.⁷³⁹

Stephen Paddock's family is a little wiggy. His father is a serious felon (made the top ten on the FBI most wanted list).^{740,741} His younger brother, Bruce, was arrested for child pornography *after the shooting*.⁷⁴² Steven's girlfriend, Marilou Danley, was sent abroad, consistent with any theory that involves advanced planning.⁷⁴³ The authorities deemed her irrelevant to the case *way* too fast in my opinion.⁷⁴⁴ Another Paddock brother, Eric, works for Teradata,⁷⁴⁵ a global data management corporation that may be totally legit but has a very cool name for a dark plotline. Eric gave several interviews that were suspiciously incoherent.⁷⁴⁶ He erroneously called Paddock's girlfriend by the name Mary Anne (a minor but odd slip). Eric looked like he was trying to avoid being coherent.

The role of Mandalay Bay and its parent company MGM Resorts International throws incredible debris into the post-shooting investigation owing, at least in part, to legal exposure.⁷⁴⁷ Its spokespeople couldn't seem to get their stories straight about the date Paddock checked in: what is three days among friends?⁷⁴⁸ A receipt for room service for two people remains unexplained,⁷⁴⁹ but people have been rumored to sneak guests into Vegas hotel rooms. There is no way Mandalay Bay wants to release video footage to dispel the concerns that sneaking 23 guns and 5,000 rounds of ammo into the hotel would be hard,⁷⁵⁰ and none has appeared. That said, a judge had to enforce an injunction to prevent Mandalay Bay from *destroying* footage.⁷⁵¹ In a year-old video, Steve Wynn describes casino security in lurid detail, including the improbability of getting

firearms through any Wynn Resort entrance and how his team of ex-Navy SEALs are on duty 24 hours per day.⁷⁵²

The biggest splotch of spaghetti on the wall was security guard Jesus Campos. This got a little embarrassing because Jesus is not registered as a security guard in Nevada⁷⁵³ and shares a social security number with someone named Jesus Quintero.⁷⁵⁴ (Probably a Hillary voter.) Jesus reputedly wandered onto the scene, as did Jesus's new BFF and "building engineer" Stephen Schuck.⁷⁵⁵ Regardless of whether bullets were fired through the door or down the hall (seems like an important distinction), Jesus got shot in the femur with an automatic rifle and then called in the shooting to the front desk. Mandalay couldn't get their stories straight about when Jesus called in the shooting: three were offered.⁷⁵⁶ Jesus the Hero was scheduled to be on five talk shows—count 'em, five!—but then disappeared.⁷⁵⁷ His house was guarded by a bunch of wise guys driving cars without license plates.⁷⁵⁸ (Seems illegal, but it *is* Vegas.) It was claimed he was getting surgery, but later the story changed: he went on an extended vacation to Mexico.⁷⁵⁹ Letting the #1 witness to the largest mass killing in history take off seems odd. "Hey Jesus. Give us a call when you get back, OK? We got a few questions." He returned to do an interview on the *Ellen "Degeneres" Show*.⁷⁶⁰ Apparently, The Muppets were booked that week. Oh, and Ellen is on MGM Resorts International's payroll. Jesus used a cane because getting shot in the femur by a high-powered (.223 caliber) rifle hurts *a lot*. He was escorted by his handler (errata: BFF) Steve Schuck. Ellen was quite explicit in pointing out he would be doing no more interviews. Jesus stared at his shoes a lot and, to me, looked medicated (probably painkillers) and ashamed at his answers.



Figure 64. Steven Schuck and Jesus Campos.

The crime scene was very odd. First, whoever did the interior decorating committed a heinous crime against humanity (Figure 65). Guns were strewn everywhere, but notably absent were the putative 2,000+ shell casings. A note had bullet trajectory calculations, which seems odd given he was shooting into a crowd. Laura Ingraham referred to the room as "a scene from *Law and Order*" during an entire show dedicated to an article at *ZeroHedge* calling bullshit on the

official narrative.⁷⁶¹ Authorities found a phone charger that didn't match Paddock's phone (hold that thought).⁷⁶² They also found a laptop, but oddly enough, Paddock seems to have misplaced his hard drive.⁷⁶³ Don't ya hate it when you misplace your hard drive?



Figure 65. Mandalay Bay crime scene photos.

Now we go down the hole farther than the rabbits. Witnesses say a couple was walking around the infield 45 minutes before the shooting declaring that they were “all going to die.”⁷⁶⁴ They were quickly escorted to the gates. Videos from multiple angles showed muzzle flashes, none of which came from the 32nd floor.⁷⁶⁵ Thirteen minutes of police dispatch tapes (culled from a more complete >1hr version) report shots coming from multiple locations, including the infield of the concert venue as well as floors 4, 12, 29, and 32.^{766,767} Audio recordings capture sounds that sure seem like different guns, including multiple pitches, volumes, and frequencies of firings.⁷⁶⁸ (I have problems with YouTube videos disappearing on me as fast as I find them.) Several audiophiles did serious analyses showing how the recorded firings show superimposed gun shots.⁷⁶⁹ An audio expert—who knows?—using multiple recordings claims to have triangulated the source to several different locations.⁷⁷⁰ The lone wolf plotline is not holding up. Witnesses who gave up cell phones to authorities for evaluation claim they came back with the videos deleted (for whatever reason.)⁷⁷¹

“I definitely believe that there was 100% more than one shooter. . . . Every other person that I talked to that, unfortunately, got hit as well have all said the same things.”

~Rocky Palermo, shooting victim⁷⁷²

The Mike Cronk videos were what piqued my interest and are dangerous territory for those professing to be sane. I appear not to have been alone.⁷⁷³ Cronk described to numerous network reporters—seems statistically odd given the number of possible interviewees—how his wounded friend jammed his fingers into his own bullet holes.⁷⁷⁴ That is some serious bullshit Mike. Cronk's demeanor also seemed oddly unemotional. A video of him in the hospital two days after the shooting showed a friend who was remarkably chipper for having three AR-15 holes in his chest. There was a surprising absence of tubes down the friend's gullet or up his nose, no IV bag, and a vital sign monitor that was not plugged in. His story improved, and he picked up more emotion, but the narrative also drifted

a bit. The video of Cronk visiting his friend has now been deleted at YouTube—a common occurrence, I hasten to add—but the internet captured analogs.⁷⁷⁵ It posed subtle and very dark questions in the context of the medical expert testimony below.

Surgeons have chimed in suggesting that the bullet would have shattered Campos's femur or at least would have obliterated major arteries (which explains the cane). There are no medical records; they are "undocumented." A trauma surgeon explains it well.⁷⁷⁶

"The bullet from an AR-15 does an entirely different kind of violence to the human body. It's relatively small, but it leaves the muzzle at three times the speed of a handgun bullet. It has so much energy that it can disintegrate three inches of leg bone. It would just turn it to dust. [If it hits the liver] the liver looks like a Jell-O mold that's been dropped on the floor. And the exit wound can be a nasty, jagged hole the size of an orange. The bullet from an AR-15 might miss the femoral artery in the leg, but cavitation may burst the artery anyway, causing death by blood loss. A swath of stretched and torn tissue around the wound may die."

Donald Jenkins, trauma surgeon, University of Texas Health Science Center at San Antonio⁷⁷⁶

Other videos of survivors have been declared total bullshit by surgeons specializing in repairing bullet wounds.⁷⁷⁷ A guy professing to be a battlefield surgeon stationed in Asia describes the monumental damage of a high-caliber bullet ripping through an arm or leg.⁷⁷⁸ (Videos illustrating such carnage were provided.) He suggested that the death toll plateauing at 58 after one day is simply dead wrong because fatalities among the 500 injured could occur for weeks, if not months. He also noted that the videos of rather perky gunshot victims are a total crock (Cronk?). Other surgeons have chimed in with similar narratives.⁷⁷⁹ University of Arizona trauma surgeon Peter Rhee suggests that "a handgun would require only one surgery, but an AR-15 bullet wound need three to ten."⁷⁸⁰ Descriptions of AR-15 damage published before the shooting—unamplified by the blogosphere—suggest they are devastating.⁷⁷⁹ Again, Jesus Campos needed a cane and went on vacation. And for the serious spaghetti lovers, there is a death toll of victims who were not shot. Say *what?* Yeah. Nine people who didn't get hit have supposedly died for all sorts of reasons.⁷⁸¹ I'm not sure you would expect that statistically from folks at Woodstock. It could even be total baloney.

There is the mystery of the missing hard drive from Paddock's computer. It seems to argue for Paddock as the patsy—an Oswald moment. At least one news report suggests that the missing hard drive is not really that weird:

“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.”

~ABC News⁷⁸²

All the mass killers destroy their hard drives and phones? That is supposed to make me feel better? A Fox News guest said that the missing hard drive is the “footprint of an assassin . . . bizarre.”⁷⁸³ He went on to say that “everything leading to a digital footprint has gone missing . . . somebody broke into [Paddock’s] home after the massacre . . . something has been put into motion to destroy this guy’s motive.” Those commentators at Fox are a very crazy bunch indeed.

Last, you can never let devious investors off the hook. With every one of these events, somebody finds evidence of insider trading. It was found for 9/11 — we can only hope those in the know were Al-Qaeda.⁷⁸⁴ For the Vegas shooting, executives at MGM Resorts International did a little day trading.⁷⁸⁵ The CEO, Jim Murren, sold 85 percent of his shares a month before the massacre, and the Great Satan (George Soros) is said to have picked up a \$42 million short position.⁷⁸⁶ The latter may be an error bar for old George, but the former is a big trade. Did I mention that Murren was appointed to the Homeland Security National Infrastructure Advisory Council by President Obama in December 2013?⁷⁸⁷

In case this all seems just too crazy. Let’s not forget, however, that this year’s release of the JFK files showed that the CIA planned to kill people in Miami and blame the Cubans.⁷⁸⁸ Of course, none of this matters anymore because Trump colluded with Russia, Harvey molested everybody, and Tiger shot his lowest score in years!

Conclusion

“Who we are is really defined by the work we put out.”

~David Berkowitz

"Are you gonna get any better or is this it?"

~Earl Weaver, Baltimore Oriols manager

The authorities could have enforced discipline on markets—let the consequences of unruly behavior inflict some sobering consequences. But opportunities to let reality encroach and deliver some painful price discovery with little damage to the system were deemed too unpleasant and have long since passed. Valuations are now at record highs and sentiment at a maniacal pitch as the economy stagnates. Wealth inequality is pushing extremes; history shows that this is *never* good. Chronic debt, lack of savings, and truly gargantuan unfunded liabilities have squeezed into every nook and cranny of the global economy. Government bloat and deep-seated corruption in the halls of power are patently obvious. Meanwhile, the story line supporting epic equity, bond, and credit bubbles—the claim that omnipotent central banks have our backs—is pathetic. Are we really that gullible? Apparently so. We are staring into the maw of a beastly metastable financial system waiting for a spark—a bond default in some distant third-world country, a collapsing hedge fund, or even a cryptocurrency debacle in the futures market—to light the fuse of a violent return to equilibrium. All the while, the markets keep going up. When markets finally regress to and through historical means, many if not all of the gains will be given back. We have had n bubbles throughout the history of markets and $n - 1$ have burst. Maybe this one won't burst, but I'm dubious.

“I don't mean to sound dramatic, but Americans hate each other right now. And it's getting worse. We're just a market crash . . . a recession . . . or some other extreme event away from more widespread violence.”

~Nick Giambruno, senior editor, Casey Research's *International Man*

So are the metastable markets the big message of 2017 for me? Oddly, no. I'm more immediately troubled by social changes. We had our first black president, but hopes of the first female president were dashed by a most improbable dark horse victor. So what? I'm serious: so friggin' what? It happens. Get over it. Well, almost to the day that Hillary lost the election, the progressive left lost its shit. It was not everybody and maybe not even a majority of the left, but a large, noisy bunch completely lost their minds (Figure 66).

Before Trump is elected



Laci Green @gogreen18 · 24h

Regardless of the outcome, we are clearly a *deeply* divided and broken country. So much work ahead to mend, heal, and restore the U in USA.

953 2.5K

After Trump is elected



Laci Green @gogreen18 · 20h

We are now under total Republican rule. Textbook fascism. Fuck you, white America. Fuck you, you racist, misogynist pieces of shit. G'night.

4.2K 8.6K

Figure 66. What a difference a day makes.

From Jane and Joe Six-pack to the liberal elite inside Hollywood, the Beltway, and college campuses, the message was clear: life is now intolerable, and everything imaginable should be considered acceptable to correct this sorry state of affairs. The Angry Collective can do *anything* and say *anything* because it has the moral high ground. Mention assassinating the president? Sure: he deserves it because he is Trump. Fabricate a dossier to unseat an elected president? It's not high treason because it's Trump. Call his supporters white supremacists or sycophants? They must be because they voted for Trump.

“All white nationalists in America voted for Trump; Trump ran in 2016 as a Republican; therefore, all Republican candidates and anyone who votes for them are necessarily white nationalists.”

~Howard Dean, former head of the Democratic National Committee

“You have surrendered principled action in favor of a self-righteous belief that indignation makes you better than everyone else. Sorry, pal, you're evil. . . . If you want to become a real Progressive, it has to cost you.”

~Charles Hugh Smith

The unrest escaped the containment of national politics and infected all discussions of social injustice. People are very upset; I get that. But I have never heard such shameful bigotry and hate speech, and it is coming from those who profess to oppose bigotry and hate speech. I thought the left suffered from an idealism–realism imbalance, but I never expected what they've delivered. It

would appear that I'm evil because I'm white, right, straight, male, and by pushing back, all variants of 'phobe. An innocuous joke can bring an angry mob with weaponized moral high ground. That's OK because offensive ideas will not be tolerated.

"If you thought everything was fine and then your world fell apart once Trump got elected, perhaps you haven't been paying enough attention."

~Mike Krieger

Doesn't make sense to you? Try the following experiment. Take some pointed social commentary you hear in the media, one in which virtue signaling social justice catchphrases roll off people's tongues fluidly and without hesitation or remorse. Alter the dialogue by substitution of a single word—switch black for white, women for men, gay for straight—and ask yourself how it sounds. Do they sound like racists, misogynists, bigots, or generally hateful people? You will never hear me criticize "blackness" nor do I wish to hear about "whiteness."

"It's become very hard to be a Republican and not be associated with something racially reprehensible."

~ David Brooks

It makes me ponder yet another counterfactual: What would red-state voters have done if Hillary had won? Would they have spewed venomously too—maybe even become violent like Antifa? We'll never know. They holstered their weapons because they won. I stumbled upon an unattributed analysis of the election dated November 11, 2016.⁷⁸⁹ I don't agree with all of it in detail, but the general message is important and it has aged well for me.

Dear Democrats and Liberals,

I'm noticing that a lot of you aren't graciously accepting the fact that your candidate lost. In fact you seem to be posting even more hateful things about those of us who voted for Trump. Some of you are apparently "triggered." Because you are posting how "sick" you feel about the results.

How did this happen you ask.

You created "us" when you attacked our freedom of speech.

You created "us" when you attacked our right to bear arms.

You created "us" when you attacked our Christian beliefs.

You created "us" when you constantly referred to us as racists.

You created "us" when you constantly called us xenophobic.

You created "us" when you told us to get on board or get out of the way.

You created "us" when you forced us to buy health care and then financially penalized us for not participating.

You created "us" when you allowed our jobs to continue to leave our country.

You created "us" when you attacked our flag.

You created "us" when you confused women's rights with feminism.

You created "us" when you began to emasculate men.

You created "us" when you decided to make our children soft.

You created "us" when you decided to vote for progressive ideals.

You created "us" when you attacked our way of life.

You created "us" when you decided to let our government get out of control.

"You" created "us" the silent majority.

And we became fed up and we pushed back and spoke up.

And we did it with ballots, not bullets.

~Source unknown

If you want a new POTUS, get your party to put up a good candidate in 2020—better than the sad choices we all got in 2016. Don't think for a moment, however, you're gonna get off with a quick impeachment. Half the country disagreed with you on Election Day. The person who wrote this essay may eventually regret his or her vote but won't take kindly to unwinding the most critical part of the democratic process.



My work here is done. You're welcome.

Books

"If you don't have time to read, you don't have the time to write. Simple as that."

~Stephen King

I find reading non-chemistry books helps me understand chemistry. Similarly, non-economics books shed light on economics. This was a busy year for me, leaving my book list a little light.

"I have offended God and mankind because my work did not reach the quality it should have."

~Leonardo da Vinci

Leonardo da Vinci by Walter Isaacson

This is as good as any yarn told by the Yarnmaster who wrote *Steve Jobs* as well as Brilliant biographies of Einstein, Newton, and Franklin. What makes the story so compelling is Isaacson's thematic identification of extraordinary people in conjunction with an exceptional historical record to work with. Unlike some historically important artists, Leonardo (Lenny to his close friends) was so obviously amazing that his works were treasured and preserved during his life. His paintings, sculptures, and ponderings documented in >7,000 pages (an estimated 25%) of his notebooks survive. The guys importance was a unimaginably relentless observation of detail in the world around him. You really have to read this one.

https://www.amazon.com/Leonardo-da-Vinci-Walter-Isaacson/dp/1501139150/ref=tmm_hrd_swatch_0?_encoding=UTF8&qid=1510450160&sr=1-1

Investing Through the Looking Glass: A Rational Guide to Irrational Financial Markets by Tim Price

This summer I got to scratch Tim off my bucket list of people I really wanted to meet. We are kindred spirits in my view. Tim addresses topics in investing and finance that could have been trite—how many of these books can you read? Tim, however, has an incredible writing style owing to training in English literature and a shared affinity for quotations. As Tim said, if a quote is good, why not 18 of the them? (He is very funny.) Tim is a bear and he tells you why and how with a Bill-Bonner-like prose (high praise). I may be shoveling some money at Tim to invest after the zombie apocalypse has run its course.

https://www.amazon.com/Investing-Through-Looking-Glass-Irrational/dp/0857195360/ref=sr_1_1?s=books&ie=UTF8&qid=1508381774&sr=1-1&keywords=Investing+Through+the+Looking+Glass

The Daily Show: An Oral History as Told by Jon Stewart, the Correspondents, Staff and Guests

If you are not a Daily Show fan, do not read this book. If you are, you will get a birds-eye view of how it started and evolved into a comedy show that very much out performed the networks at critiquing current events. It was revealing to be led through the dawn-till-dusk process of producing *a single show* and how, the next morning, they would start all over again. You get a sense of how its style evolved and how they transformed the genre. The voices are not those of the players (Jon's aside). You get used to it after awhile. Two ideas that I had been sniffing around but hit me like a truck were "juxtaposition" and "specificity". How you place the ideas proximate (or in close proximity if you wish to annoy the shit outta me) and that you eat a bucket of mocha chip not just ice cream if you want to maximize the impact of the punchline.

https://www.amazon.com/Daily-Show-Book-History-Correspondents/dp/1455565385/ref=sr_1_1?s=books&ie=UTF8&qid=1485611987&sr=1-1&keywords=the+daily+show+the+book

The Road to Ruin: The Global Elites' Secret Plan for the Next Financial Crisis by James G. Rickards

This is Jim's third book in what is likely not to stop at a Trilogy. I found his first (Currency Wars) to be far sighted. I thought some of his ideas were a little weird, but they don't look so in retrospect. His second, "The Case for Gold", was a primer for those who need a primer (an easy read). The "Road to Ruin" is also an easy read (although I have become increasingly aware that my bar for that has

changed over 20 years.) The Zerohedge crowd will totally endorse the premise that we are heading for a metaphorical bridge abutment...and soon. The system has been, once again, pumped up to a metaphorical state without ever correcting the imbalances from the '08 crisis. Jim might not view that as a metaphor but rather a model to consider. Again, I felt like I could lip synch much of it being a consumer of doom porn, but I really enjoyed it.

https://www.amazon.com/Road-Ruin-Global-Elites-Financial/dp/1591848083/ref=sr_1_1?s=books&ie=UTF8&qid=1486908485&sr=1-1&keywords=the+road+to+ruin

Fed Up: An Insider's Take on Why the Federal Reserve is Bad for America by Danielle DiMartino Booth.

I had the occasion to share the podium with Danielle twice in 2017. She is a lively, strongly opinionated ex-consultant for the Dallas Fed with a background in journalism. The first half of the book is a requisite summary of build up to the crisis (clear, simple presentation of derivatives and MBS's), but all common knowledge to the doom crowd. In the second half Danielle brings an insider view with an emphasis on battles within the Fed. These may also have been public domain, but they are much more of a real insider's view. I enjoyed this part.

https://www.amazon.com/Fed-Up-Insiders-Federal-Reserve/dp/0735211655/ref=tmm_hrd_title_0?_encoding=UTF8&qid=1508382127&sr=1-1

The Curse of Cash by Kenneth S. Rogoff.

I poked a digital stick (email) in Rogoff's eye suggesting that his message in support of a cashless society was missing the masses because they wanted the personal liberties that accompanied cash. Ken suggested, shockingly, that I read his book, so I did.

(I enjoyed *This Time is Different* by Reinhart and Rogoff and suspect the criticisms of his excel spreadsheet errors to be overstated.) In any event, I was staggered by how enthusiastically he endorsed using the coercive power of the State to push cash out of the system. He saw a benevolence of government that you would not need to be a libertarian to question. His enthusiasm for central bankers' judgement and omnipotence was baffling. Support for the war on cash as a proxy fight of the war on drugs was unconvincing. The guy likes centralized power. I did not feel enlightened at the end.

https://www.amazon.com/Curse-Cash-Kenneth-S-Rogoff/dp/0691172137/ref=tmm_hrd_swatch_0?_encoding=UTF8&qid=1508382466&sr=1-1

Thank You for Being Late: An Optimist's Guide to Thriving in the Age of Accelerations by Thomas L. Friedman.

Oh Tom seems to seamlessly move between insightful analysis and observation of the modern world to world-class bloviator. I like his description of exponential acceleration of change uncoupling from our linear adaptation to it. The description of Moore's Law having moved from hardware to software in 2007—a banner year for discontinuity according to Tom—was also interesting. It then seems to lose its way, wandering through long stretches of self-indulgence and ponderings that didn't seem to fit a tidy plot. A great start gave way to an overall so-so book.

https://www.amazon.com/Thank-You-Being-Late-Accelerations/dp/0374273537/ref=tmm_hrd_swatch_0?encoding=UTF8&qid=1508382883&sr=1-1

The Spartacus War by Barry Strauss and Ray Grover.

Barry is a colleague and remarkably balanced guy for an occupant of the Arts Quad at Cornell. (Just tugging all your chains.) He is a prolific writer about antiquity. This story was a nice narrative of how the Spartacus wars, headed up by Spartacus (!) grew, flourished and eventually hit the rocks. I will likely read a few more of his books.

https://www.amazon.com/Spartacus-War-Barry-Strauss/dp/1416532064/ref=sr_1_1?s=books&ie=UTF8&qid=1512592151&sr=1-1&keywords=spartacus+strauss

The Better Angels of Our Nature: Why Violence Has Declined by Steven Pinker

This book is a beast, consuming a serious chunk of my reading time. It is essentially the comprehensive encyclopedia of violence. Pinker convincingly shows us how violence has steadily decreased from ancient times through the present. Every imaginable variant of the violence theme is covered from wars, brawls, beatings, you name it. His description of how they used to punish people in the good old days was so brutal I had to go through it in short bursts. It was very enlightening, although it could have been shortened without loss of content, but who am I to criticize that?

https://www.amazon.com/Better-Angels-Our-Nature-Violence/dp/B005SA64YS/ref=sr_1_1?s=books&ie=UTF8&qid=1499802527&sr=1-1&keywords=Steven+Pinker

What Happened by Hillary Rodham Clinton

I am not quite sure what happened—I didn't read her book—but it is my understanding she lost and just can't accept it. One clever bloke noted that the

question and the answer were both on the cover: Q: What happened? A: Hillary Rodham Clinton. I caved and read Rogoff's book. Ain't gonna happen on this one. I am writing my sequel, *I Couldn't Care Less*.

https://www.amazon.com/s/ref=nb_sb_ss_i_1_13?url=search-alias%3Dstripbooks&field-keywords=what+happened+hillary+clinton&srefix=what+happened%2Cstripbooks%2C233&crd=305FRE4LZ9WF4&rh=n%3A283155%2Ck%3Awhat+happened+hillary+clinton

Acknowledgements

Last year I tried to thank so many people and managed to offend those I failed to thank. This year I will simply thank the collective. The digital world has opened up communication channels that were unimaginable. I interact with acquaintances—no: let's call them friends—who are pseudonyms. Others are prominent players who generously donate their time to help me and others understand a very complex world.

Reference Links

Links Part 1

1. <http://wapo.st/2zh2mmU>
2. <https://www.pornhub.com/insights/2016-year-in-review>
3. <http://robertbrucecarter.org/filmmaking/writing-process/its-a-great-joke-but-its-an-expensive-laugh/>
4. <https://fairuse.stanford.edu/overview/fair-use/what-is-fair-use/>
5. <https://www.youtube.com/watch?v=ypsQDWDaejg>
6. <https://www.youtube.com/watch?v=26yBwihPb64>
7. <http://www.zerohedge.com/news/2016-12-27/david-collum-weve-got-recession-coming>
8. <http://kunstler.com/podcast/kunstlercast-289-david-collum-fun-financial-markets/>
9. <http://kunstler.com/podcast/kunstlercast-297-yakking-david-collum-cornell-u-markets-reach-new-time-highs/>
10. <https://www.youtube.com/watch?v=s19zlvS25zA&feature=youtu.be>
11. <https://itunes.apple.com/us/podcast/futures-radio-show/id1017809838?mt=2>
12. <http://whcuradio.com/podcasts/housecall-january-7-2017/>
13. <https://www.youtube.com/watch?v=5fIAmNopCFs&feature=youtu.be>
14. <https://www.youtube.com/watch?v=2NPnISM58Bg&feature=youtu.be>
15. <https://soundcloud.com/the-lance-roberts-show/lance-w-dave-collum-8a-9-5-17-seg-1-short>
16. <https://soundcloud.com/the-lance-roberts-show/lance-w-dave-collum-8a-9-5-17-seg-2-short>
17. <https://www.jasonhartman.com/cw-907-the-year-in-review-preview-new-bubbles-and-the-danger-of-a-massive-market-drop-with-cornell-professor-david-collum/>
18. <https://realinvestmentadvice.com/ria-2017-economic-investment-summit/>

16. <https://stansberrystreaming.com/presentations/david-collum.html>
<https://stansberrystreaming.com/presentations/david-collum.html>
<https://www.youtube.com/watch?v=TW2y6VbpgU8>
17. <https://heterodoxacademy.org/>
18. <http://www.npr.org/2014/12/29/372485968/transcript-president-obamas-full-npr-interview>
19. <https://www.peakprosperity.com/blog/89840/2014-year-review#energy>
20. <http://theeconomiccollapseblog.com/archives/over-the-last-10-years-the-u-s-economy-has-grown-at-exactly-the-same-rate-as-it-did-during-the-1930s>
21. <https://dailyreckoning.com/the-illusion-of-growth/>
22. <http://bit.ly/2CJYUkG>
23. <http://www.barrons.com/video/abby-joseph-cohen-goldman-2016-outlook/1292515F-0B75-4941-ABAD-0BF7BB5E06E9.html>
24. <http://www.businessinsider.com/r-ge-revenue-falls-12-percent-2017-7>
25. <http://bit.ly/2Bmwn4l>
26. <http://www.zerohedge.com/news/2017-07-28/demographic-dysphoria-looms-doctors-discover-sperm-counts-western-men-plummeted-near>
27. <http://www.markgb.com/blog/2017/10/25/martin-wolfs-latest-apology-for-central-bankers>
28. <http://www.zerohedge.com/news/2017-06-03/93-all-jobs-created-2008-were-added-through-birthdeath-model>
29. <http://hotair.com/archives/2017/04/20/census-study-most-millennials-still-living-with-parents/>
30. <https://blog.evergreengavekal.com/pull-together-dave-part-2/>
31. <http://www.alhambrapartners.com/2017/07/17/qualifying-shortage-labor/>
32. <https://wolfstreet.com/2017/03/26/automakers-record-incentives-to-slow-decline-in-sales/>
33. <http://www.zerohedge.com/news/2017-03-23/used-car-prices-will-drop-several-years-and-other-takeaways-fords-analyst-call>
34. <http://bit.ly/2BAvyrj>
35. <http://theeconomiccollapseblog.com/archives/11-reasons-why-u-s-economic-growth-is-the-worst-that-it-has-been-in-3-years>
36. <http://www.zerohedge.com/news/2017-07-14/more-bad-news-autos-wells-auto-loan-originations-crash-all-time-low>
37. <http://www.zerohedge.com/news/2017-10-30/angry-tesla-owner-shares-25-minute-video-detailing-just-one-year-model-s-service-iss>
38. <http://bit.ly/2kAKH10>
39. <http://stockboardasset.com/insights-and-research/apartment-vacancy-rate-improves-rental-affordability-crisis-worst-level-ever/>
40. <https://realinvestmentadvice.com/shillers-cape-is-there-a-better-measure/>
41. <https://www.fool.com/investing/2017/12/05/why-ascena-retail-group-inc-stock-plummeted-today.aspx>
42. <https://latest.13d.com/death-of-the-salesperson-7e6f512f46?gi=3847c0f3b0c4>
43. <http://fortune.com/2017/05/31/malls-retail-stores-closing/>
44. <http://www.zerohedge.com/news/2017-07-15/us-restaurant-industry-stuck-worst-collapse-2009>
45. <http://bit.ly/2AIg0hf>
46. <https://www.uschamber.com/above-the-fold/rule-1-trade-negotiators-no-own-goals>

47. <http://www.zerohedge.com/news/2017-03-13/%E2%80%9C2017-will-be-tipping-point%E2%80%9D-why-some-think-next-big-short>
48. <https://www.themaven.net/mishtalk/economics/state-of-retail-jcpenney-plunges-now-a-penny-stock-amazon-to-blame-MsUHW6NBzEOfKQbhJppi-w>
49. <http://www.zerohedge.com/news/2017-07-14/us-government-begins-ask-if-amazon-getting-too-big>
50. <https://newrepublic.com/article/143595/return-monopoly-amazon-rise-business-tycoon-white-house-democrats-return-party-trust-busting-roots>
51. <http://for.tn/2CLEdVI>
52. <https://dollarcollapse.com/stock-prices/inflection-point-coming/>
53. <https://www.thefelderreport.com/2017/03/23/jack-bogles-4-annual-return-forecast-for-stocks-could-prove-to-be-heroically-optimistic/>
54. <https://www.hussmanfunds.com/wmc/wmc170925.htm>
55. <http://hussmanfunds.com/wmc/wmc170807.htm>
56. <https://www.oaktreecapital.com/insights/howard-marks-memos>
57. <http://hussmanfunds.com/wmc/wmc170724.htm>
58. <https://www.marketwatch.com/story/heres-what-the-dividend-yield-is-really-telling-us-about-stocks-2017-05-09>
59. <https://www.economist.com/news/finance-and-economics/21725552-new-research-suggests-too-little-competition-deters-investment-americas>
60. <https://stansberrystreaming.com/presentations/grant-williams.html>
61. <https://www.thefelderreport.com/2017/06/06/podcast-steven-bregman-on-the-greatest-bubble-ever-passive-etf-investing/>
62. <http://www.marketwatch.com/story/heres-the-shocking-truth-about-the-russell-2000s-pe-ratio-2017-08-18?siteid=rss>
63. <https://www.bloomberg.com/news/articles/2017-08-22/world-s-biggest-wealth-fund-gains-26-billion-on-stock-rally>
64. <https://www.peakprosperity.com/blog/104753/2016-year-review#cashsidelines>
65. <http://www.zerohedge.com/news/2017-11-22/jpmorgan-every-investor-class-now-all-stocks>
66. <https://realinvestmentadvice.com/5-universal-laws-of-human-investment-stupidity/>
67. <https://realinvestmentadvice.com/5-universal-laws-of-human-investment-stupidity/>
68. <http://www.zerohedge.com/news/2017-09-28/meet-worlds-no1-bitcoin-derivatives-trader-its-pure-unlicensed-capitalism>
69. <https://www.wsj.com/articles/paul-tudor-jones-new-hedge-fund-pitch-low-low-prices-1488214739>
70. <https://www.oaktreecapital.com/insights/howard-marks-memos>
71. <http://money.cnn.com/investing/about-fear-greed-tool/index.html>
72. https://www.bloomberg.com/news/articles/2017-10-11/bears-become-bulls-in-unbroken-u-s-stock-market-rally-chart?cmpid=socialflow-twitter-business&utm_content=business&utm_campaign=socialflow-organic&utm_source=twitter&utm_medium=social
73. <http://bit.ly/2kDsy2J>
74. <http://www.zerohedge.com/news/2017-10-10/october-realized-volatility-now-lowest-record>
75. <https://www.marketwatch.com/story/the-dow-just-logged-its-longest-period-without-a-1-drop-in-nearly-40-years-2017-10-30>
76. <https://financialadvisoryork.com/incredible-streaks-continue-october-6-2017/>
77. <http://www.zerohedge.com/news/2017-11-18/unbridled-exuberance>

78. <https://twitter.com/sentimentrader/status/926249627573202944>
79. <https://twitter.com/charliebillello/status/918878603705798657>
80. <http://www.zerohedge.com/news/2017-02-15/multi-billion-trade-meltdown-here-reason-markets-inexplicable-surge>
81. <http://www.zerohedge.com/news/2017-07-26/22-troublesome-facts>
82. <https://www.investopedia.com/terms/v/volatility.asp>
83. <https://twitter.com/EricBalchunas/status/902517672478466050>
84. <https://www.barrons.com/articles/the-trouble-with-those-cant-miss-trades-1507951144>
85. <http://www.businessinsider.com/former-target-manager-becomes-millionaire-using-short-volatility-trade-2017-8>
86. <https://www.linkedin.com/pulse/case-long-volatility-eric-peters/>
87. <http://valentineventures.com/wp-content/uploads/2017/10/Short-Vol-Crowded-Trade.pdf>
88. <http://wallstreetexaminer.com/2017/11/vix-flash-crash-rebound-tyvix-10y-t-vol-hits-time-low/>
89. <http://www.zerohedge.com/news/2017-06-29/vix-briefly-hits-kolanovic-catastrophic-loss-level>
90. <https://www.peakprosperity.com/blog/104753/2016-year-review#brokenmarkets>
91. <http://evonomics.com/ralph-nader-ceo-stock-buyback-parasitize-economy/>
92. <http://www.zerohedge.com/news/2017-07-17/there-has-been-just-one-buyer-stocks-financial-crisis>
93. <http://bit.ly/2yCfqne>
94. <http://www.zerohedge.com/news/2017-09-07/restoration-hardware-shorts-annihilated-after-company-announces-50-stock-repurchased>
95. <https://dollarcollapse.com/stock-prices/dumb-dumber-money-keeps-pouring/>
96. <https://dailyreckoning.com/amazon-new-tech-crash/>
97. <http://www.zerohedge.com/news/2017-02-21/socgen-there-underbelly-trouble-disguised-markets-all-time-highs>
98. <http://www.zerohedge.com/news/2017-04-26/02-nasdaq-companies-accounted-45-its-recent-gains>
99. <http://bit.ly/2BdLbCf>
100. <https://www.marketwatch.com/story/the-legacy-and-luck-of-vanguards-jack-bogle-2017-07-14>
101. <https://www.cnn.com/2016/08/16/investor-sentiment-expert-peter-atwater-on-market-bubbles-trump-and-tiny-houses.html>
102. <http://www.cnn.com/2014/07/01/us/unmade-bed-art/index.html>
103. <http://dfw.cbslocal.com/2017/02/07/cheeto-that-looks-like-harambe-sells-for-10000-on-ebay/>
104. <http://www.zerohedge.com/news/2017-01-24/near-broke-company-tells-investors-stop-buying-its-soaring-stock>
105. <http://www.dailymail.co.uk/sciencetech/article-4942348/Tesla-deliveries-rise-3rd-qtr-Model-3-faces-bottlenecks.html>
106. <https://www.switch.com/executive-team>
107. https://www.bloomberg.com/news/articles/2017-05-05/singer-s-flagship-fund-said-to-raise-5-billion-in-24-hours?cmpid=socialflow-twitter-business&utm_content=business&utm_campaign=socialflow-organic&utm_source=twitter&utm_medium=social
108. www.stackfinancialmanagement.com/pdfs/QrtlyReportOct13.pdf

109. <http://www.mauldineconomics.com/outsidethebox/more-on-complexity-economics>
110. <https://www.forbes.com/sites/davidmarotta/2013/04/16/big-mac-index-shows-official-cpi-underreports-inflation/>
111. http://www.nyu.edu/econ/user/bisina/benartzi_thaler.pdf
112. http://www.master272.com/finance/GP_L3/docs/dimson_equity_primia.pdf
113. <https://twitter.com/LukeGromen/status/915909937573883904>
114. <https://seekingalpha.com/article/4112385-gold-silver-sprott-central-fund-arrangement>
115. <http://www.zerohedge.com/news/2017-02-09/bundesbank-has-completed-gold-repatriation-new-york-fed-three-years-ahead-schedule>
116. <https://www.bloomberg.com/news/articles/2017-03-29/shandong-gold-says-it-may-have-found-china-s-biggest-gold-mine>
117. http://www.scmp.com/news/asia/south-asia/article/2118977/indias-black-money-market-booming-year-after-modis?utm_content=buffereb323&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer
118. <http://economictimes.indiatimes.com/markets/stocks/news/sovereign-gold-bonds-issue-opens-on-monday-key-things-to-know/all-you-need-to-know-before-investing-in-sgbs/slideshow/59491548.cms>
119. <https://www.activistpost.com/2017/02/arizona-committee-passes-bill-support-sound-money.html>
<http://www.einpresswire.com/article/388862705/louisiana-ends-sales-tax-on-gold-silver-bullion>
<http://www.zerohedge.com/news/2017-03-14/idaho-house-votes-overwhelmingly-end-income-taxation-precious-metals>
120. https://www.theguardian.com/politics/2017/aug/07/payment-in-gold-bullion-banned-under-new-law-to-combat-tax-evasion?CMP=share_btn_tw
121. <http://www.cnbc.com/2017/03/27/massive-gold-coin-worth-millions-stolen-from-german-museum.html>
122. <https://www.tuko.co.ke/236712-collector-finds-25-million-worth-gold-bullion-military-tank-photos.html>
123. <https://dollarcollapse.com/precious-metals/dont-let-happen/>
124. <https://twitter.com/ReformedBroker/status/907932553662930945>
125. http://www.shtfplan.com/emergency-preparedness/russia-readies-back-up-system-for-potentially-explosive-split-with-international-banking-system_03242017
126. <https://dollarcollapse.com/debt/bad-ideas-part-2-giving-without-admitting/>
- 126a. <https://www.thefelderreport.com/2017/06/24/yes-bitcoin-is-a-bubble-and-its-about-to-burst/>
127. <https://coinmarketcap.com>
128. <http://bit.ly/2kB2t4g>
129. <http://deadcoins.com/>
130. <http://www.zerohedge.com/news/2017-07-19/ethereum-suddenly-crashes-20-amid-chatter-more-ico-fraud-goldman-sees-bitcoin-testin>
131. <http://www.zerohedge.com/news/2017-06-21/ethereum-flash-crashes-after-status-ico-clogs-network>
132. <http://www.zerohedge.com/news/2017-06-21/ethereum-flash-crashes-after-status-ico-clogs-network>
133. https://www.theguardian.com/technology/2017/nov/08/cryptocurrency-300m-dollars-stolen-bug-ether?CMP=tw_t_gu

134. <http://www.businessinsider.com/initial-coin-offering-china-bitcoin-ethereum-peoples-bank-of-china-law-all-crypto-illegal-etoro-2017-9?r=UK&IR=T>
135. <http://www.independent.co.uk/news/business/news/uk-bitcoin-regulation-money-laundering-cryptocurrency-european-union-eu-a8090791.html>
136. <https://dollarcollapse.com/crypto-currency/empire-strikes-back-bitcoin/>
137. <http://www.zerohedge.com/news/2017-05-29/what-happening-hong-kong-housing-market-sea-madness>
138. <http://bit.ly/2s8gIjS>
139. <http://www.zerohedge.com/news/2017-04-15/london-housing-market-suffering-worst-collapse-financial-crisis>
140. http://collum.chem.cornell.edu/dbc6/Sherlund_e-mail.html
141. <https://boockreport.com/inflation-discussion-part-ii-housing-europe-asia/>
142. <https://www.reference.com/business-finance/much-did-house-cost-1960-d902d080a8cf8312#>
143. <https://sf.curbed.com/2017/6/7/15758460/median-home-price-sf>
144. <http://www.mypalmbeachpost.com/business/after-hurricane-irma-will-home-real-estate-sales-stay-strong/p0Dvgbe7Pxgud4LPfRE5HM/>
145. <http://www.zerohedge.com/news/2017-10-09/nyc-foreclosures-surge-79-yoy-q3-stand-highest-level-2009>
146. <https://www.cnbc.com/2016/05/24/sam-zell-im-a-seller-in-this-market-but-im-buying-distressed-energy.html>
147. <http://www.chicagobusiness.com/realestate/20170601/CRED03/170609990/10-years-later-zell-explains-the-perfect-timing-of-his-equity-office-sale>
148. <http://bit.ly/2oo0d5x>
149. <https://www.marketwatch.com/story/fannie-and-freddie-could-need-100-billion-bailout-in-next-crisis-stress-test-finds-2017-08-07>
150. <https://www.sovereignman.com/disappearing-middle-class/the-new-american-dream-rent-your-home-from-a-hedge-fund-22246/>
151. <https://www.bloomberg.com/news/articles/2017-05-08/sec-probes-rental-home-values-backing-private-equity-bond-deals>
<https://www.bloomberg.com/news/articles/2017-05-08/sec-probes-rental-home-values-backing-private-equity-bond-deals>
152. <https://shadowproof.com/2010/11/24/linda-green-robo-signing-shows-massive-document-fraud/>
153. <https://www.bloomberg.com/news/articles/2017-05-08/sec-probes-rental-home-values-backing-private-equity-bond-deals>
154. <http://www.zerohedge.com/news/2017-07-19/canada-really-serious-trouble-goldman-responds>
155. <https://betterdwelling.com/canadians-are-borrowing-against-real-estate-at-the-fastest-pace-ever/#>
156. <http://buff.ly/2sE0gfe>
157. <http://www.zerohedge.com/news/2017-04-07/david-rosenberg-bubble-historic-proportions>
158. <https://wolfstreet.com/2017/09/06/toronto-house-price-bubble-descends-into-bear-market/>
159. <https://www.thestar.com/business/2017/05/26/gta-home-sales-plunge-as-much-as-61-per-cent.html>
160. <http://www.cbc.ca/news/business/toronto-housing-bmo-td-1.4028032>
161. <https://betterdwelling.com/city/toronto/marc-cohodes-short-canadian-real-estate/>

162. <http://www.zerohedge.com/news/2017-08-02/exclusive-how-home-capital-sausages-were-made>
163. <http://www.zerohedge.com/news/2017-04-29/furious-bank-run-leaves-canadas-largest-alternative-mortgage-lender-verge-collapse>
164. https://www.bloomberg.com/news/articles/2017-06-22/buffett-follows-goldman-model-in-bailout-for-home-capital?cmpid=socialflow-twitter-business&utm_content=business&utm_campaign=socialflow-organic&utm_source=twitter&utm_medium=social
165. <https://onbeyondinvesting.com/blogs/blog/home-capital-wtf-just-happened>
166. <http://www.zerohedge.com/news/2017-05-26/global-pension-underfunding-will-grow-400-trillion-over-next-30-years-world-economic>
167. https://en.wikipedia.org/wiki/Defined_benefit_pension_plan
168. https://www.amazon.com/Sapiens-History-Humankind-Yuval-Harari/dp/0062316095/ref=sr_1_1?s=books&ie=UTF8&qid=1513355290&sr=1-1&keywords=sapiens
169. <https://twitter.com/MarkYusko/status/878459053760012288>
170. <http://www.mauldineconomics.com/frontlinethoughts/uncle-sams-unfunded-promises/>
171. <https://www.cnbc.com/2014/09/26/us-public-pension-gap-at-least-2-trillion-moodys.html>
172. <https://www.hoover.org/research/hidden-debt-hidden-deficits-2017-edition>
173. <http://theeconomiccollapseblog.com/archives/the-ticking-time-bomb-that-will-wipe-out-virtually-every-pension-fund-in-america>
174. <http://www.zerohedge.com/news/2017-08-31/pension-ponzi-exposed-minnesota-underfunding-triples-after-tweaking-one-small-assump>
175. <http://milleronthemoney.com/calexit-beat-crowd/>
176. <https://www.themaven.net/mishtalk/economics/illinois-general-assembly-retirement-system-only-13-52-sdnE62oHWUq1DCysXX0HQ>
177. <http://www.zerohedge.com/news/2017-08-23/hartford-bankruptcy-looms-ct-gov-admits-we-spent-money-wrong-things>
178. <http://bit.ly/2yJHukJ>
179. <http://www.zerohedge.com/news/2017-10-18/kentucky-republicans-cave-pension-reform-stick-it-taxpayers-kick-can-approach-instea>
180. <http://www.zerohedge.com/news/2017-07-11/5-charts-explain-just-how-screwed-your-state>
181. <http://www.zerohedge.com/news/2017-08-08/record-number-dallas-police-officers-quit-july-amid-ongoing-pension-crisis>
182. <http://bit.ly/2AZjiRt>
183. <http://www.zerohedge.com/news/2017-01-06/city-dallas-looks-clawback-ill-gotten-pension-gains-dallas-police>
184. <http://dollarcollapse.com/pension-funds/pensions-thing-gets-real/>
185. <http://bit.ly/2lorr5q>
186. <http://www.businessinsider.com/americans-maxing-out-401k-retirement-savings-2017-10>
187. <https://www.sunriseseniorliving.com/blog/september%202011/more-boomers-assisting-adult-children.aspx>
188. <http://www.zerohedge.com/news/2017-06-22/moodys-modest-downside-scenario-could-spark-59-surge-net-public-pension-liabilities->

189. <http://www.pionline.com/article/20171107/ONLINE/171109874/sen-sherrod-brown-to-unveil-multiemployer-loan-program-legislation>
190. <https://www.kotlikoff.net/sites/default/files/Kotlikoffbudgetcom2-25-2015.pdf>
191. <https://www.peakprosperity.com/blog/80335/2012-year-review-contd#roth-ira>
192. http://collum.chem.cornell.edu/dbc6/DBC_rogue_files/Collum_Stansberry_Audio.mp3
193. http://www.shadowstats.com/alternate_data/gross-domestic-product-charts
194. <http://www.zerohedge.com/news/2017-05-09/devonshire-true-inflation-three-times-higher-officially-reported>
195. https://www.peakprosperity.com/blog/89840/2014-year-review#inflation_deflation
196. https://www.peakprosperity.com/blog/89840/2014-year-review#inflation_deflation
197. <http://davidstockmanscontracorner.com/chart-of-the-day-what-inflation-got-to-love-those-hedonics/>
198. <https://www.youtube.com/watch?v=LqcHG7QUK9k>
199. <https://www.peakprosperity.com/blog/80335/2012-year-review-contd#personal-debt>
200. <https://www.peakprosperity.com/forum/david-b-collums-2010-year-review/50352>
201. <https://www.financialresearch.gov/financial-stability-monitor/>
202. <https://www.wsj.com/articles/who-wants-to-buy-a-100-year-bond-it-depends-on-the-yield-1494586801?mod=e2twcb>
203. <https://seekingalpha.com/article/4073166-10-year-tips-reopens-may-18-expect>
204. <https://www.bloomberg.com/gadfly/articles/2017-09-05/apple-s-rain-of-cash-washes-away-doubts-about-its-debt>
205. <http://bit.ly/2td8lo4>
206. <http://www.zerohedge.com/news/2017-07-06/panicked-boj-unleashes-bond-buying-bazooka-offers-buy-unlimited-10y-bonds-011>
207. <http://bit.ly/2t7ZgPF>
208. <http://www.zerohedge.com/news/2017-05-11/chinese-recession-imminent-yield-curve-inverts-first-time-ever>
209. <https://www.ft.com/content/4b5c16a8-abcb-11e4-b05a-00144feab7de>
210. <https://www.ft.com/content/1d4f47e2-97a7-11e7-b83c-9588e51488a0>
211. <http://davidstockmanscontracorner.com/mind-the-junk-this-aint-your-grandfathers-capitalism/>
212. <http://www.zerohedge.com/news/2017-03-29/you-know-its-global-debt-bubble-when>
213. <https://www.premiumtimesng.com/business/business-news/250098-nigeria-floats-3-billion-dual-tranche-bond.html>
214. <https://www.wsj.com/articles/for-a-46-return-bond-investors-go-to-venezuela-if-they-dare-1477220404>
215. <http://money.cnn.com/2017/11/14/news/economy/venezuela-debt-default-sp/index.html>
216. <http://www.zerohedge.com/news/2017-08-26/goldman-unexpectedly-exempt-venezuela-bond-trading-ban>
217. <https://www.bloomberg.com/news/articles/2017-10-06/puerto-rico-investors-to-get-10-to-20-cent-recoveries-bass-says>
218. <http://www.zerohedge.com/news/2017-10-04/puerto-rico-go-bonds-collapse-after-trumps-were-gonna-wipe-out-comment>
219. <https://theintercept.com/2017/10/03/we-can-finally-identify-one-of-the-largest-holders-of-puerto-rican-debt/>

220. <https://theintercept.com/2017/10/11/puerto-rico-relief-bill-cancels-16-billion-in-debt-but-not-for-puerto-rico/>
221. <https://theintercept.com/2017/10/11/puerto-rico-relief-bill-cancels-16-billion-in-debt-but-not-for-puerto-rico/>
222. https://www.bridgewater.com/research-library/the-all-weather-strategy/?gclid=Cj0KCQiAsK7RBRDzARIsAM2pTZ9w4owGgHL9lwRdHnrilujyE0poBdeRjSSvfHwFlf7ZISQ7NIPwSOoaAs4YEALw_wcB
223. <http://www.zerohedge.com/news/2017-10-11/bridgewater-fraud-here-are-troubling-questions-posed-jim-grant>
224. <https://www.bloomberg.com/news/articles/2017-10-18/junk-bond-traders-just-buying-stocks-now>
225. <https://www.nytimes.com/2017/08/31/business/wells-fargo-testimony.html?rref=collection%2Fsectioncollection%2Fbusiness&action=click&contentCollection=business®ion=rank&module=package&version=highlights&contentPlacement=9&pgtype=sectionfront&smid=tw-dealbook&smtyp=cur>
226. <https://www.nytimes.com/2017/07/27/business/wells-fargo-unwanted-auto-insurance.html?smid=tw-share>
327. <http://fortune.com/2016/10/24/wells-fargos-scandal-could-end-up-costing-bank-8-billion/>
228. <http://www.breitbart.com/big-government/2017/01/18/trumps-transportation-secretary-elaine-chao-collect-millions-wells-fargo-taking-government-job/>
229. <http://bit.ly/2yLnCOL>
230. <https://seekingalpha.com/article/4112297-mis-sold-bonds-resounding-wakeup-call>
231. <http://wolfstreet.com/2017/06/25/contagion-from-bank-collapses-italy/>
232. <https://www.sovereignman.com/banking-system/negative-interest-rates-have-come-to-america-22332/>
233. <http://www.themacrotourist.com/posts/2017/07/18/spot-the-horse/>
234. <https://www.theinstitutionalriskanalyst.com/single-post/2017/10/01/CDO-Redux-Credit-Spreads-Financial-Fraud>
235. <https://www.prospectmagazine.co.uk/magazine/the-secret-history-of-the-banking-crisis>
236. <https://www.bloomberg.com/news/articles/2017-02-28/in-video-uber-ceo-argues-with-driver-over-falling-fares>
247. https://www.washingtonpost.com/news/dr-gridlock/wp/2017/03/26/two-girls-barred-from-united-flight-for-wearing-leggings/?tid=sm_tw&utm_term=.422089a24c75
238. <http://www.independent.co.uk/travel/news-and-advice/easyjet-unaccompanied-child-removed-overbooked-flight-minor-london-gatwick-toulouse-a7852811.html>
239. <http://www.zerohedge.com/news/2017-04-27/united-passenger-who-was-dragged-plane-settles-airline>
240. <http://www.dailymail.co.uk/news/article-4475808/Australian-man-sues-American-Airlines-100-000.html#ixzz4gCPaZr37>
241. <http://www.washingtonexaminer.com/us-to-ban-laptops-in-plane-cabins-in-all-flights-from-europe-report/article/2622725>
242. <https://jonathanturley.org/2017/03/11/hawaiian-airlines-diverts-plane-after-passenger-becomes-irate-over-being-charged-12-for-a-simple-blanket/>
243. <http://www.dailymail.co.uk/news/article-4406326/Mans-body-seen-tossed-plane-roof-Mexican-hospital.html>
244. <https://ilovemyfreedom.org/camping-world-ceo-tells-trump-supporters-shop-elsewhere-nascar-racer-cancels-150000-order/>

245. <http://www.independent.co.uk/arts-entertainment/tv/news/pepsi-ad-kendall-jenner-protest-police-commercial-backlash-prefer-brand-survey-morning-consult-a7682126.html>
246. <https://www.lifesitenews.com/news/target-still-facing-backlash-from-transgender-bathroom-policy>
247. <https://news.starbucks.com/news/living-our-values-in-uncertain-times>
248. <http://money.cnn.com/2017/08/09/news/companies/walmart-guns-back-to-school/index.html>
249. <https://www.youtube.com/watch?v=tqA5RqGcafE>
250. <https://www.vanityfair.com/news/2017/11/sean-hannity-giving-away-keurig-coffee-makers-after-roy-moore-boycott>
251. <http://www.zerohedge.com/news/2017-08-19/colossal-fraud-against-consumers-lawsuit-accuses-poland-spring-selling-groundwater>
252. <http://www.zerohedge.com/news/2017-10-16/kobe-steel-scandal-goes-nuclear-company-faked-data-decades-had-fraud-manual>
253. <http://bit.ly/2wNhkOH>
254. <https://www.wsj.com/articles/two-top-equifax-executives-to-retire-1505510863>
255. <https://www.marketwatch.com/story/equifax-outlook-lowered-to-negative-by-standard-and-poors-2017-09-11>
256. https://www.youtube.com/watch?v=mPjgRKW_Jmk
257. <https://www.cnbc.com/2017/09/08/were-you-affected-by-the-equifax-data-breach-one-click-could-cost-you-your-rights-in-court.html>
258. <http://www.zerohedge.com/news/2017-10-04/isnt-joke-irs-just-hired-equifax-safeguard-taxpayer-data>
259. <https://www.globalfinancialdata.com/gfdblog/?p=1374>
260. <https://www.fuw.ch/article/the-only-question-is-when-the-bomb-is-going-off/>
261. <http://www.bountymanagement.com/news/documents/BountyUpdate-July2013.pdf>
262. <https://www.kotlikoff.net/sites/default/files/Kotlikoffbudgetcom2-25-2015.pdf>
263. https://www.720global.com/article/22-troublesome-facts-59788c344cd23?utm_source=22%2BTroublesome%2BFacts&utm_campaign=risk%2Bspectrum&utm_medium=email
264. <https://www.brookings.edu/blog/ben-bernanke/2017/10/12/temporary-price-level-targeting-an-alternative-framework-for-monetary-policy/>
265. <http://www.zerohedge.com/news/2017-04-06/kashkari-slams-dimon-if-demand-loans-high-why-are-you-buying-back-your-stock>
266. <http://www.zerohedge.com/news/2017-11-05/ousted-catalan-leader-turns-himself-belgian-police>
267. <https://www.ft.com/content/479d0408-b65b-11e7-8c12-5661783e5589>
268. <http://www.independent.co.uk/travel/news-and-advice/mandspreading-madrid-spain-ban-public-transport-bus-metro-behaviour-etiquette-a7779041.html>
269. <http://www.independent.co.uk/news/world/europe/poland-refuses-to-take-a-single-refugee-because-of-security-fears-a7020076.html>
270. https://en.wikipedia.org/wiki/History_of_the_Jews_in_Poland
271. <https://www.youtube.com/embed/UD7UA1d-WnA?rel=0>
272. <https://www.gatestoneinstitute.org/9982/france-deradicalization>
273. <https://www.gatestoneinstitute.org/10822/europe-burkini-war>
274. <http://www.renezografos.com/blog/trump-is-absolutely-right-about-sweden>
275. <http://legalinsurrection.com/2017/02/two-important-testimonies-that-trump-was-right-about-sweden/>

276. <https://www.gatestoneinstitute.org/9901/sweden-migrants-costs>
277. <http://www.zerohedge.com/news/2016-12-30/swedens-infamous-bikini-cop-quits-amid-growing-police-crisis>
278. <https://twitter.com/nytimes/status/835076059049701377>
279. <https://www.gatestoneinstitute.org/10352/germany-migrants-property-rights>
280. <http://www.dailymail.co.uk/news/article-2352779/Bestiality-brothels-spreading-Germany-campaigner-claims-abusers-sex-animals-lifestyle-choice.html#ixzz4kgsXD4V5>
281. <http://bit.ly/2ny7laf>
282. <https://www.bloomberg.com/news/articles/2017-08-09/snb-s-u-s-stock-portfolio-hit-record-84-3-billion-last-quarter>
281. <https://www.bloomberg.com/news/articles/2017-11-03/venezuelan-oil-too-big-to-fail-at-least-for-china-and-russia>
282. <https://www.reuters.com/article/us-venezuela-economy/enter-the-petro-venezuela-to-launch-oil-backed-cryptocurrency-idUSKBN1DX0SQ>
283. <https://twitter.com/JulianAssanje/status/893265006745145346>
284. <http://www.zerohedge.com/news/2017-07-11/meanwhile-venezuela-real-mad-max-emerges>
285. <http://www.zerohedge.com/news/2017-02-21/75-venezuelans-lose-least-19-pounds-2016>
286. <http://www.newsweek.com/venezuelan-president-eats-empanada-live-tv-while-addressing-starving-nation-701050>
287. <http://www.thegatewaypundit.com/2017/06/horror-former-north-korean-prisoner-otto-warmbier-vegetative-state-will-likely-never-wake/>
288. https://www.youtube.com/watch?v=QL_3Qg-SADY&feature=youtu.be
289. <http://www.zerohedge.com/news/2017-09-28/beijing-orders-all-north-korean-businesses-close>
290. <https://dailyreckoning.com/russia-story-matters/>
291. https://www.amazon.com/Battle-Bretton-Woods-Relations-University/dp/0691162379/ref=sr_1_1?s=books&ie=UTF8&qid=1512840536&sr=1-1&keywords=benn+steil
292. https://en.wikipedia.org/wiki/Triffin_dilemma
293. <https://www.reuters.com/article/us-review-crisis-breakingviews/review-can-we-avoid-another-financial-crisis-idUSKBN1811XP>
294. <https://twitter.com/MacroVoices/status/905942270507180033>
295. <http://www.zerohedge.com/news/2017-06-08/china-recession-looms-yield-curve-inversion-deepens>
296. <http://bit.ly/2j7bIc5>
297. <http://www.zerohedge.com/news/2017-06-02/pledged-assets-are-not-there-reuters-goes-china-discovers-ghost-collateral>
298. <http://www.businessinsider.com/ihs-chinas-currency-reserve-depletion-pace-is-simply-unsustainable-2016-2>
299. https://www.bloomberg.com/news/articles/2017-02-07/china-reserves-dip-below-critical-3-trillion-on-outflows-chart?cmpid=socialflow-twitter-business&utm_content=business&utm_campaign=socialflow-organic&utm_source=twitter&utm_medium=social
300. http://www.myrmikan.com/pub/Myrmikan_Research_Report_Edge_of_Chaos.pdf
301. <http://www.aljazeera.com/news/2017/05/chinese-jet-flies-upside-sniffer-plane-170519084746606.html>

- 302 <http://www.politifact.com/truth-o-meter/statements/2016/oct/27/donald-trump/did-us-spend-6-trillion-middle-east-wars/>
303. <https://www.nbcnews.com/storyline/trump-s-first-foreign-trip/donald-trump-lands-saudi-arabia-first-overseas-visit-presidency-n762126>
304. https://www.cnbc.com/2017/11/04/billionaire-saudi-prince-alwaleed-bin-talal-arrested-in-corruption-crackdown-local-reports.html?__source=twitter
<http://www.zerohedge.com/news/2017-11-05/saudi-helicopter-carrying-8-high-ranking-officials-crown-prince-mansour-crashed-all>
305. <http://www.foxnews.com/world/2017/11/08/saudi-government-to-confiscate-800-billion-from-alleged-corrupt-individuals.html>
306. <http://bit.ly/2zh2KA8>
307. <http://www.zerohedge.com/news/2017-11-04/lebanon-plunges-uncertainty-after-premier-resigns-fearing-assassination-plot>
308. <http://www.zerohedge.com/news/2017-06-05/qatar-turmoil-fallout-flights-food-football-and-more>
309. <http://www.cnn.com/2017/04/14/asia/afghanistan-isis-moab-bomb/index.html>
310. <https://www.reuters.com/article/us-mideast-crisis-syria-casualties/syrian-war-monitor-says-465000-killed-in-six-years-of-fighting-idUSKBN16K1Q1>

Links Part 2

313. <http://www.zerohedge.com/news/2017-09-11/septembergeddon-27-major-disasters-have-already-happened-so-far-month>
314. <http://www.dailynews.com/2017/10/24/las-october-heat-wave-was-shattering-temperature-records-tuesday-morning-heres-where/>
315. <http://investmentwatchblog.com/west-coast-burning-up-3000-year-old-giant-sequoia-grove-burns-media-blackout/>
316. <https://www.nytimes.com/interactive/2017/10/10/us/california-fires-maps-photos.html>
317. <http://www.zerohedge.com/news/2017-10-30/after-wildfires-californians-warned-you-will-see-rapid-flooding-people-trapped>
318. <http://www.latimes.com/opinion/editorials/la-ed-oroville-dam-20170213-story.html>
319. https://en.wikipedia.org/wiki/2017_Central_Mexico_earthquake
320. <http://www.zerohedge.com/news/2017-03-04/could-artificial-earthquakes-trigger-disaster-oklahomas-risk-now-equal-san-francisco>
321. <http://www.zerohedge.com/news/2017-10-05/ominous-earthquake-swarm-yellowstone-supervolcano-now-one-longest-ever-recorded>
322. <http://www.zerohedge.com/news/2017-09-02/dont-mess-yellowstone-supervolcano-geologists-warn-nasa>
323. <http://www.independent.co.uk/news/world/americas/irma-hurricane-strength-category-earthquake-measurement-seismometer-a7931286.html>
324. <http://www.zerohedge.com/news/2017-08-31/harveys-destruction-may-have-solved-auto-industrys-inventory-problem-according-rbc>
325. <http://www.zerohedge.com/news/2017-08-29/broken-state-fallacy-no-hurricanes-are-not-good-economy>
326. http://hushmoney.org/Davy_Crockett_Farmer_Bunce.htm
327. <https://www.youtube.com/watch?v=MDOrzF7B2Kg>
328. <http://www.nytimes.com/2005/09/05/us/nationalspecial/after-failures-government-officials-play-blame-game.html>

329. <http://bit.ly/2kDB2H3>
330. https://en.wikipedia.org/wiki/Bystander_effect
331. https://en.wikipedia.org/wiki/Hurricane_Irene
332. <https://twitter.com/MaeMee/status/901889286953422849>
333. [http://www.zerohedge.com/news/2017-09-20/weve-never-seen-anything-maria-slams-puerto-rico-9-foot-storm-surge-155-mph-winds ...](http://www.zerohedge.com/news/2017-09-20/weve-never-seen-anything-maria-slams-puerto-rico-9-foot-storm-surge-155-mph-winds...)
334. <https://twitter.com/i/moments/905487561182908416>
335. <https://twitter.com/MamaReg2/status/914570927597391873>
<https://nypost.com/2017/09/30/inept-puerto-rican-government-riddled-with-corruption-ceo/>
336. <https://www.nytimes.com/2016/03/15/us/politics/hillary-clinton-haiti.html?mtrref=www.google.com&gwh=DA8F7870CCBFE25BB1E36334D024F676&gwt=pay>
<http://www.zerohedge.com/news/2017-07-16/haiti-official-who-exposed-clinton-foundation-found-dead>
337. <http://www.zerohedge.com/news/2017-10-09/feds-dudley-sent-puerto-rico-plane-loaded-cash-days-following-hurricane-maria>
338. <http://time.com/4934527/hurricane-irma-lowes-generator-customer/>
339. <http://blabber.buzz/politics/conservative-news/215656-many-owners-of-flood-damaged-homes-in-for-a-troubling-surprise>
340. <http://theeconomiccollapseblog.com/archives/16-signs-that-most-americans-are-not-prepared-for-the-coming-economic-collapse>
341. <http://www.washingtonexaminer.com/texas-ag-uses-social-media-to-target-price-gougers-in-harvey-aftermath/article/2632864>
342. https://object.cato.org/sites/cato.org/files/serials/files/regulation/2011/4/regv34n1-1.pdf?utm_content=buffer3ab9f&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer
343. <http://wnep.com/2017/08/31/best-buy-apologizes-after-charging-43-for-cases-of-bottled-water-near-houston/>
344. <https://www.morocoworldnews.com/2017/08/225797/15-teenagers-treated-for-rabies-after-engaging-in-bestiality-with-donkey/>
345. <https://www.nbcnews.com/health/health-news/unusually-severe-plague-strikes-1-800-madagascar-n817251>
346. <http://ibankcoin.com/zeropointnow/2017/09/05/meet-the-new-antibiotic-resistant-hypervirulent-superbug-discovered-in-china/#sthash.N1pokK3Z.dpbs>
347. <http://www.npr.org/sections/thetwo-way/2017/07/21/538470321/to-shrink-the-mosquito-population-scientists-are-releasing-20-million-of-them>
348. [http://ibankcoin.com/zeropointnow/?p=11365 ...](http://ibankcoin.com/zeropointnow/?p=11365...)
349. <https://www.nytimes.com/2017/01/30/health/drugmakers-lawsuit-insulin-drugs.html>
350. <https://www.axios.com/fda-approves-first-advanced-cancer-therapy-2479535872.html>
351. <http://www.businessinsider.com/after-years-of-price-gouging-mylans-epipen-gets-crushed-2017-3>
352. <http://www.nationalgeographic.com/adventure/features/athletes/alex-honnold/most-dangerous-free-solo-climb-yosemite-national-park-el-capitan/>
353. <http://bleacherreport.com/articles/2729842-explaining-conor-mcgregors-i-turned-him-into-a-mexican-comments>

354. https://www.washingtonpost.com/news/early-lead/wp/2017/09/14/floyd-mayweather-says-trumps-locker-room-talk-is-how-real-men-speak/?utm_term=.8f208116667c
355. <https://ca.sports.yahoo.com/news/tulsa-wr-gets-penalized-td-taken-away-briefly-high-stepping-towards-end-zone-034242204.html>
356. <https://turtleboysports.com/tween-girls-softball-superstars-disqualified-from-little-league-world-series-for-team-photo-flipping-the-bird/>
357. <https://twitter.com/LittleLeague/status/894305579975548928>
358. <https://www.peakprosperity.com/blog/104805/2016-year-review-part-2#humanfolly>
359. <https://www.linkedin.com/pulse/tell-me-again-how-nfl-supports-freedom-speech-julian-mccall/>
360. <http://6abc.com/sports/oakland-as-catcher-maxwell-arrested-on-gun-charge/2580412/?sf127823725=1>
361. <http://www.zerohedge.com/news/2017-10-09/espns-jamele-hill-urges-fans-boycott-anti-kneeling-nfl-advertisers>
362. <http://www.zerohedge.com/news/2017-10-09/espns-jamele-hill-urges-fans-boycott-anti-kneeling-nfl-advertisers>
363. <http://www.blabber.buzz/politics/conservative-news/243760-liberals-launch-boycott-of-espn-for-suspending-host-jemele-hill>
364. <http://www.npr.org/sections/thetwo-way/2017/02/27/517491492/17-year-old-transgender-boy-wins-texas-girls-wrestling-championship>
365. <http://usatodayhss.com/2017/connecticut-transgender-sprinter-andraya-yearwood-wins-two-state-titles-amidst-controversy>
366. <http://www.dailymail.co.uk/news/article-5158491/Transgender-weightlifter-blocks-criticism.html>
367. <http://bleacherreport.com/articles/1573044-ufc-joe-rogan-to-transgender-mma-fighter-fallon-fox-youre-a-man>
368. <http://www.zerohedge.com/news/2017-07-19/tennis-legend-boris-becker-bankrupt-burns-%E2%82%AC100mm-fortune-help-nigerian-investments>
369. <http://www.thedailybeast.com/pete-rose-accused-of-sexual-relationship-with-teen>
370. <https://www.cbssports.com/golf/news/2017-hero-world-challenge-scores-tiger-woods-just-three-back-after-round-1/>
371. <https://www.theringer.com/nfl/2017/10/4/16417304/jerry-rice-wedding-crasher-san-francisco-49ers-bay-area?curator=SportsREDEF>
372. <http://www.zerohedge.com/news/2017-02-22/philadelphia-soda-tax-leads-30-50-plunge-sales-mass-layoffs>
373. <https://www.peakprosperity.com/blog/104805/2016-year-review-part-2#civil liberties>
374. <http://www.zerohedge.com/news/2017-02-25/what-first-amendment-arizona-wants-power-seize-assets-protesters>
375. <https://reason.com/blog/2017/01/18/majority-of-states-lack-transparency-on>
376. <http://www.zerohedge.com/news/2017-09-28/fbi-just-stopped-publishing-data-americas-ridiculous-marijuana-arrest-rates>
377. <http://www.miaminewtimes.com/news/florida-wont-charge-prison-guards-who-boiled-schizophrenic-black-man-darren-rainey-to-death-9213190>
378. <http://www.zerohedge.com/news/2017-03-07/snowden-what-cia-revelations-show-reckless-beyond-words>

379. <http://www.zerohedge.com/news/2017-08-19/barclays-installs-sensors-monitor-how-long-employees-spend-their-desks>
380. <http://www.thefringenews.com/a-license-to-mow-lawns-occupational-licensure-and-liberty/>
381. <http://www.againstcronycapitalism.org/2016/12/seattle-might-license-dog-walkers/>
382. <http://www.zerohedge.com/news/2016-12-31/policing-profit-goes-next-level>
383. https://www.cato.org/blog/its-irrational-require-1000-hours-training-be-able-braid-hair?utm_content=bufferec4f8&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer
384. <http://www.zerohedge.com/news/2017-01-11/land-free-michigan-man-issued-parking-ticket-his-own-driveway>
385. <https://fee.org/articles/occupational-licensing-is-a-scam/>
386. <http://www.motherjones.com/politics/2017/04/genital-cutting-indian-doctor-women-khatna>
387. <https://twitter.com/timkrepp/status/877999901384355840>
388. http://www.advicegoddess.com/archives/2017/07/06/my_entire_child.html
389. <https://qz.com/920209/cbp-agents-at-jfk-airport-asked-passengers-coming-off-of-a-domestic-flight-for-their-identification/>
390. <http://www.zerohedge.com/news/2017-03-31/california-senator-forced-pull-bill-banning-fake-news-after-realizing-its-idiotic>
391. https://www.youtube.com/watch?v=hsGO1bI9q_U
392. <http://www.zerohedge.com/news/2017-02-23/move-over-greece-italys-crisis-will-be-worse>
393. <http://investmentwatchblog.com/federal-court-rules-it-is-your-constitutional-right-to-film-cops/>
394. <http://www.zerohedge.com/news/2017-02-12/judge-forces-town-return-3-million-residents-fined-unconstitutional-traffic-cameras>
395. <http://www.zerohedge.com/news/2017-08-23/activists-seek-peace-through-violence-cnn-quickly-scrubs-title-antifa-puff-peace>
396. <https://rickwells.us/soros-dems-antifa-hired-oakland-gangsters-to-assault-conservatives/>
397. <http://legalinsurrection.com/2017/03/violence-breaks-out-between-pro-and-anti-trump-camps-in-berkeley/>
398. <https://www.dailywire.com/news/17411/watch-and-laugh-black-lives-matter-protesters-stop-hank-berrien>
399. <https://www.youtube.com/watch?v=uGOM0tfKIAA>
400. <https://twitter.com/BevHillsAntifa/status/901291509323935744>
401. <http://investmentwatchblog.com/alt-right-a-new-american-political-movement/>
402. <http://rebrn.com/re/based-stickmans-car-was-vandalized-again-by-antifa-these-violent-3696029/>
403. <https://twitter.com/iwound/status/901956026265735168>
404. <http://www.zerohedge.com/news/2017-09-01/fbi-dhs-study-reveals-antifa-primary-instigators-violence-public-rallies-april-2016>
405. <http://www.zerohedge.com/news/2017-08-23/united-nations-issues-rare-early-warning-signals-potential-civil-conflict-america>
406. <https://news.vice.com/story/extremism-experts-are-starting-to-worry-about-the-left>

http://dailycaller.com/2017/06/16/experts-see-rising-extremism-on-the-left/?utm_campaign=atdailycaller&utm_source=Twitter&utm_medium=Social

407. <http://www.zerohedge.com/news/2017-05-02/will-second-civil-war-turn-violent>

408. <http://www.cscmediagroupus.org/author/elizabeth-harrison>

409. <https://www.newyorker.com/news/news-desk/from-aggressive-overtures-to-sexual-assault-harvey-weinsteins-accusers-tell-their-stories>

410. <http://www.zerohedge.com/news/2017-10-10/weinstein-admits-groping-model-shocking-new-recording>

411. <https://www.thedailybeast.com/the-glarng-hypocrisy-of-matt-damon-and-ben-afflecks-harvey-weinstein-statements>

412. <http://www.latimes.com/business/la-fi-weinstein-nondisclosure-agreements-20171023-story.html>

413. <http://www.tmz.com/2017/10/12/weinstein-contract-the-weinstein-company-sexual-harassment-firing-illegal/>

414. <http://www.ibtimes.com/political-capital/harvey-weinsteins-lawyer-gave-10000-manhattan-da-after-he-declined-file-sexual>

415. <http://deadline.com/2017/10/scott-rosenberg-harvey-weinstein-miramax-beautiful-girls-guilt-over-sexual-assault-allegations-1202189525/>

416. <https://townhall.com/tipsheet/guybenson/2017/10/12/reports-nbc-news-tried-to-kill-weinstein-bombshell-story-n2393964>

417. [https://www.holmesreport.com/latest/article/how-the-pepsi-syringe-hoax-fizzled-\(1993\)](https://www.holmesreport.com/latest/article/how-the-pepsi-syringe-hoax-fizzled-(1993))

418. <https://www.nytimes.com/2017/10/04/us/aclu-charlottesville-white-supremacists.html?smid=tw-share>

419. <https://jonathanturley.org/2017/08/30/berkeley-mayor-objects-to-violence-at-free-speech-event-so-he-asks-for-free-speech-week-to-be-cancelled/>

420. https://gizmodo.com/exclusive-heres-the-full-10-page-anti-diversity-screed-1797564320?rev=1501965015200&utm_campaign=socialflow_gizmodo_twitter&utm_source=gizmodo_twitter&utm_medium=socialflow

421. <https://amp.businessinsider.com/many-google-employees-dont-think-james-damore-should-have-been-fired-2017-8>

422. <https://heterodoxacademy.org/2017/08/10/the-google-memo-what-does-the-research-say-about-gender-differences/>

423. <http://www.zerohedge.com/news/2017-08-09/fired-googler-speaks-out-googles-potentially-illegal-practices-recorded-meetings-and>

424. <https://www.bloomberg.com/amp/news/articles/2017-08-08/google-fires-employee-behind-controversial-diversity-memo>

425. <https://www.usatoday.com/story/money/2017/08/08/how-have-opinion-and-still-keep-your-job/548944001/>

426. <https://www.theguardian.com/technology/2017/nov/16/james-damore-google-memo-interview-autism-regrets>

427. <http://theweek.com/speedreads/718507/striking-graphic-reveals-construction-confederate-monuments-peaked-during-jim-crow-civil-rights-eras>

428. <https://www.youtube.com/watch?v=qF4uxo7Ir0o>
<http://newyork.cbslocal.com/2017/08/29/yonkers-christopher-columbus-statue-vandalized/>

429. <http://www.washingtonexaminer.com/century-old-francis-scott-key-monument-defaced-with-racist-anthem-in-baltimore/article/2634255>

430. <http://www.foxnews.com/entertainment/2017/08/28/gone-with-wind-screenings-pulled-from-memphis-theater-for-racially-insensitive-content.html>
431. <https://qz.com/942261/a-canadian-man-named-grabher-lost-his-personalized-license-plate-because-it-was-deemed-offensive/>
432. https://twitter.com/TEN_GOP/status/883818815150321664
433. <https://www.readfulapp.com/site/CNR?tag=News&item=5888d93668dd80ce710c79d9>
434. <http://www.theaustralian.com.au/news/world/uproar-as-women-are-written-out-of-the-right-to-be-pregnant/news-story/c64cf7f738a6c274dcd8cc6a3364e6e2>
435. <http://freebeacon.com/culture/group-protested-nra-violent-rhetoric-embraces-convicted-cop-killer/>
436. <http://www.independent.co.uk/news/world/americas/feminism-conference-no-women-mexico-university-sexism-mansplaining-online-ridicule-a7984701.html>
437. <http://www.zerohedge.com/news/2017-01-24/limo-destroyed-anti-trump-rioters-dc-belongs-muslim-immigrant-fears-livelihood-lost>
438. <http://www.mediaite.com/online/slate-declares-alan-colmes-buffoon-liberal-weakling-only-hours-after-his-death/>
439. <https://twitter.com/RealSaavedra/status/916877709925429248>
440. <http://dailycaller.com/2017/10/09/california-to-have-harsher-penalty-for-pronoun-violations-than-for-knowingly-spreading-hiv/>
441. <https://twitter.com/lrsarsour/status/902391077046452224>
https://en.wikipedia.org/wiki/NGP_VAN
442. https://www.huffingtonpost.com/entry/anne-frank-halloween-costume-sparks-internet-controversy_us_59e629a8e4b0a2324d1e361b
443. <http://www.zerohedge.com/news/2017-10-26/majority-white-americans-say-they-face-discrimination>
444. <http://www.zerohedge.com/news/2017-11-14/anti-white-hate-crimes-are-fastest-growing-racial-crimes-america>
445. <https://hellogiggles.com/news/racism-against-white-people-doesnt-exist-in-america-and-heres-why-it-never-will/>
446. <http://www.zerohedge.com/news/2017-02-21/florida-teacher-reassigned-after-facebook-post-praising-trump-immigration>
447. <http://iwf.org/blog/2803067/Hemingway:-Top-Misfires-of-%22A-Day-Without-Women%22>
448. http://www.huffingtonpost.com/entry/middle-schoolers-snob-paul-ryan_us_592b414ee4b0df57cbfc6c93
449. http://www.dailywire.com/news/20030/kindergarten-teacher-stages-transgender-transition-paul-bois?utm_source=twitter&utm_medium=social&utm_content=051717-news&utm_campaign=dwtwitter
450. <http://www.independent.co.uk/news/education/education-news/school-children-london-school-told-to-write-suicide-notes-macbeth-tallis-school-shakespeare-play-a7806071.html>
451. <http://www.thecollegefix.com/post/31191/>
452. http://www.al.com/news/index.ssf/2017/10/mississippi_school_district_pu.html
453. <https://legalinsurrection.com/2017/10/starting-next-year-the-boy-scouts-will-accept-girls/#sthash.3oEMZPo2.uxf5>
454. <http://iwf.org/blog/2804956/The-Girl-Scouts-Go-on-Defense->
<http://blabber.buzz/politics/conservative-news/243045-girl-scouts-respond-to-boy-scouts-new-policy-allowing-girls-and-theyre-not-happy>

455. <http://www.dailymail.co.uk/news/article-4931886/School-librarian-rejects-books-given-Lady.html#ixzz4u7Q2pSOD>
456. <https://www.youtube.com/watch?v=coRNJluF2O4>
<https://www.youtube.com/watch?v=u168bk2lntI>
457. <https://www.nytimes.com/2017/09/13/opinion/berkeley-dean-erwin-chemerinsky.html?smid=tw-nytopinion&smtyp=cur>
458. <http://www.independent.co.uk/news/education/education-news/school-children-london-school-told-to-write-suicide-notes-macbeth-tallis-school-shakespeare-play-a7806071.html>
459. <https://www.vanityfair.com/style/2017/08/harvard-final-clubs-fraternities-end>
460. https://heatst.com/culture-wars/drexel-professor-who-called-for-white-genocide-under-investigation-as-donors-and-students-flee/?mod=sm_tw_post
461. https://heatst.com/culture-wars/students-behind-white-girls-take-off-your-hoops-mural-lash-out-at-campus-paper/?mod=sm_tw_post
462. <https://www.campusreform.org/?ID=9642>
463. <http://www.campusreform.org/?ID=9504>
464. <http://www.campusreform.org/?ID=9573>
465. <https://whyevolutionistrue.wordpress.com/2017/05/14/portland-student-reporter-fired-for-reporting-public-statement-about-islams-demonization-of-nonbelievers/>
466. http://legalinsurrection.com/2017/09/edinburgh-university-student-faces-investigation-for-mocking-isis-on-facebook/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+LegalInsurrection+%28Le%C2%B7gal+In%C2%B7sur%C2%B7rec%C2%B7tion%29
467. <https://thetab.com/uk/cambridge/2017/04/28/nus-ban-whooping-cheering-clapping-92915>
468. <http://legalinsurrection.com/2017/03/shocking-yale-study-finds-students-who-smoke-pot-and-drink-get-lower-grades/>
469. <http://reason.com/blog/2017/03/07/berkeley-deletes-200000-free-online-vide>
470. <https://www.campusreform.org/?ID=9889>
471. <http://www.thecollegefix.com/post/35611/>
472. http://heatst.com/culture-wars/university-of-minnesota-fires-football-coach-amid-rape-controversy/?mod=sm_tw_post
473. <http://legalinsurrection.com/2017/02/princeton-now-being-pressured-to-rename-school-named-for-woodrow-wilson/>
474. <http://www.campusreform.org/?ID=8837>
475. <http://www.campusreform.org/?ID=8834>
476. <http://legalinsurrection.com/2017/03/university-to-launch-bystander-training-program-on-microaggressions/>
477. <http://www.zerohedge.com/news/2017-02-23/umich-students-demand-no-whites-allowed-safe-space-plot-social-justice-activism>
478. <http://www.thecollegefix.com/post/30711/>
479. <https://www.insidehighered.com/news/2016/12/14/students-penn-remove-portrait-shakespeare>
480. <https://hotair.com/archives/2017/09/09/berkeley-renaming-campus-buildings-takes-turn-bizarre/>
481. <http://www.campusreform.org/?ID=8640>

482. <http://legalinsurrection.com/2017/05/yale-gives-award-to-students-who-bullied-faculty/>
483. <http://www.campusreform.org/?ID=8640>
484. <https://www.campusreform.org/?ID=9936>
485. <http://www.cbc.ca/news/canada/ottawa/carleton-gym-remove-scale-controversy-1.4021378>
486. <http://www.dailymail.co.uk/news/article-4277136/PC-brigade-declare-end-mankind.html>
487. <http://www.zerohedge.com/news/2017-05-10/harvard-hold-blacks-only-graduation-ceremony-progressives-embrace-segregation>
488. <http://www.independent.co.uk/student/news/the-sun-ban-queen-mary-university-students-protest-free-copies-a7519646.html>
489. <http://www.thecollegefix.com/post/31076/>
490. <https://www.thecollegefix.com/post/32687/>
491. <https://www.commentarymagazine.com/politics-ideas/nicholas-quinn-rosenkranz-threat-free-speech/>
492. <https://www.thetimes.co.uk/edition/news/extraordinary-student-could-be-spared-jail-for-stabbing-boyfriend-jmnb372vm>
493. <http://www.campusreform.org/?ID=9296>
494. <http://www.campusreform.org/?ID=9389>
495. <http://www.campusreform.org/?ID=9551>
496. <http://www.campusreform.org/?ID=9589>
497. http://www.slate.com/articles/health_and_science/science/2017/05/rebecca_tuvel_amy_cuddy_and_bullying_in_academia.html
498. <http://quillette.com/2017/10/11/academic-article-withdrawn-following-serious-credible-threats-violence/>
499. <http://www.zerohedge.com/news/2017-09-02/ole-miss-goes-bananas-dear-parents-hows-40k-year-education>
500. <http://www.thecollegefix.com/post/30828/>
501. <http://alphanewsmn.com/st-olaf-college-deemed-unsafe-conservative-students/>
502. <https://www.thecollegefix.com/post/32782/>
503. <http://www.thecollegefix.com/bulletin-board/ivy-league-scholars-pen-letter-urging-new-college-students-think/>
504. <https://www.campusreform.org/?ID=9732>
505. <http://www.latimes.com/opinion/op-ed/la-oe-allen-adjunct-professors-20131222-story.html>
506. <https://www.thecollegefix.com/post/32946/>
507. <http://www.campusreform.org/?ID=9485>
508. <http://www.zerohedge.com/news/2017-06-05/all-dissent-crushed-threats-lawmakers-propose-defunding-evergreen-college>
509. <https://www.usnews.com/best-colleges/evergreen-state-college-8155>
510. <http://evergreen.edu/catalog/index?year=2>
511. <https://m.facebook.com/allison.stanger.5/posts/10209936010371446>
512. <http://www.aei.org/publication/reflections-on-the-revolution-in-middlebury/>
513. <https://www.campusreform.org/?ID=9785>
514. <http://thefederalist.com/2017/06/29/trump-administration-signals-end-campus-star-chambers/#.WVVwaSt71hJ.twitter>
515. <https://www.k-state.edu/media/update/litigation/20170314statement.html500>

516. <https://townhall.com/columnists/anncoulter/2017/05/11/to-say-stop-raping-me-in-english-press-1-now-n2325149>
517. <https://www.thefire.org/due-process-report-2017/>
518. <http://reason.com/archives/2017/08/10/a-campus-sexual-assault-proceeding-gets>
519. <https://www.theatlantic.com/education/archive/2017/09/the-question-of-race-in-campus-sexual-assault-cases/539361/>
520. <http://www.abc15.com/news/region-northern-az/flagstaff/lawmakers-propose-bill-to-ban-social-justice-courses-at-arizona-schools>
521. <http://www.thecollegefix.com/post/35924/>
522. <https://www.thefire.org/comprehensive-campus-free-speech-bill-becomes-law-in-tennessee/>
523. <http://watchdog.org/290614/texas-legislator-wants-protect-free-speech-college-campuses/>
<http://www.abc15.com/news/region-northern-az/flagstaff/lawmakers-propose-bill-to-ban-social-justice-courses-at-arizona-schools>
524. <http://www.abc15.com/news/region-northern-az/flagstaff/lawmakers-propose-bill-to-ban-social-justice-courses-at-arizona-schools>
525. <http://www.nationalreview.com/article/449828/claremont-mckenna-defends-free-speech-punishing-student-protestors>
526. <https://heterodoxacademy.org/>
527. <http://www.campusreform.org/?ID=9496>
528. <http://www.zerohedge.com/news/2017-07-11/generation-z-are-nothing-millennials-professor-warns-liberals>
529. <https://www.theatlantic.com/education/archive/2017/11/the-surprising-revolt-at-reed/544682/>
530. <https://www.youtube.com/watch?v=9YdFIKaJv4g>
531. <https://www.youtube.com/watch?v=kasiov0ytEc>
532. http://americanlookout.com/wow-dartmouth-college-gets-surprise-visit-from-rolling-thunder-when-student-announces-plan-to-burn-flag/?utm_content=buffer5dab&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer
533. <http://www.dailymail.co.uk/news/article-2114399/Vomit-omelettes-swims-rotten-food-Inside-weird-revolting-world-fraternities.html>
534. <https://www.thefire.org/fires-2016-2017-annual-report-continued-progress-in-the-face-of-major-challenges/>
535. <https://twitter.com/saysvera/status/844563736920817664>
536. <http://cornellsun.com/2017/03/23/professor-publishes-anti-union-email-days-before-election/>
537. <http://www.thecornellreview.org/case-cgsu-interview-professor-dave-collum/>
<http://www.thecornellreview.org/case-cgsu-interview-professor-dave-collum/>
538. <http://cornellsun.com/2017/03/26/aft-president-randi-weingarten-80-promises-cgsu-local-autonomy/>
539. <http://cornellsun.com/2017/08/22/with-new-tactics-graduate-students-look-to-renew-last-years-union-effort/>
540. <http://cornellsun.com/2017/04/20/letter-to-the-editor-ilr-faculty-object-to-cornells-coercive-conduct-prior-to-cgsu-election/>
541. <http://cornellsun.com/2017/04/28/amid-negotiations-with-university-following-union-election-caucus-forms-to-challenge-cgsu-tactics/>

542. <http://cornellsun.com/2017/03/23/professor-publishes-anti-union-email-days-before-election/>
543. <https://www.thefire.org/due-process-report-2017/>
544. <http://legalinsurrection.com/2017/04/smear-campaign-against-cornell-prof-who-opposed-grad-student-unionization/>
545. <http://necpluribusimpar.net/cgsu-supporters-just-cant-help-embarrassing/>
546. <http://cornellsun.com/2017/05/01/letter-to-the-editor-on-credulity-and-union-politics-a-response-from-a-cgsu-officer-on-letter-from-prof-jacobson-law/>
547. <http://www.zerohedge.com/news/2017-04-27/cornell-students-charge-well-known-professor-sexism-retaliate-his-union-opposition#comment-9451857>
548. <https://pjmedia.com/instapundit/>
549. <http://www.redstate.com/joesquire/2017/04/28/graduate-students-unions-go-full-alinsky-shut-renowned-professor-views/>
550. <http://thefederalist.com/2017/04/27/cornell-grad-students-charge-professor-sexism-retaliate-union-opposition/>
551. <https://soundcloud.com/the-lars-larson-podcast/lars-larson-national-podcast-050117>
<http://www.zerohedge.com/news/2017-05-02/price-speaking-out-against-campus-left-might-be-your-reputation>
http://legalinsurrection.com/2017/05/price-for-speaking-against-campus-left-might-be-your-reputation/?utm_content=buffer46f4d&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer
552. <https://www.mediaite.com/online/gop-candidate-for-congress-reveals-shes-been-on-a-spaceship-with-aliens/>
553. https://en.wikipedia.org/wiki/Overton_window
554. <https://www.youtube.com/watch?v=NdzFXgCrb4o>
555. <http://investmentwatchblog.com/fun-fact-susan-rice-has-a-net-worth-of-50-million-as-a-career-u-s-public-servant-with-a-maximum-salary-of-172000/>
556. <http://investmentwatchblog.com/fun-fact-nancy-pelosi-has-a-196-million-net-worth-on-a-193000-senators-salary/>
557. <http://offendedamerica.com/robert-mueller-invested-hedge-funds-linked-russia-george-soros/>
558. <http://www.businessinsider.com/obama-book-deal-2017-2>
559. <https://www.publishersweekly.com/pw/by-topic/industry-news/bookselling/article/65171-the-fault-in-our-stars-tops-print-and-digital.html>
560. <http://www.zerohedge.com/news/2017-04-23/how-did-ny-gov-cuomo-make-783000-book-sold-only-3200-copies>
561. <http://dennismichaelynch.com/federal-prosecutor-mysteriously-found-dead/>
562. <http://www.nationalreview.com/article/449983/debbie-wasserman-schultz-pakistani-computer-guys-bank-fraud>
563. <http://dailycaller.com/2017/08/24/exclusive-wasserman-schultz-islamophobia-claim-prompts-angered-marine-to-go-public-on-awans/>
564. http://dailycaller.com/2017/09/06/exclusive-did-imran-want-capitol-police-to-find-wasserman-schultzs-laptop/?utm_content=buffer5904f&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer
565. <http://ibankcoin.com/zeropointnow/2017/05/page/3/>
566. <https://twitter.com/SheepleAnalytic/status/900066060753391616>

567. <http://truepundit.com/fbi-suspects-members-of-congress-leaked-grand-jury-indictment-to-the-awans-doj-officials-possibly-implicated-too/>
568. <http://www.zerohedge.com/news/2017-10-09/obliterated-file-reveals-imran-awan-wiped-his-phone-just-hours-his-arrest>
569. <http://www.zerohedge.com/news/2017-07-26/imran-awan-retains-long-time-clinton-employee-and-confidant-legal-advice>
570. <http://truepundit.com/fbi-suspects-members-of-congress-leaked-grand-jury-indictment-to-the-awans-doj-officials-possibly-implicated-too/>
571. <http://truepundit.com/exclusive-in-march-comey-and-mccabe-blocked-the-arrest-of-imram-awans-wife-as-she-was-fleeing-the-country-to-pakistan/>
572. <http://www.zerohedge.com/news/2017-11-21/comey-has-no-issue-it-judicial-watch-dumps-explosive-new-fbi-emails-mccabe-conflicts>
573. <http://truepundit.com/exclusive-in-march-comey-and-mccabe-blocked-the-arrest-of-imram-awans-wife-as-she-was-fleeing-the-country-to-pakistan/>
574. <http://truepundit.com/fbi-suspects-members-of-congress-leaked-grand-jury-indictment-to-the-awans-doj-officials-possibly-implicated-too/>
575. <http://truepundit.com/fbi-awans-finalizing-immunity-deals-with-doj-in-exchange-for-testimony-on-members-of-congress/>
576. <http://therightscoop.com/breaking-fbi-email-dump-reveals-collusion-between-media-and-doj-to-squash-2016-lynch-clinton-meeting/#ixzz40oaUYM2Z>
577. https://twitter.com/Barnes_Law/status/903352537440387072
578. <http://www.zerohedge.com/news/2017-02-18/jay-sekulow-obama-should-be-held-accountable-soft-coup-attempt-against-trump>
579. <http://www.washingtonexaminer.com/federal-contractor-reality-leigh-winner-arrested-for-sending-classified-nsa-intelligence-to-news-outlet/article/2625014>
580. <http://www.zerohedge.com/news/2017-06-08/nsa-leaker-reality-winner-wanted-burn-down-white-house>
581. <http://legalinsurrection.com/2017/06/susan-rices-great-unmasking-escape-national-security-council-records-sent-to-obama-library/>
582. <https://www.bloomberg.com/view/articles/2016-06-28/why-susan-rice-not-hillary-clinton-took-the-fall-for-benghazi>
583. https://www.realclearpolitics.com/video/2017/04/04/susan_rice_i_leaked_nothing_to_no_body.html
584. <http://www.zerohedge.com/news/2017-04-03/cernovich-explains-how-he-learned-about-susan-rice>
585. <http://russia-insider.com/en/politics/tulsi-gabbard-meets-trump-syria-submits-bill-stop-us-arming-isis-video/ri18514>
586. <https://twitter.com/TulsiGabbard/status/850859731107422208>
587. <http://thehill.com/policy/international/327922-tulsi-gabbard-skeptical-assad-regime-behind-gas-attack>
588. <http://cnn.it/2oXM1fW>
589. <http://www.thegatewaypundit.com/2017/11/exclusive-former-joe-biden-secret-service-agent-protect-women-weinstein-level-stuff/>
590. <https://www.youtube.com/watch?v=DwXweiRjckI>
<https://www.youtube.com/watch?v=xy07yHAgM4E>
https://www.youtube.com/watch?v=yFnehL_2GiQ
591. <http://nypost.com/2017/01/02/mark-zuckerberg-reveals-hes-no-longer-an-atheist/>
592. <http://for.tn/2lJrmQI>

593. <http://www.zerohedge.com/news/2017-08-07/fk-zuck-2020-posters-appear-california-facebook-ceo-hires-hillary-strategist>
594. <http://freebeacon.com/politics/msnbc-panel-laughs-schumer-claiming-2016-democratic-primary/>
595. <http://www.thegatewaypundit.com/2017/09/gop-enraged-ag-sessions-refuses-charge-lois-lerner-irs-scandal/>
596. <http://www.cnn.com/2016/07/15/politics/congress-releases-28-pages-saudis-9-11/index.html>
597. <https://www.vanityfair.com/news/2003/10/saving-the-saudis-200310>
598. http://www.philly.com/philly/news/new_jersey/20170105_ap_f22a6f632273493ba1372f923517088c.html
599. <http://www.zerohedge.com/news/2017-08-27/court-admits-dnc-and-schultz-showed-palpable-bias-against-bernie-sanders>
600. <https://www.politico.com/story/2017/11/21/congress-sexual-harassment-slush-fund-255547>
601. <http://dailycaller.com/2017/08/20/chief-obamacare-architect-sacked-after-fraudulent-billing-investigation/>
<http://www.zerohedge.com/news/2017-08-21/chief-obamacare-architect-fired-forced-settle-fraudulent-billing-investigation-vermo>
602. <http://www.zerohedge.com/news/2017-09-08/pay-play-chicago-tribune-blasts-rahm-data-reveals-70-donors-get-lucrative-city-hall>
603. <https://www.gunsamerica.com/blog/former-maig-mayor-ray-nagin-gets-10-years-corruption/>
604. <http://www.investors.com/politics/editorials/the-clinton-foundation-is-dead-but-the-case-against-hillary-isnt/>
605. <http://www.zerohedge.com/news/2017-01-14/clinton-foundation-shutting-down-clinton-global-initiative>
606. <http://ibankcoin.com/flyblog/2017/02/08/the-clinton-losses-continue-hillarys-son-in-laws-hedge-fund-closes-up-shop/>
607. <http://legalinsurrection.com/2017/05/hillary-clintons-commencement-address-filled-with-trump-bashing-and-coughs/>
608. <http://www.zerohedge.com/news/2017-09-11/what-happened-what-happened-amazon-slashes-hillarys-book-price-40-it-hits-shelves>
609. <http://www.zerohedge.com/news/2017-09-13/watch-amazon-deletes-hundreds-one-star-reviews-hillary-clintons-new-book>
610. <https://etherzone.com/body/>
611. <https://twitter.com/RealMattCouch/status/886263465295454209>
612. https://www.amazon.com/Strange-Death-Vincent-Foster/dp/0684838370/ref=pd_lpo_sbs_14_t_0?_encoding=UTF8&psc=1&refRID=BV589PQB5MKFBKS979X2
613. <http://www.zerohedge.com/news/2017-07-16/haiti-official-who-exposed-clinton-foundation-found-dead>
614. <http://www.chicagotribune.com/news/local/politics/ct-peter-smith-death-met-0713-20170713-story.html>
615. <http://www.zerohedge.com/news/2017-07-14/friend-insists-death-republican-operative-behind-wsj-collusion-bombshell-wasnt-suici>
616. <https://www.business2community.com/us-news/surgeon-exposing-clinton-foundation-corruption-haiti-dead-suspicious-death-01976284>

617. <https://www.nytimes.com/2017/11/04/us/politics/donna-brazile-clinton-biden.html?smid=tw-share>
618. <https://www.politico.com/magazine/story/2017/11/02/clinton-brazile-hacks-2016-215774>
619. <http://www.zerohedge.com/news/2017-11-04/donna-brazile-says-clinton-campaign-officials-made-her-feel-patsy-slave>
620. <https://www.washingtontimes.com/news/2017/nov/5/donna-brazile-tells-critics-of-her-tell-all-campai/>
621. <https://sputniknews.com/politics/201708051056213750-clinton-foundation-foreign-governments/>
622. <http://www.zerohedge.com/news/2017-07-14/friend-insists-death-republican-operative-behind-wsj-collusion-bombshell-wasnt-suici>
623. <http://www.vanityfair.com/news/2017/04/please-god-stop-chelsea-clinton-from-whatever-she-is-doing>
624. https://heatst.com/biz/cashing-in-chelsea-clinton-joins-expedias-board/?mod=sm_tw_post
625. <http://www.wnd.com/2015/10/webb-hubbell-no-comment-on-fathering-chelsea-clinton/>
626. http://thefederalist.com/2017/10/19/russia-obsessed-media-shocked-discover-facts-russia-stories-discredit-narrative/#.We_Q0P3AU0k.twitter
627. <http://www.zerohedge.com/news/2017-10-13/russiagate-scandal-descends-total-absurdity>
628. https://www.washingtonpost.com/news/the-switch/wp/2017/10/12/facebook-takes-down-data-and-thousands-of-posts-obscur-ing-reach-of-russian-disinformation/?utm_term=.ebef25cb9559
629. <http://thehill.com/policy/technology/355189-russian-linked-campaign-used-pokemon-go-to-meddle-in-election>
630. <http://www.zerohedge.com/news/2017-06-27/cnn-exposed-undercover-sting-producer-admits-russia-story-fake-news-pushed-ratings-0>
631. <http://www.zerohedge.com/news/2017-06-30/cnn-producer-american-voters-are-stupid-shit>
632. https://www.washingtonpost.com/world/national-security/clinton-campaign-dnc-paid-for-research-that-led-to-russia-dossier/2017/10/24/226fabf0-b8e4-11e7-a908-a3470754bbb9_story.html?utm_term=.85acb22a1f35
633. <http://www.zerohedge.com/news/2017-01-11/identity-former-intelligence-officer-who-prepared-trump-dossier-has-been-revealed>
<http://insider.foxnews.com/2017/10/25/tucker-carlson-trump-hillary-dnc-russia-collusion-unintended-consequences-law-washington>
634. https://www.reuters.com/article/us-usa-trump-russia-dossier/ex-british-spy-paid-168000-for-trump-dossier-u-s-firm-discloses-idUSKBN1D15XH?utm_campaign=digest&utm_medium=email&utm_source=nuzzel
<http://www.zerohedge.com/news/2017-11-02/heres-how-much-hillary-clinton-and-dnc-paid-trump-dossier>
635. <http://www.zerohedge.com/news/2017-10-30/honeypot-was-trump-camps-meeting-russian-lawyer-all-clinton-set>
636. <http://ijr.com/the-declaration/2017/10/1005810-nyt-reporter-cant-believe-hillary-democrats-lied-funding-phony-trump-dossier>
637. <https://www.washingtonpost.com/news/the-fix/wp/2017/10/25/the-clinton-camp-and-the-dnc-helped-pay-for-that-trump-russia-dossier-heres-what-it-means/>

638. <https://www.usatoday.com/story/news/politics/2017/12/12/peter-strzok-fbi-agent-removed-muellers-russia-probe-called-trump/946913001/>
639. <http://www.washingtonexaminer.com/fbi-has-not-verified-trump-dossier/article/2641207?platform=hootsuite>
640. <http://www.zerohedge.com/news/2017-10-25/democrats-abandon-hillary-new-old-dnc-deny-knowledge-trump-dossier-funding>
641. <http://insider.foxnews.com/2017/10/25/tucker-carlson-trump-hillary-dnc-russia-collusion-unintended-consequences-law-washington>
642. <http://ijr.com/the-declaration/2017/10/1005810-nyt-reporter-cant-believe-hillary-democrats-lied-funding-phony-trump-dossier>
643. <http://www.zerohedge.com/news/2017-06-26/three-cnn-employees-resign-over-russia-collusion-fake-news-retraction>
644. <https://www.thenation.com/article/a-new-report-raises-big-questions-about-last-years-dnc-hack/>
645. http://hosted.ap.org/dynamic/stories/U/US_TRUMP_RUSSIA?SITE=AP&SECTION=HOME&TEMPLATE=DEFAULT&CTIME=2017-06-30-17-32-29
646. http://www.realclearpolitics.com/video/2017/01/25/seymour_hersh_outrageous_that_media_jumped_on_russia_hacked_the_election_story.html
647. <http://www.zerohedge.com/news/2017-10-27/even-obamas-cia-director-thinks-clintons-dossier-payments-need-be-investigated>
648. <https://www.wsj.com/articles/who-paid-for-the-trump-dossier-1501193386>
649. <http://www.zerohedge.com/news/2017-07-22/man-behind-trump-dossier-refuses-testify-will-plead-fifth-fight-subpoena>
650. <http://www.dailymail.co.uk/news/article-4092222/New-questions-arise-FBI-probe-Russian-election-year-hacking-s-revealed-never-asked-examine-Democratic-Party-s-server.html>
651. https://en.wikipedia.org/wiki/Magnitsky_Act
652. <http://thehill.com/homenews/administration/341969-lynch-distances-herself-from-russian-lawyer-after-trump-attack>
<https://twitter.com/NewtTrump/status/885877645900226560>
653. <http://www.zerohedge.com/news/2017-10-30/honeypot-was-trump-camps-meeting-russian-lawyer-all-clinton-set>
654. <http://thehill.com/policy/national-security/355749-fbi-uncovered-russian-bribery-plot-before-obama-administration>
655. <http://www.zerohedge.com/news/2017-10-20/emails-reveal-bill-clinton-sought-meetings-key-russian-nuclear-officials-just-uraniu>
656. <http://www.zerohedge.com/news/2017-10-17/fbi-uncovered-russian-nuclear-bribery-plot-obama-approved-uranium-one-deal-netting-c>
657. <http://thehill.com/policy/national-security/355749-fbi-uncovered-russian-bribery-plot-before-obama-administration>
658. <https://www.youtube.com/watch?v=hURRWkgcC4A>
659. <https://www.mediaite.com/online/sean-hannity-the-russiagate-witch-hunt-has-come-up-pretty-empty/>
660. <https://www.mediaite.com/online/sean-hannity-the-russiagate-witch-hunt-has-come-up-pretty-empty/>
661. <http://tass.com/world/925045>

<http://www.zerohedge.com/news/2017-06-14/senate-overwhelmingly-approves-new-sanctions-punish-russia>

662. <http://www.zerohedge.com/news/2017-01-13/trumps-enemies-see-opening>

663. https://twitter.com/The_Real_Fly/status/852381153650716672

664. https://en.wikipedia.org/wiki/Operation_Mockingbird

665. https://www.washingtonpost.com/world/national-security/justice-department-moves-to-end-routine-gag-orders-on-tech-firms/2017/10/23/df8300bc-b848-11e7-9e58-e6288544af98_story.html?utm_term=.762ecef87310

666. <http://linkis.com/www.bloomberg.com/vi/jRW7Y>

667. https://www.washingtonpost.com/news/the-fix/wp/2014/05/06/just-7-percent-of-journalists-are-republicans-thats-far-less-than-even-a-decade-ago/?utm_term=.969f3f252c46

668. https://www.huffingtonpost.com/entry/cpac-russian-flags-trump_us_58b0ca06e4b060480e0827ab

669. <http://www.zerohedge.com/news/2017-10-14/nytimes-asks-reporters-please-refrain-publishing-partisan-attacks-twitter>

670. <http://hill.cm/kSvbBXw>

671. <https://twitter.com/NewtTrump/status/871477465906122758>

672. <http://www.dailymail.co.uk/news/article-4573882/Fake-news-row-Muslim-protesters-TV-crews.html>

673. <https://twitter.com/KazeSkyz/status/858110280445956101>

674. <https://www.youtube.com/watch?v=qxIG4dduqy0&feature=youtu.be>

675. <http://www.zerohedge.com/news/2017-07-05/cnn-blackmails-reddit-user-over-trump-wrestling-video-threatens-expose-identity-0>

676. <http://www.spiked-online.com/newsite/article/cnn-has-officially-lost-the-plot/20044#.WV0sVuduEpm>
<https://twitter.com/RealSaavedra/status/940013754615398400>

677. <http://www.spiked-online.com/newsite/article/cnn-has-officially-lost-the-plot/20044#.WV0sVuduEpm>

678. <https://twitter.com/KimDotcom/status/882502701564665856>

679. <https://twitter.com/GOPin2020/status/883632587297738756>

680. <http://twitchy.com/gregp-3534/2017/07/05/if-buzzfeed-is-correct-it-appears-cnns-andrew-kaczynski-outed-the-wrong-guy/>

681. <https://twitter.com/MattGertz/status/852862819913658369>

682. <http://www.zerohedge.com/news/2017-04-08/beginning-end-us-empire>

683. https://en.wikipedia.org/wiki/GBU-43/B_MOAB

684. <http://www.zerohedge.com/news/2017-09-18/why-google-hiring-1000-journalists-flood-newsrooms-around-america>

685. <https://qz.com/1145669/googles-true-origin-partly-lies-in-cia-and-nsa-research-grants-for-mass-surveillance/>
http://www.thedailybell.com/news-analysis/google-and-facebook-are-not-really-private-and-shouldnt-do-as-they-please-with-alex-jones-and-naturalnews-com/?utm_source=dlvr.it&utm_medium=twitter

686. <http://www.washingtonexaminer.com/facebook-hires-thousands-to-launch-crackdown-on-hate-speech/article/2627230>

687. <http://www.breitbart.com/tech/2017/08/04/facebook-will-auto-load-related-headlines-to-debunk-fake-news/>

688. <http://www.politico.com/story/2017/09/11/facebook-fake-news-fact-checks-242567>

689. <http://www.dailymail.co.uk/news/article-4730092/Snopes-brink-founder-accused-fraud-lying.html>
<https://www.forbes.com/forbes/welcome/?toURL=https://www.forbes.com/sites/kalevleetaru/2016/12/22/the-daily-mail-snopes-story-and-fact-checking-the-fact-checkers/&refURL=https://www.google.com/&referrer=https://www.google.com/>

690. <http://www.zerohedge.com/news/2017-07-24/snopescom-implodes-resorts-gofundme>

691. <http://www.breitbart.com/tech/2017/08/04/facebook-will-auto-load-related-headlines-to-debunk-fake-news/>

692. <https://flipboard.com/@flipboard/flip.it%2FL5EXLJ-this-is-war-russia-warns-it-could-retal/f-945d093e03%2Fbusinessinsider.com>

693. <https://wikileaks.org/podesta-emails/emailid/19070>

694. <http://www.zerohedge.com/news/2017-09-29/assange-reminds-world-facebook-did-collude-2016-hillary>

695. https://www.buzzfeed.com/charliwarzel/twitter-just-permanently-suspended-conservative-writer-milo?utm_term=.kJBzzZEnr#.icVNNwyPl

696. <https://arstechnica.com/tech-policy/2017/10/trump-adviser-roger-stone-has-been-booted-off-twitter/>
<http://theweek.com/articles/712545/mystery-intrigue-matt-drudges-twitter-feed>

697. <http://blog.dilbert.com/2016/10/18/is-twitter-shadowbanning-me/>
<http://www.breitbart.com/tech/2016/10/06/dilbert-creator-scott-adams-claims-hes-shadowbanned-on-twitter/>

698. <http://www.zerohedge.com/news/2017-03-23/busted-twitter-caught-manipulating-tweets-former-blackrock-fund-manager-critical-cia>

699. https://www.washingtonpost.com/news/the-switch/wp/2017/06/29/twitter-is-looking-for-ways-to-let-users-flag-fake-news/?utm_term=.3a14476091ae

700. <https://twitter.com/danieljhannan/status/931927066903228416?lang=en>

701. <http://www.zerohedge.com/news/2017-08-28/how-cia-made-google>

702. <http://www.zerohedge.com/news/2017-01-25/google-permanently-bans-200-fake-news-sites>

703. <http://www.foxnews.com/tech/2017/01/13/youtube-removes-influential-conservative-websites-channel.html>
<http://www.zerohedge.com/news/2017-01-13/youtube-joins-fake-news-crusade-shuts-down-popular-conservative-channel>

704. https://www.youtube.com/watch?v=L24Z_QSjqVY
<https://twitter.com/Timcast/status/895747331890581504>

705. <http://www.zerohedge.com/news/2017-08-27/youtube-economically-censors-ron-paul-labels-videos-not-suitable-all-advertisers>

706. <http://www.zerohedge.com/news/2017-08-02/youtube-takes-steps-censor-controversial-aka-conservative-content>

707. <http://www.thedailybeast.com/nasa-denies-that-its-running-a-child-slave-colony-on-mars>

708. <http://www.zerohedge.com/news/2017-07-05/failing-nytimes-mistakenly-cites-tweet-north-korea-parody-account>

709. <http://www.zerohedge.com/news/2017-07-13/stunning-new-software-fakes-video-former-us-president-barack-obama>
<http://www.graphics.stanford.edu/~niessner/papers/2016/1facetoface/thies2016face.pdf>

710. <http://www.ronpaulforums.com/showthread.php?65674-Official-endorsements-for-Ron-Paul>
711. <https://www.theguardian.com/world/2013/nov/16/elizabeth-warren-2016-race-white-house>
712. https://www.washingtonpost.com/news/post-politics/wp/2017/10/10/trump-proposes-iq-tests-face-off-with-tillerson-after-secretary-of-state-calls-him-a-moron/?utm_term=.16e33230f49f
713. <http://thehill.com/blogs/blog-briefing-room/news/339046-video-of-trump-driving-on-the-golf-green-goes-viral>
714. https://www.washingtonpost.com/opinions/trump-has-a-dangerous-disability/2017/05/03/56ca6118-2f6b-11e7-9534-00e4656c22aa_story.html?utm_term=.ccde5f2a4c1e
715. <https://www.urbandictionary.com/define.php?term=covfefe>
716. <http://www.breitbart.com/video/2017/01/30/dershowitz-acting-ag-made-a-political-decision-rather-than-a-legal-one-on-trump-eo-serious-mistake/>
717. <https://www.nytimes.com/2017/02/25/opinion/what-does-steve-bannon-want.html?smid=tw-nytopinion&smtyp=cur&r=0>
718. https://www.washingtonpost.com/news/the-intersect/wp/2017/04/14/5-questions-for-a-washington-post-reporter-whose-eyebrows-became-a-meme/?tid=sm_tw&utm_term=.43c69e338d3a
719. <http://www.foxnews.com/politics/2017/08/31/scaramucci-falsely-listed-as-dead-in-harvard-law-school-alumni-directory.html>
720. <https://www.peakprosperity.com/blog/2011-year-review-david-collum/67586#devils>
721. <http://www.zerohedge.com/news/2017-03-14/msnbcs-non-story-trump-made-150-million-paid-25-effective-tax-rate>
722. https://en.wikipedia.org/wiki/The_Mystery_of_Al_Capone%27s_Vaults
723. <http://www.telegraph.co.uk/news/2017/03/15/did-msnbcs-rachel-maddow-show-break-law-publishing-donald-trumps/>
<https://www.law.cornell.edu/uscode/text/26/7431>
724. <http://thehill.com/homenews/house/329206-house-democrat-introduces-bill-to-amend-presidential-removal-procedures>
725. <https://twitter.com/zlando/status/829980829032005634>
<http://dailycaller.com/2017/03/03/flashback-friday-harry-reid-1993-no-sane-country-would-give-illegal-immigrants-citizenship-video/#ixzz4aLbeKWdM>
<https://www.youtube.com/watch?v=p4hY1KDdozQ>
<https://twitter.com/ForAmerica/status/905149765029126144>
<https://twitter.com/bocavista2016/status/905131145116954624>
726. <http://www.zerohedge.com/news/2017-10-04/soros-kellogg-fordelite-donor-list-anti-trump-resistance-group-revealed>
727. <http://bit.ly/2AKctz5>
728. <https://www.youtube.com/watch?v=6ySaAP6Vm44>
729. <https://www.youtube.com/watch?v=0SL2PzzOiF8>
730. <https://www.youtube.com/watch?v=Mamvq7LWqRU>
<https://www.youtube.com/watch?v=oWMJPaftuac>
731. <http://www.nationalreview.com/corner/452117/based-early-reports-las-vegas-shooting-very-very-strange>
732. <http://www.zerohedge.com/news/2017-10-04/clark-county-sheriff-says-hard-believe-shooter-didnt-have-help-unless-hes-superman>

733. <http://www.zerohedge.com/news/2017-10-11/brandon-smith-tactical-analysis-las-vegas-mass-shooting-incident>
734. <http://www.nnettle.com/news/2858-audio-las-vegas-shooter-s-neighbor-blows-whistle-he-was-set-up->
735. https://en.wikipedia.org/wiki/Video_poker
736. <http://www.breitbart.com/2nd-amendment/2017/10/11/ann-coulter-media-begging-us-conspiracy-theories-las-vegas/>
737. <https://twitter.com/MikeTokes/status/915618593726898177>
http://www.thedailysheep.com/the-vegas-plot-thickens-the-connection-between-the-shooter-and-an-intelligence-agency_102017
738. <http://government-contracts.insidegov.com/d/d/Volant-Associates-Llc>
https://www.reddit.com/r/conspiracy/comments/748c8k/potentially_some_more_info_regarding_paddock/
<http://www.volant-associates.com/>
739. <https://www.ktnv.com/news/ralston/jon-ralstons-exclusive-interview-with-steve-wynn>
<https://www.youtube.com/watch?v=ZkpTRYhFN9c>
740. <http://www.latimes.com/local/lanow/la-me-ln-bruce-paddock-20171025-story.html>
741. https://www.nbcnews.com/storyline/las-vegas-shooting/las-vegas-police-investigating-shooting-mandalay-bay-n806461?cid=sm_npd_nn_tw_ma
742. <http://www.zerohedge.com/news/2017-10-25/brother-las-vegas-gunman-arrested-child-pornography-charges>
743. <http://www.zerohedge.com/news/2017-10-02/who-was-las-vegas-shooter-stephen-paddock-and-what-was-his-motive>
744. <http://www.zerohedge.com/news/2017-10-02/who-was-las-vegas-shooter-stephen-paddock-and-what-was-his-motive>
745. <https://en.m.wikipedia.org/wiki/Teradata>
746. <https://www.youtube.com/watch?v=SPZFN6VFFow>
747. <https://www.npr.org/sections/thetwo-way/2017/11/21/565732881/hundreds-of-victims-of-las-vegas-shooting-file-lawsuits>
748. <http://www.businessinsider.com/las-vegas-gunman-paddock-hotel-mandalay-bay-shooting-2017-10>
749. <http://www.mirror.co.uk/news/world-news/las-vegas-killers-room-service-11289119>
750. <http://insider.foxnews.com/2017/11/02/tucker-carlson-lawyer-las-vegas-victims-examine-unanswered-questions-surrounding-massacre>
751. <https://www.reviewjournal.com/crime/shootings/judge-oks-restraining-order-to-protect-evidence-in-las-vegas-shooting/>
752. <https://www.ktnv.com/news/ralston/jon-ralstons-exclusive-interview-with-steve-wynn>
<https://www.youtube.com/watch?v=ZkpTRYhFN9c>
753. <https://www.mediamatters.org/video/2017/10/25/tucker-carlson-fuels-wild-conspiracy-theory-jesus-campos-victim-mandalay-bay-shooting-was-accomplice/218333>
754. <https://twitter.com/LauraLoomer/status/920325260192382977>
<http://www.thegatewaypundit.com/2017/10/report-missing-vegas-security-guard-jesus-campos-illegal-alien/>
755. <http://beforeitsnews.com/conspiracy-theories/2017/10/jesus-campos-appears-on-the-ellen-show-2484181.html>
756. <http://www.dailymail.co.uk/news/article-4996918/Hotel-insisted-Jesus-Campos-appear-Ellen-fearing-lawsuits.html>

757. <http://www.chicagotribune.com/news/nationworld/ct-jesus-campos-vegas-security-guard-vanished-20171017-story.html>

758. <https://www.youtube.com/watch?v=YRcowr6ZD-M&feature=youtu.be&a>

759. <http://www.zerohedge.com/news/2017-10-26/mysterious-missing-vegas-security-guard-left-country-days-after-vegas-massacre>

760. <http://www.dailymail.co.uk/news/article-4996918/Hotel-insisted-Jesus-Campos-appear-Ellen-fearing-lawsuites.html#ixzz4vxylEPq3>

761. <https://www.mediamatters.org/video/2017/10/05/laura-ingraham-suggests-photos-las-vegas-gunman-s-room-were-staged-and-he-was-too-poor-health-have/218146>

762. <http://www.zerohedge.com/news/2017-10-06/vegas-shooter-investigators-puzzled-believe-he-was-not-alone-two-reasons>
https://www.nbcnews.com/storyline/las-vegas-shooting/las-vegas-massacre-investigators-probing-whether-others-were-gunman-s-n808431?cid=sm_npd_nn_tw_ma

763. <http://www.blabber.buzz/politics/conservative-news/251919-las-vegas-shooters-laptop-missing-its-hard-drive-investigators>

764. <https://www.mediaite.com/tv/watch-body-camera-footage-from-police-officers-responding-to-las-vegas-shooting/>

765. <https://www.youtube.com/watch?v=yt2PLjnmZJo>
https://www.youtube.com/watch?v=Gu9Z_KzcS3s
<https://www.instagram.com/p/BZv4ZmfDHHI/>
<https://twitter.com/PaisleyPosey/status/915369232438874112>
<https://www.instagram.com/p/BZ8mn8Hj3x2/>
<https://www.youtube.com/watch?v=2eC96N9ngoo&feature=youtu.be&a=>

766. <https://www.sgtreport.com/articles/2017/10/4/riveting-audio-details-from-the-las-vegas-shooting-that-the-msm-wont-share>
<https://www.youtube.com/watch?v=-Adlxxi2raY&feature=youtu.be>
<http://truthfeednews.com/video-vegas-concertgoers-saw-shooters-on-the-ground-firing-rounds/>

767. <https://steemit.com/news/@ura-soul/las-vegas-police-scanner-audio-reveals-police-identified-multiple-shooting-sites-and-looked-for-multiple-shooters-was-the-4th>

768. <https://www.youtube.com/watch?v=m6AOhkS5RDo>
https://www.hooktube.com/watch?v=_kdsitqiWoE
<https://www.youtube.com/watch?v=B7ixInjs0C4>

769. https://www.youtube.com/watch?v=_kdsitqiWoE&feature=youtu.be

770. <https://www.youtube.com/watch?v=JxmEFKy8aI>

771. https://pamelageller.com/2017/10/fbi-wipes-celphones-las-vegas.html/?utm_source=dlvr.it&utm_medium=twitter

772. <https://www.activistpost.com/2017/10/las-vegas-shooting-victim-100-one-shooter-gates-concert-locked-shortly-attack.html>

773. <http://www.independent.co.uk/news/world/americas/las-vegas-mass-shooting-victims-acting-conspiracy-theory-braden-matejka-sheldon-mark-mike-cronk-a8027541.html>

774. <http://www.mostholymonastery.com/news/mike-cronk-las-vegas-shooting-hoax-crisis-agentactor/#.Wja8u45rVnE>
<https://www.youtube.com/watch?v=8Nw38AaB3po>
<https://www.youtube.com/watch?v=XO5EnT60g3E>
<https://www.nbcnews.com/video/eyewitness-to-las-vegas-shooting-i-screamed-at-everybody-to-get-down-1059800643523>

775. <https://vimeo.com/237510639>

776. <http://truepundit.com/fbi-agents-jesus-campos-gunshot-story-doesnt-add-up-las-vegas-investigation-manipulated-by-mgm-bullies/>
777. <https://www.paulcraigroberts.org/2017/10/09/military-surgeon-says-videos-las-vegas-gunshot-victims-fake/>
778. https://m.facebook.com/story.php?story_fbid=10212955422031876&id=1580897778
779. <https://www.paulcraigroberts.org/2017/10/09/military-surgeon-says-videos-las-vegas-gunshot-victims-fake/>
780. <http://truepundit.com/fbi-agents-jesus-campos-gunshot-story-doesnt-add-up-las-vegas-investigation-manipulated-by-mgm-bullies/>
<http://bgr.com/2016/06/21/ar-15-rifle-bullet-wounds/>
781. <http://www.cnn.com/2017/11/26/us/las-vegas-shooting-survivor-killed/index.html>
<https://www.snopes.com/seven-witnesses-to-vegas-shooting-died-suspicious/>
<http://screenhoopla.com/9th-las-vegas-shooting-witness-found-dead-less-2-months/>
<https://www.o3p.com/threads/9th-las-vegas-shooting-eyewitness-has-died.2231/>
782. <http://www.blabber.buzz/politics/conservative-news/251919-las-vegas-shooters-laptop-missing-its-hard-drive-investigators>
783. <http://video.foxnews.com/v/5625895355001/?#sp=show-clips>
784. <https://www.cbsnews.com/news/profitting-from-disaster/>
<http://www.larsschall.com/2012/03/20/insider-trading-911-the-facts-laid-bare/>
785. <http://kipherriage.squarespace.com/>
786. <https://twitter.com/StockMonsterVIP/status/918672168820412416>
787. <http://investmentwatchblog.com/prime-suspect-ceo-of-mandalay-bay-james-murren-is-on-the-dhs-infrastructure-advisory-council/>
788. <http://www.miaminewtimes.com/news/jfk-docs-cia-plotted-to-bomb-miami-kill-refugees-and-blame-castro-9782696>
789. <https://www.facebook.com/theleadcn/posts/1347645005245869>