MANWARD letter

Volume 5, June 2021

The Truth Comes Out: The Real Story Behind Rising Taxes

Plus: Buyers Are Pouring Into This Do-Anything Stock That's Set for Double-Digit Growth

Dear Reader,

I recently spent a day on Wall Street. It was a good time. But I learned something quite scary.

As the man behind a newsletter that takes an off-center view of money and all the matters that surround it, I feel it's my duty to share what I uncovered.

You see, I spent the night at the beautiful and posh Four Seasons Hotel in Lower Manhattan. Without many tourists in the area, guests seemed largely limited to me and the players and coaches from the Chicago Bulls, who were in town for a game.

The hotel was convenient. It sits just a few blocks from the world's financial hub. But that means it's also just a few blocks from where the World Trade Center buildings once stood.

From my hotel room window, the void in the skyline was clear. It didn't take much prodding for my mind's eye to replay the horrors of that day nearly 20 years ago.

I can still hear news anchor after news anchor repeating an iconic line: "Life in America will never be the same."

I remember debating the dour idea in my head on that otherwise beautiful September day. I didn't want to believe it. I knew America would recover her grit. And she has.

But the broadcasters were right. Many things have never been the same. And that's why that fact I just learned is so startling...

Forgetting History

It turns out that while America's culture, laws and role in the world changed greatly that day... our history books hardly have.

A recent study by the folks at the University of Wisconsin showed that today's students are hardly learning about the events of that day. Only 26 of the 50 states set standards that mention the 9/11 attacks. Nine mention the ensuing war on terror. And 16 of them have no curriculum on 9/11 at all.

Imagine that...

Imagine flying and not understanding how and why armed agents look through your bags... or that a man in a booth literally sees through your clothes as he scans your body for things that don't belong.

Andy Snyder is the founder of Manward Press, the nation's premier source of unfiltered, unorthodox views on money. An American author, investor and serial entrepreneur, Andy cut his teeth at an esteemed financial firm with nearly $100 billion in assets under management.

Known for his outspoken market commentary, Andy's been a keynote speaker and panelist at events all over the world, from four-star ballrooms to Senate hearing rooms.

Today, Andy's dissident thoughts on wealth and investing can be found exclusively in *Manward Financial Digest*, as well as in the pages of *Manward Letter*. He also helms the award-winning investment advisory services *Alpha Money Flow* and *Venture Fortunes*.

Inside...

To the uninformed, it's just normal. It's the way things are. Imagine not knowing why the men and women we vote for are constantly debating what it means to bring our troops home from the Mideast. Many of the nation's youngest voters weren't alive when the war on terror began. And they've never been taught about it.

Are they casting informed votes? Or do they see it as just one more thing politicians have always bickered about?

And imagine not knowing why the government has vast databases about its citizens or why some rumors put its classified shadow budget at more than $50 billion each year.

Or worse… imagine knowing you and I are paying for it all but never having a clue about the reason.

It's just what we do. Rising taxes have always been a part of America, right? Keep reading.

The Truth Comes Out

All this seems like a setup to a great tragedy – like when Romeo and Juliet both end up dead… all because one of them didn't know the truth.

That's the spirit of this month's issue. And while the theme may sound somber, I promise it's not.

In fact, I'm convinced that you'll be smiling by the end of the issue after realizing the powerful impact a bit of insight can have on your financial future. Here are a few lines that are tucked in the pages ahead. They show how it all ties together:

> *The average American will never realize he's paying more taxes. He'll pump his fist and say hurrah to going after the superrich… and in the next breath, he'll wonder why his stocks haven't gone up like they used to and wonder when the government will cut him another stimulus check.*

Making money isn't all that hard. If there's a singular ingredient to consistently making it happen, it is this: You must know more than the next guy.

There's good news on that front as well…

Our schools are terrible. (Longtime readers may recall our February 2019 issue, in which we gave the U.S. education system an "F" grade.)

You've got an advantage over most people who've come after you.

You know the history. You lived it. To many, it's merely an inconvenience at the airport… or another tax form to fill out.

As Joel Salatin is one of the nation's most respected libertarian thinkers, it's no surprise his piece this month illustrates the nuances of this idea quite cleverly. He shows that things are hardly as they ever seem to be… and it's the fella who knows it who makes out in the end.

I enjoyed putting this issue together. It's unconventional. Even the stock pick comes with an underlying story and some controversy of its own.

But that, I'm convinced, is where the value lies.

It's the untold story that deserves your attention. It's where the truth lies and where history is made.

Be well,

Andy

THIS MONTH'S STOCK PICK

A Reopening Economy and a $790 Million Buyback Plan Make This Data Play a No-Brainer

Massive amounts of money are flowing into the stock market. In the five months that followed November of last year, more money flowed into stock-based funds than did in the previous 12 years combined.

Some $569 billion went into global equity funds. During the last 12 years combined, that number was a mere $452 billion. This is hugely bullish.

If there's just one fact that sums up the craziness – and the opportunity – within the economy these days, it's that one.

Because of near-zero interest rates, trillions of dollars' worth of free money and a roaring recovery, investors are pouring more money than ever into the stock market.

As long as those three variables don't change, the moneymaking action will continue.

Piling In... and Loading Up

As you know, we've been taking full advantage of the situation. Our two model portfolios are loaded with gains.

As I write, our stake in **Scotts Miracle-Gro** (SMG) is up by close to triple digits. Our stake in **Logitech** (LOGI) is up by 65%. Infrastructure giant **KBR** (KBR) is up by 90%.

And in late April, we locked in partial gains of more than 300% on our crypto play **Monero** (XMR). (Our remaining stake is up 250%.)

Each of these positions is taking full advantage of this hot money trend. What's most notable, though, is that those top-performing stocks share a common theme. They've all got a sort of "kicker" when it comes to buying volume.

While not all of them had buyback programs in place when I first recommended them... they all do now. So not only are investors pouring money into these big-name shares... but so are the companies behind them.

It's the sort of stuff that makes a volume wonk like me giddy. (Volume has been the backbone of my investing philosophy for nearly 20 years.)

That's why I'm so excited to get you into shares of **Gartner** (IT) today. When I recently ran a volume scan of the market, this research and IT giant roared to the top of the list, seeing 4.42 times its average volume. It's an undeniable sign that buyers are pushing each other out of the way to get their hands on the stock.

And because this is a major $20 billion company, these are not folks who trolled over from some weird message board. They won't be here today and gone tomorrow. No, these are folks who are piling in with the intent of holding for years. And in the case of the company's recently boosted $790 million buyback program... many of today's buyers are holding FOREVER.

A BIG Commitment

Let's talk about that buyback program. It's the kicker behind so many of the market's biggest movers. It's the catalyst that's certainly leading our portfolio to market-crushing gains.

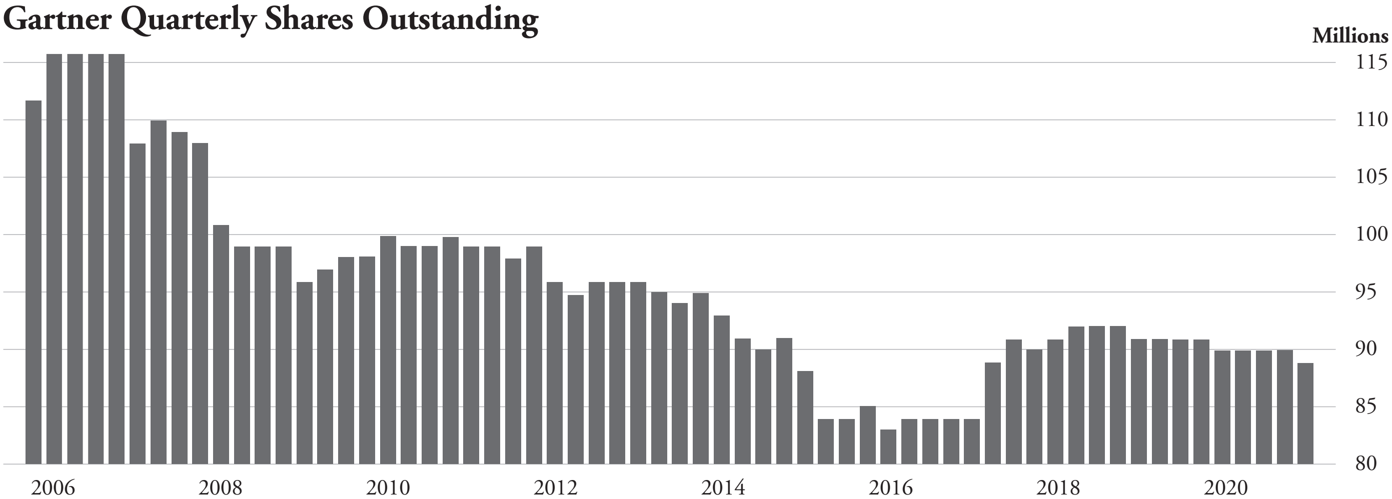
Thanks to several key factors that I will detail in just a minute, Gartner's executive team recently boosted the company's 2021 sales and profit guidance. The company now expects total sales of $4.51 billion and profits of $6.25 per share. That's up considerably from the $4.10 Gartner previously forecast.

It was enough for the board of directors to get out the corporate wallet and add $500 million more to the company's existing share buyback plan. It's the second increase so far this year.

Many share repurchase programs never come to life or are only in place to cover up other dilutive action, but Gartner's team is making good on its promise.

In April alone, the company grabbed $200 million worth of its own shares and permanently took them off the market. This creates a steady, reliable demand for shares.

Gartner Quarterly Shares Outstanding



Source: Macrotrends

Researching a Revolution

There are several key things driving the company's business forward.

Chief among them is flat-out monumental... It's the huge shift in the way so many companies are doing business.

You see, Gartner has three main business units: research, conferences and consulting.

It's the research business that delivers the majority (87%) of the company's sales. Conferences are good for 4%, while its consulting work makes up the other 9%.

It's a good time to be a leader in the world of business research. Companies across the planet are entering new markets, working with new products and technology, and evolving to work in a quickly changing market and economy.

For example, as the world begins to reopen after the COVID-19 crisis, 40% of employees are now believed to be ready to leave their jobs if they are no longer allowed to work remotely. It's a huge figure... and a very big problem for many companies.

But as a trusted research partner for executives at some of the biggest companies in the world, Gartner is at the center of the solution. It's delivering the data and research these decision makers need as they work to avoid a major problem.

Or take the supply chain issues that have erupted in recent months. One of Gartner's research customers is a major pharmaceutical company. It was recently having serious issues getting raw materials in its doors and getting finished products to its customers.

It turned to Gartner for its data and research within the transportation sector. The company became a neutral third party and helped many of the largest players in the drug market work together to find critical solutions.

And, of course, there's the company's IT expertise. It's seeing booming demand as more companies work remotely or spread their operations throughout the country. Gartner's research team is quite busy these days helping hundreds of clients stay up to speed with what other firms have done to expand while still keeping their systems secure.

A Do-Anything Investment

Here's what I like most about Gartner's business. It's a high-margin service model that rewards the company's size and yet still allows it to remain quite flexible.

Here is what I mean by that. Most companies are bound by a few key product ideas. Even Apple isn't all that flexible. If a competitor suddenly builds a better phone or computer, Apple will have to transform its business.

That's not the case with Gartner. Remember, its core asset is data. The more it gets, the deeper and wider its competitive moat becomes. And the more data it gets, the more customers it will attract... bringing in even more data.

Better yet, data is entirely flexible. The company may be focused on gathering data that helps executives make work-from-home decisions today... but could easily pivot (just as it did last year) to providing research for the world's newest problems next year.

That makes it a fantastic, long-term "core" holding. And I'm not the only expert to say so. This spring, Bank of America added Gartner to its US 1 list – its list of top-rated "Buy" stocks. It said the company is "well positioned for a cyclical recovery and revenue acceleration beginning by midyear."

Backing up my research, Bank of America also noted that Gartner's "newfound commitment to expanding margins, its cash generative business model and a likelihood of meaningful buybacks" will help lead the company to "mid-teens-plus" annual earnings per share growth next year and beyond.

Bottom line: In an economy that seems to transform into something new each month, it pays handsomely to own the companies that are making the transformation possible. Even better, it pays to own companies that are vigorously buying back their own shares. Add the two ideas together, and I'm convinced Gartner will soon be a top performer in our portfolio.

As a leading **Domestic Blue Chip** and a **Buyback Dominator**, this is a rare stock that earns a spot in two allocation categories within our **Modern Asset Portfolio**.

Action to Take: Buy shares of **Gartner** (NYSE: IT) at the market's price. We will use our standard 25% trailing stop on the play.

The Scary Truth About Washington's Latest Tax Hikes

Is a nation a nation without taxation?

Do more taxes make us a better country?

Do less taxes make our government any less of a government?

And if a nation's taxes are what truly allow it to do great things, as many politicians are claiming these days, dare we say it may be the newest folks in Washington who will truly make America great again? They're certainly eager to raise our taxes and try.

During the first six months of fiscal 2021 (October through March), America's tax revenues climbed to a fresh record... $1.704 trillion (see chart below).

This puts the country on track to pull some $3.86 trillion from the pockets of taxpayers this year.

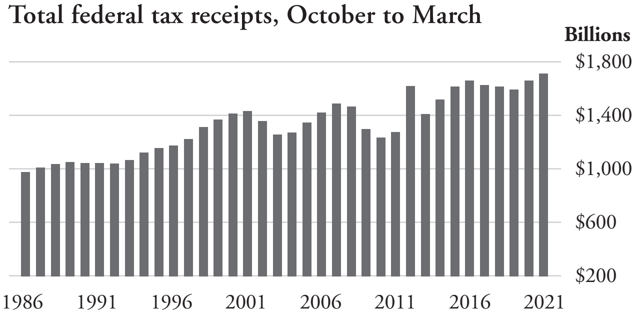
But don't go giving Joe Biden all the credit for this heist just yet. Donald Trump was in office for four of those six record-shattering months.

Perhaps the "greatness" truly was his doing. But what does all of this mean for the average investor? Didn't our current president say he wants to tax only the rich and leave the little guy alone?

Is it possible? Or will we all suffer? Read on for the unbiased, unpolitical answers.

Record-Setting Taxes

Total federal tax receipts, October to March



Source: U.S. Department of the Treasury

History's Pickpockets

The truth is, we can't blame Biden... or Trump... or Obama... or Bush. Tax revenues have climbed steadily from our nation's birth. The "modern" trend is quite clear. Tax revenues of $6.5 billion in 1940 have ballooned to nearly $4 trillion today.

Going back even further, we see just how shocked our forefathers would have been that a sitting president would have any support to raise income taxes as high as 39.6%. After all, the first income tax was launched well after the forefathers were all long gone... in 1861. A *temporary* 3% levy on incomes of $800 or more was needed to fund the Civil War.

It was repealed in 1872. But, as we know, once a government wades into a stream of money, it has a heck of a time getting its feet out of the current. Even after the war was over and its debts levels were dwindling, the nation continued to toy with the idea of taxing its citizens' wealth and income. Various taxes and tariffs were enacted, but most ended with their lives torn up on the floor of a courtroom.

That's because, as few folks now understand, the nation's original Constitution forbade the sort of government-fueling taxes we have today. It wasn't until Congress found enough support to change the Constitution that we got started on the path we're running (scared) down today.

The 16th Amendment – enacted in 1913 – gives Washington the power to tax our income from any source.

It started as a mere 1% tax on incomes of $3,000 or more... with a 6% tax on incomes of half a million dollars or more. That's the equivalent of $13.4 million in today's dollars. I don't have to tell you where things went next.

Lies and Taxes

Each crisis and each war brought higher taxes and a bigger, more expensive government. For every tax cut, there have been two more hikes. What once could run on a shoestring budget now runs on a dangerous concoction of taxes and debt that fuels not just the nation's economy but the world's economy.

And yet, in early May, Janet Yellen, the former head of the nation's money supply and now the head of its spending, says the tax code allows for too many cheats. She says a "shocking" $7 trillion in taxes is going uncollected.

Wouldn't fixing that problem be a boon for Uncle Sam and his expanding waistline? Clearly she's hinting at raising taxes... without ever officially raising taxes.

But that's the problem with the nation's tax code. The political nature of it all has made it murky, full of "friends and family" loopholes and enough vagaries to feed a major industry that was bred just to decipher the tax code.

The messiness of the tax code started in the 1970s, when rampant inflation gave politicians cover to lower tax rates. From there, many politicians have banked their careers on lowering the top tax rates with one hand... while raising lesser-known taxes with the other.

It's an easy way to fill the room with smoke and get the headline writers looking in the wrong direction.

It's one of the greatest financial risks today's wealth seekers face.

Ronald Reagan did a fine job of such things. He slashed income tax rates by historic proportions... but quietly followed them up with hikes in payroll and gas taxes and the closing of many lucrative loopholes. In the end, his 12 tax hikes negated more than half of his famed cuts.

That's what brings us to where we are right now. We've got a government that is itching to grow like never before. We've got tax rates that were recently cut and now believed detrimental by a majority of the population. And we've got all levels of government (local, state and federal) with some of the worst balance sheets in the nation's history.

It's not only a recipe for rising taxes... It's a recipe for the sort of monumental change the 16th Amendment brought us.

As investors, we absolutely must be aware of what's happening and what could happen.

Lifting the Curtain

After working with and fighting against several government groups, I can tell you there is just one certainty in the tax fights that will soon engulf this nation. This is it: **What you see and hear on TV and in the news is only a tiny fraction of the real story.**

In fact, I recently attended a committee meeting (this time the fight was much smaller than when I took on the FDA). The decision makers agreed that the rules they were voting on were bad and not what they intended. But instead of starting over, they pondered simply voting in favor of the amendment and letting a non-elected group enforce the rules as it sees fit.

In other words, the law would state one thing... while the intent and enforcement would be much different. This sort of thing happens all across the tax code.

In fact, in a surprise to many taxpayers, the IRS – which is charged with collecting taxes – has now become one of the nation's largest distributors of social welfare. Childcare credits... college tuition credits... health insurance subsidies... tax-free retirement savings... and, the biggie, the earned income tax credit.

They're all forms of social welfare quietly and conveniently plugged into the tax code. Get this... 36% of audits recently performed by the IRS were of families claiming the earned income tax credit – which is essentially a program designed to help working families with incomes of less than $56,000.

Because of the smoke and mirrors and the half-truths of the political world, the tax system is now the framework for the nation's safety net. It means that not only do changes in the tax law affect your financial well-being... but your understanding and use of the tax code play a tremendous role in your financial fate.

Take a wrong step in this dark and swampy world and you may never recover.

The good news is the government doesn't seem to care whether you get it right. Over the last decade or so, it's cut its ranks of auditors by more than a third. Right now, in fact, it has the same size staff that it did in 1954. Because of this, the audit rate for the most complicated tax returns (those of roughly the top 1% of income earners) has plunged by 67%.

Former IRS Commissioner John Koskinen called it "tax cuts for tax cheats."

Whether you're applying for the earned income tax credit or you're a megamillionaire, your chances of getting audited are now just about the same.

But that could soon change. And that's what has me worried... and should have you preparing to pay more to get less in today's America.

Major Threats

I won't detail all of the tax hikes, regulation changes and money grabs that have been laid out in recent months. If we went across all levels of government, the list would be too long (and depressing) to print. And besides, many of them are mere political musings, with no intent of ever seeing ratification.

But there are some serious threats.

Proving the notion that the tax code and social benefits are now woefully intertwined, Biden recently linked a large increase in capital gains taxes to free community college. While most folks think large inheritances are the luxury of the rich and famous, they're also the lifeblood of the cash-poor and hardworking.

For farmers, inheritance is one of the biggest blessings and one of the worst curses.

It ensures they can continue to run their family businesses... and makes it so a single slipup opens them to backbreaking taxes – the kind that turn farms into sprawling neighborhoods.

As part of the president's proposed tax hikes, he announced plans to eliminate the idea of "stepped-up basis." If that happens, farms would be forced to pay taxes on the property's increase in value from the time a previous generation purchased it instead of on the value from the date the inheritor received it. Countless small farms (and small family businesses) could be in dire straits.

Most interesting, research shows the change in the law would effectively reduce farm wages by $32 for every $100 generated by raising the tax. Another study showed that removing the current inheritance provision would create a one-time tax liability equal to an average of 280% of a farm's annual income.

It's no wonder more than 75% of farmers said they are "very concerned" with this issue. Laws like these have forced most small farms out of business.

Odds are, you're not a farmer.

But I bet you buy food a farmer grows or raises... on land that he inherited.

What's more, I bet you're a taxpayer. And the more tax hikes like these that are enacted, the more folks end up on government subsidies... and the more you have to pay to support them.

Right now, roughly 40% of the nation's remaining 2.1 million farms receive some sort of subsidy from taxpayers. Altogether, these subsidies cost more than $20 billion per year. You pay them with your taxes and your grocery bill.

The Important 80%

But let's get right to the heart of it. It's no secret that Washington has big business in its crosshairs. So it may not matter that the capital gains taxes might soar... or that tax rates for folks making more than $400K will rise... or that the cutoff for estate taxes may plunge from $11.7 million to $3.5 million.

What will matter, though, is that the stocks you own – no, the companies you own whose profits fund your retirement – will very likely soon see their tax rates rise.

It's framed by the politicians and the media that backs them as a tax on the rich. After all, these are big, multibillion- or even trillion-dollar companies Washington is going after, right? But guess what... they're owned by everyday Americans.

Shares of Apple... Netflix... Google... and thousands of other firms on the precipice of a major tax hike are what fund so many millions of American retirements. The politicians – desperate for your vote – won't directly tax your IRA or your 401(k)... but they'll take a chunk of the profits from the companies that are in them.

Recent research by the Tax Policy Center shows the bottom 80% of households pay more than one-quarter of corporate taxes.

That's bad enough. But the inverse is downright scary. It means the top 20% of households pay 75% of corporate taxes.

The average American will never realize he's paying more taxes. He'll pump his fist and say hurrah to going after the superrich... and in the next breath, he'll wonder why his stocks haven't gone up like they used to and wonder when the government will cut him another stimulus check.

Crazy.

It's one big loop. It's no coincidence that as the nation has grown its government and raised its taxes, more folks have gotten more dependent on the system that feeds off those taxes.

For investors, it means one very critical thing.

It means we must be better than ever at managing our tax burdens. We must know the system. We must know how it works. And we must ensure that we are never paying more than we are legally obligated to.

It's vitally important.

The numbers prove that how your assets are taxed is often more important than the assets you own. One slipup could cause problems for life... and not just yours but the lives that follow yours.

I'm on the beat and will keep you in the know as this tax debate heats up.

Your money is on the line.

Manward contributor Joel Salatin calls himself a Christian libertarian environmentalist capitalist lunatic farmer. Others call him the most famous farmer in the world, the high priest of the pasture and the most eclectic thinker from Virginia since Thomas Jefferson. He's been featured in radio, TV and print – everything from Food, Inc. *and* The Omnivore's Dilemma *to* National Geographic *and* The Washington Post.

The Hidden Tax Behind High Prices

Joel Salatin

There's a hidden tax that hits small business hard... And the pain is felt all the way down to the consumer.

I'm talking about workplace regulations made for industrial-sized businesses.

Economist and author John Ikerd notes that there are four pillars of industrialism. They are specialization, simplification, routinization and mechanization.

To understand the problem, let's start at the beginning. At first, a startup entrepreneur has to wear many hats. They need to be the bathroom janitor and a contract negotiator.

My mentor Allan Nation, founder of *Stockman Grass Farmer* and textbook entrepreneur, always said the first order of business was to become fully employed. That means doing most of the things that need doing.

He also said that success meant doing less and less of what you either don't enjoy or have no skill for. In general, we should shoot for the sweet spot where our passion, skill and knowledge intersect. The more time we can spend there, the more productive we'll be.

Making It Special

The more a business grows, the narrower it defines each job. Folks are placed in specialized spheres. The workforce is often siloed, evidenced by the sales team's ignorance of manufacturing and both divisions' ignorance of cash flow and financing.

A perfect example of this is an industrial-scale poultry processing plant. The average worker there does one thing. Interestingly, it's one thing that can be taught in about 20 minutes. And it's routinized to an inhuman degree. It's why repetitive motion syndrome is rampant in the processing industry.

There's a quip Henry Ford allegedly told visitors when he took them through his plants. He said the only thing he didn't like about the assembly line was that he had to hire a whole man when all he needed were his hands.

People create problems. They need to go to the bathroom, eat and rest. Mechanization, then, is the holy grail of the industrial system... to de-people it and eliminate all the social and relational problems.

A Better Investment

A small farm like ours, devoted to biological and ecological integrity, promotes the opposite of these pillars. Everyone does everything. Cross-training builds skills. It promotes using different muscles and doing different things throughout the day and from day to day.

In our small on-farm processing shed, for example, a person never processes chickens for more than three or four hours in a day. And we never do it every day.

We may process chickens in the morning and bale hay in the afternoon. Nobody ever gets repetitive motion syndrome because our routine is an anti-routine.

Our procedures take months to master because everyone has to develop eclectic skills. From starting chicks to putting a label on the chicken in the retail plastic bag, we all participate in the whole system. Mechanization is out of the question. It's way too expensive at our scale. A $1 million piece of equipment needs hundreds of thousands of chickens to justify the investment.

For us, the better solution is a highly skilled, eclectic group of folks for whom processing chickens is just one of many tasks. We may move pigs from one paddock to another tomorrow, move cows the next day, plant tomatoes the next morning and then mill out some lumber on the sawmill.

All of these activities are interesting and require different information and muscle groups. Nobody is bored with the routine. That means injury risk is very low because interest and mental engagement are high.

Furthermore, the diversity doesn't overtax certain muscles to create fatigue. About the time fatigue sets in, we're off to the next and different project.

Standing Together

One other aspect of our small farm requires mention: spirit and vision.

Big outfits tend toward bureaucracy. Every idea or need must pass through superiors, human resources, legal counsel and others.

On our small farm, the owners and staff spend countless hours together working and socializing. It's a much flatter hierarchy. And we spend a lot of time massaging the why of what we do. It's not about earning a paycheck. It's about healing the land, healing our customers and healing the culture.

Big businesses generally move toward depersonalization. Everyone on our team rubs shoulders with the owners. That means the buy-in to our why, to our reason to exist, is much easier to cultivate, shepherd and perpetuate.

Defining Risk

What does all this have to do with my opening lines that workplace regulations are one of the biggest hurdles for small business?

Workers' compensation payments are assessed on the basis of injury risk. When our society decided to mandate a monetary pool for injury on the job, the program required someone to determine relative risks from different jobs.

Office work, for example, carries less injury risk than felling trees.

Combing through injury reports, the government agencies tasked with assessing employer payments created job descriptions. Then they assessed percentages based on risk. Yes, that seems straightforward. But it's fraught with subjectivity and unfairness, especially toward smaller businesses.

Unlike industrial-type outfits, a farm like ours does not have team members who fall into neat categories.

For example, under the general heading of "farm worker," categories include beef cattle worker, poultry worker, hog worker and cattle hauler. A worker who drives a truck all day hauling grain to the elevator has a different risk factor compared with someone who sorts and handles 1,300-pound steers all day in a feedlot.

The very notion that farm workers would be categorized to such specialized descriptions works against an eclectic, diversified system.

A Profound Difference

Furthermore, the descriptions assume industrial settings. A poultry worker, for example, is assumed to spend all day inside a factory chicken house with whirring fans, feed augers, dust and manure. Injury risks, from respiratory failure to electrocution, are very high.

Contrast that with a poultry worker at our farm. They might move some shelters in the morning, carry some feed and water buckets out on the open pasture, and process some chickens a few hours a week.

The difference in risk injury is profound. Yet the workers' comp bean counters have no way to honor the difference in injury risk.

Everything is based on the industrial setting, where contamination, fatigue, monotony and lack of vision rule.

No category exists for "Eclectic Pasture Livestock Excited and Engaged Worker." Furthermore, no data exists to determine injury risk per salary dollar paid. The system assumes a farm like ours does not exist.

Therein lies the problem. By law we must participate in the program if we have more than two employees. Yet practically no categories and no risk assessments exist that fairly capture what we do.

The mandate uses private insurance underwriters to audit and administer the payments. Assessments and categories vary widely depending on the bean counter dispatched from corporate headquarters.

When our farm first entered the program, for example, the auditor said we could not have a delivery person. But because we direct market, we had someone who drove a truck and delivered chicken and beef, in boxes, to restaurants and houses.

Under the farm category, that option did not exist. The auditor put our fellow into the "Live Cattle Hauler" category. That was the only option that remotely described our delivery person.

That meant the taxes were exorbitant – like $2,000 a year for this one position – because live animal haulers are one of the riskiest jobs. But a box of beef doesn't kick like a live steer. There's a big difference between putting boxes on a dolly and wheeling them into a restaurant and trying to get a 1,300-pound steer onto a trailer.

A couple of years later, we changed insurance carriers. Lo and behold, the auditor found a category that made more sense, saving us 90% of the previous tax.

A Little Respect

This happens routinely in the small business community. Our team members aren't bound by industrialization's specialization, simplification, routinization and mechanization.

One of the reasons our team members love working with us is that our workplace is more organic: diversified, complex, spontaneous and biological. This is all opposite the industrial and bureaucratic system.

These days, folks scream for fairness on every street corner. Yet one of the most unfair and prejudicial pieces of the small business community is the workers' compensation program.

It's a significant hidden tax on innovation, which by nature starts small with everyone wearing multiple hats.

Government agencies, with their industrial mentality, have little wiggle room to accommodate eclectic workplaces.

Ultimately, this prejudice stifles innovation. It limits both consumer and producer choice.

The best option, in my view, is simply to eliminate the program.

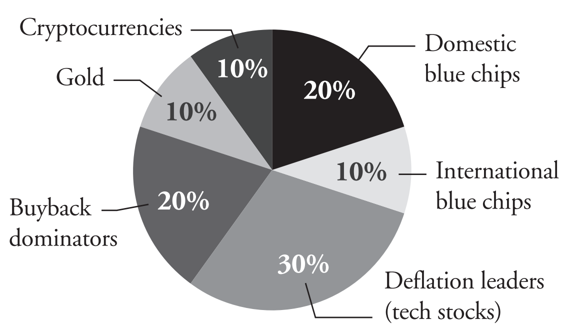
Let the labor and management marketplace sort it out. But such liberty-minded thinking is nearly out of place in modern America.

Until this unfairness can be resolved, you'll pay more for our product than you should. But thanks for buying anyway. ■

Modern Asset Portfolio — Negative Real Interest Rates

Company/Symbol	Rec. Date	Rec. Price	Curr. Price	Rating	Trailing Stop	Total Gains	Category
Alarm.com (Nasdaq: ALRM)	**Aug-20**	**$67.09**	**$81.48***	**Sell**	**Sell**	**21.45%**	**Deflation Leaders**
ABB (NYSE: ABB)	May-21	$32.42	$33.84	Buy	$25.67	4.38%	Buyback Dominators
CSX Corp. (Nasdaq: CSX)	Mar-21	$91.80	$98.90	Buy	$77.37	7.73%	Buyback Dominators and Domestic Blue Chips
Gartner (NYSE: IT)	**Jun-21**	**New**	**New**	**Buy**	**25% TS**	**New**	**Buyback Dominators and Domestic Blue Chips**
KBR (NYSE: KBR)	Apr-20	$21.45	$40.99	Buy	$31.76	93.01%	Domestic Blue Chips
Monero (XMR)	Oct-20	$95.52	$342.16	Buy	$242.03	258.21%	Cryptos
Qiagen (NYSE: QGEN)	Apr-21	$49.78	$46.73	Buy	$39.56	-6.13%	International Blue Chips
Scotts Miracle-Gro Co. (NYSE: SMG)	May-20	$122.53	$223.11	Buy	$189.47	88.16%	Buyback Dominators
Physical Gold							Gold

MAP Allocation — Negative Real Interest Rates



Interest Rate Monitor

This Month	Last Month
-0.80%	**-0.69%**

10-Year Real Interest Rate

Dow 100K Portfolio

Company/Symbol	Rec. Date	Rec. Price	Curr. Price	Rating	Trailing Stop	Total Gains
CME Group (Nasdaq: CME)	Jun-20	$178.90	$214.23	Buy	$162.74	23.07%
Fiserv (Nasdaq: FISV)	Sep-20	$99.85	$113.70	Buy	$94.91	13.87%
Logitech (Nasdaq: LOGI)	Jul-20	$65.22	$107.10	Buy	$88.97	65.55%

***Based on official sell date. Last Update: 05/18/21. Gains include dividends.**

Further Reading

"Gone to Hell: Our Five-Point Test of Lady Liberty's Strength." *Manward Letter*, February 2019: https://manwardpress.com/manward-letter/letter-issues/february-2019.

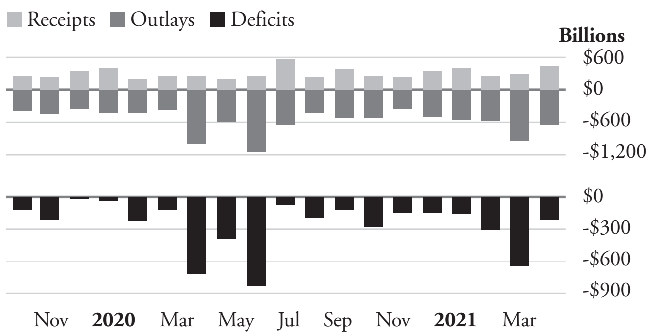
"How We Wound Up With the Income Tax." National Constitution Center: https://constitutioncenter.org/blog/how-we-wound-up-with-a-national-income-tax.

"The Sinister Detail in Biden's Tax Plan." *Manward Financial Digest*: https://manwardfinancial.com/sinister-detail-biden-tax-plan.

Appendix

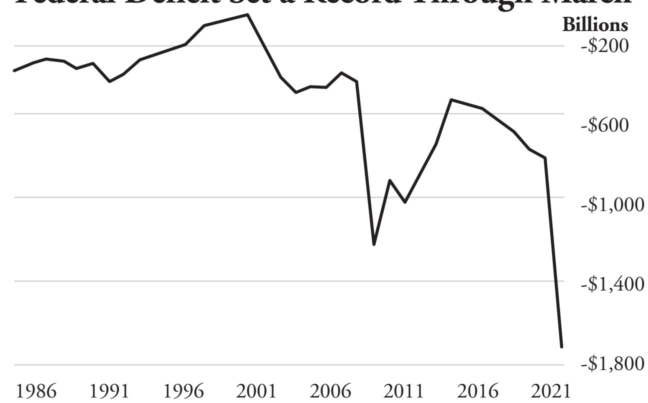
Federal Spending Doesn't Add Up

Monthly receipts, outlays and deficits in FY 2020 and FY 2021



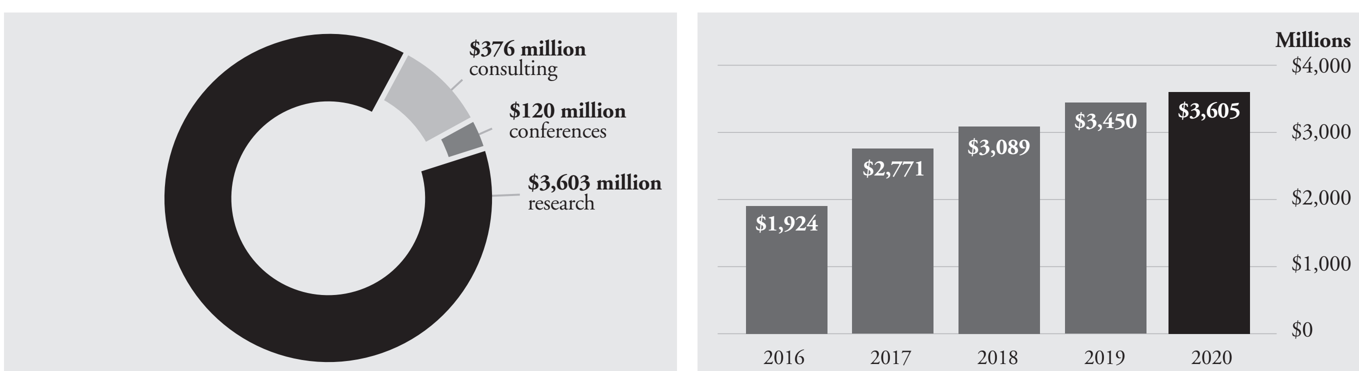
Source: U.S. Department of the Treasury

Federal Deficit Set a Record Through March



Source: U.S. Department of the Treasury

Gartner Segment Revenue and Total Contract Value in 2020



Source: Company reports