

## Radio Show #2021-8, Podcast #28 OUTLINE:

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Commander Cody (George Frayne) died 2 days ago from cancer. I sure hope it wasn't lung cancer that got him: Play "Smoke, Smoke, Smoke (that Cigarette)."

### S&P 500 IN SEPTEMBER:

I reported to you kind folks out there in radioland at the beginning of the month that September is historically the worst month in the stock markets, w/ the S&P 500 typically losing 0.70%. WHOOPS!

As I wrote this on Wednesday morning, the S&P 500 was down 4.3% for the month. So, expect to see lower account values when your statements arrive next week. No big deal; in the average year we generally see a pullback of 13%, according to Fox Bus News.

This is from Robert Almeida, the Global Inv Strategist for MFS:

"The markets are awash in crosscurrents, so it's critical to focus on what's material and filter out market noise.

Profits are a function of revenues versus costs, and we think that revenue growth is vulnerable and costs are likely to rise.

Technology has democratized information, and society is more informed than ever before. We have infinite and instantaneous access to news. However, I question whether that has improved investors' ability to price risk. As John Naisbitt writes in Megatrends, "We are drowning in information but starved for knowledge."

I won't bore you with the details, but he goes on to say in his conclusion that he is not suggesting a bear market or correction is on the horizon. I don't have that type of clairvoyance, nor do my strategist peers (though some think they do!). Anyway, that's not how we think about investing.

Looking ahead, we expect high-priced financial assets that deliver underwhelming fundamental performance to be repriced. When valuations are high, the market's tolerance for disappointing data (even if the miss is small) is low. Conversely, stocks and bonds of companies that meet expectations may be in short supply and outperform by earning a scarcity premium.

Combined with the poor risk/reward tradeoff in many financial assets today, discretion has the potential to be worth more than it has in a very long time. It's a time for patient, skilled investors.

After all, as the saying goes, it's the second mouse that gets the cheese.

PATIENCE Grasshopper. I have been raising cash in my less aggressive accounts because in large part, I agree with Mr. Almeida's outlook. And, I expect when 3<sup>rd</sup> quarter earnings reports come out that we are going to hear a lot about how depleted supply chains have (and will continue to) interrupted product creation which will cause earnings and earnings forecasts to be lower than expectations. I am looking at another rough October.

List of evils:

There was a column this week in the WSJ by one of my favorite writers, lance Morrow entitled "Not that long ago Evil really meant something.". We can all agree that Hitler personified evil. And so did Charles Manson. But like everything else in modern America, the word evil has been dumbed-down. It seems that today, anyone who disagrees with a neo-liberal is now...considered evil. Sean Hannity is evil. Tucker Carlson is evil. I am evil because I report inconvenient facts to neo-liberals who have trouble using facts to draw conclusions.

DENIAL OF ELECTRICITY TO 13% OF HUMANITY:

Power grabs cloaked in pseudo science, like the global warming hoax might seem harmless enough. The lucid among us who actually understand the scientific method understand this is total BS. But, it is sold as saving the planet for future generations, and those of you who can't compute simple math or use logic to assemble and analyze facts, or who "feel" like tackling a fake problem makes you virtuous, understand this: 940 myn humans live without electricity, and neo-liberals, in their relentless pursuit of political power are happy to deny those nearly 1 byn souls from ever flipping a light switch, or owning a refrigerator to keep their food fresh in the hot tropics. Those without electricity have a 15-yr lower life expectancy...and live in squalor. Some 700,000 people die in sub-saharan Africa every year due to burning dung, wood and cardboard in their homes for cooking and heating.

Dichloro-diphenyl-trichloro-ethane...or...DDT & MALARIA:

At the time of its banning, DDT was primarily used twice per year, in very small doses...as a spray in mud huts in 42 countries, in Sub-Saharan Africa. It was VERY effective at repelling the female anopheles mosquito that carries malaria.

Here's a quick history lesson that I find to be fascinating...and for any of you long-time listeners, you might recall this is a pet issue for me that I used to lambaste Michael Conniff over:

From The New Atlantis: "DDT was used during WW2 with great effect. In the brief Sicilian campaign of early summer 1943, malaria had struck 22,000 Allied troops — a greater casualty toll than that inflicted by the Axis forces themselves. The Allied High Command declared that "from now on, DDT marches with the troops."

72%:

A full 72% of my federal income tax check goes to re-distribution of my income to people whom I will never meet. What moral justification is there to confiscate my hard-earned money and give it to people who breed beyond their means, or fail to save for their own retirement? I got news for you; There is zero honest, high-minded, meritorious rationale for robbing Russ to pay Jane and Joe 6-pack. Stealing from those of us who produce..... to pay those who refuse to produce.....stay home from work is evil, pure and simple.

#### DEFICIT SPENDING:

Is it evil to spend money that your children, their children, and their children and their children haven't even earned yet? Democrats are great at manufacturing and counting votes. But beyond counting votes. Most of them really suck at math.

I believe that spending money that isn't yours is the height of evil. Our current nat'l debt is almost \$29 tyn, or about \$87,500 per man, woman and child living in our country. Our unfunded liabilities combined with our nat'l debt is approx \$240 tyn, or \$725,000 per every man, woman and child in the country. And of course we are witnessing the democrats trying their darndest to run-up another \$6.7 tyn to implement evermore socialism. And of course it isn't just democrats who have voted 80 x to increase our debt ceiling. Republicans talk a good game about balancing the budget, but all of that talk is straight BS!

#### THE GENERATIONAL WELFARE STATE:

The generational welfare state is one of the original sins of neo-liberalism. And this original sin is funded with the aforementioned deficit spending along w/ the confiscation and subsequent re-distribution of income from those of us who work to those who don't....or won't.

When LBJ started your welfare state back in 1965, only 23.5% of black children were born to a single mother. When the government promised it could replace the father as head-of-household, for some reason, the percent of black children born to a single mother exploded to more than 77%.

Fatherless children of all races, ALL RACES face the following obstacles: fatherless children have a:

\*4 x greater risk of living in poverty

\*85% of youths in prisons grew up in a fatherless home.

\*More than 90% of all felons, across the nation, were raised in fatherless homes

#### POLICE PROTECTION:

Is it evil to deny the poorest among us police protection? I think that it is.

Homicides in the U.S. rose by nearly 30% in 2020, the biggest single-year spike since the feds began collecting data 60 years ago, according to crime statistics from nearly 16,000 law enforcement agencies. The body count reached 21,570 people, or 4,901 more murder victims in 2020 than in 2019. Aggravated assault offenses increased by more than 12%, and violent crime overall rose by 5.6% compared to 2019. WHY?

#### INDOCTRINATION CAMPS:

Now, how about those colleges and universities that used to teach young people HOW to think. How to organize and analyze facts and to use math and logic to draw conclusions? Now those same institutions have morphed into indoctrination camps that teach our youngsters WHAT to think instead

#### DEATH PANELS:

Is it evil to ration health care, like so many neo-liberals want to do via socialized medicine?

I BELIEVE THAT IT IS. Socialized health care restricts prices that are paid to pharmaceutical companies which restricts their ability to fund research to invent new life-saving, and life extending drugs.

Socialized health care restricts salaries of doctors and nurses. Last time I was in London there was a front page story of how first year delicatessen workers were making more \$\$\$ than were 3rd year doctors. If you don't pay doctors top dollar, then you won't get top intellect in your physician corp...or CORP as The One pronounced it.

#### SOCIALISM KILLS:

The installation Socialism and it's psychotic cousin communism killed more than 200 myn people last century because both are antithetical to the human condition. Denying people basic human rights is evil. Killing people because they don't agree with your warped views on how we should live our lives is evil. Denying basic freedoms is evil. Socialism and communism are EVIL

#### In SUMMARY:

"Since 1989, the number of people living in democracies has nearly doubled from 2.3 billion to 4.1 billion – and now makes up more than half the people on Earth. Of those remaining in an autocracy, three out of five live in China.

Since 1989, the percentage of the world's population that lives in extreme poverty has been cut by more than half from a 52 percent majority to just 21 percent. Even more astonishing, the Brookings Institution reported in September 2018 that "for the first time since agriculture-based civilization began 10,000 years ago, the majority of humankind ... some 3.8 billion people, live in households with enough discretionary expenditure to be considered 'middle class' or even 'rich.'"

China Flu:

Communist China engineered and spread Covid 19. American Capitalism developed the vaccines which will eventually stick a dagger in the cold heart of the China Flu. It's that simple,

There were 7,783 so-called hate crimes committed in the USA last year; and 274 of those crimes were committed against people of Asian descent. That means that 3.53% of all hate crimes were committed against people of Asian descent. BUT, Asians make up 7% of our population. So, Asians were targeted at a rate that is ½ of their pro-rata representation in our population. Sorry to disappoint and enlighten you AI, but of course you are wrong.

PONY UP:

"My friends and I have been coddled long enough by a billionaire-friendly Congress. It's time for our government to get serious about shared sacrifice". — Warren Buffet, the "Oracle of Omaha"

In January of last year, Bill Gates wrote that "the rich should pay more than they currently do" on his blog, Gates Notes.

Billionaires including Mark Cuban, Marc Benioff, Ray Dalio, and George Soros have publicly called for the

Last year, in 2020, a grand total of \$1,615,198.54 was sent into the treasury dept as gifts. Let's put that number in context. Last year the U.S. gov't spent \$6.55 tyn, which equates to \$17.94 byn/day. That comes out to \$748 myn/ hour, or \$12,461,948/minute. The \$1.62 myn that those good samaritans sent in as gifts to the treasury was burned up in...wait for it.... 7.8 seconds. REPEAT

BUSINESSES DON'T PASS-ON TAX INCREASES:

Now David, lets pretend that you owned 3 pizza shops here in the Roaring Fork Valley. Suppose your rent doubled. Then your utility costs doubled. Then your cost to buy flour and tomato sauce also doubled. Your cost to buy pepperoni and mozzarella cheese and every other topping doubled, along with every other commodity you buy to run your business. Would you pass said cost increases on to your customers?? Of course you would...and so would Kevin.

## ECONOMIC ILLITERACY (WSJ):

“Every time I hear this is going to cost A, B, C, or D—the truth is, based on the commitment that I made, it’s going to cost nothing,” President Biden said at a press conference Friday, trying to restore momentum to the reconciliation package, BECAUSE WE ARE GOING TO RAISE THE REVENUE Sleepy Joe said. Which is, of course, a blatant lie. They will only be able to raise about 40% of the costs via massive tax increases.

In the real world, Congress’s Joint Committee on Taxation says the bill raises \$2.1 trillion over 10 years. Somebody must be paying more. Among the tax hikes are a 5.5 percentage point increase in the corporate income tax rate that will be paid by workers in lower wages, consumers in higher prices and investors in lower returns. Though they’ll be pleased to know this all adds up to “zero dollars.”

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