CRYPTO KINGS

COULD THEY WIN THIS PROFIT GAME?

FEBRUARY 2021
Bitcoin has become front and center in mainstream news... Bulls say it will keep soaring, but bears caution its risks.

This month in *American Consequences*, we’ve got the experts to weigh in, plus all the latest financial and political content you won’t find anywhere else...

Publisher Trish Regan traces back bitcoin’s humble roots and wonders if its creators would approve of its mainstream status now as a crypto behemoth.

Renowned author and blockchain guru Alex Tapscott makes the case that bitcoin can transcend being just a hot investment and could become the future of money itself.

Editor in chief P.J. O’Rourke charts America’s long, unfortunate history and current obsession with political populism, a movement that preys on our worst impulses as Americans. Plus, P.J. shares the one crucial reason that folks love conspiracy theories...

Since the stock market rebounded from its March low last year, many have noticed the glaring disconnect between a pandemic-ravaged economy and stocks that continue to soar. Executive Editor Kim Iskyan tackles this topic, and the answer may surprise you...

With Democrats now in the White House, executive editor Buck Sexton mulls over the fate of the GOP, the MAGA faithful, and Trump himself.

Best-selling author Gordon G. Chang explores China’s role in the global pandemic with an insightful opinion piece – were they grievous mistakes or deliberate crimes?

Speaking of the Red Dragon, escalating tensions between China and the U.S. have many speculating about a second Cold War... Author Marko Papic sets the record straight.

Have you noticed there’s a lot of “Do as I say, not as I do” going on in politics lately? Award-winning journalist John Stossel talks hypocritical rule-breaking politicians.

Expert value investor Dan Ferris explains why the U.S. stock market is more expensive and riskier than at any time in the past century... And what you should do as an investor.

Regards,

Laura Greaver
Managing Editor, *American Consequences*
If you missed the extraordinary gains on bitcoin... XRP... and Ethereum...

It doesn't matter.

Because the biggest digital disrupter of our lifetimes has arrived.

It'll be tied to every paycheck... every tax bill... every investment... every doctor visit. And will soon be more important than your passport... your bank details... even your fingerprint...

All it takes is ONE potential announcement from the biggest employer in the United States to kick off a frenzy of action in this new space.

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A potential market that's a rare 7x bigger than bitcoin, Ethereum and XRP put together.

It's called "ID Coin."

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And one tech investing maverick (who has followed this story for over two years) is about to expose the event that could make "ID Coin" a household name in all 50 states.

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If you’re looking for an unfiltered opinion and real information surrounding the world’s most important issues... then you’re in the right place.

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– GARY S.

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– SCOTT J.

“LIKED YOU ON FOX, LIKE YOU NOW – KEEP UP THE GOOD WORK!”
– DAVID M.

“TRISH IS A GREAT REPORTER OF TRUTH. SHE TELLS IT STRAIGHT WITH INSIGHT. YOU DID GOOD.”
– DAVID L.

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"Not a fan!"
NOT POPULAR WITH me

P.J. DIGS INTO THE ROOTS OF POPULISM AND THINKS THEY SHOULD BE YANKED LIKE A WEED

CLICK HERE TO READ THE WEB VERSION
We have a populism problem in America...

One big, honking populist has just been shooed out of the White House. And his replacement – while more of an old political hack and Washington establishmentarian than a populist per se – is coming in trailing strong fumes of populism from his own political party.

Populism isn’t a Right-wing or Left-wing ideology. Populism isn’t an ideology at all... It’s about feelings, not ideas. Populism isn't conservative or liberal, Republican or Democratic. But it is both MAGA and BLM, both QAnon and Antifa – AOC in a Boogaloo Boys Hawaiian shirt.

A reasonably good definition of Populism can be found in an unsigned article from the April 17, 1972, issue of Time magazine cited by the Oxford English Dictionary:

Populism is a label that covers disparate policies and passions: among many others, New Deal reforms, consumer rage against business, ethnic belligerence. Often it is merely a catch phrase. Yet it describes something real: the politics of the little guy against the big guy – the classic struggle of the haves against the have-nots or the have-not-enoughs.

The only thing dated about that Time paragraph from almost half a century ago is “New Deal reforms.” An invasion of the Capitol building by ardent New Dealers would have required many more wheelchair ramps than the Americans with Disabilities Act stipulates, and New Deal disturbances in city business districts would have been limited to the occasional whacking of police riot shields with canes and the looting of Depends.

Otherwise, Time puts it neatly. Populism is a muddle. This muddle may be “classic” in the sense that “disparate policies and passions” date to the beginnings of governance. But, in America, the type of muddle that’s currently on display began to manifest itself in 1874 with the founding of the “Greenback Party.”

The main concern of the Greenback Party was inflation – they were for it. They felt that America’s post-Civil War return to the gold standard and a “sound dollar” gave too much power to big business and banking. They opposed deflation, believing lower prices were bad for “the little guy.” They wanted the government to print more money – because that way... everybody would have more money. Today, we would call them some sort of pinko flake advocates of Modern Monetary Theory.
But the Greenback constituency was primarily rural with support from labor, especially in mining and heavy industry. So really they’d be like some kind of reactionary nut supporters of Trump Forever.

The Greenback Party won control of a number of municipal governments in what would later become the Rust Belt, and it elected 20-some members of Congress. But Greenback influence faded as American economic growth recommenced after the depression of 1873 to 1877. (Could that growth have had anything to do with a sound dollar?)

Shifts in economic reality often have a way of dispersing the mists of populism. Widespread flirtations with Marxism among intellectuals in the 1930s (a sort of “highbrow populism”) disappeared into the capitalist war-making machinery of the 1940s. The populist “youth culture” social upheavals of the 1960s ended in the 1970s with thousands of hippies saying, “Oh wow, man, we’re broke.” And where did the occupiers of Occupy Wall Street go? Probably to Reddit and WallStreetBets, to day trade GameStop stock.

However, another financial panic in the early 1890s gave fresh impetus to Greenback-style populism. A new political party was started in 1892, officially named the People’s Party, but popularly – as it were – called the Populist Party. (According to the _OED_, the word “populist” seems to have been coined that year by the _Columbus Dispatch_ to describe the party.)

The Populist platform called for an inflationary monetary policy. It also called for women’s suffrage, labor union collective bargaining rights, an eight-hour workday, a graduated income tax, direct election of U.S. Senators by voters instead of state legislators, price supports for farmers, and federal regulation of railroad monopoly shipping rates.

If you’re a well-meaning liberal (and, conservative though I am, I have no objection to your being so), this all sounds so attractive, and so politically _advanced_ – such policies being proposed more than 120 years ago! But before you get too excited about this Populist movement of yore, you should know that there was, among the Populists, an element of another kind of populism that isn’t so popular with you.

Before you get too excited about this Populist movement of yore, you should know that there was, among the Populists, an element of another kind of populism that isn’t so popular with you.

Wikipedia is not the most precise or accurate research tool. But the crowdsourced nature of the free online encyclopedia does give us a rough survey of “what is commonly thought and known” about a subject. The Wikipedia article “People’s Party (United States)” is, in general, favorably disposed to the Populists. But the “Women and African Americans” section of the article (to which I’ve made addenda in brackets) reports that...
... racism did not evade the People’s Party. Prominent Populist Party leaders... at least partially demonstrated a dedication to the cause of white supremacy, and there appears to have been some support for this viewpoint in the party’s rank-and-file membership. After 1900 [Thomas E.] Watson [the Populist presidential candidate in 1904] himself became an outspoken white supremacist.

From what I can learn about Watson, this is true. A Georgia politician and rabble-rousing publisher, Watson started out urging poor whites and poor blacks to unite against “elites.” But as time went by, he changed his mind about which rabble he was rousing. He first embraced racial bigotry and by the time he was elected to the U.S. Senate in 1920, he had added nativism, anti-Semitism, and anti-Catholicism to his gross prejudices. In his Senate career, he distinguished himself by dying after 16 months in office.

Further material from the Wikipedia article...

Historian Hasia Diner [professor of American Jewish History at New York University] says: Some Populists believed that Jews made up a class of international financiers whose policies had ruined small family farms... owned the banks and promoted the gold standard, the chief sources of their impoverishment.

And...

[Charles] Postel [history professor at San Francisco State University and author of The Populist Vision, where, overall, he views the Populists in a positive light] notes... White Populists embraced social-Darwinist notions of racial improvement, Chinese exclusion and separate-but-equal.

And...

[Political scientist, former aide to President Gerald Ford, and Senior Fellow at the (liberal leaning) Brookings Institute, A. James] Reichley (1992) sees the Populist Party primarily as a reaction to the decline of the political hegemony of white Protestant farmers... Reichley argues that, while the Populist Party was founded in reaction to economic hardship, by the mid-1890s it was “reacting not simply against the money power but against the whole world of cities and alien customs and loose living they felt was challenging the agrarian way of life.”

(And, P.S., consulting other historical sources, it’s also clear that the Populists often worked in tandem with the Prohibition Party.)

As someone who’s fond of loose living, charmed by alien customs, and having grandparents who, with alacrity, moved from the farm to the big city to escape the toilsome dullness of the agrarian way of life, I feel no affinity for the roots of populism or for any of the Donald Bernie Trump Sanders underbrush that has sprouted from its 19th century stump.

Populism is a muddle – a political, economic, and moral dog’s breakfast.
Which brings us back to that quote from Time, “... the politics of the little guy against the big guy – the classic struggle of the haves against the have-nots or the have-not-enoughs.”

Populism is a lie and a logical sophistry. The very idea of the “struggle of the haves against the have-nots” presupposes the zero-sum fallacy that only a fixed amount of good things exist in the world, and I can only have more good things if I take them from you.

It’s the old “pizza delusion,” which you’ve probably heard explained before, but I’ll have it delivered again. To think of economics in terms of haves versus have-nots is to look at the economy like a pizza – if you hog too many slices, I’ll have to eat the Domino’s box.

As hundreds of years of economic development – and the expansion of Domino’s from one store in Ypsilanti, Michigan in 1960 to more than 17,000 franchises today – proves, the answer is to make more pizza.

Populism is also not American. There is no “little guy” in this country. Every American citizen stands with the same height and strength, equal before the law to a degree remarkable by any world or world history standard.

We each have our disadvantages – economic, social, and circumstantial. But few of our ancestors landed here in circumstances such as arrival by Gulfstream private jet. America is a monument to what the disadvantaged can do.

And none of us face the disadvantage – if his portrayal in The Social Network is anything to go by – of being as big an a-hole as Mark Zuckerberg.

As to the “politics of the little guy,” there is no other kind in America. The OED’s definition of (small “p”) populist is “One who seeks to represent the views of the mass of common people.”

There’s something sneaky and faintly sinister in that “seeks to,” as if there are secrets to be disclosed. Get out of here, you populist. In America, the views of the mass of common people are on view! In fact, it’s impossible not to see them. And, in the matter of “represent the views,” they’re already represented. It’s called the House of Representatives (and the Senate too). These representative bodies may be full of nincompoops, but the mass of common people is free to exchange them for other nincompoops at every election.

It’s the old “pizza delusion,” which you’ve probably heard explained before, but I’ll have it delivered again. To think of economics in terms of haves versus have-nots is to look at the economy like a pizza – if you hog too many slices, I’ll have to eat the Domino’s box.

A populist is somebody offering democracy to a democracy, somebody saying, “I’ll give you a dollar for four quarters.” When you hear a proposition like that, you know something’s up, some con is being played.
Re: Love us? Hate us?

Trish and P.J., you are both the voices of reason we so badly need right now. What’s needed is a calm, but spirited, discussion of the issues confronting us right now. Thank you and Ron Paul for your input. – Stephen M.

P.J. O’Rourke Response: Can’t speak for Trish or Dr. Paul, Stephen, but I find the best way to stay “calm but spirited” is scotch and soda. And – as for discussion – it puts my mouth in gear too!

Trish Regan Response: Thank you so much, Stephen. It’s disappointing that it’s become so crazy out there, but opinion makers that are thoughtful, calm (yet still spirited!), and have huge faith in the American people are such a vital part of our democracy. I am thrilled to work with such a talented group of writers and I can promise you, we will do all we can to look out for America’s future. But we need your help. Please spread the word!

I’ve been receiving your e-mails for a while now but I’m really enjoying them a lot of late. PJ was my initial attraction as my reading him goes back to the Rolling Stone days. I love his writing perspective & ideas with a fair amount of humor sprinkled in.

And Trish Regan is also a huge addition. Quite the smart lady indeed. FOX’s Business channels loss. Love you guys more & more.

– A 72-year-old retired salesman & musician

P.J. O’Rourke Response: Thank you from a 73-year-old not-quite-retired-till-I-put-the-last-damn-kid-through-college. I appreciate what you said about humor. It’s an important aspect of my perspective and ideas. Some people think humor just means making wisecracks, but a key definition in Webster’s Third is “constitutional or habitual disposition.” I’m a strong Constitutionalist, and I enjoy pointing out how our politicians – with their habitual disposition to be fools – make a joke out of it.

Trish Regan Response: Many thanks. I’m actually a retired musician myself! I was an opera singer. (And even a bit of a jazz pianist as a kid.) I’m so glad you’re reading, and I appreciate the compliments.

Just read you for the first time. I like your views. The way you put the whole mess together without sounding like you have not thought your articles through with grace. Keep writing! – Joyce

P.J. O’Rourke Response: Welcome to our pages, Joyce. And good point about “thinking through with grace.” It’s like a drive off the tee in golf. We try to avoid journalists whose “swing stops at 6 o’clock.” That kind of writer hits his or her point – “socialism is bad” or “free markets are good” or whatever – and thinks a good shot has been made. But there’s always more to an idea than just whacking it. Watch a real pro’s follow-through!

Trish Regan Response: Thank you, Joyce. We appreciate that. And we will!
Thank you so much for your articles that make me think instead of trying to find truth in the headlines of other news outlets. P.J. O’Rourke has been a favorite author for many years and for many years to come (I hope). – Bill & Nida

P.J. O’Rourke Response: And I hope so too, Bill. (And so does that last kid who needs to get put through college.) A lot of news and commentary outlets show contempt for their readers in the way they write their headlines. They assume the reader will never bother to actually read the article, so they try to put their whole message in a few simple words. Our readers are better than that. (Giving us a chance to fool around and have some fun with our headlines.)

Re: America’s Teeter-Tottering Democracy

This is the first article I’ve seen that ties the violence for the summer riots to the Capitol riot. PJ got it right again and should run for president, or at least be the brains behind someone’s candidacy.

To me it seems like the anger on each side is clearly the fault of our government. At least that’s one thing the Capitol rioters may have gotten right, although the ensuing violence was reprehensible.

As anyone knows, capitalism is an ideality and isn’t enshrined in any specific building, especially not the White House. You wouldn’t know that from the outrage expressed by many of our elected (mostly Democratic) representatives. From their comments, you would think that breaching the Capitol almost brought down our government, which is why they have labeled it an insurgency. That’s laughable, but also elucidating. It shows how much they believe that they are the bastions of democracy and not the people themselves.

From my perspective, it seems clear that the decades of our War on Poverty have done little to nothing to help most impoverished people create a better life. The massive bureaucracy generated to fight that war though has undoubtedly enriched thousands of government
workers. If the BLM and other demonstrators and rioters looked at the facts, it seems like the conclusion that the government they elected isn’t working for them would be obvious. If racism is systemic and the government has developed and been in charge of many of the public systems, then it seems like asking for more government is heading us in the wrong direction.

It would be great to see a more in-depth report that digs further into these issues, especially highlighting the similarities behind the rage behind both movements. – Don W.

**P.J. O’Rourke Response:** Don, to give you a short answer to a long (and wise and thoughtful) letter... You’re right! (Or, as I would have said when I was an antifa-type hippie twerp half a century ago, “Right on!”) We at American Consequences are raging to go with an article about “the rage behind both movements.” Although we can’t say exactly when that article will be written. We’re still waiting to see how the dust (or perhaps I should say muck) settles. Will Trumpian populism fade or thrive in the Biden era? Will the radicals of the Democratic Party turn on Biden or will Biden turn into a radical? Time will tell... maybe quite quickly. As for your perceptive insights on the War on Poverty turning into a War on the Poor, I have a couple of books to suggest – though you may have read them already: *Losing Ground* and *In Pursuit of Happiness* by the sociologist, scholar, and brilliant policy analyst Charles Murray. They were published in 1984 and 1988 respectively, but everything they have to say about the welfare state is still pertinent – or even more so.

Thanks for the article on the riots in D.C. P.J. was right on target, as usual. There’s one other aspect of the riots that I’ve not heard any commentator mention: there’s a “monkey see, monkey do” element. For months, the D.C. rioters saw non-peaceful protests across the country accompanied by weird tacit acceptance from authorities and resulting in few consequences for the protestors. Perhaps the D.C. crowd concluded that this was the new normal. – David S.

**P.J. O’Rourke Response:** True that, David! Although you’re being a bit unfair to monkeys whose mimicry usually stops short of the self-destructive. But in the matter of humans – and while I’m making book recommendations – let me point you toward Scottish journalist Charles Mackay’s 1841 masterpiece *Extraordinary Popular Delusions and the Madness of Crowds*. In his Preface Mackay writes, “The object of the Author in the following pages has been... to show how easily the masses have been led astray, and how imitative and gregarious men are, even in their infatuations and crimes.”

**Re: Yes! You Should Get the COVID–19 Vaccine**

You are not aware of the danger that this experimental vaccine called MRNA and has never been used before, and lacking the proper animal testing and the deaths that have been under-reported by everyone and that the Drug Companies cannot be sued for any after effects of the current experimental
vaccine because they are more concerned about profit than helping save lives. I am 82 and will wait until a proper vaccine is developed!! Check your facts before you write about the benefits of the BS vaccine. – George F.

**Dave Lashmet Response:** Ok, I checked my facts. These are from the CDC website, and from Johns Hopkins COVID tracker, so you can check them too.

1. First, here’s the bad news about COVID-19. Through the week of January 30, 2021, there were 1,375,000 U.S. hospitalizations for COVID-19. Of these 1.375 million Americans, 440,000 didn’t make it.

2. That’s the death toll at the end of January. That’s among 26 million positive cases by January 30. **Simply put, this is a 5% hospitalization rate, and close to a 2% death rate.**

3. Here’s the good news about the vaccine... Through February 8, 2021, 33 million Americans have received at least one dose of a RNA vaccine. 10 million people have gotten both doses. At least so far, there’s been one death. It’s a tragedy. **But when you compare 440,000 deaths against one death, the odds are well, half a million to one in your favor if you get the vaccine.**

Now, we knew these MRNA vaccines had mild side effects, but we also know, they were 95% effective. Plus, for severe disease, they were 97.5% protective – and that’s for the 5% who were at risk after the vaccine. Those odds are 20 times in your favor and then 40 times in your favor (and these multiply, so it’s 800 times in your favor) if you get the vaccine versus not getting the vaccine, to face COVID-19.

This is the first time I have been totally in agreement with one of your articles. I truly hope that many of your readers who have yet to get vaccinated get persuaded. I have had my first shot and my wife gets her first shot Sunday. We both have second shots scheduled. – Howard N.

**Ad:** ‘ID Coin’ Could See Nationwide Rollout

2020 was a cybersecurity nightmare, but now the biggest employer in the United States is finally making plans to fight back with new “ID Coin” tech. A top analyst following the story believes this could spark a $6 trillion potential market... while handing early investors a small fortune. He explains everything here.

Just a note to say: I am disappointed that AC published such a simplistic article on the C19 vaccine. There are many problems with this article, but the big one is that it pretends that taking the C19 vaccine is a simple choice, and the right choice for everyone. There is not a single pharmaceutical drug in existence that is “safe and effective” for everyone, and the C19 vaccine is no different. There are risks in taking it, just like there are risks in taking morphine, cannabis, and even Tylenol.

In addition to this, the risks of the disease are not nearly as grave as your article states. The *median* risk of death from C19 might be around 2%, but for those of us under the age of 70, that risk is far, far lower. My children have a greater risk of death from lightning than from C19. Giving them this vaccine,
despite my family history of vaccine injuries in childhood, plus no clinical trials involving children, would be a far greater risk to them than the disease. Once they are older, and therefore at greater risk from the disease and less risk of injury, then they can get the vaccine if they choose. But not before.

VAERs has already received reports of nearly 500 deaths from the vaccine, and 10,000 severe injuries, and we’re still in the early stages. Poppycoc articles like yours will make these numbers worse, because you pretend that the disease is the worst thing since AIDS, and the cure is a beautiful panacea sent from the gods. This narrative is killing people, and the least you could do is stop pushing that BS.

Everyone should be allowed to weigh their own risk profile – based on their own medical history – talk to their own doctor, and make the decision for themselves. That’s the only way to make sure that the vaccine does more good than harm.

I generally enjoy and appreciate what you guys are doing over at AC, so thank you. I wish this article didn’t have to come between us like this! :) – Timothy

Even if your personal risk is low – you are a 38-year-old marathoner, say – this is still a contagious disease. So, you could be a vector – just like, someone else also vectored this disease to you. And my last example was not random: the first case in Italy was a 38-year-old marathoner. He spent three months in the hospital.

Most of the U.S. cases in Massachusetts and seven other states started from an infection that came over from Italy. We can see this by tracing the random changes in the virus. That’s why everyone over 16 needs to get these vaccines, to stop spreading this respiratory infection to other people... even if your personal risk is low.

Great piece by Dave Lashmet! It is well thought-out and persuasive. – Bruce R.

While Dave L. is brilliant, I simply have to disagree with taking this experimental vaccine. They rushed these products to market and are guessing that it will work.

The supposed experts, (Fauci, et al) have no clue – “don’t wear masks”, no wait, “wear masks”, oh wait, “wear two or three masks”... it is endless. Who the hell can breathe with 2 masks on?

There are plenty of brilliant doctors and scientists saying “Don’t take the vaccine”, but nobody listens because their voices aren’t heard. People need to decide for themselves, but for this cowboy, there will be no poke. These powers that be are simply pushing this too much for me to trust these folks.
Oh, and where did the flu go? Never took that shot either and haven’t been sick in years. As my dad used to say when I was growing up, oh so many years ago, “diet and exercise”... Why were these “experts” not willing to look into the Ivermectin or the Hydroxychloroquine/zinc combo, which worked on many people?

I get that many in the medical/scientific profession want to remain “relevant” and get invited to all the social gatherings (I’m sure they still have them), and frankly, these days, they probably fear the “cancel culture police” even more, but I’m not buying this nonsense. – Peter B.

Dave Lashmet Response: For a year now, the people who say this is not a problem have been wrong, on every continent, and in every state, every time. Did this virus go away last spring, last summer, last fall, over Thanksgiving, over Christmas? It did not.

One hundred million global cases prove that – so do 1.375 million U.S. hospitalizations, and 450,000-plus U.S. deaths.

These numbers are real, because we have 5,000 U.S. hospitals, and the doctors and nurses can see the beds fill, and see them empty, and can count the body bags.

The virus doesn’t care about you – it only seeks to infect you. And it spreads by mist. So you either stop the mist, or you stop the mist from infecting your lungs, or both.

Figure it out. Take the vaccine, as it’s 95% effective. It’s an easy solution.

I appreciate the article regarding COVID-19 and the Trump Vaccine. I like it. You missed a chance at taking a dig at the anti-vaxxers, though. While the sane among us want herd immunity, there is a contingent, who suffer from herd mentality.

Trump bad, vaccines bad, Biden good, Iran good, and on and on. Too bad we don’t have Santa’s good-o-meter (naughty-nice) for everything that affects us and we have to wait for empirical and behavioral data. Keep the thoughtful articles coming. – Paul

Ad: Bitcoin Legend Warns: ‘$48k Is Just the Start’

Will you be left behind? The most trusted expert in cryptocurrency says “the window is closing FAST”... which is why he has agreed to share his No. 1 crypto trading strategy with you – absolutely FREE. The same strategy that has helped a small group of Stansberry readers see gains like 273%... 288%... 292%... 596%... and a whopping 1,175. Learn more about it right here.

Re: Biden’s Calculated Militarized Inauguration

Thanks for hosting Mr. Sexton’s article. I find his a reasonable voice on the issues. I often listen to his radio program on my local station. Any chance you could replace Hannity on Fox? – Hershel R.

Buck Sexton Response: Hershel, thank you so much for the support! Much appreciated. Which station do you listen on?

From a Berkeley Pol Sci major who interned at the Library of Congress in 1975, you are offering a good service. Keep it up, especially insights from Buck with your boots on the ground experience. I offer my own FB insights
as musings to a few readers and use my boots on the ground experience from fed jobs as a Peace Corps Volunteer (1977-80, Mali Rural Development south of Timbuktu), Navy Special Operations Officer (1980-89), Hard Hat Diver, and IC analyst (Pentagon DIA 2008-11, State Dept. Diplomatic Security 2012-14) and a few others... I call it the DC DMZ as my trips to the DMZ and to Tiananmen Square and to Tikrit Iraq with numerous African banana republic experiences, I saw what happened as an insult to American military and to the American nation. Keep it up and hope their collective bananas can’t, but it will get worse before it gets more worse. Stay the course! – Lt. Pat

Buck Sexton Response: Lt. Pat, thank you for your service, sir! Very impressive life you’ve led. And I completely agree that the deployment of our national guard to Washington, D.C. for photo-op purposes, and as part of a greater Democrat purge of their political opponents, is troubling and beneath this country.

Re: Trish Regan Named as Publisher of American Consequences

Trish, I’m a Stansbury Alliance member who was introduced by them to American Consequences and have enjoyed PJ, Buck, and yourself ever since. Great insight, always honest and respectful with your audience.

I was a big fan of yours when you were on Fox, but I believe you’re in a better and less political place with AC. Congratulations again. Keep up the great work you are famous for. – Tom S.

Trish Regan Response: Tom, I would agree. Politics are destroying our society. The media environment that we now live in no longer cares about what’s real and what’s not – and have become highly political entities themselves. My hope is that Americans can make more informed choices about the future. I am honored to play any role I can in helping people synthesize the vast amounts of data, information, and opinions about the world right now. Glad you’re reading!

Sometimes a person can be so right I’d ask her to marry me... not that I’m worth marrying or anything. You’d have to ask my wife. Yes, the GOP has shot itself in the foot yet again... and I’m from Kentucky. McConnell has revealed himself to be more loyal to the swamp than to his constituents. – George D.

Trish Regan Response: Ha! Well, I appreciate the analogy. The Republicans certainly have a real mess on their hands and the Left will use this moment to advance some pretty horrendous policies, I fear. McConnell has not led and these are the consequences.

Dear Ms. Regan, You seem to be the only one I read now on American Consequences. You are concise and on point. Even if there are things I sometimes disagree with, you give food for thought. I am in my 70’s and have been taught from youth to research the issues. I am also a Republican and Trump supporter, not an extremist, and the bias has been horrific. The media is now a far cry from what it was many years ago.
Thank you for speaking out in a time when too many are afraid to do so. – Joanie G.

Trish Regan Response: Joanie, thank you.
We have great writers here and I’m bringing more and more outstanding thought leaders and experts into our fold every month to help us all get a better understanding of the issues from every perspective. I appreciate your point on the research. I, too, was taught the importance of gaining knowledge and empathy for different viewpoints. It is critical to understand all sides, if only to be able to help form a better argument for your own viewpoint! It really is horrific that one side is being cancelled and shunned, and I can promise you I will do everything I can to change that. I will always speak out and give a voice to those that do not have one. For better or for worse, I wear my heart on my sleeve and care so deeply about our freedoms, including our First Amendment. It’s wonderful to have a reader like you that cares so much, as well.

Missed you, Trish. Yeah, corny, I know. But I liked your passion and grit when you were on Fox News and your ouster was the last straw for me. I stopped watching them shortly thereafter and was proven right when they swung left on election assessments and political stances.

America needs hard-hitting, no-nonsense personnel like you to kick ass and take names. So, I wish you well in your new endeavors and I hear you occasionally on Sebastian Gorka’s program. See you around! – Mike

Trish Regan Response: Mike, thank you.

It’s critical for an organization to know who it is and wants to be. And it’s critical that organization support its team and its journalists. This is what I’m so committed to doing right here at the magazine. We have many excellent team members at American Consequences and they’re working so hard to deliver you the truth in opinion that matters. The negativity in the media in recent years has grown so vicious and so destructive, which is why it’s become even more important that we stand up to this media mob and honor diversity of thought. I’m proud to be part of an organization that speaks truth... and most importantly, defends truth.
Among the Trump faithful, there was no plan for this...

Nobody knows what’s next, or how this will play out. And to understand where the conservative movement is going, we first need to understand what got us here.

The period after the 2020 election was a mess. Its worst day by far was the disastrous riot on January 6. Much of the uncertainty for the Trump world now – and the Republican Party overall – comes from what transpired on Capitol Hill then.

I’ve been speaking to a few of those recently departed from the Trump administration, some on good terms with their former boss, others more as quiet refugees... and they all share a form of political shell shock. They’d gotten used to things being highly unorthodox in Trump’s White House, but they didn’t think it would turn into all-out mayhem at the 11th hour.

It all started to go off the rails with Trump’s loss to Joe Biden in November. No one around then-President Trump wanted to say out loud before the election that he was behind in the polls and might well lose...

In any White House, that would be viewed as lacking in team spirit. In Trump’s immediate orbit, there was never room for
even the slightest doubt about his electoral inevitability. Spend five minutes reading his (now banned) Twitter feed, and you know that one sin that Trump cannot abide is others lacking supreme confidence in him.

It was after the election, though, that the situation in and around the Oval Office took a strange turn. Trump wasn’t satisfied with those closest to him saying that there were “election irregularities.” Nor was it sufficient to lean heavily into allegations (still unproven to this day) that there was substantial fraud.

To change the end result in a national election, you need to find the proverbial smoking gun. And that didn’t happen... not even close.

To be sure, there’s always some fraud in a national election, and Democrats have a long and storied history of it. But to change the end result in a national election, you need to find the proverbial smoking gun. And that didn’t happen... not even close.

But Trump didn’t care. He wanted his people to go out into the world and state, definitively, that he won the election. And not only that, but he also wanted them to state he won “by a landslide,” as Trump repeated publicly many times, much to the delight of millions of his voters who refused to accept defeat.

Needless to say, Trump’s pronouncements of victory caused problems among some senior White House staff as well as at the Department of Justice. For the month of November, Trump’s election objections had stayed within the system. Bringing legal challenges in court are well within precedent. And the Democrats had (cynically) chosen to leverage the panic around COVID-19 to enact a slew of last-minute changes in various states to election processes. Some suspicion (and even disbelief) about Joe Biden’s win was understandable from Trump and his base.

Once the election battle dragged into December, however, it started to become clear that the legal challenges weren’t going to change the outcome. The Trump campaign’s legal team – now famously derided by former Attorney General Bill Barr as “clownish” – was handed defeat after defeat in federal courts. They seemed more attuned to cable-TV news appearances than pulling off the miracle of a Trump reelection.

There was a constant bait and switch underway, one in which Trump’s legal representatives made bold pronouncements on TV about the “bombshell” about to drop in court. Then at the moment of truth, they’d present much meeker, more limited challenges before the judge.

Many in the pro-Trump conservative media were willing to take on faith the legal team’s request to be open-minded, as they prepared to deal the Biden would-be presidency a crushing legal blow in court. The “kraken” would be unleashed! They promised... it was going to happen any day.

But of course, it never came. As the new year approached, there was a growing recognition among Trump boosters in the media that the legal team had no shot whatsoever at getting a
judge to overturn even a single state’s election results due to fraud, never mind four states.

But there was also a sense that Trump voters deserved their due process. As long as the effort to look at election fraud stayed within the boundaries of law, even unsuccessful claims provide clarity and some degree of catharsis for very frustrated Trump supporters.

Then came the January 6 march, and the ensuing riot on Capitol Hill. For a mob of Trump supporters to break into the halls of Congress while the certification of a presidential vote was occurring was destructive, idiotic, and wrong on every level. It was also a massive blunder, as the Democrats have leveraged the incident to crack down on speech and tried to ignite a civil war within the GOP.

Before this incident, Trump was expected to be operating a “government in exile,” the leader in spirit if not name of the GOP. Nobody else within the Republican Party had anywhere near his support among the base, and challenging him even after his election loss would have appeared a fool’s errand.

Now, Trump’s future is unclear, and with it, so is the GOP’s. Trump is facing a second impeachment trial in the Senate, after Speaker of the House Nancy Pelosi rammed through yet another impeachment in the House. The fact that this came almost exactly 12 months after the first impeachment of Trump proves the particular absurdity of this political moment.

There was no serious chance of removing Trump from office in 2020, nor is it remotely probable 15 Republican senators will join the Democrats to impeach a president who is no longer in office.

For the Left, this is the continuation of a vendetta against Trump that began the moment they realized he defeated Hillary Clinton in 2016. Despite what they may say about the Emoluments Clause, the 25th Amendment, phone calls with the Ukrainian president, or even “incitement to insurrection,” Trump’s original sin has always been the victory that he was not supposed to win. That alone is justification in the eyes of the political establishment – “The Swamp” in Trumpian parlance – to persecute him even after his 2020 election defeat.

Now, Trump’s future is unclear, and with it, so is the GOP’s.

While the Senate trial looms, it’s highly unlikely Trump will be convicted and then be barred from holding future office. Democrats might view that as a dream come true, though it’s not even clear if Trump would plan to run again in four years. While he’s not quite as “past his prime” as Biden (who’s almost an octogenarian, at 78 years old), Trump is old enough that four years could take a toll.

Assuming Trump had planned to run in 2024, he may soon find his political brand has lost momentum. The disastrous 2020 transition period certainly tarnished him among GOP elites, though the voter base seems overwhelmingly willing to stand alongside him.
The legacy of the MAGA agenda is a fiercely debated topic, and that’s unlikely to change anytime soon. Its aftermath, however, is already quite clear... Republicans are grappling with their weakest political position in more than a decade.

There’s always the possibility that Trump’s brand recovers from this downturn. If anyone’s capable of an improbable comeback story, it’s the man who went into election night in 2016 with the New York Times predicting a 97% chance of a Hillary Clinton win. We all know how that turned out...

Trump is more a political phenomenon than a politician, he’s almost a movement unto himself. With that kind of sway over the base, anything is possible.

Many observers with close ties to Trump expect that he will, at a minimum, become a GOP kingmaker. From his Palm Beach perch, he could play a large role in raising up the next round of Republican candidates, all with his “America First” stamp of approval. He certainly has the donor network, connections, and name recognition to push anyone he wants onto center stage.

But even that role would come with complications. For one thing, it’s not clear at all that Trump will care much about the Republican Party (or politics at all) when he’s not the center of it all. Trump has a genius for self-promotion, and was willing to lend the support of his fervent base to GOP politicians in the past. But that was all a part of his patronage network. To borrow from mafia
Right now, the best asset the GOP seems to have is the ineptitude and overreach of the newly empowered Democrats.

Who else can step forward to lead the GOP now? It’s a wide-open field. Some of those who were making the most headway with the Trump base before (Sen. Cruz and Hawley come to mind) have, for now, been hit with the blowback over Trump’s last few weeks in office. Florida Gov. Ron DeSantis has the single most impressive record of any leader of a large state during the pandemic, and may have aspirations to leave the sunshine state for 1600 Pennsylvania Avenue.

For now, the primary feeling within the GOP is akin to “batten down the hatches.”

The Democrats beat the most consequential Republican president since Ronald Reagan. They’ve seized the most powerful offices in government and dominate America’s most influential institutions. The pendulum is likely to swing back toward the Right in time, but there’s no easy way through this moment.

The GOP is on defense and Trumpism is in exile. The American people are going to have to suffer through some very unfortunate Biden policies to remember why just a few short years ago, they handed the reins over to a political outsider with the simple promise that he would Make America Great Again.
COOL KIDS ON THE BLOCK

CLICK HERE TO READ THE WEB VERSION
My first real introduction to bitcoin was back in 2012.

I’d been following the cryptocurrency for a couple years, reading about it here and there... always intrigued.

And when I learned a New York City nightclub intended to accept bitcoin as payment – making it the first brick-and-mortar institution to ever do this – I knew it was big news.

I called my camera crew and hustled everyone over to the city’s industrial lounge EVR club on a rainy Sunday night so we could be there to witness bitcoin history.

This was the first time bitcoin was being accepted as payment in any kind of physical transaction and exchange.

It was revolutionary and super cool... except, of course, to the Feds... which the owner of the establishment quickly learned.

EVR’s proprietor was a 24-year-old entrepreneur named Charlie Shem.

A thoughtful and enthusiastic bitcoin pioneer, Charlie believed strongly in the Austrian school of economics – a form of economic thought that stresses the importance of the action of individuals.

When I interviewed him in 2012, it was clear to me that he had spent a lot of time thinking about the role of money and its value in our society. Charlie was one of the first to welcome the idea of a currency that was free from central-bank intervention.

He’s also had to take some lumps along the way... Charlie, who created the now-defunct BitInstant exchange platform as a kind of payment service, was tagged by the Feds for aiding and abetting unlicensed money transmission, and got two years in prison.

Bitcoin is a real headache for regulators. But interestingly, it’s still here. Despite attempts by governments around the world to regulate

Despite attempts by governments around the world to regulate it, and its own massive fluctuations in value, bitcoin is still a major player and may grow even bigger in the coming years.
ON THE BLOCK

...it, and its own massive fluctuations in value, bitcoin is still a major player and may grow even bigger in the coming years.

And these days, between the recent volatility of GameStop, AMC, and silver, bitcoin is now almost looking tame. (Almost...)

As we go to print, the price of bitcoin is hovering near $50,000, with some analysts who are predicting it will become the latest investment bubble to hit Main Street.

Not so fast...

The bitcoin bulls make an important point about the crypto’s fundamentals, arguing the technology behind bitcoin is so revolutionary that it could someday be the currency of the world.

Indeed, the chief investment officer of multibillion-dollar investment firm Guggenheim said this month in a television interview that his firm’s fundamental research suggests “bitcoin may climb as high as $600,000 per coin.”

Meanwhile, the cryptocurrency is increasingly going mainstream – with BlackRock, the largest asset manager in the world with $9 trillion (or nearly half the size of the entire U.S. economy) under management, also investing in bitcoin. In late January, the firm filed two statements with the Securities and Exchange Commission (“SEC”) stating that “certain funds may engage in futures contracts based on bitcoin.”

The popular insurance firm MassMutual revealed it’s tiptoeing into the space with a $100 million bitcoin investment.

Hedge-fund investor Anthony Scaramucci, perhaps best known for this 11-day stint as President Trump’s press secretary, is getting into the bitcoin space too. His firm, SkyBridge Capital recently launched the SkyBridge Bitcoin Fund on February 1 with a $310 million investment. He told me he expects volatility in the space, but that, in the long term, his investment should pay off. In his words, bitcoin is THE cryptocurrency to watch. “It’s the Facebook to MySpace and the Google to Ask Jeeves,” he tells me. (You can listen to his entire interview with me in this American Consequences With Trish Regan podcast.)

And perhaps one of the biggest visionaries in the world today, Elon Musk, founder of Tesla, is also backing the currency. In an interview on the social app Clubhouse, Musk said he should have bought the currency eight years ago. “I’m late to the party,” Musk said, “but I am a supporter of bitcoin.”

Late he is... In 2012, bitcoin was considered volatile because it fluctuated between a low of $100 and a high of $1,200.

Almost a decade later, it’s now trading between $40,000 and $50,000.
Tesla recently announced that it had spent $1.5 billion of its cash reserves buying bitcoin, and would soon start accepting payment for its electric vehicles in the digital currency.

Supporters claim bitcoin is a secure, sophisticated alternative to cash... that the government can never touch.

The critics, however, say otherwise... They point to the recent mania arguing it may be the digital equivalent of the Dutch tulip bubble made famous in the mid-1600s.

Critics argue the bitcoin craze is just that... a craze. The Financial Times summed up the critics’ concerns well, writing that...

To them, bitcoin is at best the tip of an iceberg of speculation unleashed by low interest rates. At worst they consider it an environmentally destructive, quasi-pyramid scheme with no real utility outside financing illegal activity. Or as one wag once bitingly described bitcoin: “Imagine if keeping your car idling 24/7 produced solved Sudokus you could trade for heroin.”

For skeptics, the endorsement of various celebrities – the actress Lindsay Lohan this week tweeted “bitcoin to the moon” next to a rocket ship emoji – only adds to the perception of bitcoin and other cryptocurrencies as fundamentally vacuous, and dominated by feckless promoters rather than serious financiers.

Well, they have a point on Lindsay Lohan...

That said, there is clearly an opportunity for some kind of digital future when it comes to our currency. But will it be bitcoin?

In some ways, institutional buying was never what bitcoin was intended for... One could argue that its roots are in an alternative, almost anti-government, Libertarian culture being corrupted by mainstream Hollywood, mainstream tech, mainstream media, and even... mainstream financial institutions.

Musk, BlackRock, MassMutual, SkyBridge... these guys are the newcomers.

One could argue that its roots are in an alternative, almost anti-government, Libertarian culture being corrupted by mainstream Hollywood, mainstream tech, mainstream media, and even... mainstream financial institutions.

But was their investment really what the cool kids intended?

Bitcoin has had a long and loyal following for almost a decade... a group that really believes in the product. And there’s an inherent quality about many of these individuals that they all seem to share...

None of them have much faith in government institutions. Most have a very independent, libertarian view of the world and our economy. And they gravitate to bitcoin
precisely because it is out of the realm of government reach.

Bitcoin lacks a central banking authority, which means it’s very much a pure play “peer to peer” kind of product. This gives it a mysterious, intangible kind of appeal. It’s like cash on the Internet... on steroids.

But for how long can bitcoin’s ascent continue, given the regulatory environment in which we live? Bitcoin and other crypto currencies are, after all, a government’s worst nightmare because this is money that cannot be traced.

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**MYSTERY DOESN’T EQUAL INVESTING CONFIDENCE**

Bitcoin has a very mysterious backstory... It’s said to have been created anonymously by “Satoshi Nakamoto,” but no such person exists. In 2014, *Newsweek* magazine thought that it had found Satoshi, printing an article called, “The Face Behind Bitcoin.”

I remember interviewing author Leah McGrath on my Bloomberg TV program at the time... She was convinced she had discovered the man behind bitcoin. He was a 64-year-old Japanese-American “who had done classified work for major corporations and the U.S. military.”

*Newsweek* was then contacted by the man’s lawyer who said he denied having any role in bitcoin.

Then, in 2016, CNBC broke with the news story “Australian entrepreneur says he invented bitcoin.” Australian entrepreneur Craig Wright claimed he was the true Nakamoto... Although, no one really believed him either.

There has been plenty of speculation that focuses on dozens of candidates but the identity of the creator is still unknown.

That said, it doesn’t really matter who Nakamoto is... It’s what he, or she, or they have done that’s so important. They accomplished a mathematical feat through the creation of a new form of money.

Bitcoin was officially born in 2009 and it utilizes the original blockchain database. Whoever the inventor, he succeeded in solving the “double-spending” problem for digital currency by using a peer-to-peer network. Double-spending is like counterfeiting... It’s a problem in which the same single digital token can be spent more than once. A cryptocurrency is a digital file that theoretically can be duplicated or falsified... unless one can rule out the double-spend issue. And this is exactly what was achieved with bitcoin.

*Or so we hope.*

Bitcoin recently plunged as word circulated of this potential “double-spend” issue. The day
it happened, the term double-spend became one of the most searched on Google. Investors were frantically trying to figure out what it meant. It turned out to be a false alarm, but nonetheless, it raised the issue of whether or not the technology can be hacked. (And this also highlighted the reality that few fully understand the currency they’ve invested in.)

The hacking threat is a tough hurdle for an investor to get over. How do you have faith in a product that was created by someone, or some people, that we do not even know?

How do we know that the product isn’t vulnerable to hacking by the person who created it?

How do we know how much bitcoin is really even out there?

In fact, a little like (but obviously not like) gold, bitcoin is also “mined.” But these aren’t mines in the ground – but rather mines on the Internet.

Bitcoin can be mined, and therefore, accumulated by computers that complete challenging mathematical equations. Bitcoin’s supply is said to be limited and the more bitcoin that’s in circulation, the more challenging the mathematical equations become… thereby further limiting the supply of the currency.

While this may sound almost absurd… bitcoin believers point out something very interesting and perhaps quite true – why should we trust our central bank any more than these sophisticated algorithms?

BITCOIN IS THE ULTIMATE WORK-AROUND

Meanwhile, many investors point not to the currency itself but the technology behind bitcoin. It’s impressive, massive, and a real game changer.

It scares the heck out of government.

Think about it… The ability to transact easily, efficiently, and quickly with a new money online that doesn’t need to go through a credit-card payment system? The trades settle immediately, and it’s done via a peer-to-peer system… something that is becoming increasingly relevant in the age of “cancel culture.”

Ad: **Dump Your Cash NOW**

An unstoppable force is taking over our financial markets. But most Americans won’t see what’s going on until it’s too late. **Here’s what’s coming.**

Consider what recently happened to Parler. The popular social media app was just about to give Twitter a run for its money, when suddenly, and with barely any warning at all, it was taken off of Apple and Google… And then, Amazon put the nail in its coffin by pulling the plug on its server with barely any warning.

If Big Tech can do that to a company… if Big Tech can silence a sitting United States presidents’ social media accounts… then what could Big Tech do to the bank accounts of anyone it deems problematic?
Bitcoin may offer a work-around scenario in that an individual is almost anonymous (not completely because the Feds can still employ technology to trace transactions if they wanted to really do the due diligence) and bitcoin doesn’t risk the threat of a server pulling the plug given that it is all peer-to-peer technology.

I mean, look – if we had a total blackout in a World War III scenario as I outlined in my American Consequences story last year, well then yes, it’s a whole other story... But the risk of a bank or a government or just an Internet provider wanting to shut down an individual is partly diminished through bitcoin’s peer-to-peer technology.

After all, there’s a reason that in challenged political economies like Venezuela, bitcoin has become increasingly popular.

And this is exactly why governments from here to China want to shut bitcoin down.

In China, authorities are trying to get ahead of the curve by creating their own digital currency – the digital yuan. They’ve even offered these digital yuan packets to communities in test projects. This enables people to have a certain ease of transaction while the government can still follow their tracks. A similar option is being discussed by the Federal Reserve here in the U.S.

So can regulators shut down bitcoin? And if so, how vulnerable would that make investors?

Another concern that bitcoin holders must consider is, can this really be considered a store of value when there’s no one there (i.e., a central bank) to help even out the fluctuations in the currency?

The reason the dollar works so well is because it tends to hold its value. Granted, that’s been rather debatable lately, especially as we consider the massive amount of money printing our government is engaging in, but nonetheless, an individual can transact efficiently in dollars.

But how does one transact in bitcoin when it’s clear that an individual may lose or gain massive amounts of money whenever they try to actually use the currency?

Imagine if you were to buy a car with bitcoin, and you paid $50,000 worth of bitcoin to the auto dealer. But then the following month, the value of bitcoin doubled from $35,000 a coin to $70,000 a coin... You just lost a lot of money on that car purchase by paying in bitcoin!

A currency needs to be steady in order to be used.

Ultimately, this may prove to be quite challenging for bitcoin. How can it really gain acceptance and be trusted if it’s susceptible to such violent swings?

Then again, maybe it doesn’t need to be accepted and widely used?

Perhaps bitcoin evolves so that it becomes more of what it is right now – a promise of the future. Like gold, which market bears argue has no intrinsic value, bitcoin will represent something... it will stand for something...

The future.
I’m about to get in this Tesla and drive up to a location just a few miles from here to show you Elon Musk’s next Big Project. What happens next will shock you…”

Elon Musk changed online payment processing with Paypal. He’s changing space exploration with SpaceX and the auto industry with Tesla.

And now, Elon Musk is getting ready to unveil his next big project: S.A.V.

It’s so revolutionary, it could even put an extra $30,000 in Americans’ pockets.

One of America’s leading tech experts recently gave this a try and caught everything on camera. You can watch the demo of this tech.
Ever since the U.S. stock market rebounded from its March low last year, many people have pointed out the glaring disconnect between a pandemic-ravaged economy and stocks that continue to soar.

Spoiler... As wrong as it may seem, Main Street and Wall Street aren’t really correlated.
As recently stated on Bloomberg...

The market is not the economy. Its job is to tabulate investors’ consensus view about the future of publicly traded companies. It pays no attention to private businesses or government or other important parts of the economy.

The S&P 500 Index is up 72% since March 2020. Last year, America’s gross domestic product (“GDP”) shrank by around 3.5%, the most since World War II. And a net total of around 10 million Americans lost their jobs during the year.
Watching the news, you’d think the Great Disconnect was as contradictory as “government intelligence”... as impossible as a Sudoku crossword... as terrible a crime against humanity as ketchup on filet mignon... and as unjust – regular folks suffer as Wall Street fat cats loosen their belts yet another notch! – as a rainy day at the beach.

It’s as if the market should know better, but still stubbornly refuses to bend to, you know, sanity and justice... and continues to hit new all-time highs, instead of crashing and burning like the economy.

And, on the surface, it does seem as weird and wrong as sandals with socks. To many people, it feels self-evident – the sky is blue, politicians lie – that higher economic growth should translate into higher stock market returns.

An (highly simplified) equation for it might go something like this:

Faster economic growth ➞ More demand for companies’ services and products ➞ growth in corporate earnings ➞ share price appreciation.

And it follows that the converse (lower economic growth should result in lower share prices) would also be true.

In May, the Economist agreed... “Financial markets have got out of whack with the economy. Something has to give.”

And let’s not forget... that was all last year, when the S&P 500 was well below where it is now... global coronavirus deaths were a fraction of what they are now... and conventional wisdom was that by the autumn of 2020 – that is, nearly half a year ago – we’d be hugging and passing hotdogs down the row at ballgames and jostling each other in the subway like the old days. (And that was before America was on fire over the summer in the worst racial unrest in half a century... and before an armed mob took over the U.S. Capitol in the most serious assault on American democracy ever.)

The thing is, that dichotomy between the stock market and the economy is not unreasonable. It’s not wacky and ridiculous. And it shouldn’t be surprising at all.

However... The why – the real why – isn’t what you’d expect.

There are plenty of obvious explanations of
why stocks are going up that are perfectly valid – but still miss the mark...

**Earnings weren’t so bad last year.** In a normal investment world, company earnings are an important driver of share prices. As a shareholder of a company – which is what you are when you buy a stock – you’re in essence “buying” a stream of future earnings of the company (including, sometimes, dividends). That stream is worth more if earnings are rising... and less if they’re falling. And according to Yardeni Research, the earnings of companies in the S&P 500 declined by 16% in 2020.

That’s a stiff drop from forecasts in February 2020, when Goldman Sachs issued a downbeat forecast of 0% growth (compared with a consensus of 7% earnings growth). And it’s also a decline from 2019, when overall earnings were up 0.6%.

But if all that damage to the global economy, to supply chains, all those people out of work, all the victims of the coronavirus... if after all that 2020 had to offer, the stock market’s earnings fell only 16% – well, that’s actually not so bad, right? Markets are about earnings – and also about expectations. And maybe 16% isn’t so awful considering, well, everything.

But that doesn’t answer the question – why didn’t earnings of listed companies fall more, if the economy has been so lousy?

**Markets are forward looking.** Stock markets are a leading economic indicator – that is, they telegraph the direction of the economy in advance. A downwardly trending stock market signals that the economy will soon be slowing. And a rising stock market suggests that the economy will be accelerating (which is what we’re seeing now). And earnings forecasts are an important ingredient of how markets look forward – because they suggest whether those all-important earnings streams are getting bigger or smaller.

If all that damage to the global economy, to supply chains, all those people out of work, all the victims of the coronavirus... if after all that 2020 had to offer, the stock market’s earnings fell only 16% – well, that’s actually not so bad, right?

Of course, earnings forecasts can be off... by a lot. Big companies are complicated beasts, and guessing next year’s earnings – even if you’re the CEO of a company, to say nothing of if you’re an outside analyst who’s juggling a few dozen companies in which he has no real insight – is like predicting next week’s weather by sticking your arm out of the window today. But it’s a start... and right now, earnings for the S&P 500 are forecast to rise 24% in 2021. That will take them above where they were in 2019. That’s a pretty good reason for markets to rise.

**There’s a lot of money to be made out there chasing stocks.** Ultimately, shares are like anything else (milk, yoga classes, or an autographed David Bowie vinyl) – their price moves up when there’s more demand (buyers) than supply (sellers). All the things
Although a lot of that money is earmarked for various purposes... much of it is in the form of direct payments to individuals, and plenty of it leaks out at the edges.

And right now, there’s a lot of demand. The Federal Reserve has been pumping cash into the American economy at an unprecedented pace to soften the blow of the contraction in the economy. And although a lot of that money is earmarked for various purposes – from small business loan forgiveness to PPE for schools to fund for COVID testing – much of it is in the form of direct payments to individuals, and plenty of it leaks out at the edges. And all those Robinhood speculators with their stimulus cash burning a hole in their brokerage account are a source of enormous demand. When there’s liquidity, stocks rise.

Considering everything last year threw at us, 2020 earnings weren’t so bad... Markets are forward-looking, and what’s in the future for corporate earnings is actually pretty promising... And there’s a ton of money chasing stocks. These are all perfectly reasonable pieces of the puzzle for why share prices are rising.

But none of these explain the divergence between stock prices and the economy.

It turns out that economic growth being good for stock investors is a giant myth – like Bigfoot, an-apple-a-day-keeps-the-doctor-away, and doing-lots-of-crunches-will-give-you-abs-of-steel, combined – of the investment world.

As a 2004 paper by Jay Ritter of the University of Florida explains...

It is widely believed that economic growth is good for stockholders. However, the cross-country correlation of real stock returns and per capita GDP growth over 1900–2002 is negative.

Ritter analyzed GDP growth and stock market appreciation over more than a century in 16 countries that account for around 90% of total global market capitalization... and he waved a professorial math wand at it all. In other words, he found that higher economic growth is linked to lower stock market returns.

Ritter continues...

The point is that economic growth does result in a higher standard of living for consumers, but it does not necessarily translate into a higher present value of dividends per share for the owners of the existing capital stock. Thus, whether future economic growth is high or low in a given country has little to do with future equity returns in that country.

... Future economic growth is largely
irrelevant for predicting future equity returns. This is because long-run equity returns depend on dividend yields and the growth of per share dividends.

In other words... stock market returns are all about earnings and what investors receive of those earnings. And that has nothing to do with economic growth.

A more recent paper, “Have Exchange-Listed Firms Become Less Important for the Economy?,” by the National Bureau of Economic Research, asks why we’re even talking about this at all...

There is no compelling theoretical reason for the stock market to be highly representative of the economy and there are many reasons for why it would not be. Firms that are listed are firms for which a listing is valuable. Not all firms find it valuable to be listed and these unlisted firms differ from listed firms. Further, market capitalization reflects the value of a firm for its shareholders, but this value need not be correlated with a firm’s contribution to employment or GDP.

The paper finds that the percentage of total employment at listed companies as a share of total non-farm employment in the U.S. has fallen from 41% in 1973 to 21% in 2019.

Think about this... In 1953, the U.S. company with the largest market capitalization – automaker General Motors (GM) – accounted for 1.39% of total U.S. non-farm employment. And in 2019, the biggest company by market cap, Apple (APPL), employed just 0.11% of all working Americans.

This is a perfect example of how what happens on Wall Street does not always translate to Main Street.

The head of GM at the time, Charles Wilson, said, “... for years I thought what was good for our country was good for General Motors, and vice versa” (often misquoted as “What’s good for General Motors is good for America”).

**Ad: Before Stocks Crash... THIS Will**

Stocks are soaring, and if you’re worried about the market top... good news. There’s a totally different market you should be paying VERY close attention to. It’s a ‘canary in the coal mine’ that could give you a huge clue about when to sell stocks. And knowing what to do in this crash could make you a fortune. (It led some folks to 772% gains in 2009.) Get the full story here.

It’s difficult to imagine his present-day analogue – Microsoft CEO Satya Nadella, or Alphabet head Sundar Pichai – saying anything similar.

What’s good for the largest American companies today has, at best, an indirect relationship to what’s good for the economy. Stocks have been rising – despite the worst economic backdrop since the Great Depression – because the link between Wall Street and Main Street isn’t just tenuous... there’s no particular reason to think there even should be a connection at all. And in fact, that relationship has shown to work in exactly the opposite way than what you might think – stocks in fact tend to fall in a strong economy.
CONSPIRACY FOR THE FUN OF IT
Brian Klaas, professor of global politics at University College London, wrote an excellent opinion piece about conspiracy theories in the January 25 Washington Post.

Of course – given the temper of the times in academia and indeed at the Post – the article was pointed at Right-wing preposterous conjectures and titled “Why is it so hard to deprogram Trumpian conspiracy theorists?”

Fair enough. QAnonsense, Boogalooniness, Proud Boy brain boil, and the like gave us the most blatant and most recent example of how silly thinking can lead to serious malignity. They deserve their headline billing.

Klaas does neglect to mention that virulent pustules of belief in imaginary schemes and cabals can erupt anywhere, Left or Right, on the body politic. Marxism, for instance, is nothing but a giant conspiracy theory blaming everything on the collusion of mysterious economic forces that only Marxists know about.

But otherwise, Klaas does a good job of explaining the cognitive biases and circular reasoning that get conspiracy theories started and keep them going.

Of course, the pizza delivery guy is going to deny he’s part of an international Satan-worshiping cannibalistic pedophile ring... because he’s part of an international Satan-worshiping cannibalistic pedophile ring.

(My example, not Klaas’. He’s too serious-minded for that.)

And Klaas brings up a good point: “[T]here’s a crucial dimension that isn’t getting enough attention. Conspiracy theories... are fun.”

They certainly are. Everyone likes a fantasy. We all enjoy denying reality. And given what reality has been like lately, we’re enjoying ourselves more than ever.

Real conspiracies do exist “(Watergate),” but they are limited “(Watergate)” and few (name another big story Woodward and Bernstein broke), usually don’t last long “(Watergate)” or don’t work “(Watergate)” or have a minor long-term effect on history (Jimmy Carter).

Everyone likes a fantasy. We all enjoy denying reality. And given what reality has been like lately, we’re enjoying ourselves more than ever.

But to work ourselves up into a fully conspiratorial frame of mind, we have to deny a reality so basic that it’s proverbial. “Two people can keep a secret if one of them is dead.” And now that the sodium pentothal of social media has been injected into the entire populace and has set everybody to blabbering about everything, the proverb should be, “Two people can keep a secret if both of them are dead and nobody’s hacked the e-mails, text messages, and Snapchat postings they left behind on their smartphones.”

To embrace a theory of a secret, huge, manifold conspiracy containing multitudes...
– the kind of conspiracy theory that’s currently in fashion – means we have to have a splendidly imaginative fantasy life. So now we’re really having fun!

And the fun’s just started... Storytelling is even more fun than daydreaming. A conspiracy makes for a much better story than messy, incoherent, and always somewhat incomprehensible reality does. Conspiracy gives amorphous life a shape, like a good movie plot or a mystery novel. The Deep State did it!

To embrace a theory of a secret, huge, manifold conspiracy containing multitudes – the kind of conspiracy theory that’s currently in fashion – means we have to have a splendidly imaginative fantasy life. So now we’re really having fun!

To have bad things happen without a conspiracy to explain them is to have a joke without a punch line. I’ll use my favorite old joke as an example – a liberal joke, it so happens, dating back to the FDR era.

A boy is hitchhiking. A car pulls over, and the driver asks, “Are you a Democrat or a Republican?” The boy says, “I’m a Democrat.” The driver drives away leaving the boy standing there. Another car pulls over and the driver asks, “Are you a Democrat or a Republican?” The boy says, “I’m a Democrat.” The driver drives away. The same thing happens three more times. Then a beautiful girl in a convertible pulls over and asks, “Are you a Democrat or a Republican?” The boy says, “I’m a Republican.” The girl says, “Hop in.” And they drive off. While they’re driving, the wind pushes the girl’s skirt up her legs, first just a little, then a little more, then more yet, and the boy finds himself becoming aroused. He says, “Please pull over and let me out.” The girl says, “What’s the matter?”

(So far, not much of a story... The need for a punch line means some object or entity must get punched.)

The boy says, “I’ve only been a Republican for 15 minutes, and I already feel like screwing somebody.”

Conspiracy theories give us something or somebody to hate. Hating is lots of fun. I can show you proof from the most lofty realms of high culture.

Percy Bysshe Shelley is obviously having a wonderful time in his poem “England in 1819,” ranting at King George III and the royal family (prominent figures in many conspiracy theories down to the present day).

For more conspiracy theory theories, check out Kim Iskyan’s feature story from last year:
An old, mad, blind, despised and dying king –
Princes, the dregs of their dull race, who flow
Through public scorn – mud from a muddy spring;

Rulers who neither see, nor feel, nor know,
But leechlike to their fainting country cling...

But then there’s Shelley full of praise and sweetness in “Hymn to Intellectual Beauty”...

Spirit of Beauty, that dost consecrate
With thine own hues all thou dost shine upon
Of human thought or form – where art thou gone?...

And just keep going... And take your hues with you. What a versifying slog it must have been writing up Little Miss S.O.B.

Conspiracy theories excuse our failures. It wasn’t me. It was intersectional hegemonistic normative structural bias that flunked math.

Conspiracy theories explain our misfortunes. Even such minor misfortunes as the introduction of New Coke in 1985, which gave rise to a conspiracy theory that Coke introduced the deliberately inferior New Coke so that it could later reintroduce a fake Old Coke with its formula altered to use less expensive ingredients. This caused Coca-Cola then-President Donald Keough to tell Time magazine (doubtless with a sigh), “The truth is, we’re not that dumb, and we’re not that smart.”

But we the believers in conspiracy theories are that smart. And that’s what’s most fun about conspiracy theories... They make the world so dumb that even we can understand it.
IS BITCOIN THE FUTURE OF MONEY?

NINE REASONS WHY SMART INVESTORS ARE BUYING IN AND WHY YOU SHOULD TOO

Bitcoin is back in the news after recently hitting all-time highs. “Speculative frenzy spills into Crypto as Bitcoin Tests Highs,” read a recent Bloomberg headline. The daily swings make for good headlines and yes, bitcoin has proven to be an excellent long-term investment.

However, if you focus only on the daily price moves, you’ll miss the more profound truth: Bitcoin is now more than just a systemically important financial asset held by investors as a portfolio diversifier and alternative store of value to gold.

Bitcoin is strengthening its case as the future of money itself.

By Alex Tapscott
In fact, there are at least nine unique and powerful reasons why Bitcoin could win the battle for digital money:

1. **Bitcoin is the New ‘Digital Gold’**

Gold was the original money and Bitcoin is starting to take its place as a store of value, diversifier, and hedge against currency debasement. Like gold, Bitcoin is a scarce asset that takes time and energy to produce and is not controlled by governments. However, unlike gold, Bitcoin is easy to move and store, impossible to forge, and is infinitely divisible... whereas gold is costly to store and move and is limited by its physical nature. Forgery is too common in gold investments, but Bitcoin is impossible to forge. Over time, investments will rotate from gold to this new “digital gold.” Recently, firms such as JPMorgan, BlackRock, and others have made a similar case for Bitcoin to their clients and in the media.

Investment is a precondition to utility, and mainstream investors are increasingly buying Bitcoin as a portfolio diversifier and as a digital gold. Analysis suggests that adding a small amount of Bitcoin to your portfolio improves risk-adjusted returns because of its low correlation to other asset classes. The floodgates are open with firms such as Guggenheim Alliance Bernstein, Ruffer, and Mass Mutual making this case, and this trend will only accelerate... Not everyone (yet) makes the explicit connection to Bitcoin as digital gold, but all smart investors see the potential as a diversifier and hedge against other elements of their portfolio, a role that...
gold has typically played in history. Gold is a $7 trillion market versus Bitcoin, which is about one-tenth the size. And as Bitcoin gains greater traction as a store of value, its share of attention and fund flows will increase.

2 BITCOIN IS USED IN CORPORATE TREASURY PURCHASES

In the fall of 2020, MicroStrategy, a medium-sized Nasdaq-listed software company, ushered in a new era of corporate cash management by buying Bitcoin to sit alongside its cash and other short-term investments. MicroStrategy wasn’t the first to do it... The website bitcointreasuries.org lists over 20 public companies that own some Bitcoin. But MicroStrategy’s decision set off a spark that has spread like wildfire and captured the imaginations of more than a few CEOs and corporate treasurers. The decision to buy Bitcoin also sent MicroStrategy’s stock soaring as investors saw the business as an indirect way to get Bitcoin exposure. This trend kicked into high gear on February 8 when Tesla revealed it had purchased $1.5 billion worth of Bitcoin for its treasury. Bitcoin rose another 10% or more following the news. The decision first by MicroStrategy and later Tesla cemented Bitcoin as a viable cash equivalent (and alternative) for big publicly listed firms. How can other firms continue to claim Bitcoin as not suitable when one of the 10 largest corporations in America is buying it for its treasury?

3 BITCOIN OFFERS A DIGITAL ALTERNATIVE TO CASH

Cash, essential to financial freedom by allowing for anonymous transactions, is in terminal decline. This is regrettable... Cash enables private, free exchanges of money outside state surveillance. This trend is not new. For decades, credit-card payments have chipped away at cash’s role in our economy and the pandemic accelerated that trend as reports (later proved false) that cash was a carrier of COVID-19 caused many merchants to switch to card-only. While cash is still widely used in some parts of the world, the trend is against it. In the two largest developing economies, China and India, governments have taken steps to reduce cash in the economy. In China, the government wants to replace many transactions with a central bank digital alternative to keep a closer eye on how people spend money. In India, with a clumsy attempt to limit the role of cash in the informal economy, the government took high-denomination notes out of circulation. The demise of cash highlights the need for a digital alternative to ensure private, safe payments between individuals. For example, in a China without cash, your access to credit, payments, and savings can simply be switched off if you disagree with the government, a form of financial de-platforming. Bitcoin is the solution. This also leads us to No. 4:

Investment is a precondition to utility, and mainstream investors are increasingly buying Bitcoin as a portfolio diversifier and as a digital gold.
Removing cash and moving all financial transactions onto rails monitored by governments raises the potential risk for de-platforming of financial services. Despite what you might think, this is not unique to China and other emerging markets and/or authoritarian regimes. The recent de-platforming by big social media companies has raised concerns of similar risks in financial services, such as accessing bank accounts, credit cards, and so forth. Regardless of your politics, the ability for big technology firms with unelected leaders to silence individuals and groups should raise alarm bells for everyone. This tactic, common in authoritarian regimes, could become more common at home and spread to banking. But you simply cannot be de-platformed from Bitcoin.

Bitcoin usage in the global south is increasing rapidly, albeit from a small base, especially in areas where people are unbanked and underbanked. While Bitcoin has long been touted as a better alternative for unbanked peoples who don’t have the means, access, or even the basic proof of identity to open a bank account, it turns out its greatest value to people living in emerging economies is its censorship resistance. Consider what happened in Nigeria... In 2020, protests erupted in Lagos and across the country against the government because of the brutal and illegal actions of a unit in the police force called The Special Anti-Robbery Squad (“SARS”). Within days, groups supporting the protesters had their bank accounts frozen. With no other option, they turned to Bitcoin, raising funds that sustained the movement. Now, exactly one year later, the government has made the drastic decision to ban all cryptocurrency accounts, threatening severe sanctions. The young, tech-savvy and vocal population of Nigeria is gearing up for a fight. How it will end is not clear, but it reveals the power and potential of a censorship-resistant form of money in the hands of oppressed people. Nigeria’s story is a harbinger of what to expect across the world wherever young people with access to technology are unbanked and disenfranchised.

The pandemic has required governments to become far more involved in the economy through unprecedented fiscal and monetary schemes. Some of this was necessary to stem the tide of the pandemic, but there are concerns that governments won’t pull back and that their actions will cause a steep increase in inflation. Already, inflation expectations are at their highest since 2013. Recent statements by Federal Reserve Chairman Jerome Powell that inflation is no longer a priority of the Central Bank has stoked fears even more. With concerns that savings will erode, and wages will be worth less than before, many more people may turn to Bitcoin. A prominent
NFL player, Russell Okung, recently made the decision to take half his salary in Bitcoin. The decision has not only protected him from future inflationary risk but increased his total compensation as the price of Bitcoin has soared. More companies may be obliged to follow suit if employees demand it.

**BITCOIN HAS DEMOGRAPHIC SUPPORT**

It’s no secret younger people feel very differently about many things than their parents. Russell Okung, age 32, is increasingly typical for his generation... graduating from college in the aftermath of the Financial Crisis and experiencing his formative years in a political crisis of confidence in our democratic institutions. Bitcoin resonates with this group of people (incidentally the largest generation ever) that has felt the system tilted against them. In the U.S., for example, young people view Bitcoin more favorably than their parents. Gen Z and Millennials are growing into the largest cohort of consumers and spenders, and soon will inherit trillions from their baby bomber parents in the largest wealth transfer in human history. They will invest and spend as their conscience dictates. In a recent research note to clients, JPMorgan Chase touted Bitcoin as millennials’ preferred store of value investment over gold.

Somewhat ironically, legacy payment companies, such as PayPal and Visa, will help turbocharge the adoption of Bitcoin as a medium of exchange. These companies have succeeded by embracing technology, capitalizing for decades on the steady migration of payments to online and offering innovative and convenient services to customers and merchants alike. Unsurprisingly, they see that Bitcoin and other digital assets will be foundational to the future of their businesses. It may not be obvious given these companies’ recent robust growth, but they along with all other legacy financial firms are standing on a burning platform, where the risk of staying put is greater than the risk of jumping off.

The smart firms have already built a life raft to the future by embracing Bitcoin. For example, PayPal has enabled Bitcoin purchasing for its more than 300 million users and for its more than 25 million merchants. Visa recently announced it would work with existing cryptocurrency companies to “enable users to purchase these currencies using their Visa credentials or to cash out onto a Visa credential to make a fiat purchase at any of the 70 million merchants where Visa’s accepted globally.” Peer-to-peer Bitcoin payments will always be possible for those who want to stay off these corporate rails. But for the majority of users, these companies are building a superhighway to the future with Bitcoin in the fast lane.
The rise of Bitcoin fits a pattern of human ingenuity that has spanned millennia. We have used a myriad of creative ways to represent stored value, to transact, and to do business. Throughout history, money has been reimagined or reinvented as nations rise and fall and technology spreads around the globe. Changes to monetary regimes rarely happen more than once in a lifetime and so can seem a permanent and immovable fixture of our lives. As humans, we generally tend to overestimate the short-term impact of new technologies such as electric vehicles, the Internet, and even Bitcoin, but underestimate them in the long term. In the future, money will almost certainly be digital... And Bitcoin has a good chance of winning the battle for the future of money.

By sheer size, durability, and longevity, nothing comes close to the Bitcoin community. There are millions of people who want it to succeed more than anything. If the GameStop episode revealed a distrust by ordinary investors of big institutions, then Bitcoin is the ultimate expression of economic populism. It gains strength from being dismissed... And every day it exists makes it more likely to succeed. Its ownership base is fiercely protective of it. Few investors feel so strongly about their other holdings. The only thing that comes close in traditional capital markets is Tesla, whose community of investors, boosters, and customers are religious in their devotion. Certainly, central bank digital currencies or corporate stablecoins lack any of this missionary zeal.

Alex Tapscott is Managing Director at Ninepoint Partners, which recently launched The Bitcoin Trust on the TSX (BITC.U/BITC.UN). Alex is also the co-author of Blockchain Revolution and co-founder of The Blockchain Research Institute. Alex owns Bitcoin.

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The Fed is printing more money than ever before.

And sentiment is finally turning bullish – both on Wall Street and among retail investors…

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If the United States truly respects facts, it should open the biological lab at Fort Detrick, give more transparency to issues like its 200-plus overseas bio-labs, invite WHO experts to conduct origin-tracing in the United States, and respond to the concerns from the international community with real actions.

– Chinese Foreign Ministry spokeswoman Hua Chunying at the January 18 daily press briefing
This was not the first time the Chinese foreign ministry suggested the COVID-19 pandemic started in America. On March 12, 2020, another ministry spokesman, Zhao Lijian, stated in a tweet that coronavirus patient zero was in America, making official what Chinese government sources had been suggesting for some time. His tweet also indicated the U.S. Army brought the disease to Wuhan, a city of 11 million and the capital of Hubei province.

China is trying to throw serious shade on America. Yet there is no mystery why Beijing, without evidence, is smearing the U.S. The Chinese regime is attempting to avoid responsibility for the greatest crime of the century.

China has crucial things to hide: the origin of the novel coronavirus – the pathogen causing COVID-19 – and Beijing’s (deliberate) spreading of this pathogen to every corner of the planet.

To prove this contention, Beijing has embraced every report stating that SARS-CoV-2, the virus causing COVID-19, had been found outside China before the outbreak in Wuhan in December 2019. Yet China’s propagandists ignored evidence that the disease showed up in China months earlier. This February, World Health Organization (“WHO”) investigators revealed that as early as October 2019 in the Hubei province, there were about 92 patients who had been hospitalized with flu-like symptoms suggesting COVID-19. Moreover, a Harvard Medical School study, based on satellite imagery of hospital parking lots, indicates the first cases started showing up in China in August 2019, before this virus was detected elsewhere.

And prior detections of SARS-CoV-2 outside China are by no means proof that COVID-19 had non-Chinese origins. Sean Lin, a
China's Role in the Pandemic

Organization's previous two visits in January and February of last year to the city, was severely restricted as to both the scope and duration of the investigation. “CSI Hubei visits the crime scene a year after yellow tape has been removed and is surprised by lack of evidence,” Paul Midler, a China analyst and author of Poorly Made in China, told me, referring to WHO’s 13-member team of international experts. “What a charade,” he said.

The Wuhan lab should be a prime suspect. It was, by its own admission, storing more than 1,500 strains of coronavirus – it took down the claim from its website after the outbreak – and it was engaged in the risky “gain-of-function” reengineering of these pathogens, creating chimeric viruses (artificial, man-made products). The institute, incredibly, was injecting bat coronavirus into “humanized mice.” Moreover, according to the State Department, it “collaborated on publications and secret projects with China’s military.”

Initially, the scientific community attacked the lab-leak theory, and some did so for what seemed to be purely political reasons. Peter Daszak, a leading American-based scientist who worked with the institute and was a member of the most recent WHO mission, admitted this January he was trying to protect Chinese colleagues when he organized a campaign in early 2020 to show that COVID-19 did not start in the lab.

As the Daily Caller correctly points out, “Deadly viruses have a history of escaping from Chinese laboratories.” There was, for instance, a leak of the SARS virus in 2004 from a Chinese facility.

China is keen to prove the disease started elsewhere because that would absolve the Wuhan Institute of Virology of responsibility. Many have suspected the institute, which houses China’s first P4 biosafety lab, of being the contagion’s source.

After spending a grand total of three and a half hours at the lab earlier this month, Peter Ben Embarek, the head of the World Health Organization’s latest COVID-19 mission to China, said it was “extremely unlikely” that the virus escaped from the institute. He also shut the door on further investigation of the facility.

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There is no mystery how the coronavirus could have escaped the Wuhan Institute of Virology. In 2018, a State Department team found that the institute was not taking adequate precautions and warned a SARS-like pandemic could result. And China Daily, an official Communist Party newspaper, posted photos of the lab to show how safe it was, but the images were deleted when people noticed that seals on a refrigerator storing pathogens were warped.

The lab-leak theory is now gaining adherents. For one thing, the possibility of a zoonotic – animal to human – jump of the virus is not consistent with the facts on this situation. For instance, The Lancet, a peer-reviewed medical journal, reported last January that the earliest COVID-19 case and many of the other initial ones had no contact with the Huanan Seafood wet market, the original suspected source of the disease.

Moreover, if the virus did not leak out of the lab, why did Beijing send Major General Chen Wei, often described as China’s top biological weapons expert, to head the P4 lab in January of last year? This looks like a belated effort to clean up the facility and perhaps hide the existence of a biological-weapons program. China is a party to the Biological and Toxin Weapons Convention, which prohibits biological weapons.

Deputy National Security Advisor Matthew Pottinger told British MPs at the end of December that the U.S. believes the most likely source was the Wuhan Institute. “Even establishment figures in Beijing have openly dismissed the wet market story,” he said. The State Department’s Fact Sheet released mid-January reports that several researchers at the institute showed “symptoms consistent with both COVID-19 and common seasonal illnesses” in the fall of 2019, suggesting the coronavirus could have been engineered there.

Beijing has a fundamental problem. It cannot marshal scientific proof for its weird theories. “The Communist Party has not provided any evidence of zoonotic transmission of the virus from animal to human for the Wuhan outbreak,” Sean Lin, the microbiologist, points out. “Bats or pangolins that are potential reservoirs for the virus were identified thousands of miles away from Wuhan. So far, no animal reservoir for the virus has been identified in Wuhan.”

Even if the bug wasn’t engineered to be a weapon, China’s leader, Xi Jinping, may have turned it into one.

Ultimately, the issue of origin raises the issue of whether or not the novel coronavirus was a biological weapon. But even if the bug wasn’t engineered to be a weapon, China’s leader, Xi Jinping, may have turned it into one.

**WAS THE SPREAD DELIBERATE?**

As noted, sometime during the second half of 2019, people in Wuhan began showing symptoms of a mysterious flu-like disease. Whenever symptoms first appeared, doctors in Wuhan knew by the second week of December 2019 that the disease was highly contagious, as it was obviously spreading by human-to-human contact. Xi had to know
soon afterward... Hundreds were falling ill in that city that month.

Yet China did not publicly acknowledge human-to-human transmissibility until January 20 of last year when Zhong Nanshan, the famed Chinese pulmonologist, at a televised press briefing talked about two such transmissions in Guangdong province and China’s National Health Commission officially confirmed human-to-human spreading.

In short, for at least five weeks – and perhaps for five months – Beijing delayed informing the world. If China had said nothing during this period, its actions would have been grossly irresponsible. Worse yet, in January 2020 Chinese officials deceived the international community with a false narrative of non-transmissibility. The WHO, in a January 9 statement and now-notorious January 14 tweet, announced that based on information from China, the disease was not readily contagious.

As soon as Beijing was finally forced to admit the human-to-human transmissibility of COVID-19, Chinese officials sought to downplay the severity of the disease, making the case that it would not be as serious as SARS, the 2002 to 2004 epidemic that infected about 8,450 and killed approximately 810 worldwide. By then, however, they knew the current epidemic was far more deadly than SARS.

Moreover, Xi, while locking down Wuhan and surrounding cities, pressured countries not to impose restrictions and quarantines on arrivals from China. By preventing travel in his own country, he obviously thought such measures were effective and necessary in stopping the disease. So why did he lean on others to keep borders open?

Xi, in effect, turned an in-country epidemic into a once-in-a-century pandemic. At the moment, over 2.3 million people outside China have died in what could well be described as “mass murder.”

China’s leader knew (or should have known) that the result of his actions would be the transmission of disease beyond his borders. Of course, only Xi Jinping knows what he was thinking, but if he wanted to cripple other societies after COVID-19 crippled his country, this would certainly seem the path to take.

Is it beyond the realm of possibility that Beijing could act so maliciously? As Cleo Paskal, a senior fellow at the Foundation for Defense of Democracies, told American Consequences, “China’s Communist Party uses an empirical framework called Comprehensive National Power, or CNP, to rank countries.” Beijing, in its relentless campaign to become the most powerful country on the planet, can reach the top by either increasing China’s CNP or decreasing the CNP of others.

“If Chinese leaders realize they have an epidemic on their hands that will lower China’s CNP, it is logical to turn that epidemic into a pandemic by restricting the spread domestically while not stopping the spread internationally,” Paskal, also at think tank Chatham House, says, “That way, China’s CNP might be lowered, but so will everyone else’s, and China’s relative ranking
...won’t be affected; in fact, it might even improve.”

China’s ranking will improve even more if future pathogens attack only non-Chinese, something that it’s not impossible that the People’s Liberation Army is working on. After all, its National Defense University, in the 2017 edition of the authoritative Science of Military Strategy, mentioned a new kind of biological warfare of “specific ethnic genetic attacks.”

American officials are in fact concerned that China has been experimenting with, in the words of Bill Gertz of the Washington Times, “germ weapons capable of attacking ethnic groups.” China denies it has a doctrine of “Unrestricted Warfare” – also the name of an infamous 1999 book by Qiao Liang and Wang Xiangsui – but unrestricted germ warfare could be coming, nonetheless.

Richard Fisher of the International Assessment and Strategy Center told American Consequences that influential book argues “China should not accept Western treaties or conventions banning biological warfare.” Beijing’s relentless efforts to collect genetic profiles of foreigners while preventing the transfer of the profiles of Chinese outside China is just one more indication of sinister intentions.

Fisher notes...

Whether you think China deliberately or mistakenly released its coronavirus on the world, its collective reactions have fantastically educated the People’s Liberation Army on how to make a possible future bio-attack a deadly success.

Many analysts have said bioweapons are not practical, yet COVID-19 has killed millions and hobbled societies around the world...

If Chinese scientists succeed in designing pathogens targeting only foreigners, the next bug from China could end non-Chinese societies. This would be Communist China’s weapon against the world...

Many analysts have said bioweapons are not practical, yet COVID-19 has killed millions and hobbled societies around the world...

And against America. Nearly two decades ago, China’s General Chi Haotian, then defense minister, reportedly gave a secret speech about clearing out the United States with biological weapons so that the Chinese could settle the land here.

Last October, Dr. Li Yi, a Chinese sociologist, returned to the theme of extermination, but this time with public comments. “We are,” he said, “driving America to its death.”

FINANCIAL FINE LINE
What if one year ago, you knew that over the course of 2020...

• A pandemic would shut down much of the global economy, creating the steepest economic contraction since the Great Depression.

• Thousands of restaurants and other businesses would close their doors in a matter of weeks – leaving millions of Americans unemployed and desperate.

• Everyone who could work from home would work from home for most of the year.

• There would be a huge public debate about whether the suicides and poverty in the wake of economic lockdowns were worse than the roughly 1.5 million people killed worldwide by the pandemic.

• Violent protests would occur in dozens of American towns and cities, including nearly every night for at least five months in Portland, Oregon.

• Guns and ammo would fly off the shelves. If you wanted to buy either, you would have to stand in line.

• The stock market would hit a new all-time high in late February only to plunge 34% in about one month.

• The U.S. Federal Reserve would cut its benchmark federal-funds rate by 150 basis points – effectively to zero. Then it would print roughly $3 trillion of new U.S. dollars to support the economy and the financial system.

• Congress would sign off on an unprecedented $2 trillion stimulus package – mailing personal checks directly to people’s homes.

Assuming you knew all this one year ago, what would have been your guess for the performance of various asset prices this year?
Source: CoinGecko
You might have guessed all those new U.S. dollars would cause gold prices to hit new all-time highs of more than $2,000 per ounce. (You would have been right.) But would you also have guessed they’d first plunge from $1,674 per ounce on March 9, 2020 to as low as $1,477 per ounce just nine days later?

Would you have guessed bitcoin would rise more than 170% since January 1, 2020, even after plunging 30% early in the year? Was bitcoin even on your radar one year ago? It was barely on mine.

And what about the stock market? Would you have guessed it would rise 64% off its March 2020 bottom? Would you have thought new all-time highs were even a remote possibility after that?

Would you have thought that despite a raging pandemic, political upheaval, and civil unrest, stocks would surge to their most expensive valuation in history – even more expensive than the 1929 and 2000 market tops?

Probably not.

I didn’t expect a devastating pandemic or sweeping global economic shutdowns. But we did demonstrate an excellent understanding of risk, without which you’d be flying blind in financial markets...

I’ve been sounding a bearish alarm about U.S. stocks since May 2017.

Now, as we close out this roller coaster of a year, the U.S. stock market is more expensive – and therefore riskier – than at any time in the past century. It’s once again time to sound that bearish alarm.

Now a wider range of outcomes for the price of a given asset can indicate higher risk. For example, there’s a much wider range of outcomes for small-cap mining stocks (0% to 1,000%) than for Treasury bonds (1.6% a year for 10-year bonds today).

The stock market has made higher highs since I got bearish... but it has also made lower lows. In other words, a wide range of outcomes occurred, indicating risk levels were as high as I told you they were back in 2017.

The more expensive stocks become, the riskier they are to own...

The U.S. stock market is more expensive now – and therefore riskier – than at any time in the past century.
The best two metrics to demonstrate how expensive stocks are today are the S&P 500 price-to-sales (P/S) ratio and the ratio of total U.S. market cap to U.S. gross domestic product (“GDP”).

Over the past century or so, whenever the P/S ratio has been high, the market has tended to perform poorly, sometimes for many years. At the peak of the dot-com bubble in March 2000, it was 2.3. Today, it’s 2.9.

The total market-cap-to-GDP ratio was pioneered by value guru Benjamin Graham and often cited by his prized pupil, Warren Buffett. It, too, has never been as high as it is today. It peaked at 140% in 2000 and 105% in 2007. Now it’s 195%.

We also follow the stock market valuation work of economist/asset manager John Hussman of HussmanFunds.com. He tracks five metrics, including P/S, that have all correlated negatively over the past century with subsequent 10- and 12-year S&P 500 performance. Roughly 90% of the time when they’ve been high, the S&P 500 has performed poorly for a decade.

Never forget, investing is a journey, not a destination... Stocks are more overvalued than at any time in the past century. Use caution, and make sure you’re holding a truly diversified portfolio.

In a recent market comment, Hussman writes...

Presently, I expect that the completion of this market cycle is likely to involve a loss in the S&P 500 on the order of 65-70%. I realize, of course, that this sounds insane. The problem is that this projection is fully in line with a century of evidence and is consistent with the extent of market losses that would be run-of-the-mill given present valuation extremes.

Hussman estimates that a portfolio of 60% S&P 500 stocks, 30% long-term Treasury bonds, and 10% Treasury bills will lose 1.7% per year for the next 12 years. He estimates the S&P 500 by itself will lose 3.6% per year for the next 12 years.

Asset manager Jeremy Grantham’s firm, GMO, has studied a couple dozen asset bubbles throughout history. It also publishes seven-year return forecasts for various asset classes. Grantham recently called the current market a “real McCoy’ bubble” and added, “It’s truly crazy.”

GMO’s seven-year annual return estimates for all U.S. equities and bonds, international large-cap equities, and international bonds are negative. Its only attractive forecast is for value stocks in emerging markets, at 9.1% per year.

Never forget, investing is a journey, not a destination... Stocks are more overvalued than at any time in the past century. Use caution, and make sure you’re holding a truly diversified portfolio.
Joe Biden isn’t wasting any time.

And if you’re over the age of 50…

His first 100 days could affect your wealth for the next decade.

Biden’s top priority is his $1.9 trillion “American Rescue Plan” – one of the biggest stimulus bills in modern history.

Millions of Americans are eagerly awaiting another round of checks.

What they don’t know is that this one divisive piece of legislation could help trigger the most dramatic financial event in 20 years.

And that the next few months could determine who becomes very wealthy in 2021 – and who gets left behind.

Today, one Finance PhD and former hedge-fund manager is stepping forward to make sure regular Americans aren’t blindsided.

Dr. Steve Sjuggerud is one of the most widely-followed financial analysts in the world, with over 500,000 people relying on his market predictions.

And he just announced:

“The clock just started on the biggest financial event in decades. Fortunes will be made and lost – and you likely have weeks to decide which side you’ll be on.

It all comes down to knowing what’s coming, and positioning yourself, before Biden’s first 100 days are up.”

I recently sat down with Dr. Sjuggerud to get the real story about what’s headed for our country’s financial system, and how to position yourself before it arrives.

Including the No. 1 stock to buy before the next round of stimulus hits our economy. (You’ll get the name and ticker symbol, completely free.)

To watch my interview with Dr. Steve Sjuggerud, free for a limited time – click here.

P.S. Dr. Sjuggerud’s message is spreading quickly – 3 million people have already seen it.
To watch and learn how to take action on everything he recommends, before it’s too late, click here while the video is still available.
There’s a growing consensus that China and the U.S. are hurtling toward a Cold War. President Joe Biden’s administration is doing little to change the narrative. Biden promised China that it would face “extreme competition” while the U.S. Secretary of State Antony Blinken raised human-rights issues and a slew of other complaints in his exchange with his counterpart, Foreign Minister Yang Jiechi.

By Marko Papic
I should not complain, as I was one of the early contributors to the “Cold War 2.0” consensus when I published an investment research report titled “Power and Politics in East Asia” in September 2012. At the time, I was a Chief Geopolitical Strategist for BCA Research, the world’s most respected investment research firm. My clients – everyone from institutional to retail investors – were obsessed with the Middle East. Occasionally, I would get asked about the longevity of the Euro area or the machinations of President Putin. But few, outside of maybe a handful in Australia and New Zealand, cared about the budding U.S.-China rivalry.

But in 2021, there are no more doubters. It is obvious that the U.S.-China rivalry is the gravest geopolitical risk facing policymakers on both sides of the Pacific Ocean. However, could the linear extrapolations of the countless Johnny-come-latelies have gone too far? Has the narrative pendulum shift overshot its mark? And does it really make sense to use the Cold War analogy as an analytical crutch in the 21st century?

I don’t have a crystal ball, but it’s my firm belief that extrapolating the past decade linearly into the future is a mistake. The time to forecast rising U.S.-China tensions was in 2012, not 2021 when they are now self-evident.

Going forward, the Cold War is a lazy analogy – at best – for what the relationship between China and the U.S. is likely to evolve into. And at worst, it is a self-fulfilling prophecy that – if acted upon by U.S. policymakers – will lead to global isolation and a definitive geopolitical decline.

THE YEAR IS 2021, NOT 1945

The obvious reason that the Cold War is a poor analogy is that the year is 2021, not 1945. But let me be clear about what that means. The world is not emerging from four years of vicious warfare that culminated in the use of nuclear weapons against Japan. The world’s greatest economy is not lying in ruin and poverty, as Europe was in 1945, beset with tens of millions of refugees and under a military occupation by the transcontinental powers intent on carving it up like schoolyard bullies sizing up the playground. India is not a colony of a tired empire, and China is not ripped asunder by a civil war.

It is obvious that the U.S.-China rivalry is the gravest geopolitical risk facing policymakers on both sides of the Pacific Ocean. However, could the linear extrapolations of the countless Johnny-come-latelies have gone too far?

It was these starting conditions that allowed the U.S. and the Soviet Union to carve up the planet in 1945. A bipolar world order emerged unnaturally and in large part due to the near complete destruction of several major powers that previously had a say in how the world was run.

Today, Europe and Japan may be mired in deflation and stagnation, but they... exist. That is an improvement over their near-ruinous condition in 1945. Russia has
stabilized itself after the depressing 1990s and has even reestablished a *lite* version of the Soviet sphere of influence. India is rising, albeit haltingly, as a regional and economic power. And while China and the U.S. are clearly a head above the rest, combined they are less powerful – in relative terms – than the U.S. and the Soviet Union at the conclusion of World War II. As such, it will be difficult for Beijing and Washington to neatly carve up the world as Moscow and Washington did in the 1950s.

It will be difficult for Beijing and Washington to neatly carve up the world as Moscow and Washington did in the 1950s.

This is important... There is an interplay between geopolitics and globalization that is not obvious or linear. Because the international order of states is anarchic, there is no global government that enforces rules and norms of behavior. As such, the *degree of anarchy* depends on the distribution of power between states.

A unipolar system – where a single *hegemon* rules over the rest – is the most conducive to globalization. The superpower in charge gets to set the rules and norms of behavior. It gets to launch Tomahawks against unruly upstarts looking to carve out nascent spheres of influence. The most recent example is the U.S. in the 1990s. At the time, the U.S. provided not only geopolitical rules of the game but also the macroeconomic best practices, propagated by the IMF and the World Bank via a set of norms called the Washington Consensus.

The U.S. was the world policeman, the consumer of last resort, and the creditor of last resort. This hegemony greased the wheels of globalization, at a not insignificant cost to the U.S. that it hoped to recoup through access to foreign markets that it bestowed to its corporations.

A bipolar system – where *two* superpowers divide the world into spheres of influence – is the least conducive to globalization. The two powers – assuming that they are at geopolitical odds with one another (which is not always obvious) – have the relative power necessary to carve out the world into neat spheres of influence. They set the rules of the game within those spheres and, most importantly, punish unruly allies who dare to flirt with the other side.

Somewhat paradoxically, if unipolarity is the most conducive to globalization, multipolarity is not the least conducive. A multipolar system that is characterized by balance-of-power dynamics can still support some level of globalization of trade and capital.

**GLOBALIZATION AND DEGREES OF GLOBAL ANARCHY**

Why? The answer lies in the interaction between allies in a multipolar world. In a bipolar world, allies of a superpower are weak and dependent on their powerful ally for security. For example, during the Cold War, the U.S. went to great lengths to limit
economic cooperation between Western Europe and the Soviet Union. Sure, there were times when Europeans flirted with the other side, such as during the German Chancellor Willy Brandt’s Ostpolitik, but these were paltry exceptions to the rule.

In a multipolar world, such as the one we inhabit today, the coordination becomes more difficult. In today’s context, this means that the U.S. and China will struggle to enforce their own rules and standards on their own allies, let alone each other.

**WHO GETS TO TELL FRANCE NOT TO SELL AIRBUS PLANES TO CHINA?**

In 1896, a bestselling pamphlet in the U.K., “Made in Germany,” painted an ominous picture: A gigantic commercial State is arising to menace our prosperity, and contend with us for the trade of the world... The toys, and the dolls, and the fairy books which your children maltreat in the nursery are made in Germany: nay, the material of your favorite (patriotic) newspaper had the same birthplace as like as not.

By the late 1890s, it was clear to the U.K. that Germany was its greatest national security threat. The German Navy Laws of 1898 and 1900 launched a massive naval buildup with the singular objective of liberating the German Empire from the geographic constraints of the Jutland Peninsula. By 1902, the First Lord of the Royal Navy pointed out that “the great new German navy is being carefully built up from the point of view of a war with us.”

There is absolutely no doubt that Germany was the U.K.’s gravest national security threat. As a result, London signed a set of agreements with France in April 1904 that came to be known as Entente Cordiale. The entente was immediately tested by Germany in the 1905 First Moroccan Crisis, which only served to strengthen the alliance. Russia was brought into the pact in 1907, creating the Triple Entente.

In hindsight, the alliance structure was obvious given Germany’s meteoric rise from unification in 1871. However, one should not underestimate the magnitude of these geopolitical events. For the U.K. and France to resolve centuries of differences and formalize an alliance in 1904 was a tectonic shift – one that they undertook against the grain of history, entrenched enmity, and ideology.
Did the U.K. break off trade with Germany as the rivalry hurtled toward a war? The answer is a definitive no. The trade and investment flows between the U.K. and Germany rose steadily right up until the outbreak of World War I.

**TRADING WITH THE ENEMY**

Could this historical curiosity be written off due to the U.K.’s ideological commitment to *laissez-faire* economics? Or perhaps London feared a move against its lightly defended colonies in case it became protectionist?

These are fair arguments. However, they do not explain why Russia and France both saw ever-rising total trade with the German Empire during the same period. Either all three states were led by incompetent policymakers who somehow did not see the war coming – unlikely given the empirical record – or they simply could not afford to lose out on the gains of trade with Germany to each other.

A similar dynamic was afoot ahead of World War II. Relations between the U.S. and Japan soured in the 1930s, with the Japanese invasion of Manchuria in 1931. In 1935, Japan withdrew from the 1922 Washington Naval Treaty – the bedrock of the Pacific balance of power – and began a massive naval buildup. In 1937, Japan invaded China.

Despite a clear and present danger, the U.S. continued to trade with Japan right up until July 26, 1941, a few days after Japan invaded southern Indochina. On December 7 that same year, Japan attacked the U.S.

A skeptic may argue that precisely because policymakers sleepwalked into war in the First and Second World Wars, they will not (or should not) make the same mistake this time around.

I would be highly skeptical of the view that policymakers in the early and mid-20th century were somehow defective (as opposed to today’s enlightened leaders). A far more systemic explanation is needed.

Political science provides a clear theoretical explanation for why London and Washington continued to trade with the enemy despite the clarity of the threat. The answer lies in the systemic nature of the constraint policymakers faced: a collective action dilemma thanks to changing alliances and the difficulty of disciplining allies’ behavior.

The U.S. will find few allies in its combative approach to containing China. There are
simply far too many absolute economic gains to be lost for other economies, even for the most ardent allies. To put it bluntly, who is going to call President Macron some fateful day and tell him that France can no longer sell Airbus planes to China?

**WELCOME TO A MULTIPOLAR WORLD**

The answer, of course, is nobody... Instead, the U.S. will be forced to continue to trade and invest in China simply because others – including its geopolitical allies – will. The U.S. will dance to the tune of halted, albeit still actionable globalization, lest it fall behind in the global race for innovation and markets. This does not mean that U.S. policymakers cannot use the access to their own market to force compliance with intellectual property laws, labor regulations, a domestic industrial policy, or any other policy that furthers national interests. Or that they cannot use tariffs and currency devaluation to gain an advantage from time to time. These are all fair game, just as they have been over the past century.

The point is that a neat bifurcation of the globe into two economic spheres is just not going to happen. Forcing allies into compliance with such a vision, neatly copied from the Cold War chapter of the history books, will lead to folly.

Unfortunately, U.S. strategists are going to have to work much harder than they thought if they mean to beat China in the geopolitical arm-wrestling match. Forcing Chinese companies to delist from the New York Stock Exchange is a particularly laughable attempt at playing high-level geopolitics (they simply re-list in Hong Kong, or Frankfurt, or London, and make some other country’s bankers and brokers money!). Cutting off China’s access to U.S.-designed microprocessors apparently halts production in U.S. auto factories as much as in China’s.

These are crude policies designed by technocrats with little imagination and no historical context. The geopolitical context in which we find ourselves resembles the 19th century far more than the 20th. If there is anything we should learn from that century, it’s that alliances were fluid, red lines were blurred, and outcomes were often unexpected. Given the stakes for everyone involved, both Beijing and Washington should remember these lessons.

Marko Papic is a Partner and Chief Strategist at Clocktower Group, an alternative investment asset management firm based in Santa Monica, California. He is also the author of *Geopolitical Alpha: An Investment Framework for Predicting the Future* (Wiley 2020), a book that introduces his constraints-based framework to investors. This article is based on a chapter from his book.
After Joe Biden’s inauguration, he ordered everyone on federal lands to wear a mask. That night, he and his family posed for pictures at the Lincoln Memorial – none of them wearing a mask.

California Governor Gavin Newsom told Californians it’s “essential” to avoid “mixing with people outside of your household.” Then he had dinner with lots of people outside his household, without masks.

You can see the mask-less governor and the Biden family in my new video. Newsom did apologize for attending “a friend’s birthday party.” Maybe you heard about that. But you might not know that
the restaurant charges $800 for dinners or that the governor’s “friend” is a lobbyist – a politically connected “fixer” who helps select Hollywood businesses get exemptions from government shutdowns.

Restaurant owner Angela Marsden, instead of hiring an expensive lobbyist, spent her money building an outdoor patio that complied with COVID-19 regulations. But then the state shut down even outdoor dining.

“I’m losing everything,” she cried in a viral video.

But the business right next door wasn’t shut down. NBC’s TV show, *Good Girls*, was allowed to set up a dining area right outside her restaurant.

“She doesn’t have a powerful team of lobbyists to argue on her behalf in the state’s capital,” points out Jarrett Stepman, a reporter who covers politicians’ hypocrisy for *The Daily Signal*. 
California gives him plenty of fodder. San Francisco Mayor London Breed went to a party at that fancy restaurant, too.

Speaker of the House Nancy Pelosi got her hair done when California salons were closed.

Mississippi Governor Tate Reeves held three Christmas parties, violating his executive order limiting the number of people at gatherings.

When a reporter asked, “How is that not in conflict with the order?” Reeves responded that his parties “send a message to the people of Mississippi that you can return to a life that is somewhat normal.”

But “the people” can’t. Only politicians get to do that.

Rhode Island Governor Gina Raimondo attended a wine and paint event, just days after tweeting, “Stay home except for essential activities & wear a mask.”

Even after a photo showed her at the event, Biden nominated Raimondo to be Secretary of Commerce.

“Instead of being booted out, they get a promotion,” complains Stepman.

Washington, D.C., Mayor Muriel Bowser ordered a 14-day quarantine for anyone going to several states, including Delaware, for “nonessential” activity. Then she went to Delaware for a Biden victory celebration, something that strikes me as “nonessential” as they get.

“I do a lot of things to advance the interests of the District of Columbia,” was Bowser’s arrogant defense. “All of them are necessary.”
If politicians do it, it’s always necessary. Rules are for the little people.

In Chicago, after politicians ordered salons closed, Mayor Lori Lightfoot still went to one for a haircut.

She defended her decision, saying, “I’m out in the public eye. I take my personal hygiene very seriously.”

Stepman says Lightfoot is a “double hypocrite” because “she was seen attending Election Day parties and giant street festivals not wearing a mask.”

The Heritage Foundation tracks such political hypocrisy, calling it “COVID Hypocrisy.” As I write, they’re up to 57 examples of “Rules for thee, but not for me.”

Stepman concludes, “It’s up to us to say, ‘You’re either going to follow these rules, change these rules, or we’re going to throw you out.’”

Throwing out these hypocrites would be a good start.

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John Stossel is author of Give Me a Break: How I Exposed Hucksters, Cheats, and Scam Artists and Became the Scourge of the Liberal Media.
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Storytelling is even more fun than daydreaming.

P.J. O’Rourke

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