Dear Reader,

August 2018

This month is an update on the condition of the US empire, and what may lie ahead — it’s big.

I’m dividing the analysis into two sections. First is economic and financial, and second is geopolitical and military. Here’s the first part of the story.

Trump’s escalation of the trade war is unfolding as we forecasted two weeks after his inauguration.

Some background:

Investment markets rarely reflect present conditions. Usually they try to look ahead, which means their prices can be seen as a forecast of coming economic conditions.

The forecasts aren’t always accurate, but I’m sure all the best financial experts pay attention to them.

Then instantly when Trump was elected, the stock market began a strong climb.

The forecasted boom did in fact materialize in 2017, and still appears to be with us. For now.

In March this year, something changed. The stock market went flat again, apparently predicting economic weakening.

What happened that caused the stock market to go flat in March?

Trump turned to his third promise, to make the small international trade war, which had been going on at since least 2001,1 into a big one.

Signs of the decline are beginning to appear. Especially in agriculture, which is shaping up to be the Gettysburg of Trump’s trade war.

He’d been absolutely right about the first two of his economic promises, to reduce taxes and regulations. Last year he first attacked regulations, then taxes, and the economy took off.

But as explained in the February and March 2017 EWRs, the third pledge, to escalate the tit-for-tat trade restrictions, was a beautifully wrapped promise to give us a depression.

I showed how the 1930 Smoot-Hawley tariffs turned a recession into the Great Depression, and said Trump was planning to copy Smoot-Hawley. I described how trade wars typically unfold:

Let’s say Insancistan’s steel producers are losing sales and jobs to Bananastan’s steel producers. Bananastan’s steel companies are “dumping” the metal at 10% under cost.

Insancistan’s steel worker unions demand protection. Their politicians comply, forcing a 10% tariff on Bananastan steel, to even out the prices. …

Insancistan steel industry managers realize that for a change, they and the unions are in sync and have huge political clout. The managers tell the politicians, if you

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Ongoing Forecast. The crumbling of the US Empire will last years, and at its most chaotic will have this effect on investments (in terms of today’s dollar):

<table>
<thead>
<tr>
<th>Investments</th>
<th>Price Now</th>
<th>Highest Price in Today’s $</th>
<th>CL*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil (Brent lt. swt. crude)</td>
<td>$75.33</td>
<td>$225</td>
<td>8</td>
</tr>
<tr>
<td>Gold</td>
<td>$1,242</td>
<td>$12,000</td>
<td>8</td>
</tr>
<tr>
<td>Silver</td>
<td>$15.85</td>
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<tr>
<td>Platinum</td>
<td>$835</td>
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<td>8</td>
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<tr>
<td>Palladium</td>
<td>$943</td>
<td>$5,000</td>
<td>8</td>
</tr>
<tr>
<td>Fidelity Defense (FSDAX)</td>
<td>$177</td>
<td>$600</td>
<td>9</td>
</tr>
<tr>
<td>PCGS3000 collector coin index</td>
<td>$56,926</td>
<td>$700,000</td>
<td>8</td>
</tr>
<tr>
<td>Rogers Intl. Commodity index</td>
<td>2,471</td>
<td>15,000</td>
<td>7</td>
</tr>
<tr>
<td>S&amp;P/Case-Shiller 20-city residential real estate index</td>
<td>210.68</td>
<td>500</td>
<td>8</td>
</tr>
</tbody>
</table>

*My present confidence level for this forecast. 10=totally confident. 1=skeptical.

don’t levy a tariff of 50%, we and our workers will get rid of you in the next election.

Do the politicians refuse?
Of course not. They say, if we make it 75%, will you do all you can to get us re-elected?
Certainly! say the managers and unions.

Then Insaneistan’s nickel, zinc and tin producers climb on the bandwagon. Everyone should be equal under the law, they argue, so they too want 75% protection, and they get it.

The Bananastan regime cries foul, and in retaliation levies a 100% tariff on all of Insaneistan’s exports.

Users of metals in both countries find they cannot live with prices of the metals spiraling upward. They go out of business, and thousands of workers in both countries lose their jobs. Both economies regress.

That’s what happened around the world in the 1930s.

Here’s more.

Congressman Hawley began work on tariffs in 1928, when the economy was still booming. (Sound familiar?)

Pre-emptive tariffs and formal protests by other governments began. These were ignored, and in May 1929, the Smoot-Hawley tariff law was passed by the House.

Soon 23 governments had contacted Washington begging US officials to stop before it was too late. (Again, sound familiar?)

The Senate passed the bill anyway, and President Hoover signed it. …

Retaliatory restrictions quickly spread around the world. (And again, sound familiar?) …

Smoot-Hawley undoubtedly played a big part in generating the panic that created the Great Stock Market Crash in October 1929. That was the kickoff to the Great Depression.

The desperation of the global Great Depression helped foment World War II, which killed an estimated 60 million people.

A warning usually attributed to libertarian economist Frederic Bastiat is, “When goods do not cross borders, soldiers will.”

Those last two paragraphs tie into our geopolitical and military analysis, which begins on page 4.

In short, our 2017 forecast has been perfectly on target so far. 2018 is a repeat of 1928.

I could be wrong, but it looks to me that if someone does not stop Trump, 2019 will be a repeat of 1929, and Trump will someday be known as Calamity Trump.

But there is a possible bright side. See page 8.

By the way, the 2/17 EWR also explained the ancient and proven ways to stop a trade war. (Back issues of EWR are $15 each, or the most recent 12 issues, $99. 602-870-9329.)

So that’s the precarious economic and financial condition of the empire. We’ll look at the equally shaky geopolitical and military condition in a few minutes.

Richard J. Maybury

Space race profits

The UN’s 1967 Outer Space Treaty (OTS) bans “weapons of mass destruction” (WMDs) in space. This is often called a prohibition against the “weaponization of space.”

It means no such thing. In fact it means nothing at all. In its usual brilliance, the UN left a loophole the size of Texas. They failed to define WMDs. Any first year law student knows this makes the anti-WMD clause meaningless.

Consequently, as Washington, Moscow and Beijing face off against each other in their new contest for domination of the earth, they are putting military satellites in orbit.

On June 18th, Trump announced a new “space force,” to create “American dominance in space.”

It’s likely other regimes are ignoring the OTS and getting into the military space race, too.

There are more than a thousand communication, weather, scientific, GPS, internet, radio and TV satellites. If a large percentage are attacked, modern civilization will be crippled for months.
So far, no satellites are publicly known to be carrying nukes, but governments have put up satellites capable of taking out other satellites.

Also likely in development are artificial meteorites. Called “kinetic energy projectiles”…

...these will be dropped from orbit

Although non-explosive, a solid tungsten cylinder about the size of an acetylene welding tank moving at 14,000 mph would deliver enough kinetic energy to the target, with pinpoint accuracy, to take out a 100,000-ton aircraft carrier.

The trade war has raised fears that foreign governments will build their space forces themselves rather than pay through the nose for US equipment.

This is doubtful. Aerospace warfare is different than land and sea warfare. In land and sea operations, the gray haired politicians sit safely at home as they send the young to die. In aerospace warfare, there is no safety at home. Politicians can be as much at risk as the troops. So they’ll want the very best weaponry money can buy, and hang the cost.

In general, the finest military and aerospace equipment is made in the USA. Foreign rulers may use some made in their countries, but they’ll also want plenty of the best to save their own skins.

In my opinion, the premier blue chip defense firm most suitable for investors who want a diversified stake in the fast-growing new space race is Raytheon (RTN).

A close second is Northrop Grumman (NOC), which recently purchased Orbital ATK, a premier supplier of smaller and more economical launch vehicles and satellites.

Third I consider a tie between Aerojet Rocketdyne Holdings (AJRD) and Harris Corp. (HRS). Both firms provide innovative products and services that the larger space race companies must have.

On a scale of 1 to 5, with 1 being safest, my estimated risk level for the four together is 1.9, and three-year profit potential at least 150%.

A final point. I’m old enough to remember the psychological effect Moscow’s 1957 Sputnik had on Americans. They were terrified, and begged for a huge missile buildup with no regard to cost.

Today, no American has been on the moon in 46 years. If Beijing puts a man up there, I think it is reasonable to expect this, on top of the new military space race, will lead to another panic. And, it will likely come with no warning. Beijing will shoot for the moon secretly, expending lives until they get a success. Then a deluge of US tax money will again pour into space in the frantic attempt to catch up.

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The immigration solution

Politicians and the news media tell us the immigration problem is difficult to solve. It’s not. Here is the three-step solution. It will cost nothing.

1. **Stop paying people to come here.** Non-citizens should not receive welfare or any other tax-supported handouts. None. If we pay them, they will come.

2. **Anyone can come if they do the work gringos won’t,** such as tending crops, cleaning sewers and working in slaughterhouses.

3. **Implement what I call Operation Brain Drain.** Nearly all poor countries are poor because they are heavily socialist or fascist. These hoaxes work wonderfully for politicians and their friends, but not for the general population. Witness Venezuela.

Make a list of the highly productive specialists who are essential for economic progress. Examples are engineers, architects, doctors, accountants and metallurgists.

These people should be welcomed at the border with open arms. After passing written proficiency tests to verify their skills, they should receive instant citizenship.

This will tell the rulers of the countries from which they fled, make a fast switch to the system of liberty and free markets so that your people are no longer desperate...
to leave. Otherwise, deprived of the best and most productive minds, your rickety economies will crash completely, triggering revolutions and possibly your assassinations.♣

**GTEP and the state of the empire**

EWR reports regularly on the federal government’s management of its empire. Good management reduces enemies, and bad management increases them.

Bad management is why EWR readers have been earning fortunes in defense stocks since 1990.

For more than two centuries...

...successful congresses have put so much power in the hands of the US president that occupants of the Oval Office today are effectively emperors of the world.

Like emperors of ancient Rome and other civilizations, they do not have absolute control over every individual in their vast domain. But they have an enormous amount, although, it seems, never enough to satisfy them.

If you check Wikipedia’s histories of the United States Marine Corps, Navy, Army, Air Force and Coast Guard, you will find that since the Spanish American War of 1898, no US president has ever stopped sticking his nose into other people’s countries.

Probably the most important way...

...US emperors meddle is by supplying training and weapons to the armed forces of rulers who claim to be friends of the Oval Office.

For nearly a half-century, 1945 to 1989, all a foreign dictator needed, to acquire the firepower to suppress the people trying to overthrow him, was claim these rebels were communists.

The word communist quickly triggered a river of money, weapons and training flowing from DC.

The list of “anti-communist” crooks and tyrants supported by US officials is long: Saddam Hussein in Iraq, Manuel Noriega in Panama, President Diem of Vietnam, the Shah of Iran, Marcos in the Philippines, Batista in Cuba, Mobutu in the Congo, Rios Montt in Guatemala, Chiang Kai-shek in Taiwan, General Park in Korea, Suharto and Habibie in Indonesia, and many, many more.

The victims of these friends of the Oval Office begged US officials to stop aiding the tyrants, to no avail. Thus the empire produced an uncountable but certainly very large number of enemies for the federal government, and this continues today.

However, with the fall of the Soviet empire beginning in 1989, the usefulness of the “communist” threat disappeared. Today instead, US empire builders and their so-called allies point to “terrorists.”

If you are trying to kill a dictator who is harming your family, you are a terrorist, and a handy excuse for US power junkies to enlarge their global empire by backing the dictator.

Federal officials have a “Global Train and Equip Program” (GTEP) that props up foreign rulers.

**GTEP gives weapons to the tyrants’ troops...**

...and teaches the troops how to use them.

In 2017, the DOD’s Inspector General (IG) took a look at the 262 projects of the GTEP, and this year the Government Accountability Office (GAO) did, too. Summarizing their findings:

What those “ally” troops are doing with the US training and equipment, who they are doing it to, why they are doing it and, most importantly, the effects on America are a vast mystery. This is because no one is mind the store.

According to the IG and GAO, the tax money to fund GTEP flows out, but data coming back about where it goes and what it does are suspect, sparse or nonexistent.

Wow. Big surprise. The federal swamp has once again been found delerict.

**I speak of GTEP from experience**

In the Air Force’s 605th Special Operations Squadron in Latin America during the 1960s, in an early version of GTEP we, plus Army Green Berets and the CIA’s notorious School of the Americas, helped train and equip troops of various “anti-communist” dictators. I doubt anyone in the US ever had a clear picture of what we were really doing (we didn’t either at the time), or realized — or maybe didn’t care — that we were certainly making thousands of enemies for America among those dictators’ victims.

To train and equip troops who are not under US control and tight rules of engagement is to create juggernauts. That’s what we were doing and, given the findings of the IG and GAO, it’s what US forces are still doing all over the world fifty years later.

In other words, long ago I was one of the US troops who were helping wreck those Latin countries and generate today’s immigration crisis.

It’s amazing what the mainstream news media do not report.

But these days, despite all the smoke and mirrors...

...there are ways of proving the results...

...of this foreign meddling.

Each year the Freedom House website rates nations according to their levels of free speech, press, assembly, religion and other indicators of liberty. The index uses a scoring system of 0 to 100, with 100 being excellent.

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3 Also known as the 605th Air Commando Squadron.
Examples for 2018 are Finland (100), Norway (100), Canada (99), New Zealand (98) and 55th down the list, America (86).

Incidentally, I remember before 9/11 when America was always in the top ten.

Among the tyrannies propped up by GTEP are those of Nigeria (50), Kenya (48), Lebanon (43), Morocco (39), Jordan (37), Uganda (37), Chad (18), Tajikistan (11), Somalia (7) and Saudi Arabia (7).

Hatred of the Saudi dictators was an incentive for the 9/11 attack.

In other words, numerous rulers backed by the federal swamp are as bad or worse than those of Guatemala (56), Honduras (46), and Nicaragua (44), from which people are fleeing north in droves.

So, it’s a safe bet the millions of individuals suffering at the hands of US trained and equipped troops do not have much good to say about Washington, and many are looking for ways to get revenge.

In Africa alone, the extent of this aid to tyrants is breathtaking. The continent has 54 countries, and I doubt any would be considered free by the typical American. Of those 54 brutal regimes, 50 are aided by US troops under orders from Washington. So little has changed from my day that I could probably step into the same boots I wore then and continue doing the same harebrained job.

So, GTEP is making America into an enemy of those regimes’ millions of victims. Maybe this has something to do with why data on GTEP’s results are so hard for the IG and GAO to come by.

Why do US officials do this?

Hard to say. We can’t read minds. I suppose it’s for the same reasons the rulers of Rome, China, Muscovy and so forth did it. The joy of power. The thrill of forcing others to bend to one’s will.

Political power corrupts the morals and the judgment, history teaches no clearer lesson, and US officials have more power than anyone ever has. Especially abroad, where the Bill of Rights does not reach.

For investors, the important point is that the federal swamp is still diligently and swiftly generating enemies for itself. This is all grossly unethical and stupid, and it means more military defenses will certainly be needed. So, for investors looking for long term low-risk buy-and-hold opportunities, there is probably still nothing that can beat our favorite Big Five defense stocks:

- Lockheed Martin (LMT),
- Northrop Grumman (NOC),
- Raytheon (RTN),
- General Dynamics (GD) and
- Huntington Ingalls (HII).

Now let’s look at...

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4 “Why we reject the West — by Osama bin Laden,” The Independent website, (British) May 17, 2016.
As a spectacularly successful drive to launch laissez faire.

By 1900 — let me emphasize, a mere 100 years later — Americans were commonly traveling 14 times faster, on iron rails behind 70-ton steam locomotives.

In 1900, the fully enclosed, amazingly luxurious heated Pullman cars were wheeled palaces\(^5\) with carved and polished wood paneling, ornate upholstery, wide cushioned seats with plenty of legroom, sofas, and sumptuous decorations including gold-plated trim.

Truly dazzling, rail travel was far more lush than any mass rail or jet transit in today’s politicized economies. Americans could enjoy beds enclosed by heavy damask curtains, linens, electric lighting (unknown in 1800) and excellent hot meals served on monogrammed china with silver-plated flatware. Plus a choice of fine wines.

Production of housing, food, clothing, medical care and other goods and services also improved greatly, as poverty did a swan dive.

All this grew up in just 100 years, after thousands of years of misery. (It’s a good research project for persons in school. Also see the captivating and fast reading book Mainspring of Human Progress, by Henry Grady Weaver.)

We should take a moment every day to wonder what problems now are not solved because the leaden hands of governments have crushed laissez faire.

**Laissez faire economies are guided...**

...by the forces of supply, demand and price, and controlled by the forces of competition. Change tends to be evolutionary, meaning gradual.

Business managers, workers and investors have time to adapt to changes, because foresight is possible. It’s not perfect, but it works often enough for rapid economic progress. Sudden catastrophes are rare, usually happening only when persons with political power interfere in supply, demand, price or competition.

In the opposite of laissez faire — a heavily politicized economy — politicians and bureaucrats have so much power, including few constraints on how often they change their minds, that sudden upheavals are the rule rather than the exception. Change is not evolutionary, it’s revolutionary, and often bad.

In a politicized economy, anyone with brains becomes fixated on the behavior of the government — which is why Trump is in the news every day.

A free economy is organized by contracts. In a contract, two (or more) parties voluntarily come together to make plans and trade. They create the agreement because both sides expect to gain something more valuable to them than what they give up. Both expect to profit, or they would not trade.

The total of all the billions of profits from voluntary contracts produces what we broadly call progress.

The national and global network of contracts is complicated beyond imagining. It is intricate, elaborate, Gordian, complex, convoluted, detailed, perplexing and labyrinthine.

The complexity of a human being is nothing compared to the complexity of the global economy — because the economy is comprised of 7.4 billion humans.

Every item you buy, every service you use, involves at least one contract.\(^6\) If we assume the typical individual makes a thousand contracts per year, then the world economy is organized via 7.4 trillion contracts. Per year. That’s how marvelously interconnected this system is. Each agreement is a node in a mind boggling global web.

A key point: the inhabitant of the Oval Office has been given so much power he has the privilege of meddling in every node.

In a politicized economy, politicians and bureaucrats claim the right to make themselves third parties to our every contract. And, they claim the privilege of altering our contracts anytime they please, regardless of what it does to us.

This is why the whole financial industry is desperately trying to figure out the Trump Doctrine. What is it, and...

**...how is it altering our web of contracts?**

I’ve been reading up on what is known about Trump’s doctrine, and came up with five clues that shed light on what little there is of it. I’ve chosen only ideas he seems to have held since long before he was elected, and therefore at age 72 are not likely to change much.

As we examine these, notice their circularity. The last principle doubles back to the first.

Trump’s first principle is, the US should not be part of any alliances.

On September 2, 1987, he spent $100,000 running an ad in the NEW YORK TIMES, WASHINGTON POST and BOSTON GLOBE, titled “An open letter from Donald J. Trump on why America should stop paying to defend countries that can afford to defend themselves.”

I’d be hard pressed to disagree with any of it. But a weird thing about this principle is that, as far as I know, Trump has not blamed US politicians for granting military welfare to their allies.

He blames the allies for accepting it. The fact that US politicians have been subsidizing them with our tax money is the foreigners’ fault, not Washington’s.

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\(^5\) The firms’ original name was Pullman Palace Car Company. Later Palace was dropped because it was redundant, Pullman had become a synonym for palatial.

\(^6\) Contracts, or agreements, do not need to be in writing. Most are verbal or silent, as when goods are purchased at a grocery store.
This leads to the second principle: **Washington’s allies, such as London, Berlin and Tokyo, are to blame for America’s economic problems.** This is why he levies tariffs on them.

And, this animosity toward allies leads to the third principle: **permanent destabilization of allies and enemies alike creates an advantage for the US.** Reasoning that the world’s most powerful country is better able to cope with adversity than anyone else, Trump strives to keep everyone off-balance.

And I mean everyone. This is one world now, everyone is unimaginably interdependent. Causing uncertainty for foreigners necessarily means causing it for US businesses and investors.

The fourth principle is, “**We’re America, Bitch,**” and, “**It doesn’t pay to argue with us.**” Those are direct quotes from a “senior national-security official,” says Jeffrey Goldberg of THE ATLANTIC.

It’s a depressing copy of Washington’s foreign policy since WWII. In 2007, Bush’s Deputy Secretary of State Richard Armitage said basically the same thing, summarizing US policy toward the rest of the world in just seven words: “**Look, f_ _k_r, you do what we want.**”

In 1998, Clinton’s Secretary of State Madeleine Albright declared, “**If we have to use force, it is because we are America. We are the indispensable nation. We stand tall. We see further into the future.**”

So there you have it, in their own infallible words, democrats and republicans alike. US politicians and bureaucrats are the moral and intellectual superiors not only of Americans but the whole world.

And Trump has signed on to that belief.

This leads to his fifth principle: **America does not need to apologize for anything.**

This attitude brings us back to the first principle: it is the rulers of foreign nations who are evil, not those of America. This can be seen in his escalation of the trade war against the whole world. Foreigners are to blame for the economic mess, but Washington isn’t.

Granted, America is fantastic, a wonderful country, I love it. But the country and the government are two very different things, and we should all be thankful for that. The Oval Office is so powerful that, well, should we be surprised if a person given the power of an archangel comes to believe he is one?

For investors, the ramifications of this no-apologies attitude are profound. A man who will not apologize is a man who will make a lot more enemies, and stubbornly continue down paths that lead to trouble.

Worse, a failure to apologize is a statement that federal officials have the right to harm the innocent.

This attitude creates fear and uncertainty inside and outside the country, suppressing the velocity of circulation of the dollar, which has a deflationary effect.

**Good guys vs. bad guys**

Last year, Americans grew fearful of North Korean atomic bombs landing on Hawaii or even on the US mainland. This year, when Trump came back from his June 12th meeting with Kim Jong Un, he said he trusted the young Kim and “There is no longer a nuclear threat from North Korea.”

Twenty days later, satellite photos showed that Kim has continued developing his nukes.

Something to watch for: the rash young Kim has embarrassed the emperor, so the emperor must now find a way to make an example of him.

If Trump had stuck to what he understands, meaning the domestic economy, he might have gone down in history as one of America’s greatest presidents. By using the word swamp, he signaled his realization that America’s most dangerous enemy is the federal government.

But, in my opinion, his hand-picked regime’s model of international affairs — of global economics, geopolitics and military issues — is naïve and straight out of a 1940s war movie, or a 1930s western. Good guys against bad guys. White hats against black hats.

**Incidentally, seeing the world in terms of...**

...good guys vs. bad guys is misleading. Far more revealing is viewing it in terms of liberty vs. power, which is one of this newsletter’s specialties.

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8 Ibid. “A Senior White House Official....
9 “A falling star,” THE ECONOMIST, 20 Jan 07, p.44.
In Trump’s painfully simplistic good-guys-bad-guys geopolitical model, the federal government is always pure as the driven snow. It need not apologize for anything. It’s a white hat.

Seriously, in international affairs, I think Trump fancies himself as John Wayne playing Sergeant Stryker in the 1949 movie *Sands of Iwo Jima*. Any investor who has not seen it should do so ASAP.

Trump is my age, an early baby boomer, and this movie was immensely popular and influential with males of my generation. I wouldn’t be surprised if the typical early boomer male has seen it a dozen times starting around age 10, and I believe Trump’s emulation of Stryker accounts for a lot of his popularity among boomer males. They see Trump’s presidency as Sergeant Stryker vs. the swamp.

To us, Wayne was the iron-jawed icon of the American male, and we all grew up feeling pressure to be Sergeant Strykers.

Some still do. I can tell when I talk with them. They probably don’t know it but they have Stryker engrained on their psyches.

In the movie, Wayne popularized the phrase “lock and load.” On August 11th last year, Trump used it to signal his readiness to hit North Korea.

The big problem here is that Trump isn’t John Wayne. No one is or ever has been, not even John Wayne. The real world is not a movie.

I don’t think…

*Trump’s image as a loose cannon…*

…is an accident or a fabrication of the leftist news media. I could be wrong, but I believe it is deliberate on his part. It’s his doctrine, his strategy, and his sword.

It reminds me of Reagan’s advice. You don’t want your enemies to think you are tough, advised Reagan. They probably believe they can handle your toughness, and may see it as an attractive challenge, a way to demonstrate their own toughness. You want them to think you are crazy, that there are no limits to what you might do if they annoy you.

We also have this observation by Trump fan J. Morgan in a July 2nd WSJ letter to the editor: “Mr. Trump is constantly criticized for changing his story, not sticking to narrative, being unstable, etc. … By creating chaos he leaves those opposed to him spending their energy dealing with his chaos while he focuses his energy in creating more chaos for them.”

I believe this is what Trump is seeking on every front. Chaos. The Trump doctrine is to be Sergeant Stryker unhinged. Especially in international economic and military affairs. Keep everyone off balance all the time, including American investors.

And it’s working. No one has any doubt now that Trump is emperor of the world, with the power and the will to hurt anyone he chooses. This even to the point of tormenting small children, possibly inflicting lifetime emotional damage on them, for the border-crossing sins of their parents.

Of course, such abuse is within the bounds of the law, because unlike Common Law, political law is boundless. But tormenting innocent children is way, way outside anything ethical.

No one in history has ever been down this road to chaos on a global scale before. How long will Trump keep up his loose cannon performances, and how much damage will he do before he is satisfied?

Impossible to know. All I’m sure of is: the only person in all of history who was even five percent qualified to be emperor of the world was Eisenhower.

**Investors, as the level of uncertainty rises…** …expect velocity to decline.

If Trump goes on like this another six months, trying to make everyone afraid of him, I think there is a high probability we will have a global financial crash. No longer able to stand the Trump-induced anxiety, investors will flee to whatever they regard at the time as the safest possible assets. It could be a wonderful time to be in both US Treasury bonds and precious metals.

On the other hand — and keep this in mind everyday — we may be near the point where he decides he has achieved his desired level of intimidation. After all, even people who like him are now afraid of him. Soon he could ease off, and then thundering sighs of relief will echo around the world.

If this happens before the crash, optimism will spread, velocity will make a moon shot, and last year’s booming financial conditions will return in spades.

To further brighten your day, on July 11th, the senate voted by a stunning 88 to 11 to begin reducing the powers of the Oval Office. Apparently they are being forced to face the fact that the problem is not democrats or republicans, or Trump. It’s power. Hallelujah!

Again, my advice is to view Trump as Sergeant Stryker unhinged. And stay tuned.

* I am fully aware that power junkies now force so much unwanted change on us that for most people, the times are not just challenging, they are wrenching. When you feel that you simply can’t cope with one more setback, remind yourself of the newly discovered black hole that is so gigantic it is swallowing an entire galaxy.

And we think we have problems.