



Myrmikan Research

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Democrat Original Sin

Bill Clinton is the original sin of the modern Democratic Party. Reagan had destroyed the old Democrats, those effete intellectuals, communist sympathizers, corrupted unions, the drug counterculture and pacifists, the race-baiters, the remnants of Roosevelt's coalition. Why waste time studying Rawlsian theory or Marxist doctrine when the economy was booming and there was money to be made. The Soviet Union couldn't keep up and collapsed. The American millennium beckoned as George H.W. Bush led the American coalition into his New World Order in Iraq. Senior Democrats quailed against Reagan's cultural and Bush's military success and skipped the 1992 presidential primaries. There would be time in 1996. Only upstarts and protest candidates entered: Jerry Brown, Paul Tsongas, Tom Harkin, Bob Kerrey, jokers compared to Reagan.

There was also Bill Clinton: young, brash, cool. No one knew or cared or investigated the state-wide mafia of which he was the figurehead, Arkansas being one of the worst of the fifty states. It didn't matter. It wasn't about ideas. His campaign had a vision: not politics but retail marketing—everyone would want to own a Bill Clinton by that November, and it worked. Bush, the World War II war hero, had an 89% approval rating following the Iraq war, but Greenspan held interest rates high, the economy sputtered going into the election, Ross Perot played the spoiler, and Clinton the baby boomer became president with a mere 43% of the vote.

Clinton inaugurated the New Left to power. The party of labor unions ditched Michael Harrington and spearheaded the PPP, public-private-partnerships. Instead of the Marxist conflict between capital and labor, government would entice big business through incentives to work for the public good. Clinton told supporters: "The change I seek and the change that we must all seek, isn't liberal or conservative. It's different, and it's both." This idea was not new but had been more fully developed by Benito Mussolini sixty years earlier: "Fascism recognizes the real needs which gave rise to socialism and trade unionism, giving them due weight in the guild or corporative system in which divergent interests are coordinated and harmonized in the unity of the State."

The most notable example of the new fascism was in housing. Clinton's Housing and Urban Development Secretary Andrew Cuomo announced a policy to require Fannie Mae and Freddie Mac to finance \$2.4 trillion of mortgages to low- and moderate-income borrowers over ten years. Fannie and Freddie did not issue mortgages—they guaranteed the economic returns, enticing private banks to do the actual subsidy work. And the banks, levered up 30-to-1, could transfer far more wealth than the government could ever hope to do directly.

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Even better, the balance sheets of these government-sponsored entities were not consolidated with the government itself, so Clinton could pretend that the federal deficit was shrinking even as subsidies increased. The shrinking deficit convinced Greenspan to keep rates at absurdly low levels. The stock market boomed. Everyone was a winner. It was bread from stone.

The media also fell to the New Left. The press had operated as a check on political power and was necessarily antagonistic to the political elite. Even if competitive outlets leaned in different political directions, a good scandal sold copy. Jealous of its soft authority, the press collaborated to enforce the unwritten rule that journalists could migrate into direct politics but once so tainted could not return.

George Stephanopoulos destroyed the Fourth Estate. A leading member of Clinton's campaign, he served as White House Communications Director and was notable for zealously defaming the victims of Clinton's sexual harassments. He then departed Clinton's side to provide cover as a political analyst for ABC News and was quickly promoted to be the host of various shows, inaugurating the mainstream media's transformation into a partisan arm of the Democratic Party.

The military was another target of the New Left. In the previous political paradigm, Democrats had ranged from advocates of George Kennan's containment strategy of Soviet Communism to détente, cutting military budgets whenever possible. Republicans ranged from containment to roll-back, which attracted the political support of military contractors. Bush's "New World Order" following the Soviet collapse transformed the U.S. military into the world's policeman to enforce American liberal interests, a policy that the Left could embrace and thereby attract the financial interest of military lobbyists and the political loyalty of the deep-state neocon political apparatus.

The Left could also exert direct cultural control over the two million soldiers and the roughly 4% of the economy that military spending represented to push whatever social agenda it chose, such as promoting transsexuality, wiccans, and furies and experimenting with DEI protocols and vaccination mandates. The social engineering was applied across all government employees and contractors but was particularly pernicious in the military given its mission, the demographics of its members, and that its members had a legal duty to obey commands.

Clinton established tactics consistent with totalitarian states by creating a solid regime, proof against crises. When the Monica Lewinsky scandal broke, and it became clear that Clinton had committed obstruction of justice and subornation of perjury, both felonies, Clinton hunkered down. The White House press office went silent for days. Vice-President Al Gore arrived at the White House that Sunday with a spring in his step. Clinton was done. Senior, venerable Democrats could not brook a felon in office, especially with Gore ready to lead. As with Nixon, they would go to him and force him to resign.

But there *were* no respected, senior figures in the party to push Clinton from office. They were spineless, and Clinton knew it. He simply refused to resign and thereby fused his fate to the party's. Clinton's survival established the principle that party had become more powerful than patriotism and that the political elite were subject to different legal standards than the ordinary citizen (from which principle Hillary Clinton would later become a primary beneficiary).

To distract attention from his domestic troubles, Clinton, without U.N. authorization, ordered a bombing campaign of Serbia. Russia was humiliated by its inability to defend its ally and still cites the action as *casus belli* against the West. Clinton's bombing thus destroyed the first hope of peace between East and West since Alexander the Great. Clinton's military adventure also undermined any moral authority of Bush's New World Order by reestablishing the principle that the U.S. would act militarily in its own interest (or otherwise) regardless of international law.

In the years since Clinton left office, the Left has used its control of the commanding heights of government contractors, education, the media, high finance, and corporate America to expand its power, often with subtle methods.

For example, just two firms, Institutional Shareholder Services and Glass Lewis, control more than 97 percent of the proxy advisory market. Passively-managed funds, such as index funds and exchange-traded funds, which control an ever-growing percentage of equity capital, are constrained to follow the recommendations of proxy advisors (in order to remain passive), giving these two firms effective control over corporate America.

Glass Lewis has a policy that "if less than 30% of the board is female the ESG Policy will vote against the entire incumbent male nominating committee members for large- and mid-cap companies," and "we will carefully review a company's disclosure of its diversity considerations and may refrain from recommending that shareholders vote against directors when boards have provided a sufficient rationale or plan to address the lack of diversity on the board, including a timeline to appoint additional directors from an underrepresented community." It defines "underrepresented community" as "an individual who self-identifies as Black, African American, North African, Middle Eastern, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaskan Native, or who self-identifies as gay, lesbian, bisexual, or transgender." Glass Lewis also warns: "we may recommend voting against responsible directors" where it finds climate disclosures "to be absent or significantly lacking." In other words, directors who do not push leftist social engineering are removed.

ISS is no better. Its CEO recently wrote: "There's thankfully much conversation, many actions and progresses within Diversity, Inclusion & Belonging (DI&B) now.... Two such people I count myself truly lucky to work with are Margot Slattery and Kat Parsons, whose inspirational role-modelling has been recognised and honoured by the @DIVA Magazine awards—an annual celebration of the achievements of LGBTQIA women and non-binary people, and their allies, across business, media, and politics," allies that include ISS.

Education is subject to similar influence. Universities were easy, since most depend on government grants. Once universities began demanding left-wing credentials to gain admittance, high schools were forced to push the same politics if they wanted to maintain college placement statistics.

As for grade schools, the public ones are mostly under the direct control of The Teachers Union, and private schools face the additional pressure of the accreditation organizations. The New York State Association of Independent Schools, for example, "is committed to guiding and supporting all member schools in their effort to create and sustain communities that develop and implement principles and practices underscoring the place of anti-racism, diversity, equity, inclusion, and justice in their students' education and experience. Although there is much work to be done by both NYS AIS and

our member schools, this commitment is a foundational aspect of NYSAIS membership and fundamental to our work.” Racism against those of European descent—for that is what “anti-racism” is—is *foundational* to membership, *fundamental* to their work. If parents wonder why private schools have tilted sharply left, this is the reason: few trustees are willing to jeopardize their school’s accreditation status.

And there is the Federal Reserve, a quasi-government entity of which only professional traders took notice. By 2008 it was directly allocating capital to banks and preferred segments of the economy. A decade later, the intelligentsia was calling for the Fed to allocate credit specifically to left-wing causes. *The New York Times* reported in 2021: “Climate activists and others on the left have argued that Mr. Powell should be replaced by someone with stronger credentials as a climate hawk.... Among other things, they want the Fed to use its regulatory powers to throttle the flow of bank lending to carbon-producing industries.”

Social media did not exist when the New Left captured the country, but it is no surprise that the deep state took control of it the moment it became influential, suppressing right-wing opinions. The Left rages at Elon Musk, a self-described “free speech absolutist,” who has for now liberated one such platform from partisan control. Political operative Robert Reich recently ranted: “Regulators around the world should threaten Musk with arrest if he doesn’t stop disseminating lies and hate on X” because “Musk’s free-speech rights under the first amendment don’t take precedence over the public interest.”

Reich’s framing echoes the left-wing tactics that undermined property rights during Roosevelt’s New Deal. As journalist Garett Garrett observed in 1938:

If the propagandist said, “Down with the Constitution!”—bluntly like that—he would be defeated because of the way the Constitution is enshrined in the American conscience. But he can ask: “Whose Constitution?” That question may become a slogan.... He can ask: “shall the Constitution be construed to hold property rights above human rights?” ... The New Deal’s enmity for that system of free and competitive private enterprise which we call capitalism was fundamental ... [P]rivate capitalism by its very nature limits government.”

Shall the First Amendment take precedence over the public interest? Reich’s stance has political support from Kamala Harris: “[Social media sites] are directly speaking to millions and millions of people without any level of oversight or regulation and that has to stop.” And he has judicial support from DEI Supreme Court justice Ketanji Brown Jackson: “My biggest concern is that your view has the First Amendment hamstringing the government in significant ways.”

The Supreme Court has as yet remained beyond its grasp, which explains the Left’s desperate and growing attempts either to stack the court or to impose term limits. Nevertheless, the Left has filled the lower courts with activist judges: the Trump cases demonstrate that partisanship, not the rule of law, is now the guiding principle.

Clinton declared that “the era of big government is over,” by which he really meant the era of direct government. The era of pervasive indirect government had arrived, executing Mussolini’s mantra: “All within the state, nothing outside the state, nothing against the state.” All of contemporary American political life makes sense when viewed through that lens, especially with the addendum that “state” really means the left-wing political party.

The problem with New Left policies is that they end in disaster, as do all government interventions. Leftist capture resulted in the housing crash and ruined banks, in progressive entertainment no one likes, in airplanes that lose pieces midair, in a military unable to recruit sufficient soldiers, in expensive armaments that are not effective in actual battle; of educational achievement nothing further need be said. The media's credibility staggered on in urban centers, but the stark contrast between media propaganda and Biden's senility on display at the national debate revealed the press for what it is.

Then there is Biden. He followed Clinton's example of simply refusing to withdraw from his campaign in a similar attempt to link the party's fate with his. It may well have worked, except that credible rumors have it that Biden experienced a transient ischemic attack during his visit to Las Vegas (20% of TIAs lead to a full stroke within seven days, the reason Biden was then isolated). There are related rumors that Pelosi threatened removal under the 25th Amendment unless he withdrew.

Instead of Clinton's political success, Biden's intransigence prevented a process that may have produced a palatable candidate: to avoid an internecine battle, the Democrats were stuck anointing the deeply unpopular Kamala Harris, who then selected a running mate even more radical and ridiculous. No one credibly believes she can win an actual election, so the only question is the effectiveness of Democrat vote harvesting and cheating, both legal (such as consent decrees between left-wing attorneys general and left-wing advocacy groups that alter voting protocols, which the Constitution specifies are the sole purview of state legislators) and illegal.

The New Left lies on the edge of failure. Its crazy social engineering, such as promoting trans-genderism, has offended its core constituents of blacks and Hispanics. Its support of terrorists has alienated Jews. Universities in red states and some corporations are already rolling back DEI. The deficit increases at an unmanageable pace: according to the CBO, direct federal spending now equals 24.2% of GDP, and net interest expense now exceeds defense spending, which historian Niall Ferguson argues heralds the end of empire.

And the world resides in the greatest credit bubble in history, with the U.S. at its center. Trump knows it. In his 2016 campaign he declared: "[We must] reduce our \$18 trillion in debt, because, believe me, we're in a bubble." And he knew what had caused the bubble: "If rates go up, you're going to see something that's not pretty. It's all a big bubble." And he knew who was responsible: "Janet Yellen is highly political and she's not raising rates for a very specific reason, because Obama told her not to, because ... he doesn't want to see a big bubble burst during his administration."

But Trump embraced the bubble once in office. He staffed the top two positions at the Treasury Department with veterans of Goldman Sachs. He was conciliatory to his inherited Federal Reserve Chairman Janet Yellen: "She's always been a low-interest-rate person, and let's be honest, I'm a low-interest-rate person." With rates low, Trump and the Republicans saw no barrier to spending borrowed money at an ever vaster scale: total federal debt surged 20 percent in the first three years of Trump's presidency, before COVID struck.

Trump is repeating the pattern. On July 17, Trump warned Powell not to lower interest rates before the election: "It's something that they know they shouldn't be doing." Yet he told Bloomberg the day before that "Trumponomics" equates to "low interest rates and taxes." He wants to play FDR to Biden's Hoover. But it is too late for a big economic crash, meaning a victorious Trump will be stuck trying to keep the bubble alive through lower taxes, money printing, and lower interest rates.

We support Trump for cultural reasons: The Left's flooding the country with illegal immigrants especially from cultures that are inherently incompatible with Greco-Christian ideals undermines the safeguards to individual liberty, the basis of free markets and wealth creation and also the foundation of scientific inquiry (which is necessary to ward off an otherwise Malthusian world).

We support Trump for political reasons: the Left has been consistent and clear that the next time it controls both the presidency and the Congress it will abolish the remainder of the filibuster, pack the Supreme Court, and add D.C. and possibly Puerto Rico as states to create a permanent, one-party state, completing Clinton's program. A quick look at Venezuela, or twentieth century Argentina or Mexico or Russia, or 1920s Germany or Italy, or a host of others reveals where that path must lead.

We support Trump for geopolitical reasons: Trump is only the second president since Herbert Hoover not to initiate military interventions abroad (the other being Carter). The U.S. has spent \$24 trillion on military spending over the past thirty years, which is \$4 trillion more than the U.S. spent over the previous thirty years during the Vietnam War and the Cold War (figures CPI-adjusted to 2024 dollars).

The problem is not just the money wasted, or even the absence of what those funds could have produced had they been invested by the market, or even the money printing necessary to fund the wars, but also the millions of dead, both American and foreign. The needless wars have weakened American hegemony, fracturing the global market. They now open the door to nuclear exchanges. And war calls for more war. Blinken explicitly defended Biden's adventure in Ukraine in economic terms: "If you look at the investments we've made in Ukraine's defense to deal with this [Russian] aggression, ninety percent of the security assistance that we provided has actually been spent here in the United States with our manufacturers, with our production, and that's produced more American jobs and more growth in our own economy."

Blinken is not the first to make this absurd argument: In 1850, Frédéric Bastiat had to ask, rhetorically: "If, all things considered, there is a national profit in increasing the size of the army, why not call the whole male population of the country to the colors?" Why not call the females as well, which Senate Democrats are attempting by expanding the draft (the image below was parody when it was published in 2016, now becoming reality).



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Bastiat's question answers itself: effort spent on blowing things up destroys the wealth of aggressor and victim both. And, as John T. Flynn warned in 1938: "You cannot have a war industry without a war scare; and having built it and made it the basis of work for several million men you cannot demobilize it and you will have to keep on inventing reasons for it." Trump may not have ended the wars, but at least he did not initiate any new ones.

We note, however, that Trump's economic proposals—internal improvements protected by high tariffs—was the original program of the Republican Party. Lincoln ran on the same platform: "My politics can be briefly stated. I am in favor of the internal improvement system, and a high protective tariff." The Republicans were swept into office after the Panic of 1857, and their policies led to conflict among the states, fiat money printing, a huge bubble, monetary devaluation, massive industry concentration, and the first, great gold bull market. "America First" does not mean austerity.

A Harris victory would be worse. Government spending under Trump would be directed at least in part toward productive ends, and the U.S. would develop its own internal national resources, not preventing but perhaps mitigating the massive inflation Trump's tariffs and deficit spending would bring. Harris would simply ramp up tax rates on the productive (with little change in revenue) and transfer payments to the unproductive, exploding the deficit. She probably knows this. Her father is an economics professor specializing in Marxism, and she no doubt has Vladimir Lenin's program in mind: "The way to crush the bourgeoisie is to grind them between the millstones of taxation and inflation." More war helps too.

Perhaps the most shocking thing about Harris's campaign is that she has any measurable support at all, depressing confirmation that Obama fulfilled his closing campaign promise: "We are five days away from fundamentally transforming the United States of America."

Whoever wins the election, it is clear that U.S. deficit spending will continue to increase until the bond market cracks. Gold loves it. Gold does not like the growth of a credit bubble, the reason it underperformed badly in the 1980s and again after Bernanke reinflated the bubble in the 2010s. Gold loves a credit collapse, especially when governments start debasing the currency to mitigate the collapse.



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