



# Myrmikan Research

February 13, 2020

Daniel Oliver  
Myrmikan Capital, LLC  
doliver@myrmikan.com  
(646) 797-3134

## Leninthink

Those trying to make sense of the impeachment proceedings need look no further than Gary Morson’s article “Leninthink” in the October 2019 edition of the *New Criterion*. The Democrats’ strategy followed Lenin’s advice completely: “First, let’s stick the convict’s badge on him, and then after that we’ll examine his case.”

Impeachment chatter began even before Trump was considered a viable candidate. The *New York Daily News* published a succinct editorial on March 2, 2016: “Impeach Trump: It’s not too early to start.”<sup>1</sup> Six days after the election, *Vanity Fair* reported that: “‘Trump’ and some variant of ‘impeach’ have already appeared in 37 newspaper headlines.”<sup>2</sup> On Inauguration Day, the *Washington Post* blared the headline: “The campaign to impeach President Trump has begun.”<sup>3</sup>

The initial articles of impeachment were to be based on the fact that Trump is a businessman: “Ethics experts have warned that his financial holdings could potentially lead to constitutional violations and undermine public faith in his decision-making.”<sup>4</sup> The theory was that because the administrative state is so enormous and meddlesome, Trump’s command of it would offer irresistible temptations for corruption with regard to his personal business. Translation: political office is fit only for the political class.

The second proposed article was a violation of the Foreign Emoluments Clause, which prohibits a president from accepting a benefit from a foreign leader or government. A Chinese bank rents space in the Trump Tower in New York, and foreign diplomats stay at the Trump International Hotel in Washington. Therefore, an officer of the ACLU charged, “We think that President Trump will be in violation of the Constitution and federal statutes on day one.”<sup>5</sup>

When this absurd strategem failed to gain traction, Democrats shifted focus to Russia. As a refresher, the Trump-is-a-Russian-mole hoax had two separate origins. The first began when a low-level member of the Trump campaign, George Papadopoulos, met a Maltese professor, Joseph Mifsud. Mifsud told Papadopoulos that Russia had the missing Hillary Clinton emails and was prepared to release them

---

1 <https://www.nydailynews.com/opinion/impeach-trump-article-1.2549541>

2 <https://www.vanityfair.com/news/2016/11/will-trump-be-impeached>

3 <https://www.washingtonpost.com/news/post-politics/wp/2017/01/20/the-campaign-to-impeach-president-trump-has-begun/>

4 Ibid.

5 Ibid.

NOTE: This material is for discussion purposes only. This is not an offer to buy or sell or subscribe or invest in securities. The information contained herein has been prepared for informational purposes using sources considered reliable and accurate, however, it is subject to change and we cannot guarantee the accurateness of the information.

to help Trump. *The Hill* reports that: “Once Mifsud conveyed the information to him, Papadopoulos began getting overtures from Western and U.S. intelligence.”<sup>1</sup>

First, two officials at the U.S. Embassy in London probed Papadopoulos for information about Trump and Russia. Then a U.S. intelligence asset named Stefan Halper offered Papadopoulos \$3,000 to meet in London and write a paper on foreign policy. When the two met in person, Halper grilled Papadopoulos about Hillary Clinton’s hacked emails, Russia’s involvement, and how it may have benefited the Trump campaign.<sup>2</sup>

An Israeli diplomat close to the Obama State Department also befriended Papadopoulos and introduced him to his girlfriend, who purportedly worked for Australian intelligence. The girlfriend set up a meeting between Papadopoulos and the Australian ambassador to Britain. It was at that point that Papadopoulos—perhaps trying to impress his new high-level contact or generally unable to keep such juicy gossip to himself—repeated what Mifsud had told him. The Australian ambassador promptly reported the exchange to the FBI, which used the information as a pretext to launch Operation Crossfire Hurricane, the investigation into the Trump campaign’s senior officials.

It is difficult to believe that the FBI actually thought that a low-level employee would be privy to high-level treasonous activity and then proceed to brag about it to a foreign ambassador. In fact, the Inspector General’s report on Crossfire Hurricane reveals that Papadopoulos told an FBI CHS (confidential human source, i.e., Halper): “as far as I understand ... no one’s collaborating, there’s been no collusion and it’s going to remain that way.”<sup>3</sup>

Papadopoulos believes Mifsud is a Western intelligence asset, as does Mr. Mifsud’s own lawyer, who reports that his client vanished after the Mueller report was published. Halper is similarly suddenly scarce. The obvious implication is that the FBI arranged to entrap Papadopoulos so that it could launch an investigation based on information that it itself had planted.

The second origin of the Russia hoax was the dossier written by Christopher Steele, a former MI6 operative, alleging that Trump committed all manner of improprieties during a visit to Moscow. The dossier was prepared under contract for the U.S. research firm Fusion GPS and was paid for by the Clinton campaign and the Democratic National Committee with funds funneled through the DNC’s private law firm, Perkins Coie.

The Inspector General’s report concludes that the FBI knew that the dossier was a political hit job: “Steele’s handling [FBI] agent told us that when Steele provided him with the first election reports in July 2016 and described his engagement with Fusion GPS, it was obvious to him that the request for the research was politically motivated. The supervisory intelligence analyst who supervised the analytical efforts for the Crossfire Hurricane team (Supervisory Intel Analyst) explained that he also was aware of the potential for political influences on the Steele reporting.”<sup>4</sup>

---

1 <https://thehill.com/hilltv/rising/412836-a-convenient-omission-trump-campaign-adviser-denied-collusion-to-fbi-source>

2 <https://www.washingtonexaminer.com/news/stefan-halper-the-cambridge-professor-the-fbi-sent-to-spy-on-trump>

3 [https://www.justice.gov/storage/120919-examination.pdf?mod=article\\_inline](https://www.justice.gov/storage/120919-examination.pdf?mod=article_inline)

4 [https://www.justice.gov/storage/120919-examination.pdf?mod=article\\_inline](https://www.justice.gov/storage/120919-examination.pdf?mod=article_inline)

In September 2016, Steele provided a reporter at *Yahoo News* some details from the dossier, which *Yahoo* duly published. The FBI then used the *Yahoo* article as independent evidence that the allegations in the Steele dossier were correct and went to the United States Foreign Intelligence Surveillance Court (FISA) to get authorization for surveillance warrants against members of the Trump campaign.

The FBI not only included information it knew was spurious in its FISA applications, it withheld from the court exculpatory information. The Inspector General report concluded: “The Crossfire Hurricane team failed to inform Department officials of significant information that was available to the team at the time that the FISA applications were drafted and filed. Much of that information was inconsistent with, or undercut, the assertions contained in the FISA applications that were used to support probable cause and, in some instances, resulted in inaccurate information being included in the applications.”<sup>1</sup>

There was exculpatory evidence everywhere the FBI looked because the whole investigation was based on the bogus dossier and the fabricated accusations against Papadopoulos. Attorney General William Barr recently commented: “I just think that by the time the president entered office—around that time—[it was] becoming clear that there was no basis to these allegations not just the [Christopher Steele] dossier falling apart, but the information that they were relying on as to Page and to Papadopoulos.”<sup>2</sup>

FBI agent Peter Strzok managed Crossfire Hurricane from its inception to May 2017, when he joined special council Robert Mueller’s team. In August 2016, Strzok texted Lisa Page, the FBI attorney with whom he was having an affair: “I want to believe the path you threw out for consideration in Andy’s [Andrew McCabe, Deputy Director of the FBI] office that there’s no way Trump gets elected—but I’m afraid we can’t take that risk. It’s like an insurance policy in the unlikely event you die before you’re 40.”

Strzok also texted Page in May 19, 2017. “There’s no big there there.” *The Hill* reports:

Strzok declined to say [what the text meant]—but Page, during a closed-door interview with lawmakers, confirmed in the most pained and contorted way that the message in fact referred to the quality of the Russia case, according to multiple eyewitnesses.

The admission is deeply consequential. It means Rosenstein unleashed the most awesome powers of a special counsel to investigate an allegation that the key FBI officials, driving the investigation for 10 months beforehand, did not think was “there.”<sup>3</sup>

Nevertheless, for two years, former FBI chief Mueller hounded the president and his associates. For two years Mueller’s team leaked “bombshells” to the mainstream press. The veracity of the charges were irrelevant. As Morson writes:

In Lenin’s view, a true revolutionary did not establish the correctness of his beliefs by appealing to evidence or logic, as if there were some

---

1 [https://www.justice.gov/storage/120919-examination.pdf?mod=article\\_inline](https://www.justice.gov/storage/120919-examination.pdf?mod=article_inline)

2 <https://www.washingtontimes.com/news/2019/dec/23/fbi-targeted-trump-associates-informants/?cache>

3 <https://thehill.com/hilltv/rising/397902-opinion-one-fbi-text-message-in-russia-probe-should-alarm-every-american>

standards of truthfulness above social classes. Rather, one engaged in “blackening an opponent’s mug so well it takes him ages to get it clean again.”

One of Russia hoax’s most virulent media proponents, Rachel Maddow, actually conceded the point. Television network OAN recently sued Maddow for defamation because she claimed on air that OAN: “really, literally is paid Russian propaganda.” Her defense motion reads in part: “the liberal host was clearly offering up her ‘own unique expression’ of her views to capture what she saw as the ‘ridiculous’ nature of the undisputed facts. Her comment, therefore, is a quintessential statement ‘of rhetorical hyperbole, incapable of being proved true or false.’”<sup>1</sup> It would be more accurate to say that there are no standards of truthfulness above left-wing political classes. As Morson reports: “A true Leninist does not decide whether to lie. He automatically says what is most useful, with no reflection necessary.”

Mueller’s report was disastrous for the Russia collusion narrative, but no matter—its purpose had already been achieved: to blacken Trump’s mug. And the left quickly manufactured a new impeachment strategem to continue the offense: Trump’s phone call to the president of Ukraine.

First, some background facts drawn from reporting by John Solomon:<sup>2</sup> In May 2013, Hunter Biden, son of then vice-president Joe Biden, was discharged from the military after testing positive for cocaine. Less than a year later, Hunter was hired by Burisma Holdings, a Ukrainian natural gas company, which paid him \$166,666 per month. In December 2015, Joe Biden learned that Burisma was under investigation by Ukrainian Prosecutor General Viktor Shokin. State Department officials notified Biden that they viewed Burisma as corrupt and that Hunter’s involvement created a conflict of interest.

After raiding the home of Mykola Zlochevsky, Burisma’s owner, Shokin began preparing to interview Hunter. Burisma’s American representatives lobbied the State Department in late February 2016 to help end the corruption allegations against the company, specifically invoking Hunter’s name as a reason to intervene. Shokin was fired in March. In 2018, Biden boasted on videotape that he personally arranged for Shokin’s termination by threatening to withhold \$1 billion in aid from Ukraine: “I said, you’re not getting the billion. I’m going to be leaving here in, I think it was about six hours. I looked at them and said: I’m leaving in six hours. If the prosecutor is not fired, you’re not getting the money. Well, son of a bitch. (Laughter.) He got fired.”<sup>3</sup>

On July 25, 2019, three months after the Muller report exonerated the Trump campaign, Trump phoned Ukraine’s newly-elected president Volodymyr Zelensky. During the call, Trump told Zelensky: “There’s a lot of talk about Biden’s son, that Biden stopped the prosecution and a lot of people want to find out about that so whatever you can do with the Attorney General would be great. Biden went around bragging that he stopped the prosecution so if you can look into it... It sounds horrible to me.”<sup>4</sup>

---

1 <https://culttture.com/2019/rachel-maddow-argument-against-oan-lawsuit-is-her-words-should-not-be-believed/>

2 <https://johnsolomonreports.com/responding-to-lt-col-vindman-about-my-ukraine-columns-with-the-facts/>

3 [https://www.realclearpolitics.com/video/2019/09/27/flashback\\_2018\\_joe\\_biden\\_brags\\_at\\_cfr\\_meeting\\_about\\_withholding\\_aid\\_to\\_ukraine\\_to\\_force\\_firing\\_of\\_prosecutor.html](https://www.realclearpolitics.com/video/2019/09/27/flashback_2018_joe_biden_brags_at_cfr_meeting_about_withholding_aid_to_ukraine_to_force_firing_of_prosecutor.html)

4 <https://www.whitehouse.gov/wp-content/uploads/2019/09/Unclassified09.2019.pdf>

President Clinton in 1998 signed a treaty with Ukraine that states that the two countries “shall provide mutual assistance, in accordance with the provisions of this Treaty, in connection with the investigation, prosecution, and prevention of offenses, and in proceedings related to criminal matters.”<sup>1</sup>

On August 12, Eric Ciaramella filed a whistler-blower complaint that stated that Trump “sought to pressure the Ukrainian leader to take actions to help the President’s 2020 reelection bid” because Trump had requested an investigation into Biden and had withheld military aid as a *quid pro quo*.<sup>2</sup>

Trump had instructed the Pentagon to withhold military aid to Ukraine well before the call. There was no mention of aid on the call. Low-level Ukrainian officials became aware that aid was being withheld a week after the call, but Zelensky has said he did not know about the hold until late August, demolishing the accusation that Trump demanded a *quid pro quo*. The funds were later released.

Ciaramella is a CIA analyst who worked for Biden on Ukrainian issues and had met with Ukrainian prosecutors investigating Burisma at the White House in January 2016.<sup>3</sup> Ciaramella had also previously worked with Obama’s CIA chief John Brennan and Ukrainian-American lawyer Alexandra Chalupa. Chalupa had solicited Ukrainian officials in April 2016 for dirt on Trump campaign manager Paul Manafort. According to the Ukrainian embassy: “All ideas floated by Alexandra were related to approaching a Member of Congress with a purpose to initial hearings on Paul Manafort [during Trump’s campaign].... We said no to all.”<sup>4</sup>

Ciaramella was not one of the dozen people party to Trump’s call with Zelensky and thus was ineligible to file a whistle-blower complaint. In September, the Intelligence Community Inspector General eliminated the requirement that whistle-blowers provide first-hand evidence to support allegations of wrongdoing and then back-dated the change to August in order to encompass Ciaramella’s complaint.<sup>5</sup>

The whistle-blower form required Ciaramella to disclose whether he had contacted other entities, including “members of Congress.” Ciaramella left this entry blank. In fact, Ciaramella had met with Adam Schiff, chairman of the House Intelligence Committee before filing the complaint. Schiff also denied the meeting but was subsequently forced to admit the meeting did occur, suggesting that Schiff had coached Ciaramella on how to proceed.<sup>6</sup>

The day after Trump’s call, Schiff hired Sean Misko, a friend and former colleague of Ciaramella. Two other former co-workers have told investigative reporters that they overheard Ciaramella and Misko discussing how to “take out” Trump shortly after he had taken office. Misko helped run the impeachment inquiry as a top investigator for congressional Democrats.<sup>7</sup>

---

1 <https://www.state.gov/wp-content/uploads/2019/02/12978-Ukraine-Law-Enforcement-MLAT-7.22.1998.pdf>

2 <https://www.nytimes.com/interactive/2019/09/26/us/politics/whistle-blower-complaint.html>

3 [https://www.realclearpolitics.com/articles/2020/02/05/forget\\_moving\\_on\\_142315.html](https://www.realclearpolitics.com/articles/2020/02/05/forget_moving_on_142315.html)

4 <https://www.scribd.com/document/432699412/Ukraine-Chaly-Statement-on-Chalupa-042519>

5 <https://thefederalist.com/2019/10/07/intel-community-ig-stonewalling-congress-on-backdated-whistleblower-rule-changes/>

6 <https://www.washingtonexaminer.com/news/schiff-hired-former-nsc-colleague-of-alleged-whistleblower-eric-ciaramella-the-day-after-trumps-ukraine-call>

7 [https://www.realclearinvestigations.com/articles/2020/01/22/whistleblower\\_was\\_overheard\\_in\\_17\\_discussing\\_with\\_ally\\_how\\_to\\_remove\\_trump\\_121701.html](https://www.realclearinvestigations.com/articles/2020/01/22/whistleblower_was_overheard_in_17_discussing_with_ally_how_to_remove_trump_121701.html)

The Democrat-controlled House impeached Trump on two charges: “abuse of power” because of the alleged *quid pro quo* and “obstruction of Congress” because the administration failed to turn over various subpoenaed documents. Instead of going to the courts to demand that their subpoenas be honored, as all previous Congresses have done, the Democrats simply claimed that the House has the “sole Power of Impeachment” and therefore its subpoenas are beyond judicial review. Congresswoman Maxine Waters asserted: “Impeachment is whatever Congress says it is. There is no law.”

Waters is wrong. The Constitution says that impeachment may be applied only in the cases of “Treason, Bribery, or other high Crimes and Misdemeanors,” and neither article passed by House Democrats alleged a crime. As Alan Dershowitz testified: “Quid pro quo alone is not a basis for abusive power. It’s part of the way foreign policy has been operated by presidents since the beginning of time.” And even if Trump did abuse power, “abuse of power” is not a crime in the same way that “dishonesty” is not a crime. Dershowitz pointed out that “maladministration” was proposed and rejected as a criterion for impeachment at the Constitutional Convention. James Madison himself had it removed: “So vague a term will be equivalent to a tenure during the pleasure of the Senate.”

As for the second article of impeachment, Dershowitz testified:

The legislature is not the constitutional judge of its own powers including the power to issue subpoenas. The courts were designated to resolve disputes between the executive and legislative branches and it cannot be an obstruction of Congress to invoke the constitutional power of the courts to do so.

A Federal court recently made the exact same point in a trial over the impeachment of a judge:

Impeachments are not political in nature. To impeach an Article III Judge, the judge must be brought up on real charges, i.e., High Crimes and Misdemeanors, and receive a real trial before the full Senate as clearly required by the Constitution.... There is no basis to interpret the Constitution to allow the removal of a judge for political reasons. To do so would be the antithesis of creating and sustaining an independent judiciary. If Senate counsel is correct, then President Roosevelt should have pursued impeachment of the Supreme Court justices who declared a number of his laws unconstitutional rather than a “court packing” plan that ultimately failed.<sup>1</sup>

The Democrats’ impeachment effort was conceived by deeply corrupt partisans and was constitutionally defective on its face. Yet 229 out of 233 Democratic representatives and 45 out of 45 Democratic senators voted for impeachment. The media also supported the effort with a unified voice: according to Media Research Center, reporting on the impeachment by ABC, NBC, and CBS was 93% anti-Trump.<sup>2</sup>

The reporting fit the Leninist pattern Morson identifies: “When a criticism of the true ideology is advanced, or when embarrassing facts come out, everyone learns a particular answer. One neither believes nor disbelieves the answer; one demonstrates one’s loyalty by saying it. It is interesting to be present when the answer is still being

<sup>1</sup> <https://law.justia.com/cases/federal/district-courts/FSupp/802/490/1650372/>

<sup>2</sup> <https://www.washingtontimes.com/news/2020/jan/13/tradition-continues-obsessive-broadcast-coverage-o/>

rehearsed.” See this [video montage](#) of the press repeating their lines. Media rhetoric is not based on evidence or logic; talking-heads merely repeat Democratic Party slogans to demonstrate loyalty; it is “rhetorical hyperbole,” incapable of being proved true or false.

Many on the right, such as Barr, have wondered: “What if the shoe were on the other foot?” What if the FBI had been shown to have interfered with Obama’s campaign? What if Republican operatives had been caught actively undermining Obama’s administration? Morson answers by quoting Trotsky:

You do not understand this, holy men? We shall explain it to you. The terror of Tsarism was directed against the proletariat.... Our Extraordinary Commissions shoot landlords, capitalists, and generals.... Do you grasp this—distinction?

In other words, the pursuit of power entirely justifies the means. *There is no law* for Leninists.

Investors should care about this recent history because of what it portends if and when the left recaptures political power in Congress and the presidency. The issue is not whether Republicans or Democrats have better policies for the country, the world, or various factions. The import is that the left has demonstrated it is willing to undermine political institutions while out of power, and it has promised to be even more virulent the next time it gets back into power.

Elizabeth Warren has been the most vocal supporter of destroying America’s institutional safeguards: she has proposed eliminating the filibuster, which fifty-one Senators may do.<sup>1</sup> A Democrat-controlled Senate could then increase the number of justices on the Supreme Court—no constitutional amendment is required—and appoint radical left-wing justices, the court-packing idea that appalled Roosevelt’s allies, who were more concerned with institutional integrity than political gain.<sup>2</sup> With the court neutered, Democrats could pass unpopular ideas, such as the abolition of private health insurance,<sup>3</sup> and plainly unconstitutional proposals, such as a wealth tax.<sup>4</sup>

Many of the Democratic presidential candidates support most or all of Warren’s progressive tactics, except front-runner Bernie Sanders, who is too clever to advocate such a direct assault on American institutions. Instead, Sanders has declared: “I can tell you that a vice president in a Bernie Sanders administration will determine that Medicare for All can pass through the Senate under reconciliation and is not in violation of the rules.”

Reconciliation rules allow a Senate majority to bypass procedural safeguards in order to reconcile bills with the House efficiently so that they can be sent to the President. The problem is that the so-called Byrd Rules exclude from the reconciliation process bills that “don’t change the overall level of spending or revenue” (that create vast regulatory burdens, for example) and also those that increase deficits beyond the 10-year budget window, which Medicare for All and the Green New Deal would obviously do.

---

1 <https://www.politico.com/story/2019/04/05/elizabeth-warren-filibuster-2020-election-1259196>

2 <https://www.politico.com/story/2019/03/18/2020-democrats-supreme-court-1223625>

3 <https://www.politico.com/story/2019/06/26/warren-private-insurance-medicare-1558522>

4 <https://www.nytimes.com/2019/11/07/opinion/wealth-tax-constitution.html>

Left-wing news site Vox Media explains that the Sanders strategy is “arguably more radical than simply abolishing the filibuster”:

The way the budget reconciliation rules are enforced is that senators raise points of order against bills, the Senate parliamentarian makes a judgment on whether the point of order is correct, they give that judgment to the presiding officer of the Senate (in this case, the vice president), and the presiding officer makes the actual ruling.

By custom, the presiding officer follows the advice of the parliamentarian—but there’s nothing forcing him or her to do so.

What Sanders is saying is that he will command his vice president to ignore the parliamentarian’s advice and simply rule that anything he wants to do is permissible under reconciliation.<sup>1</sup>

Sanders’s strategy is much more sophisticated than the others because it adheres to Aristotle’s maxim:

For the people do not easily change, but love their own ancient customs; and it is by small degrees only that one thing takes the place of another, so that the ancient laws will remain, while the power will be in the hands of those who have brought about revolution in the state.

Abolishing the filibuster would be like banning apple pie, censoring Jimmy Stewart in *Mr. Smith Goes to Washington*. But who ever heard of the Byrd Rules?

Sanders’s plan for undermining the Supreme Court is similarly oblique. Unlike the other candidates, he does not want to pack the court with an extra two or five justices; he argues he can demote current justices: “A federal judge has a lifetime appointment, [but the Constitution] doesn’t say that lifetime appointment has to got be on the Supreme Court—it’s got to be on a federal court.”

Alternatively, Sanders could follow a strategy advocated by a recent article published in the *Yale Law Journal*: all federal circuit court judges (currently 179 of them) would become associate justices of the Supreme Court; then “the Supreme Court would hear cases as a panel of nine, randomly selected from all the Justices.”<sup>2</sup> Since the president can rapidly populate the federal judge population if assisted by a compliant Senate, the result would be the same, if not better than the court-packing scheme. Note that the filibuster has already been abolished for judicial nominees (by Democrats in 2013 for non-Supreme Court justices and by Republicans in 2017 for Supreme Court justices).

Sanders is not a Democrat; he is an avowed socialist; he is the front-runner to become the Democratic nominee: the PredictIt market suggests that Sanders has a 45% chance of being nominated.<sup>3</sup> His administration (or Warren’s or any of the progressives) would be within the current legal forms, but—if the Democrats should retain the House and capture Senate as well—it would also be, as the left under Trump has shown us, “totally unlimited by any laws, totally unrestrained by absolutely any rules, and based directly on force,” Lenin’s definition of dictatorship.

---

1 <https://www.vox.com/platform/amp/policy-and-politics/2019/4/11/18306132/bernie-sanders-filibuster-budget-reconciliation-medicare-60-votes>

2 <https://www.vox.com/2020/2/11/21131583/bernie-sanders-supreme-court-rotation-lottery>

3 <https://www.predictit.org/markets/detail/3633/Who-will-win-the-2020-Democratic-presidential-nomination>



The U.S. is only one election away from following the same path Britain followed in the 1950s, 60s, and 70s. As former Congressman and current MSNBC host Joe Scarborough recently tweeted: “Democrats have won the popular vote 6 of the last 7 elections. They won a record landslide in 2018. Demographics are a freight train carrying them into the future.”

Sander’s spending proposals, according to the *City Journal*, “would cost as much as \$97.5 trillion over the next decade, and total government spending at all levels would surge to as high as 70 percent of gross domestic product. Approximately half of the American workforce would be employed by the government. The ten-year budget deficit would approach \$90 trillion, with average annual deficits exceeding 30 percent of GDP.”<sup>1</sup> It is a recipe for hyperinflation, if the money market is allowed to operate, or draconian price controls. How many investors have positioned themselves for this potential outcome?

Right now the futures markets give Sanders a 27% chance of becoming president and Trump 55%. The election is Trump’s to lose, but a severe enough market crash could change that very quickly. Even assuming Trump wins a second term, the fiscal situation is dire. The Congressional Budget Office projects that under current law, debt held by the public will grow from \$18 trillion today to \$31 trillion by 2030 and \$117 trillion by 2050. And the CBO does not assume a recession in its forecasts. And Congress and Trump are not going to cut spending. What will each dollar be worth once the government has promised to repay \$117 trillion of them?

History shows clearly what happens to currencies that must support debts of such size. But that won’t stop the politicians. As Lenin said, “Who told you a historian has to establish the truth?”

Myrmikan’s December letter argued that the money to get gold to \$10,000/oz has already been printed. If Trump wins reelection, they will have to print a lot more to fund spending deficits, especially if the market crashes and the Keynesian “automatic stabilizers” deploy. If Sanders wins, there may not be any money: Lenin intentionally hyperinflated the ruble to move to a cashless society—why not Sanders?

---

1 <https://www.city-journal.org/bernie-sanders-expensive-spending-proposals>



**MYRMIKAN CAPITAL LLC**

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and delete the material from your computer.

The material contained herein is for discussion purposes only and is not an offer to buy or sell securities. It has been prepared using sources considered reliable and accurate, however, it is subject to change and the accurateness of the material cannot be guaranteed.