

“Who is John Galt?”

Something remarkable happened this past week. Atlas finally shrugged, and the entire world felt it.

[Atlas Shrugged](#), Ayn Rand's 1957 classic novel about the economic carnage caused by big government running amok should be required reading for every member of Congress, political appointee and bureaucrat in the US Government. Our current politicians are committing the very same acts of economic suicide that "Atlas Shrugged" parodied. It became an instant best seller and has since sold more than 10 million copies worldwide in the last 60 years.

For any readers unfamiliar with Ayn Rand's magnus opus, the moral of the story is simply this: Politicians invariably respond to crises -- that in most cases they themselves created -- by spawning new government programs, laws and regulations. These, in turn, generate more havoc and poverty, which inspires the politicians to create more programs . . . and the downward spiral repeats itself until the productive sectors of the economy collapse under the collective weight of taxes and other burdens imposed in the name of equity and inclusion. Her novel was very prescient and is very helpful to understand what is going on in our country today and how governmental responses may affect the global financial markets for years to come.

In “Atlas Shrugged,” every new act of government futility and stupidity carries with it a benevolent sounding title. These include the "Anti-Greed Act" to redistribute income and the "Equalization of Opportunity Act" to prevent people from owning more than one business (to give other people a chance) and the "Anti Dog-Eat-Dog Act," which aimed to restrict competition between firms and thus slow the wave of business bankruptcies. These relentless wealth redistribution programs are disparaged by the common man who feels as if he cannot make a difference in such a world and therefore says “Who is John Galt?” Why ask questions that nobody can answer, or worse, why even bother? We feel the same way when we hear about the “Green New Deal” and the “Inflation Reduction Act” knowing fully that they will not make a difference in dealing with the problems (inflation nor energy dependence) created by our same politicians. Case in point, the “Broadband Equity Access and Deployment Program” (or “BEAD”) was

passed in 2021 and has spent \$42.5 billion dollars yet has not connected one single rural home to high-speed internet service since Mr. Biden signed it in to law.

Atlas shrugged last week during the first ten minutes of the Presidential debate, and it could be felt world-wide! It was exactly at that moment when President Biden started to blather on incoherently that **everyone** watching, whether Republican or Democrat, American or foreigner, knew that the world just changed forever. Whomever you were watching the debate with (or texting with) all had the same shocked expression of disbelief! Was he having a stroke or is he really this senile?

You may have been flabbergasted and sadly confused because you had been told for the last four years (including up to hours before the debate last week) that Biden was as “sharp as a tack” and definitely up for another four years as Leader of the free world. You now feel duped by the White House press corps for *willfully* covering up his condition during an entire election cycle, thereby affecting your vote not only in recent primaries, but probably back during the Presidential election in 2020 as well.

Or perhaps you were a fellow traveler who suspected all along that the Emperor had no clothes and knew we were being lied to by the White House for the last 3 ½ years. We’ve been lied to by the Democratic machinery in DC and manipulated by a complicit mainstream media on the nightly news *for years*, and yet somehow **now** they’ve come to see the light only after the debate performance? This vindication didn’t even feel good, as you now feel really scared knowing that for the many years our country had a severe lack of leadership, both at home and abroad during these uncertain geopolitical times. The wars in Ukraine/Russia and Israel/Hamas/Iran, as well as China’s recent land grabs in the South China Sea, should make everyone shutter at the thought that we are either leaderless or being led by unelected bureaucrats. Hopefully our adversaries do not take advantage of this perceived lack of leadership and ratchet up geopolitical tensions prior to the November elections. Yet another reason to remain cautious on the financial markets.

The ramifications for the financial markets will play out over the next six months in parallel to the timing of the Presidential election. The markets will take their cue from whomever is leading the polls and most likely to take the White House. Interestingly

enough, the markets barely reacted to the devastating debate performance by Biden. Maybe the markets already know the outcome of the election...

If it is Biden (or his replacement), look for continued market uncertainty and volatility, as well as deserved skepticism after years of being gaslighted by those currently in power. The people will question motives and responses much more so going forward under any administration. Look for more wasteful spending and new versions of the “Dog-Eat-Dog Act” if the Democrats manage to hold on to power. Should this happen, our **Double Eagle** portfolio strategy will shift to one of protection of principle at all costs, as the environment for continued economic growth will continue to decline as it has for the last two years. We’ll look to increase our exposure to Treasury Bills, gold, oil and very boring dividend paying companies. Why? Because the people may be tired of being lied to and go on strike. People will choose to stop working, retire early, even go on the dole; because what is the point? ***Who is John Galt?***

(side note; the original working title of Ayn Rand’s book was “The Strike”)

Should Trump retake the White House, all within the markets will not be peaches & cream either. In order to get inflation under control and protect the jobs market, the Fed will still have to wring the excess liquidity out of the banking system, the excess money supply that was caused by Biden’s never ending trillion dollar stimulus packages. This may cause a recession in Q4 of ’24 or Q1 of ’25, but it is a necessary evil to combat inflation. This would lead to **Double Eagle’s** positioning of our portfolios with longer dated Government bonds before interest rates fall, creating an 80/20 or 70/30 portfolio to take advantage of what should be an excellent US stock market as Trumpian policies cut regulations on companies, allowing for the release of the “animal spirits” that have been constrained for the last four years.

Ultimately, "Atlas Shrugged" is a celebration of the entrepreneur that produces something of value and of the risk taker that deploys his capital to generate wealth through human intellect. Now that Atlas has shrugged, maybe the people will help to shrink government’s influence over our lives and its attempts to control the financial markets. This should help get our country back on track while leading the people towards prosperity through Ayn Rand’s philosophy of objectivism.