A Cashless Society Is A Debacle for Americans

UPDATE 6/30/22: Alarm bells should be going off for Americans who want a dependable currency. The push for a “digital dollar” is intensifying, and now Congressman Jim Himes (D-CT), the chairman of Congress’s Select Committee on Economic Disparity, is pushing hard for digitizing your dollars. Why is it important that he’s the chairman of the Select Committee on Economic Disparity? A digital dollar will make manipulation of your money via negative interest rates a snap. And if all your money is digitized, wealth taxation becomes easy as the push of a button.

Of course, Himes isn’t advertising digital dollars that way. Instead, he’s using the troubles of cryptocurrencies to set up a digital dollar as a White Knight that can Americans from them. Though most Americans have never owned the speculative assets.

Himes recently released a document laying out his vision of a central bank digital currency for America. You can read his entire proposal paper here. He sets up the digitalization of the dollar as a race the U.S. must win or else, what? Or else the country maintain the strength of its currency and savers and investors maintain their independence from wealth taxation? A cashless society would be a debacle for Americans. No thanks.

Originally posted on May 2, 2022.

A cashless society will allow the elites of society to “monitor, control and tax every transaction,” explains Lewellyn H. Rockwell at *LewRockwell.com*. The aim, explains Rockwell, is the ability to “cut [Americans] off entirely,” if they resist. He writes (abridged):

> *The elites have been aiming to eliminate hand-to-hand cash for decades, as it will allow them to monitor, control and tax*

every transaction.

A story in The New York Times exposes what brain-dead Biden and the gang of neo-cons that controls him have in store for us.

According to an item that was published April 26, "When Defense Secretary Lloyd J. Austin III declared Monday at the end of a stealth visit to Ukraine that America's goal is to see Russia so 'weakened' that it would no longer have the power to invade a neighboring state, he was acknowledging a transformation of the conflict, from a battle over control of Ukraine to one that pits Washington more directly against Moscow. . . in word and deed, the United States has been gradually pushing in the direction of undercutting the Russian military.

Why is the US following this policy? Dr. Ron Paul has an important part of the answer. Just as in World War I, the "merchants of death" have a lot to gain financially. "One group of special interests profiting massively on the war is the US military-industrial complex. Raytheon CEO Greg Hayes recently told a meeting of shareholders that, 'Everything that's being shipped into Ukraine today, of course, is coming out of stockpiles, either at DOD or from our NATO allies, and that's all great news. Eventually we'll have to replenish it and we will see a benefit to the business'."

The advocates of a New World Order don't care about risking nuclear war. They aim to control us all so that there is no escape for anybody. This is a vast subject, but let's look at just one more issue. Our "masters" in Washington want to take away our cash so they can keep tabs on all our transactions and, if we resist, cut us off entirely.

We don't have much time left. Let's do all we can to protest against the New World Order.

> *Llewellyn H. Rockwell, Jr. former editorial assistant to Ludwig von Mises and congressional chief of staff to Ron Paul, is founder and chairman of the Mises Institute, executor for the estate of Murray N. Rothbard, and editor of LewRockwell.com. He is the author of Against the State and Against the Left.*

Read more here.

The Best Investment Strategy is Simple, Like Analog Music

UPDATE 6.28.22: In the last week, cryptocurrency funds have recorded record-breaking outflows over twice as large as any week ever before. This comes after speculators began fleeing from crypto in response to Federal Reserve monetary tightening and other events in markets. Forbes reports:

> *Cryptocurrency funds posted net outflows of $423 million last week, eclipsing the prior record of $198 million set as crypto markets tumbled in January and bringing total assets down to $36.2 billion, according to a Monday report by CoinShares.*
>
> *Cash transferred out of bitcoin funds drove the record activity, with net outflows of $453 million—virtually erasing all inflows this year and pushing assets in such funds down to $24.5 billion, the lowest level since the beginning of last year, CoinShares reported.*
>
> *CoinShares' James Butterfill notes the selling occurred on June 17 (but was reflected in last week's figures due to trade-reporting lags) and was likely responsible for bitcoin's steep plunge that weekend, when prices fell below $18,000 as*

> *the crypto market grappled with a wave of job cuts, rumors about impending insolvency at major firms and a steep interest rate hike by the U.S. Federal Reserve.*

Investors keeping things simple will appreciate not being subject to the whims of the wild gyrations in prices for cryptocurrencies.
UPDATE 5.17.22: Since I wrote the post below back in 2018. Since then, investors have watched as millions of people across the globe piled into speculative cryptocurrency trades. For some that has worked out well, but for many, it has turned into a bloodbath. In light of the recent cryptocurrency collapse, it's a good time to reread the post below on the value of simplicity.

Originally posted on November 7, 2018.

Four years ago, I told readers the story of David L. Stone, the manager of Beacon Hill Fund. The point of my story then, as it is now, was to encourage investors like you to avoid speculation, and instead to be patient with your money. Use simple strategies you can stick to in good times and in bad. Here's what I wrote then:

> *As I write to you, I am listening to 1960s "Soul Station" by Hank Mobley, Wynton Kelly, Paul Chambers, and Art Blakey. It is an excellent remastered LP edition of the original on a stereo system that includes a Denon quartz lock turntable from the mid-'80s, a real basic NAD receiver that must be 20 years old, and a set of more than 10-year-old EPOS desktop speakers. Strictly low tech. Nonetheless, the sound in my office is quite pleasing. And vinyl records and their associated LP dust jackets offer a listening experience that CDs could never capture. In the case of Soul Station, the cover design by Reid Miles and Francis Wolfe are part of the Blue Note legend. Downloading? No thanks.*
>
> ***Complexity Destroying Value***

So I am enjoying a musical experience today that I duplicated decades ago. And the foundation of this enjoyment is simplicity. On the investment front, the same simplicity prevails today as it has for decades. Jack Bogle, Vanguard's founder, wrote in the WSJ recently that "hyperactive trading strategies offer incomprehensible complexity that ultimately destroys value."

A Decision to Do Nothing

Over two decades ago, I read a Forbes article that I have kept and often refer to investors. The article was about the manager of the tiny Beacon Hill Fund. "David L. Stone, the 70-year-old manager of the Beacon Hill Mutual Fund, arrives early at his Federal Street office in Boston every day. He reads the newspapers, opens his mail and waits for a call from State Street Bank, the fund's custodian, with the previous day's closing price and cash position. He scribbles those down. Than he reads some more. Then he packs his briefcase and leaves." Talk about simplicity. Stone commented, "People ask me what I do all day. Well a decision to do nothing is still a decision. It takes effort, psychological effort mainly. People get itchy. They trade too much, enriching their brokers and the tax collector in the process."

Allowing Interest & Dividends to Work

Most investors do not have the patience of David L. Stone, and it is a pity, as investors would be well ahead of the game by holding costs and transaction activity to the minimum while allowing interest and dividends to work for them through the mathematical miracle of compounding. In my own accounts, I have not recorded a sale this year, nor did I record a sale for investment reasons last year. Thus, I have not turned over one red cent, due to trading, to the profligate government in Washington.

The Magic of Compound Interest

UPDATE 6/27/22: I don't want to harp on cryptocurrency speculators. They've been through a lot lately and not much of it good. The news that Three Arrows Capital, a Singapore-based cryptocurrency hedge fund is at risk of defaulting on $675 million in loans must be pretty terrifying for the crypto market. During all their time speculating on the newest technological innovation, crypto investors ignored the one magical power available to them, compound interest. Now, investors in Three Arrows are at risk of losing everything. *Baystreet* reports on the firm's imminent collapse:

> *Singapore-based Three Arrows is one of the largest and most prominent cryptocurrency hedge funds. But it is facing a liquidity and solvency issue as billions of dollars have been wiped off the cryptocurrency market in recent weeks as prices for Bitcoin (BTC), Ethereum (ETH), and other digital assets have plunged.*
>
> *Voyager Digital (VOYG), a cryptocurrency brokerage firm, lent Three Arrows 15,250 Bitcoins and $350 million of the stablecoin USDC, totaling $675 million U.S. The entire loan is due to be paid back today (June 27).*
>
> *None of the loan has been repaid yet, Voyager said last week, adding that it may issue a "notice of default" if Three Arrows does not pay the money back.*
>
> *Voyager, which is listed on the Toronto Stock Exchange, has seen its shares fall 95% this year.*
>
> *Three Arrows Capital was established in 2012. The onset of a so-called "crypto winter" has hurt digital currencies and*

related companies across the board in recent weeks.

Originally posted April 5, 2022.

Back in 1964, I began a lifelong mission as a disciple of compound interest investing. In those earliest days, home base was Clayton Securities at 147 Milk St. in Boston’s financial district.

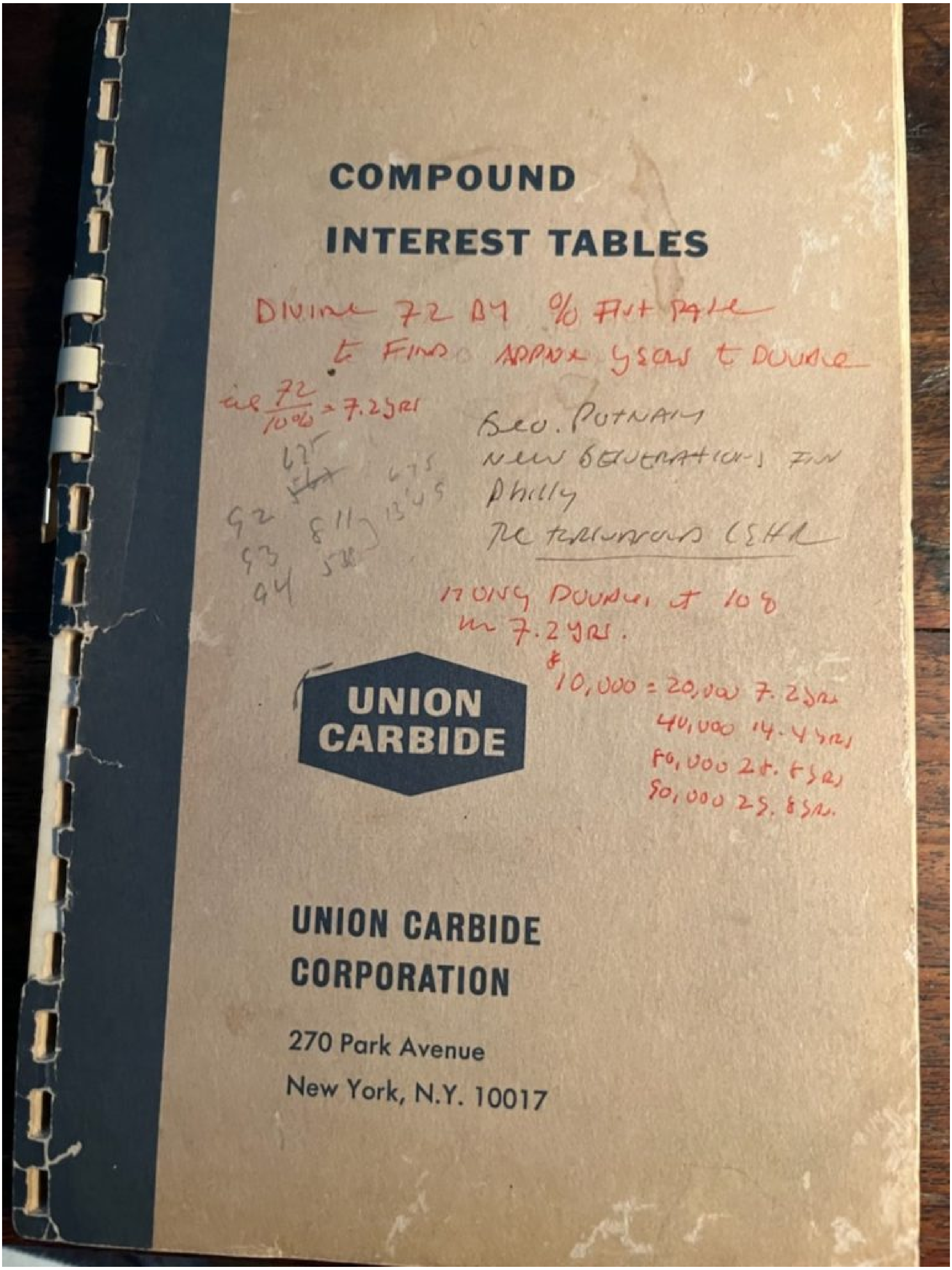
By 1971 I had gotten into institutional trading and research with Model, Roland & Co. on Federal Street. My first accounts were Fidelity Investments and Wellington Management.

Today, over 50 years have somehow flown by, and I am still doing business, a whole lot of it, daily with Fidelity (my family investment firm’s custodian) and Wellington (my own account’s largest positions).

Wellington, for its part, manages billions of dollars in client assets for Vanguard. In the late 80s and early 90s, my friends at Vanguard let me know that my newsletter was responsible for directing more assets Vanguard’s way than the rest of the newsletter industry combined.

Jack Bogle, the founder of Vanguard, was a friend of mine from Jack’s days at Wellington., Jack provided the key testimonial for my first book.

The focus and foundation for my five-decade adventure has been rooted in one little phrase: ***compound interest***. The accompanying photo is my tattered little Union Carbide spiral booklet.



In 1992, Debbie and I bought a little pink Conch cottage in Old

Town, Key West, just 90 miles from Cuba. Our son Matt has been our president since, and our daughter Becky is our chief financial officer. E.J. (Your Survival Guy), our son-in-law, after a valued internship with Fidelity, is director of client services.

I continue to research and write seven days a week on behalf of our firm's clients. Debbie and I still live in Key West, and we do a lot of our research in the 8th arrondissement of Paris. The six-hour time difference works to our favor in getting material to our editorial staff back in Newport, RI.

Thanks to one basic concept – *compound interest* – I have been able to comfortably and with astounding consistency plot the course for our ultra-conservative, balanced investment firm for over five decades.

You can bet that Debbie and I were pretty proud when our son Matt recently called to tell us that *Barron's* had informed him that he had been selected to Barron's Hall of Fame (2012-2022), while *CNBC* had just ranked our modest investment management firm #5 in America (2021) out of more than 14,800 registered investment companies. I guess when all is considered, there is a lot of good that be said about compound interest, consistency, and the value of the Prudent Man Rule. Disclosure

As they say, "It works for me."

Dick Young
Old Town Key West
5 April 2022
90 miles from Cuba

Here’s How I Climbed on the Dividend Bandwagon

UPDATE 6.10.22: Do you feel a recession coming on? Treasury Secretary Janet Yellen just told an interviewer at the New York Times that “Is there a recession risk? Of course there’s a recession risk. But is it likely? I don’t think so.” She also said, “I believe there is a path through this that entails a soft landing.” Meanwhile, most CEOs, the World Bank, and the Fed’s own GDP tracker suggest the opposite. Who’s correct? No one can know for sure, but it’s important that your portfolio is prepared for any outcome.

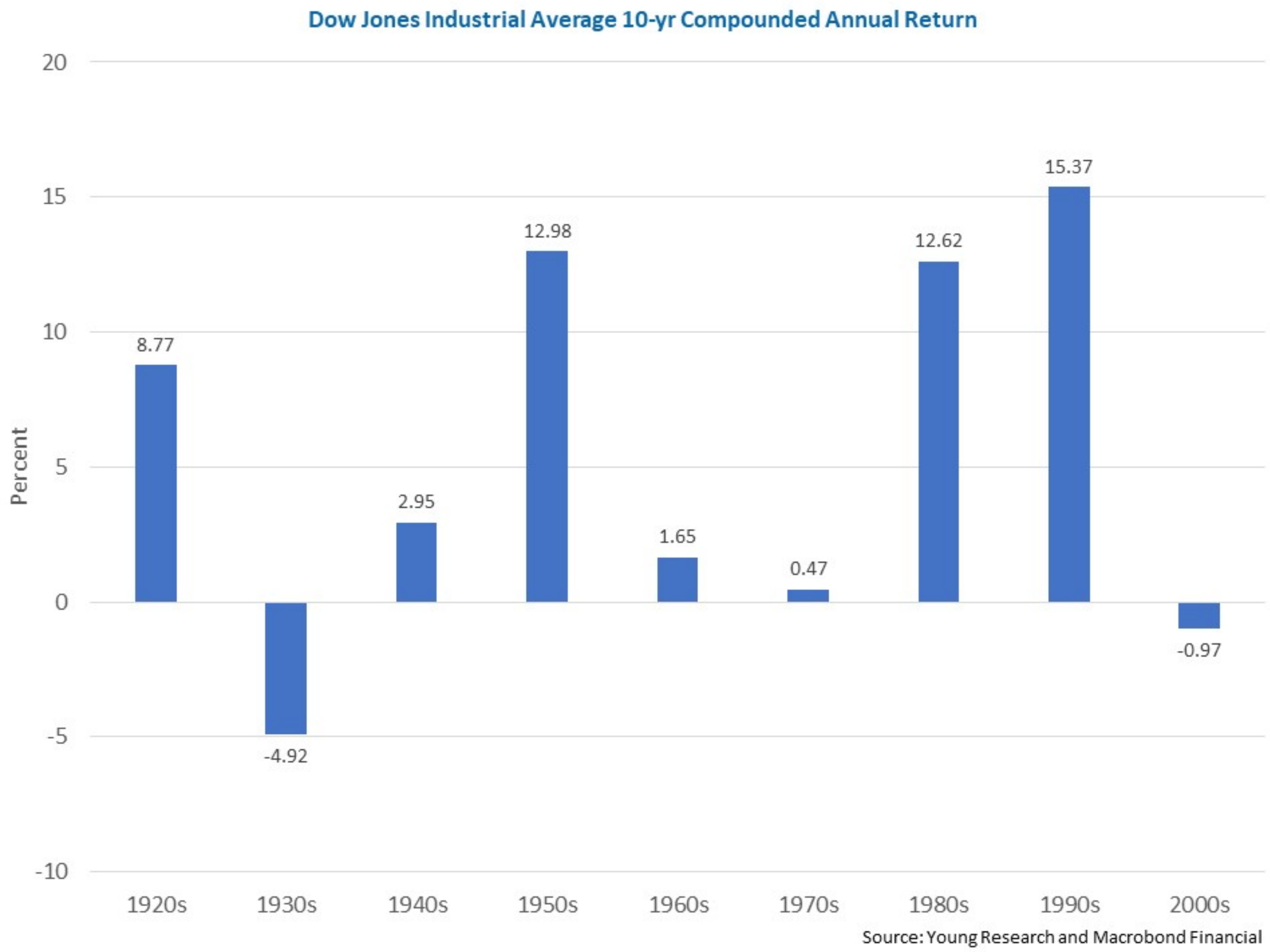
UPDATE 3.11.22: Market turbulence today once again supports the value of an investment strategy based on compound interest and dividends. While stock and bond prices oscillate wildly as events unfold, investors relying on dividend and interest payments are patiently accruing wealth.

Originally posted March 11, 2020.

There are few histories as crucial to the course of my life as my awakening to the power of compound interest and the importance of dividends. Since my decision to climb on the dividend bandwagon, I have been an evangelist to hundreds of thousands of paid subscribers, and many more investors beyond. My message has been consistent and clear, and I don’t regret focusing on dividends a bit. Here’s how it all started.

> ***Back to Monterey and Woodstock***
>
> *I’ve been developing investment strategies for investors like you before The Association kicked off the 1967 Monterey International Pop Festival with “Along Comes Mary” or Richie Havens opened Woodstock in August 1969. I started soon after John F. Kennedy was shot in Dallas in November 1963, and even*

before Dr. Martin Luther King, Jr. was shot at the Lorraine Motel in Memphis in April 1968. That's a long time ago. The '60s was of course a seminal decade in American history. Key events, including the difficult investment environment of the '60s, seem like yesterday.



My 1964 Beginning

I've put together a display that tracks the Dow Jones Industrial Average through the decades. When I entered the securities business in the summer of 1964 (with Ed Rosenberg, Clayton Securities), I had no way of knowing that during my complete career in the Boston investment community, which ended in 1981, the Dow would end lower than when I began. How would you have liked to have retired in 1964 and faced a 16-year Dow downer? Talk about retirement financial hell.

As my display indicates, the decade of the '60s provided a sad annual average return (ex-dividends) of only 1.65%. Moreover, the 1970s were set to be even worse. When the curtain came down on this miserable decade, investors had scored an average return of only 0.5% (before dividends). Thankfully for conservative investors today, as has been the case well before the '60s and '70s, dividends remain the name of the game.

Ben Graham's Powerful Investment Advice

With my first reading of Security Analysis by Ben Graham in 1963, I climbed on the dividend bandwagon. Today, it's still my most powerful investment influence. Ben was Mr. Dividends. I became attached to the concept before I landed at Clayton Securities at 147 Milk St. in Boston's financial district. As early as 1964, I knew I would concentrate on dividends throughout my investment career.

Unwavering Advice

Well, writing to you now, five decades later, from our outside kitchen/living space in the heart of Old Town, Key West, I can't help but think how much water has gone under the bridge through the many decades. But if you have been with me over the years, you are keenly aware that it is indeed the combination of dividends, compound interest, perspective and patience that frames the message I deliver to you month after month. I do not change course. You can count on it.

Concentrate on Dividends

Go back to my display and note how kind the '80s and '90s, unlike the '60s and '70s, were to investors. So far, this decade (ending in 2019) is on a solid path. The problem is, no one really knows in advance what course the Dow will take in any given decade ahead. What investors do know with reasonable assuredness and peace of mind is that the prospects for

> *dividends and dividend increases for stable, well-managed companies are good. (I pay scant attention to NASDAQ companies.) I concentrate on dividends for you and for me each month. We are in the same boat here. What is good for me is good for you and your family.*

Whether or not you are on the dividend bandwagon yet, but you want to learn more about how a portfolio focused on compound interest can help you and your family save for retirement, fill out the form below.

You will be contacted by a seasoned member of the investment team at Richard C. Young & Co., Ltd., my family-run investment counsel firm. They’ll offer you a free portfolio review (no-obligation whatsoever). You’ll get a full picture of whether a portfolio focused on dividends and compounding can work for you.