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Dear Grandchildren:

I have many heroes: Albert Einstein, Eric Hoffer, Walter Williams, Ronald Reagan, Abraham Lincoln, Martin Luther King, Winston Churchill, Margaret Thatcher, Calvin Coolidge, George Washington and Thomas Jefferson. Most of the ideas in this book are borrowed from them. I am writing this in the hope that it will in a small way help to preserve some of their ideas. It is also a reflection of my personal beliefs. I hope it is of value to those that read it. If it makes you think it is worthwhile.

The book contains both my beliefs as well as knowledge and techniques I have found useful. I have tried to illustrate each of the things I have found useful with examples from my life. In some cases I remember where I got the idea and have appropriately attributed it to the author. In many cases I don't remember where it came from but I do know that much of this came from others.

A lot of what I have to say is not politically correct. That does not make it right or wrong. I know that the current climate makes a lot of what I have to say controversial. The left (Communists) in academia want to prevent many of these things from being said. Students will not hear much of this in school. If they succeed in silencing enough people many of these ideas will die and with it, the successful free market capitalistic system that has made the United States the greatest country on earth.

Please send suggestions on improving this document to me at bob@life401.com

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Chapter 1) The White Race doesn't exist

There isn't a white race. With only a little knowledge of history, mathematics and biology we can understand that we are all closely related. The North Africans have for millennium purchased slaves from Sub Sahara Africa. The Romans were in the slave business turning some of the North African slave owners into slaves and taking some of the slaves from the North Africans. The Romans also gathered slaves from all parts of their empire. The Roman empire in the year 117 included all of the countries on the Mediterranean Sea as far North as Scotland, as far East as the Atlantic Ocean, as far West as present day Albania and as far South as the habitable parts of North Africa.

It was the policy of the Roman government to use recruits from all parts of their empire to defend the empire. Recruits from one end of the empire would be sent to defend another end of the empire. This prevented the troops from joining the locals and turning on Rome. The Roman Empire did not fall in one day and everyone went back to where they came from. It first split apart and then the pieces stopped paying for the occupying troops. When the empire completely disintegrated the troops, the local rulers and their slaves simply became part of the local population.

The Mongols conquered China and went through nearly all of Europe. The Vikings settled as far East as Kiev in Europe and went as far South as Turkey. This and many other population interchanges have been going on for thousands of years.

Europeans have: big noses, small noses, curved noses, straight noses, blond hair, red hair, brown hair, black hair, blue eyes, brown eyes, green eyes, round eyes, slanted eyes, dark completion and light completion. The list of variations could go on and on. Sit in an airport and watch the people go by to see every variation. It is a fun exercise to try to identify facial characteristics with parts of the world; the blond blue eyed Norwegian with the Arab nose and the dark skinned African with the straight French nose, etc. It also makes the interminable wait at the

airport more bearable. These variations come from our ancestors.

Each of us has two parents, four grand parents, 8 great grand parents and so forth. Going back the 80 generations since 117 AD when Roman Empire was at it's peak, everyone has 1,208,000,000,000,000,000,000,000 Great Great etc. grandparents. Of course, there are less than 10,000,000,000 people on the planet now and there were less than 1,000,000,000 on the planet at that time. This means that the entire human race has intermarried many times. Europeans are a product of Southern African slaves, Mid East Arabs, North Europe Laps, Vikings, Mongols, Chinese, North West African Moors and many others.

Europeans are usually lighter in color because darker skinned people were not as likely to reproduce in the northern climate. This has to do with Folate and vitamin D. A population in the north with clothing covering their bodies will become lighter and a population in the south that wears little clothing will become darker over time. This is because sunlight makes vitamin D and destroys Folate. Light skinned females in the south will have a Folate deficiency and dark skinned females in the north will have a vitamin D deficiency. This will affect the ability to reproduce and even a small change in reproduction potential has a large effect over a few dozen generations. It should be noted, that with enriched foods this mechanism no longer works. Also, the Inuit peoples eat seafood with large amounts of vitamin D, and therefore, will have darker skin, even though they wear clothes. The dark skin natives of Australia are genetically different than the dark skin natives of Southern Africa.

Other than being slightly lighter Europeans are all races.

The point is race is not well defined, particularly in the case of Europeans. The Jessie Jacksons and the David Dukes are the same. They make an occupation out of getting us to define ourselves in some way and then getting us to hate anyone that doesn't fit our definition. This is just like Hitler and Stalin. Both were seen as opposites when they were actually the

same. Spreading hate to gain power hasn't changed since early man. We are not white or black or red or yellow. We are cousins. We need to reject anyone that would define us in any other way. Linguists, Archeology, and DNA analysis have come together and show that we are all decedents of persistence hunters of Central Africa.

As an experiment look in a mirror and guess where your eye color, hair color, nose shape, the shape of your chin, the shape of your eyes and the width of your lips came from. I can tell all of my grandchildren: "you are a mix. "

Martin Luther King Jr. had it right:

August 28, 1963. Washington, D.C.

I am happy to join with you today in what will go down in history as the greatest demonstration for freedom in the history of our nation.

[Applause]

Five score years ago, a great American, in whose symbolic shadow we stand signed the Emancipation Proclamation. This momentous decree came as a great beacon light of hope to millions of Negro slaves who had been seared in the flames of withering injustice. It came as a joyous daybreak to end the long night of captivity.

But one hundred years later, we must face the tragic fact that the Negro is still not free. One hundred years later, the life of the Negro is still sadly crippled by the manacles of segregation and the chains of discrimination. One hundred years later, the Negro lives on a lonely island of poverty in the midst of a vast ocean of material prosperity. One hundred years later, the Negro is still languishing in the corners of American society and finds himself an exile in his own land. So we have come here today to dramatize an appalling condition.

In a sense we have come to our nation's capital to cash a check. When the architects of our republic wrote the magnificent words of the Constitution and the declaration of Independence, they were signing a promissory

note to which every American was to fall heir. This note was a promise that all men would be guaranteed the inalienable rights of life, liberty, and the pursuit of happiness.

It is obvious today that America has defaulted on this promissory note insofar as her citizens of color are concerned. Instead of honoring this sacred obligation, America has given the Negro people a bad check which has come back marked "insufficient funds." But we refuse to believe that the bank of justice is bankrupt. We refuse to believe that there are insufficient funds in the great vaults of opportunity of this nation. So we have come to cash this check -- a check that will give us upon demand the riches of freedom and the security of justice. We have also come to this hallowed spot to remind America of the fierce urgency of now. This is no time to engage in the luxury of cooling off or to take the tranquilizing drug of gradualism. Now is the time to rise from the dark and desolate valley of segregation to the sunlit path of racial justice. Now is the time to open the doors of opportunity to all of God's children. Now is the time to lift our nation from the quick sands of racial injustice to the solid rock of brotherhood.

It would be fatal for the nation to overlook the urgency of the moment and to underestimate the determination of the Negro. This sweltering summer of the Negro's legitimate discontent will not pass until there is an invigorating autumn of freedom and equality. Nineteen sixty-three is not an end, but a beginning. Those who hope that the Negro needed to blow off steam and will now be content will have a rude awakening if the nation returns to business as usual. There will be neither rest nor tranquility in America until the Negro is granted his citizenship rights. The whirlwinds of revolt will continue to shake the foundations of our nation until the bright day of justice emerges.

But there is something that I must say to my people who stand on the warm threshold which leads into the palace of justice. In the process of gaining our rightful place we must not be guilty of wrongful deeds. Let us not seek to satisfy our thirst for freedom by drinking from the cup of bitterness and hatred.

We must forever conduct our struggle on the high plane of dignity and discipline. We must not allow our creative protest to degenerate into physical violence. Again and again we must rise to the majestic heights of meeting physical force with soul force. The marvelous new militancy which has engulfed the Negro community must not lead us to distrust of all white people, for many of our white brothers, as evidenced by their presence here today, have come to realize that their destiny is tied up with our destiny and their freedom is inextricably bound to our freedom. We cannot walk alone.

And as we walk, we must make the pledge that we shall march ahead. We cannot turn back. There are those who are asking the devotees of civil rights, "When will you be satisfied?" We can never be satisfied as long as our bodies, heavy with the fatigue of travel, cannot gain lodging in the motels of the highways and the hotels of the cities. We cannot be satisfied as long as the Negro's basic mobility is from a smaller ghetto to a larger one. We can never be satisfied as long as a Negro in Mississippi cannot vote and a Negro in New York believes he has nothing for which to vote. No, no, we are not satisfied, and we will not be satisfied until justice rolls down like waters and righteousness like a mighty stream.

I am not unmindful that some of you have come here out of great trials and tribulations. Some of you have come fresh from narrow cells. Some of you have come from areas where your quest for freedom left you battered by the storms of persecution and staggered by the winds of police brutality. You have been the veterans of creative suffering. Continue to work with the faith that unearned suffering is redemptive.

Go back to Mississippi, go back to Alabama, go back to Georgia, go back to Louisiana, go back to the slums and ghettos of our northern cities, knowing that somehow this situation can and will be changed. Let us not wallow in the valley of despair.

I say to you today, my friends, that in spite of the difficulties and frustrations of the moment, I still have a dream. It is a dream deeply rooted in the American dream.

I have a dream that one day this nation will rise up and live out the true meaning of its creed: "We hold these truths to be self-evident: that all men are created equal."

I have a dream that one day on the red hills of Georgia the sons of former slaves and the sons of former slave owners will be able to sit down together at a table of brotherhood.

I have a dream that one day even the state of Mississippi, a desert state, sweltering with the heat of injustice and oppression, will be transformed into an oasis of freedom and justice.

I have a dream that my four children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character.

I have a dream today.

I have a dream that one day the state of Alabama, whose governor's lips are presently dripping with the words of interposition and nullification, will be transformed into a situation where little black boys and black girls will be able to join hands with little white boys and white girls and walk together as sisters and brothers.

I have a dream today.

I have a dream that one day every valley shall be exalted, every hill and mountain shall be made low, the rough places will be made plain, and the crooked places will be made straight, and the glory of the Lord shall be revealed, and all flesh shall see it together.

This is our hope. This is the faith with which I return to the South. With this faith we will be able to hew out of the mountain of despair a stone of hope. With this faith we will be able to transform the jangling discords of our nation into a beautiful symphony of brotherhood. With this faith we will be able to work together, to pray together, to struggle together, to go to jail together, to stand up for freedom together, knowing that we will be free one day.

This will be the day when all of God's children will be able to sing with a new meaning, "My country, 'tis of thee, sweet land of liberty, of thee I sing. Land where my fathers died, land of the pilgrim's pride, from every mountainside, let freedom ring."

And if America is to be a great nation this must become true. So let freedom ring from the prodigious hilltops of New Hampshire. Let freedom ring from the mighty mountains of New York. Let freedom ring from the heightening Alleghenies of Pennsylvania!

Let freedom ring from the snowcapped Rockies of Colorado!

Let freedom ring from the curvaceous peaks of California!

But not only that; let freedom ring from Stone Mountain of Georgia!

Let freedom ring from Lookout Mountain of Tennessee!

Let freedom ring from every hill and every molehill of Mississippi. From every mountainside, let freedom ring.

When we let freedom ring, when we let it ring from every village and every hamlet, from every state and every city, we will be able to speed up that day when all of God's children, black men and white men, Jews and Gentiles, Protestants and Catholics, will be able to join hands and sing in the words of the old Negro spiritual, "Free at last! free at last! thank God Almighty, we are free at last!"

August 28, 1963 --Martin Luther King, Jr.

My Note: It is interesting to note that his dream has been fulfilled. Lodging, eating, voting, housing and sitting down together has been accomplished.

Attempts by government to change attitude with regard to race, like all attempts by government to do anything to modify society have all been counterproductive.

Race discrimination in the US is evaporating. The Chinese, African, Thai,

Swedish weddings will do their part.

When my father was young the Italian and Polish were on the bottom. In my youth they were discriminated against worse than the Negroes. My father was concerned when I dated an Italian girl. When my daughter Janet, (Scotch, Irish, German, French, English etc.), married Andy, (Italian, Croatian, Austrian, etc), my father was happy and warmly welcomed him. Two generations from now all of the race identity will be so mixed; it will be hard to know whom to discriminate against. The race baiters will have to use a paint chip to decide who is in the protected class, and then someone will get a suntan and ruin their classification system.

Chapter 2) Hate: Getting power and keeping power

A: Getting power

Tribal leaders have been using this technique since prehistoric times. In the 20th Century, the tribes of South America, Africa and tropical Asia are still warring with each other. Anthropologists state the reason given is always a grievance of times past. Neighboring tribes fight constant skirmishes to keep the other tribe at a distance. Sometimes the fighting is ritualized. In these cases, the fights draw little blood but serve to keep the tribe together. The leaders of the tribes gain and keep their power from demonstrating either fighting skill, leadership skill or planning skill. Without the friction between tribes, it would be more difficult for the leaders to form a cohesive group.

The civil rights movement under Dr. Martin Luther King was based on shame. He shamed the primarily European decedents, what we now call the white population, into agreeing to his demand of equal justice. Gandhi in India used this same technique. The power struggle that came after Martin Luther King was killed was between the believers of the nonviolent shame based technique and the hate based individuals. Hate won. Jessie Jackson and Al Sharpton have both gained their support by preaching hate.

Adolph Hitler gained power through exploiting the Germans' hatred of The Treaty of Versailles that ended World War One. His initial supporters included some rich Jews who saw him as someone that could build stability. It was also wives of the German industrialists who were later purged that supported him. In the case of Germany, it was the communists (International Socialists) and the fascists (National Socialists) that fought for control. Both Hitler and the communists recognized that the dupes that formed the true believers were the same. Hitler instructed that the communists be converted rather than eliminated. Communist leaders and people who thought for themselves were shot.

Jessie Jackson gained control of Doctor Martin Luther King's movement

and was anointed by the media because he said the most hateful things. The followers who were happy with the success so far and wanted to press on to complete equality were not fodder for selling TV programs and Newspapers. It is often asked what Jesse Jackson wants. The answer is power. No reparations, lavish payments to people on welfare, quotas, lower scholastic standards for African Americans or any other of the current demands will be enough. It is the fiery orator that holds the crowd and now gets the TV appearance. Preaching good will and peace doesn't get the TV camera.

Bill Clinton fired the flames of both hate and envy. The Democratic Party has found that it works to both gain power and retain power. In parallel speeches Bill, Hillary, and the head of the Democratic Party said that a black man who was accidentally shot by a New York policeman would not have been shot if he were white. It is more subtle than Hitler but not qualitatively different. The current leaders of the Democratic Party are using both quite effectively. The hate is for the white, the rich and business. The envy is for the rich. What is self-defeating for the individual is very effective in controlling the individual.

B: Keeping power

Hate works to keep control and always has. Tribal leaders are able to use hate for the neighboring tribes to keep the tribe together and to eliminate dissension. It is interesting that some cultures use ritual fighting rather than real fighting. This is probably due to the recognition by the leader that winning in this case is not good if it eliminates the object of the hate.

Hitler started with hatred for the allies who imposed the treaty of Versailles and quickly moved to the Jew. When asked by a subordinate if he was not putting too much emphasis on the Jews Hitler said: "no! the Jews are needed. If they didn't exist we would have to invent them." When it looked like there would be no more Jews in Europe he moved to the Gypsies and the Slavs. It was going to take a long time to run out of Slavs. Hate was required to stay in power. Some modern scholars are

doing research to find out why Hitler hated the Jews so much. He may or may not have hated the Jews; in any case his personal beliefs had nothing to do with having the German nation focused on hating the Jews. This was a way for Hitler to stay in power. The egocentric psychopaths of history have no more hate than they have love. It is all what is in it for me. Hitler and others like him didn't think any more about killing Jews, Gypsies and Slavs than a normal person would think of killing a fly.

Stalin used the Western Democracies to stay in power after Germany had been defeated in World War II. Both Trotsky and Lenin had begun to recognize the failure of Communism. It was Lenin's death and the assassination of Trotsky that enabled Stalin to keep the Soviet Union focused on hate. Stalin was also an egocentric psychopath.

In the current era, Castro uses the United States in the same way. Without hatred for the United States there would be no excuse for the miserable living condition of the Cuban people. Just like Hitler used the Jews, Castro uses the United States. Unlike the Jews in Germany, Castro's devil will never change. His use of the United States is just like a tribal leader that uses hatred of a neighboring tribe to stay in power. If the United States were really defeated it would be the doom of Castro.

It is similar with Arafat. When given what he asked for by Israel he turned it down and started mass suicide killings. This was to divert the population from what he had turned down. It was also to grow additional hatred on both sides. Totalitarianism requires a devil.

Just like the Shaw in Iran, the Saudi Royal family in Saudi Arabia and the leaders of present Iran use hatred of non-believers to stay in power. The Dukes and Kings of the Middle Ages used similar hatred of non-believers and suspected non-believers to stay in power. Troublesome subjects were branded as heretics and killed or worse. Hate always consumes the hater not the hated. In the long run, hating hurts the person doing the hating. The person being hated can choose to take pity on those doing the hating and not be harmed. It is interesting to note that during the cold war there wasn't any hate for the Russians. Most Americans felt

sorry for them. TV shows like Get Smart used characters with German accents as villains. Part of winning the cold war was the lack of hatred on our side. We hated what the Soviet Secret Police and the leaders were doing to their people not the people.

Lest we think that if we change our ways it will solve the problem. It is important to point out that if the United States is the present devil. Changing the behavior of the United States will not change the leaders using us as the devil. Accommodating and appeasing have a long history of failure. It only makes the users of these techniques bolder. Even if the United States disappeared, those who portray the United States as the devil would quickly find a replacement. Just as Hitler and Stalin changed the devil, as the situation changed, the current crop of tyrants would also change devils quickly.

The current fashion of wanting to understand the enemy and having school children learn the Koran is silly. The present struggle with the terrorists has nothing to do with the Koran. It is only important that the ideology being used by the dictators of the day claims to be the only truth and that it has some historic roots. The dupes that become the true believers are the same. The ideology is interchangeable. Communism, Christianity, Fascism, Islam, Shintoism, Hinduism, or believing in flying saucers that are going to take the believers away to a better land, it doesn't matter. As long as the ancient texts or current prophet claims to have the only truth and a belief of something that cannot be proved or disproved is present, then the dupes will follow. This is not to say that the above ideologies are of equal value or are equally good or bad. In The book *True Believer*, Eric Hoffer made an analogy between the Tomato and the Night Shade. The plants are closely related and grow in the same soil and have similar appearances but one is nutritious and one is a deadly poison. It is also interesting to note that Taoism and Buddhism haven't been used to cause hate or as justification for killing or torture. They also do not claim to have the only truth.

Chapter 3) Socialism, Communism, Fascism, Progressivism and Liberalism

These are all variations of the same thing. The terms can be used interchangeably. They are based on the slogan: "From each according to his ability and to each according to his needs" This sounds good and everyone would like to believe that it can be achieved. In every case it has led to totalitarianism. Thinking carefully about it, this philosophy requires totalitarianism. It fails when we come to who decides. Who decides what someone needs, who decides what abilities each of us has and who decides how much of these abilities we should apply. In a Socialist, Communist Fascist, Progressive and Liberalist state it is the government that decides. This means that the government has to decide what everyone eats, drinks, reads, learns, does for a living and does for recreation. The police power that is put in place to enforce these rules on every individual makes the government all-powerful. Once the power to decide the above is in the hands of the government all of the abuses of a totalitarian state arrive. Just think, if the original Hillary Clinton health plan had become law, the government would have had absolute power to send anyone to any doctor that the state decided. It would have been illegal for any doctor to treat any patient without the permission of the government and it would have been illegal for any patient to pay any doctor to get treatment. Imagine the doctors and resources that would have been allocated by the party in power to be located in areas that are heavily concentrated with voters of the opposition. No one can be trusted with that kind of power. Corruption is the inevitable result of such a system. It would have required a real bloody revolution to escape from this tyranny. Luckily even the liberal (Socialist) Democrats saw the danger. Even they would have been sent to doctor death for getting out of line. The first killings by Stalin and Hitler were of close associates that were seen as potential threats.

There is a misunderstanding about Communism, Fascism, Socialism and Progressivism. They are all the same thing. The belief is based on writings of Marx and Engels. Their 10–point program was published in 1848. It is called the Communist manifesto:

1. Abolition of property in land and application of all rents of land to public purposes.
2. A heavy progressive or graduated income tax.
3. Abolition of all right of inheritance.
4. Confiscation of the property of all emigrants and rebels.
5. Centralization of credit in the hands of the State, by means of a national bank with State capital and an exclusive monopoly.
6. Centralization of the means of communication and transport in the hands of the State.
7. Extension of factories and instruments of production owned by the State; the bringing into cultivation of waste–lands, and the improvement of the soil generally in accordance with a common plan.
8. Equal liability of all to labor. Establishment of industrial armies, especially for agriculture.
9. Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by a more equitable distribution of the population over the country.
10. Required education for all children only in public schools. This allows for the proper indoctrination of the next generation. Abolition of children's factory labor in its present form. Combination of education with industrial production.

The Progressives current version goes like this:

- The government is to control all land and decide what can be done on the land.
- A heavy graduated Income tax
- An inheritance tax is to prevent large estates from being passed down
- Confiscation of property of Businessman and Investors that the government considers are not doing what the government wants.
- Government control of all banks and credit issuing organizations. The FDIC and the IRS are to control all financial transactions.
- Control of Radio, TV, and the Internet content.
- Control of all manufacturing starting with Auto companies but extending to all manufacturing. Control of use of agricultural land as to crops, fertilizer and pesticides. Control of land use so that private land cannot be developed without government permission.
- Expansion of AmeriCorps and Acorn to be as large as the military.
- Use of government resources to increase unemployment and then create make work projects that keep the people dependent on the government.
- Restrict land use so that the population becomes concentrated in pockets.
- Elimination of home school and prevention of voucher use so that all children are educated in government schools.

In addition to the 10 points in the Manifesto the Progressives have added:

- Because the workers don't understand the big picture, the technical people who are the smart people, need authority to make decisions for everyone without being questioned.
- Ordinary people should not have guns because they may be a danger to the government if the government has to do major things like relocation or redistribution of resources. This is disguised by the announced desire to improve public safety from irresponsible gun owners. Hitler was the first to use this. He did it by first having all guns registered and then use the registration lists to confiscate them. It prevented the Jews and others from defending themselves. Clinton had a survey done to find out if the US Military would confiscate guns from citizens. The results were never announced and I suspect that they would not. The register and then confiscate trick was also done by Castro. It is being started in Canada.
- Less desirable citizens should be eliminated by limits on reproduction. Abortion is one way, forced sterilization is another and the gas chamber is the ultimate. The progressives give lip service to equality but are prejudiced against Blacks, Jews, Italians, Irish, Orientals etc. In fact, Planned parenthood was started to further the aims of the Eugenics Movement which sought to limit the numbers of or even eliminate what they called the undesirables such as Blacks, Irish, Orientals, etc.

"We should hire three or four colored ministers, preferably with social-service backgrounds, and with engaging personalities. The most successful educational approach to the Negro is through a religious appeal. We don't want the word to go out that we want to exterminate the Negro population. and the minister is the man who can straighten out that idea if it ever occurs to any of their

more rebellious members."

Margaret Sanger's December 19, 1939 letter to Dr. Clarence Gamble, 255 Adams Street, Milton, Massachusetts. Original source: Sophia Smith Collection, Smith College, North Hampton, Massachusetts. Also described in Linda Gordon's Woman's Body, Woman's Right: A Social History of Birth Control in America. New York: Grossman Publishers, 1976.

This is just a sample of some of the detestable nonsense that the founder of Planned Parenthood wrote.

- The media and the arts should be directed to the aims of the government. Some speech is to be called hate speech and made a crime. This definition can be expanded to include any derogatory statements against the government. It has happened in the United States before. The following is from an interview with Jonah Goldberg on Woodrow Wilson. Remember, President Wilson is idolized by the Progressives. He was also a model for Hitler.

GOLDBERG: "Well, he creates the first propaganda ministry; he unleashes 100,000 propaganda agents on the United States where he sends them out sometimes without revealing their identities to give these speeches in all public places to persuade people to support the war, to distrust Germans, to hate immigrants. Wilson creates these, under Wilson, the Justice Department creates the American Protective League at a time where 250,000 badge-carrying goons who were allowed to beat people up in the street, arrest people in mass arrests, do home break-ins without warrants, spy on people, do government background checks, carry badges. They were just basically what, you know, what were called a bunch of sort of street gang political goons who could do the Government's bidding at will. Wilson closed down scores of newspapers and magazines, threatened thousands of others with closing them down, used the mail service, which back then was like the Internet and mail combined. I mean, it was

where everyone got their information, used the postal service to clamp down on all dissent. One woman who spoke in her own home about how she liked Lenin was given six months in jail. One guy refused to stand up for the Star-Spangled Banner at a baseball game, was shot in the back. Another guy refused to sing the national anthem at a liberty bond drive, was beaten senseless. These guys were not convicted of anything because they were just doing their patriotic duty. Even if you buy the caricature of George Bush and Joseph McCarthy, if you buy the cartoon version of what's out there, they still, still look like co-hosts of romper room compared to what Woodrow Wilson did in this country.”

- Religion should be worship of the government. With any god but the government then citizens may question government decisions on moral grounds. The Mother Nature god is the only acceptable alternative to the government god. The global warming movement is an example of this kind of religion. Every liberal cause can be done in its name.
- It is important to have an enemy. An enemy outside is good an enemy inside is even better. The favorites are Jews, banks, insurance companies, Blacks, Wall Street, oil companies, chemical companies, big business, etc. The list always expands to fit the current fashion. If you think you are safe because you are not on it just wait.
- Formation of citizen organizations that can control the population. In Nazi Germany they were the SA and later the SS. in the US they were the American Legion during WWI and now are ACORN, Americorps and union groups. This is the very thing that President Wilson did.

With true Communism all resources are held in common. It has never been tried on a large scale and even on small scale like the Plymouth colony it became obvious it can't work. As Marx said, Socialism is only

useful as a path to Communism.

We never had a problem with a Communist country. There has never been one. No Socialist country has every completed the trip to Communism. On the way they fail from the inside and can't ever be a problem to anyone other than themselves. Before they get all the way there they still have the resources to be very bellicose and expansionist. This comes from the need to have enemies to focus the attention of the public and the excuse of Marx requiring the entire world to become Communist. The USSR was the Union of Soviet Socialist Republics. The Nazi party in Germany in the Second World War was the National Socialist party. The solution is countries with free people, with Capitalism and a Republican form of government.

Why do the Communists and Fascists call themselves liberals, Progressives or Socialists? This is a case of using words to conceal the real meaning. Of course by having the government do more and control more necessarily means freedom is reduced. After all, communists and fascists are not noted for open mindedness or tolerance. They have picked the word liberal because their idea of progress is Communism. If any politician would advocate Communism they would be quickly defeated, but by advocating government programs that slowly increase the control of government over what everyone eats, drinks, reads, learns, does for a living and does for recreation they disguise their slow march to Socialism. The recent crusade by the Mayor of New York against salt is an example. Especially revealing in the nature of progressives to think they know better than you how you should eat and should have the power to decide for you. As soon as the public catches on the Communists will change the name from Liberalism to something else. In fact, they called themselves Progressive before World War II when those ideas lost favor. Now no one knows what Progressive is so it sounds good. Do not be fooled. Anyone that wants the government to be our nanny is a Socialist whatever the name.

Hitler was a Socialist who believed in forming a perfect society. His fundamental beliefs were from Marx and Engels, and from Woodrow

Wilson. In his case it was German National Socialists fighting Moscow world Socialists. In practice there is no difference.

Karl Marx believed that the way to Communism was by way of Socialism. His disciples are following his prescription today. Take away the guns of the people, destroy the religion of the people and replace it with a state religion, Invent a devil, make the people dependent on government and control speech. It happened in Germany, The Soviet Union, China and every other Socialist/Communist Country. Also speech control happened in the United States from 1917 to 1921 and it is happening in the United States today.

The question is: Why do college professors and schoolteachers believe that communism is good? This is a very vexing thing to understand. It requires looking into our soul. Warren Buffet is a multi-billionaire. He owns large blocks of stock and as such he owns large portions of corporations. As far as I know he is a man of integrity. He hasn't stolen any of this money or cheated anyone out of their money. All of his wealth has come by investing in companies and helping direct them to be more profitable. He only does well if the companies where he has stock do well. The companies can only do well if the customers of these companies see value in the goods and services that these companies provide. In order for all of this to happen the other stockholders must do well, the employees of these companies have to do well and the general population must be made better because of the better or less expensive goods or services being produced. If the stockholders cannot be allowed to profit from their investments in the necessary capital that enables the kind of productivity improvements that are the only source of real wage growth, they will not invest in the first place. If everyone does better, it also results in the government collecting more taxes. Even believing that all of the above is true it is not possible to pray that Mr. Buffet does well. Try it. It is not possible. As Mark Twain's Tom Sawyer said in one of his stories: "You can't pray a lie." See! We all have this latent envy in us and only the reality of this world and logic keeps it under control. In the case of college professors and schoolteachers there is an indoctrination that goes on in the halls of academia that: "From each according to his ability

and to each according to his needs” really can work. Schoolteachers and college professors label anyone saying otherwise heartless. The basic ideology is not open to question. The teachers and professors also do not have to live with the results of their efforts. Academics live in a theory world. They want to believe that Communism can work. Envy is an underlying emotion that helps drive this belief. Teachers are envious of those that do better. Part of this comes from their experience in teaching those who go on to earn a very high standard of living. They will sit and think “I am so much smarter than so and so. I remember when they could not even understand the subject I teach. Why should they have such rewards while I do not.” It is in their smug technocratic thinking that they believe makes them capable of running everything so much better.

Teachers and professors never answer the questions: Why have all Communist countries become poor? Why have all Communist countries become Totalitarian Dictatorships? Why do people flee Communist countries? If they are better why don't people flee Capitalist countries for Communist countries?

When the academics are confronted with these questions their answer is: “It is the current leaders”. If they were in charge it would be different. Africa is full of Communist countries (The leaders of these countries call them Socialist.) The next question for the Socialist academics is: Why not go and show them how to do it? The excuses are interesting but all amount to the same thing: They do not know how.

This comes from an interview with Dr Richard Pipes, acclaimed Russian historian and Harvard University professor of Sovietology. Grove City College professor of political science Dr. Paul Kengor conducted the interview.

“ In practice, communism is nothing less than sheer barbarism that makes even the horrors of Nazism pale in comparison. Professor Rudolph J. Rummel of the University of Hawaii outlines that barbarism in his book "Death by Government," a comprehensive

detailing of the roughly 170 million people murdered by their own governments during the 20th century. From 1917 to its collapse in 1991, the Soviet Union murdered about 62 million of its own people. During Mao Zedong's reign, 35,236,000, possibly more, Chinese citizens were murdered. By comparison, Hitler's Nazis managed to murder 21 million of its citizens and citizens in nations they conquered. Adding these numbers to the 60 million lives lost in war makes the 20th century mankind's most brutal era.

At home and abroad, leftists have done a thorough and commendable job documenting and condemning the horrors and crimes of Hitler and his fascist Nazi regime, but when have you heard them direct similar condemnation of Joseph Stalin, his successors and Mao Zedong? By and large, they've chosen to overlook the horrors of communism.

The reason for their reluctance to condemn the barbarism of communism is simple. Dr. Pipes says: "Intellectuals, by the very nature of their professions, grant enormous attention to words and ideas. And they are attracted by socialist ideas. They find that the ideas of communism are praiseworthy and attractive; that, to them, is more important than the practice of communism. Nazi ideals, on the other hand, were pure barbarism; nothing could be said in favor of them." As we have seen Nazism was Socialism. So isn't this just another twist of words? Often, when people evaluate capitalism, they evaluate a system that exists on Earth. When they evaluate communism, they are talking about a non-existent Utopia. What exists on Earth, with all of its problems and shortcomings, is always going to fail miserably when compared to a Utopia. The very attempt to achieve the utopian goals of communism requires the ruthless suppression of the individual and an attack on any institution that might compromise the loyalty of the individual to the state. That's why, one of the first orders of business for communism and those who support its ideas, is the attack on religion and the family. Rank nations according to whether they are closer to the capitalism end or the communism end of the economic spectrum. This has been done. The Heritage Foundation and The Index of Political Freedom by Freedom House know them as the Index of Economic Freedom. The countries that

are the most economically and politically free, (In other words furthest from Communism) have the highest standards of living and are the places where people are trying to emigrate. The countries that are the least free are the countries people are trying to leave.

Our first try at Communism in this country was the Pilgrims. Under Communism Bradford had a terrible time making the young single men work and he had to resort to extreme disciplinary measures. In the first year, one half of the colonists starved or died of exposure. Bradford was a good man and decided that he could no longer subject man to such treatment. Unlike Stalin, Castro and other Socialists he had a moral compass. After communism was replaced it was every man (and woman) for him self. Everyone was to keep whatever he or she produced. The result was a bounty. This initial celebration at Plymouth was really a celebration of the victory of Capitalism. The Indians had nothing to do with it except that the colonists apparently shared some of their bounty in order to convert some of the Indians. For a Puritan celebration was prayer and sharing scripture not heavy eating. It should be remembered that the colonists were farmers and craftsmen with the tools, seed and experience to do the job. The land they settled in New England was better than many of the lands available in England. It was bottom land well drained and fertile. After all they had the pick of the entire continent. The only error was thinking that it would have the same climate as Europe on the same latitude. The first conversion victory was the baptism of Pocahontas. This is not what the Disney movie or the government schools teach, but it is the truth. The calibration at Plymouth was actually second after a similar calibration at the Virginia Colony.

Chapter 5) The Government and social problems:

More than 80 years ago Will Rogers said: “ there is no problem so great that the government can’t make it worse by trying to fix it.” This is sad but true. All of the social problems that the government has thrown money at have become worse.

Welfare that was put in place to prevent poverty has created a class of dependent poor people in the inner city. It was also put in place to provide for children of poor people. It has created the one parent household with crack babies and abused children.

Rent controls have created homelessness by removing the incentives to building and maintaining housing for lower income people.

Minimum wage laws were put in place to prevent Blacks and Chinese from being employed and therefore unable to reproduce. They have had the effect desired by their supporters. They have increased unemployment by blocking low skill people from finding employment. This is particularly true in the poorer areas. Employment would enable low skill people to develop skills and find higher paying jobs.

The Davis–Bacon act was put in place to prevent Black contractors from bidding against the white unions for government work. It has been a source of power and money that has helped corrupt unions. And it has increased the cost of construction of government facilities.

Rationing creates illegal activity, which further drains off resources. In the free market, price determines who gets what. In a free market with a free capitalist system goods are available in abundance. In these situations there is never a need to ration. In a free market more goods and services become available when the price increases. The resulting abundance then lowers the price.

Anti–discrimination laws create discrimination. Laws that give older people the right to sue for discrimination cause employers to avoid hiring

older employees because if they have to be let go they may sue. Laws that make certain classes of people more able to sue for discrimination create barriers for these same people in getting a job. It also creates resentment among those not in the protected class. When quotas are used it increases cultural / racial tension and makes the entire economic system less productive. The people in the hate business use these laws. The persons in the hate business use the definition of the protected class to define who is to hate whom. Both the persons in the protected class and the persons out of the protected class can see themselves as victims of some malevolent conspiracy. These laws make it easy for the hate mongers.

Even a simple law like the tree ordinance in Jacksonville Florida is going to do the exact opposite of what was intended. By not allowing the cutting of trees over a certain size it gives an incentive to cut the small trees before they become protected. Over the years if all of the young trees are cut then in 20 years we will no longer have the trees that have a life of 20 years or less. There will only be the long living trees. Most of these will also die over the next 100 years. This could have the effect of leaving the city treeless. It has also created a bureaucracy that must justify its existence. Any bureaucracy is a burden on society and creates an opportunity for excesses and illegal activity. Power is easily abused and must be held in check with the ballot box.

Supporters of these government interventions drive the people who write and pass these laws. The elected officials and their supporters want to feel good about passing the laws. They never look at the consequences and say we should undo what we have done. They only see the problems unsolved and in need of more laws. The cycle is never ending.

This quote is stolen from Walter Williams: C. S. Lewis made an observation applicable to do-gooders everywhere: "Of all tyrannies, a tyranny exercised for the good of its victims may be the most oppressive. It may be better to live under robber barons than under omnipotent moral busybodies. The robber baron's cruelty may sometimes sleep, his cupidity may at some point be satiated; but those who torment us for our

own good will torment us without end, for they do so with the approval of their own conscience."

I do believe that the emancipation proclamation, the voting rights act and the anti discrimination laws did do the right thing. These laws made it illegal to for public places and government entities to discriminate based on race. The laws that force quotas and require reverse discrimination fail to do good and actually do great harm.

Everyone looks at discrimination as a bad thing. Actually being discriminating is a good thing when picking friends, employees and a spouse. Discriminate against the dishonest, the uncaring, the incompetent and the lazy.

Chapter 6) What the government should and should not do

In a free market capitalist society the individual only pays for what is wanted and needed. Customers only purchase something if in their opinion it is more valuable than the money spent. Companies can only get money if they provide what consumers are willing to pay for. The government on the other hand can take as much money as it decides to take. If the individual does not pay willingly then the government sends people with guns and handcuffs. They can take your stuff and put you in jail. The government can only pay for something by first taking the money at the point of a gun from someone that has earned it. This can be done by taxes or by printing more money and thereby making the money decrease in value. Printing money and taxing have a similar effect. Whenever a politician says he is going to pay for something remember it will be with money taken at the point of a gun from someone. If you are gainfully employed it is probably you.

There is a role for government. It is better to let the government handle the building and maintaining of the roads. Protecting the citizens both with the police and the military is something that can be done better by government. Additional roles for government are: Collecting tariffs, dealing with foreign governments, conducting a census, providing a court system for criminal prosecution, having courts for settling civil disputes, collecting taxes to pay for these things, holding elections, and for coining and printing money. They were all outlined in the Constitution of the United States.

There are three principles that should guide the role of government:

- 1) A person should be able to do anything they want with their life and property as long as it doesn't hurt someone else.
- 2) The government should not be involved in contracts between people that do not affect third parties.
- 3) The government should not be able to take private property without just cause and just compensation.

If we accept these three principles then we can then see if laws are the proper role of government. Anti-pollution laws pass the test if they are directed at discharges from private property into the environment of others. Laws that control noise also pass the test. Laws that prevent wetlands in private hands from being used do not pass the test. This is “taking” and requires “just compensation. “ Government purchase of wetlands would pass the test since wetlands are needed for maintaining the ecosystem. The three principles are usually easy to apply. It is harder to judge laws like seat belt use and drug use.

I would not be in favor of laws like seat belt use if we could somehow make the person responsible for his own action and not burden society. If the person causes himself injury as a result of his own action then he would not be allowed to obtain help from the government. Laws requiring the individual to suffer from his own actions would encourage the individual to protect himself and punish those that do not. The difficulty with applying this standard is our unwillingness to allow people to suffer the consequences of their own action. I wish I had an answer but I don't.

In the early history of the country alcohol was the drug of choice. When someone became an alcoholic they were allowed to lie in the street. This was a way for young people to see the effects and decide not to drink. Later, with opium and heroin, the results were more severe but the lesson was learned in a similar way. The only problem with legalizing drugs today is the automobile and the burden on the society to pay to keep the drug addicts out of automobiles.

The laws requiring parents have their children in seat belts serve a purpose. These laws protect the children and not the adult. The children are not given a choice and they should not suffer from the irresponsibility of their parents. This and similar laws comes under the principle that a person should be able to do anything they want with their life and property as long as it doesn't hurt someone else. In this case the someone else is the child.

All of the government-knows-better types of laws are a burden on the

legal system and create incentives to persons to do illegal things. They all have as the basis the implied duty of the government to protect a person from himself. They could all be eliminated if the government did not also use taxpayer's money to rescue these persons from themselves. Personal responsibility is the missing ingredient.

I do think that personal responsibility can play a bigger part. For example we could put those who abuse alcohol and cigarettes behind those who don't for liver, heart and lung transplants. This is an example of some of the ways we could put personal responsibility into the actions of the government.

There is a need for changes in the legal system. We are now paying what I call the trial lawyer tax. It is in the price of everything we buy. It is also indirectly in the price of everything because of the companies that are not in business and the products that cannot be made in the United States. We cannot make football helmets in this country because whenever someone is hurt in a football game the lawyers sue the helmet manufacturers and the juries try to make everyone whole. This has killed not only the helmet manufacturers but also many others. The malpractice suits have driven good doctors out of practice and driven the cost of medical care beyond the reach of many.

The people who commit crimes are a minority. We need to see that these people are not loose in society. The adult criminals are in most cases older juvenile criminals. We now seal the criminal record when a person becomes an adult. We as a society must suffer through three additional convictions before we are able to lock these people up for life. These three convictions usually take many more than three crimes.

We now have about 0.5% of our adult population in jail. Thinking back to grade school and high school this seems like a low number. Back then I would have predicted 4 or 5% would end up in jail.

There have been cases of criminals writing books about their crime and making a substantial profit. By the time this happens the ability of the

victim or the victim's family to sue is long gone.

I believe that some changes are long overdue. The following would go a long way.

1) We need to set up malpractice courts with the awards to be made the same as the compensation in the workman's compensation law. This is a set of tables that describe the injury and fix the payments. If someone like a dentist believes that his hands are worth more than the payment schedule provides then, he can take out insurance for the difference.

2) The judge should have the power to direct the plaintiff to pay court and legal costs for any frivolous or harassing lawsuits. The judge should also have the power to enjoin the convicted criminal from filing any suits against his victims.

3) Punitive damages should be eliminated. Punishment should be a criminal not a civil matter.

4) A judge in criminal court should be able to fix damages and restitution to be paid by someone found guilty of a crime at the time of sentence. This would eliminate the need for those harmed to file a lawsuit later.

5) If an adult commits a felony their juvenile record should be open and be used to determine the appropriate sentence. For example if that person had committed a felony as a juvenile and that person was found guilty of a felony as an adult, then the sentence should be appropriate for an adult committing a second felony. There would have to be some discretion for the judge in passing the sentence.

6) We should eliminate the plea of not guilty by reason of insanity. If a person says that they are insane then they should be able to plead guilty by reason of insanity and the judge should empower a panel of three psychologists, one representing the defendant, one from the prosecution and one selected by the judge. This panel should submit a recommendation to the judge as to insanity at the time of the crime and

what sentence is appropriate. If the panel finds that the person was sane when the crime was committed then the person is guilty. If the person was not sane then the person that committed the crime should be committed to a mental institution in place of prison. In the case of violent crimes the time away from society should be no less than the minimum sentence for the crime committed. In cases where this was not just, the Governor of every state and the President of the United States has the power to pardon or commute.

People are always saying this or that is unconstitutional. Those that say this are unlikely to have read the constitution. It is a short document and it clearly limit's the power of the federal government. It also establishes the structure of the federal government. It doesn't say very much more. Read it every few years and when some one says something is unconstitutional ask them for the paragraph. The reaction will likely be a blank stare.

Our founder's words are still fresh:

George Washington:

"We should never despair, our situation before has been unpromising and has changed for the better, so I trust, it will again. If new difficulties arise, we must only put forth new exertions and proportion our efforts to the exigency of the times. ... The name of American, which belongs to you, in your national capacity, must always exalt the just pride of Patriotism, more than any appellation derived from local discriminations. ... It should be the highest ambition of every American to extend his views beyond himself, and to bear in mind that his conduct will not only affect himself, his country, and his immediate posterity; but that its influence may be co-extensive with the world, and stamp political happiness or misery on ages yet unborn. ... The Hand of providence has been so conspicuous in all this, that he must be worse than an infidel that lacks faith, and more than wicked, that has not gratitude enough to acknowledge his obligations. ... [T]he propitious smiles of Heaven, can never be expected on a nation that disregards the eternal rules of order and right, which

Heaven itself has ordained."

John Adams:

"Children should be educated and instructed in the principles of freedom. ... If we suffer [the minds of young people] to grovel and creep in infancy, they will grovel all their lives. ... The foundation of national morality must be laid in private families... How is it possible that Children can have any just Sense of the sacred Obligations of Morality or Religion if, from their earliest Infancy, they learn their Mothers live in habitual Infidelity to their fathers, and their fathers in as constant Infidelity to their Mothers? ... We have no government armed with power capable of contending with human passions unbridled by morality and religion. Avarice, ambition, revenge, or gallantry, would break the strongest cords of our Constitution as a whale goes through a net. Our Constitution was made only for a moral and religious people. It is wholly inadequate to the government of any other. ... The only foundation of a free Constitution is pure Virtue, and if this cannot be inspired into our People ... they may change their Rulers, and the forms of Government, but they will not obtain a lasting Liberty. ... A Constitution of Government once changed from Freedom, can never be restored. Liberty, once lost, is lost forever."

Thomas Jefferson:

"The same prudence which in private life would forbid our paying our own money for unexplained projects, forbids it in the dispensation of the public moneys. ... The multiplication of public offices, increase of expense beyond income, growth and entailment of a public debt, are indications soliciting the employment of the pruning knife. ... We must not let our rulers load us with perpetual debt. ... The principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale. ... If we can prevent the government from wasting the labors of the people, under the pretence of taking care of them, they must become happy. ... I think we have more machinery of government than is necessary, too many parasites living on the labor of the industrious. ... The natural progress of things is for liberty to yield and government to gain ground. ... [A] wise and frugal

government...shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government. ... Sometimes it is said that man can not be *trusted with government of himself. Can he, then, be trusted with the government of others? Or have we found angels in the forms of kings to govern him? Let history answer this question."

James Madison:

"I cannot undertake to lay my finger on that article of the Constitution which granted a right to Congress of expending, on objects of benevolence, the money of their constituents... If Congress can do whatever in their discretion can be done by money, and will promote the General Welfare, the Government is no longer a limited one, possessing enumerated powers, but an indefinite one, subject to particular exceptions. ... The powers delegated by the proposed Constitution to the federal government are few and defined. Those which are to remain in the State governments are numerous and indefinite. ... There are more instances of the abridgment of the freedom of the people by gradual and silent encroachments of those in power than by violent and sudden usurpations."

Nothing in our founders words do not apply today. Those who do not understand our history -- mostly those identified as "liberal" in contemporary vernacular -- assume the words of our Founders are as antiquated as the Declaration and Constitution they created. However, students of history understand that both the threats our Founders confronted at the dawn of our nation, and their advice, have endured to this day.

Indeed, to paraphrase Santayana's aphorism, "They who do not know their history are destined to repeat it."

Chapter 7) Religion:

Man has been searching for God for as long as we can tell. Early graves show that people would wrap a corpse carefully and place tools with the corpse for use in the after life. Men who have studied the cosmos like Einstein have come to the conclusion that there is a God. They, like me, ask the question: "If there isn't a god what is this all about and where did it all come from?" There are people who think that religion and science are in conflict. The conflicts have never been about facts they have always been about power. The early Roman Catholic Church didn't care whether the earth circled the sun or the sun circled the earth. They did care that Galileo was saying that the Pope was wrong. Since the Pope was infallible, if he was wrong about that then he wasn't infallible and could be wrong about anything or everything. Religions have come from men truly looking for God and from men attempting to control. Men attempting to control have hijacked even religions that have come from men truly looking for God. How does a person tell the difference? The earliest religions were not written down, so that we have little evidence as to what type they were. Later religions were written; so we are able to do some analysis.

There have been many arguments for the existence of God. St. Thomas Aquinas had five arguments for the Existence of God. In short form with some poetic license: 1 Everything has to be moved by something therefore there had to be a first, 2 Everything has a cause therefore there must be a first cause, 3 That which exists must have not existed and have come from something that existed therefore there must be a first existing, 4 There is a more or less of good and bad and hot and cold therefore there must be a perfect and that is God and 5 Things move with a cause therefore there must be an intelligence that is the first cause. Benedict De Spinoza Outlines in mathematical form an argument similar to St. Augustine. There are many versions of these arguments.

John Calvin takes a different approach. In short form: He argues that the knowledge of God and right and wrong are in us. He uses the knowledge of God and right and wrong by the primitive tribes as one demonstration.

I believe the strident words and actions of atheist are an example of those who know God exists and want to be free from the constraints of morality. They want to do what feels good. The free love crowd does not want God to exist, for it judges their behavior. With or without God their behavior leads to bad outcomes of broken homes, disease, abused children, etc.

Paul in Romans Chapter 1 verse 18 through 22 says the same thing: “18. For the wrath of God is revealed from heaven against ungodliness and wickedness of men who by their wickedness suppress the truth. 19. For what can be known about God is plain to them, because God has shown it to them. 20 Ever since the creation of the world his invisible nature, namely, his eternal power and deity, has been clearly perceived in things that have been made. So they are without excuse; 21 for although they knew God they did not honor him as God or give thanks to him, but they became futile in their thinking and their senseless minds were darkened. 22 Claiming to be wise, they became fools, 23 and exchanged the glory of the immortal God for images resembling mortal man or birds or animals or reptiles.”

The only records we have from the Aztecs and Incas are picture writing and reports from the Spanish. From these we learn the Aztecs and Incas were brutal and men directed the religion as a means of control. Lao Tzu wrote the first document by someone that was truly searching for God. It is called the Tao Te Ching. (The T in Tao is pronounced more like a D. The Chinese have one mid tone that is about ½ way between a D and a T) It was written about 2,500 years ago. It is based on living a moral life and on accepting life as it is, instead of wanting things to be different and being frustrated by how things are. Lao Tzu would have us accept what is and work from there. There is wisdom in the verses of the Tao for example:

33: ... He who knows he has enough is rich. ...

68: A good soldier is not violent
A good fighter is not angry
A good winner is not vengeful
A good employer is humble
This is known as the virtue of not striving
This is known as ability to deal with people
This since ancient times has been known as the ultimate unity with
heaven

It is easy to read the entire Tao. It only has 81 verses.

Siddhartha Gotama (Buddha) shortly after this time was preaching a path to enlightenment based on Noble Truths, the eight-fold path and the five precepts. The moral code is based on the five precepts: not to take the life of anything living, not to take anything not freely given, to abstain from sexual misconduct and sensual overindulgence, to refrain from untrue speech, and to avoid intoxication, that is, losing mindfulness.

Buddha never said he was god. He was raised as a Hindu but never referred to the Hindu gods in his preaching. He preached a way of life not a way to god. There is nothing in the preaching of Buddha that is contradictory to Christianity. The men of Asia who spend part of their early life as a Buddhist monk are made better men.

Judaism is the history and writings of the Jewish people. The Torah (Old Testament) and the New Testament were compiled at the same time. Jews and Christians worked together, to get the most accurate text. They compiled the current English language bible. From reading the Old Testament it is clear that many of the rules were meant to control. It also includes writings of the prophets that were sincere attempts to know the will of God.

To tell true from false attempts to know the will of God the test is: what did the writers want in the way of power? Lao Tsu did not want power, Buddha gave up the power of being an Indian Prince, and the Old Testament Prophets spoke out against the authorities, were not in search of power and got in trouble with those in power. Jesus rejected gaining power. The people turned against him when he wouldn't gather men to fight Rome. Paul rejected the power of the Sanhedrin and chose prison and death rather than stop teaching about Jesus.

The Bible consists of stories demonstrating a moral principle, historical details and prophecies. Prophecy means speaking for. It has come to mean prediction. The early prophets usually predicted that bad things would happen to the Israelis if they didn't remain faithful. Every time they were right. The words of the Prophets are still the true guide to the will of God and the understanding of the relationship of God and man. The bible is not a good history book or a good science book. It is a good way to know God's will.

Everyone should read the Bible. Mathew Mark Luke and John each wrote the story of Jesus. Start with Mark, It is the oldest and most likely to be accurate. Then read Acts until the end of the New Testament. Then go back and read the Old Testament. Finally read Matthew, Luke and John for a review. My edited version is in Life401.com In it I have edited out the insertions of things not seen, The forgeries of Paul's letters, Later writings not in line with Paul and additions that were made up to make the New Testament fit the Old Testament. A more full description is in the introduction.

The Bible is a guide for life. The truths of the bible never go out of date.

Marriage: "Rejoice in your wife...never quit taking delight in her, never take her love for granted." Proverbs 15:18-19

Attitude: "A cheerful attitude brings joy to the heart and health to the bones." Proverbs 15:30

Peer Pressure: "He who walks with the wise grows wise." Proverbs 13:20

Preciousness of Life: “Teach us to number our days, that we may gain a heart of wisdom.” Psalm 90:12

Importance of Words I speak: “He who guards his lips guards his life, but he who speaks rashly will come to ruin.” Proverbs 13:3

Credit Debt: “The borrower is servant to the lender.” Proverbs 22:7

“He who gathers money little by little makes it grow.” Proverbs 13:11

Complaining? “Do everything without arguing or complaining.” Philippians 2:14

Encouragement: “Encourage one another daily.” Hebrews 3:13

Relationships: Jesus said: “A new command I give you: Love one another. As I have loved you, so you must love one another.” John 13:34

How to dress yourself before beginning each day: “Clothe yourselves with compassion, kindness, humility, gentleness, and patience...” Colossians 3:12

Daily Conversations: “Let your conversation always be full of grace.” Colossians 4:6

Laziness: “For we hear that some of you are living in idleness, mere busybodies, not doing any work. Now such persons we command and exhort in the Lord Jesus Christ to do their work in quietness and to earn their own living.” 2 Thessalonians 3:11–12

There is a long passage Romans Chapters 14 through 15 that is about conflicts in the early church. Paul tells us how to be accepting and live with one another. It is well worth reading.

The Profits of the Old Testament predicted Jesus in some detail. For example the Profit Isaiah predicted Jesus rejection and suffering. In verses 50:6 I gave my back to the smiters, and my cheeks to those who pulled out my beard I hid not my face from shame and spitting. 52:14

As many were astonished by him-- His appearance was so marred,
beyond human semblance and his form beyond that of the sons of man.
53:7 He was oppressed and he was afflicted, yet he opened not his
mouth; like a lamb that is led to the slaughter, and like a sheep before its
shearers is dumb, so he opened not his mouth.

The Emperors of Japan to gain and hold power used the Shinto religion,
Mohamed used the Muslim religion to gain and keep power. The Popes
and Kings of the Middle Ages used the Christian religion to hold power.
The anti- evolution crowd of today is exactly the same. In the long run
such silly anti-scientific dogmas hurt the credibility of religion.

God is what God is. No scientist can make God smaller by making a
discovery. No religious person can make God bigger by making science
less. Some scientists are either agnostic or atheistic and do not think
about the effect of their discoveries and theories on religion. Some are
like me and think of the wonder of the universe and find new knowledge
and discoveries to reveal the magnificence of God. At every step in the
advance of science the mysteries attributed by the religious people to
God seem to be exposed as simply natural phenomena. This is the
perspective of the religious person without any understanding of science.
At the same time the scientist realizes the vast increases in the new
mysteries. For the scientist God becomes more wonderful. Recent
discoveries in quantum mechanics seem to indicate that events can
influence one another even when the events are so far apart that no
signal can pass from one to the other without exceeding the speed of
light. Also future events seem to be able to effect the past. Not to make
this a science section it is only to say that scientists keep finding more to
explain not less. God is safe from science.

There is a debate in the church between free will and predestination. The
Calvinists believe that God knows if we will go to hell or heaven even
before we are born. The other side believes that we have free will and our
decisions determine our destiny. Of course both are true. God sees all of
time. Knowing how we will decide is not the same as making decisions
for us.

In the modern era Jim Jones used religion to hold a community under his control. Jim Jones was a Socialist not a Christian. He used the cover of religion to gain power over his converts. Only after obtaining power over them did he reveal that his religion was communism. Ruthless dictators and Kings of the Middle Eastern Countries are now using the Muslim religion to hold the inhabitants under control. There are many examples of the misuse of religion.

Some people make their religious beliefs the focus of their life and experience religion in a very personal way. Some people, and I am one, are more detached. William James studied this variety of religious experience. It is a personal thing. Everyone must experience religion for themselves. The important thing is to look at the intention of the religion and the leaders. If power is important then it is a religion of man not God.

There is a truly false religion now taught in schools. It is the Mother Nature Religion. In the Old Testament it is called the Ba'al religion. This religion goes as follows:

Cutting down trees is a sin.

Burning fossil fuel is a sin.

Not recycling everything is a sin.

Polluting is a sin.

If a person does not do any of the above Mother Nature will keep the climate the same and there will not be any bad things happen to the planet.

Saying it this way it is obviously false. I am not saying it is good to do any of the above but Mother Nature is not a god. The climate is always changing, earth quakes will happen, volcanoes will happen, meteors are always hitting the planet, big meteors will some day do great damage, great storms will do great damage and Tsunami waves will flood coastal areas. We need to do our best to protect ourselves from these natural disasters but giving offerings to and praying to Mother Nature will not be

any help.

Christian men founded the United States. The Declaration of Independence and the Constitution were based on Christian principals. Our Holidays (This means Holy Days as days set aside as Holy) were based on religious days.

There were a few Jews. The Jew Uncle Sam (Jacob DeHaven) was instrumental in keeping George Washington's troops supplied. Without him it is likely the war would have been lost. Freedom of religion is what drew many of the first settlers.

Abraham Lincoln in setting the date for Thanksgiving said:

By the President of the United States of America.

A Proclamation.

The year that is drawing towards its close, has been filled with the blessings of fruitful fields and healthful skies. To these bounties, which are so constantly enjoyed that we are prone to forget the source from which they come, others have been added, which are of so extraordinary a nature, that they cannot fail to penetrate and soften even the heart which is habitually insensible to the ever watchful providence of Almighty God. In the midst of a civil war of unequalled magnitude and severity, which has sometimes seemed to foreign States to invite and to provoke their aggression, peace has been preserved with all nations, order has been maintained, the laws have been respected and obeyed, and harmony has prevailed everywhere except in the theatre of military conflict; while that theatre has been greatly contracted by the advancing armies and navies of the Union. Needful diversions of wealth and of strength from the fields of peaceful industry to the national defence, have not arrested the plough, the shuttle or the ship; the axe has enlarged the borders of our settlements, and the mines, as well of iron and coal as of the precious metals, have yielded even more abundantly than heretofore. Population has steadily increased, notwithstanding the waste that has been made in the camp, the siege and the battle-field; and the country, rejoicing in the consciousness of augmented strength and vigor, is

permitted to expect continuance of years with large increase of freedom. No human counsel hath devised nor hath any mortal hand worked out these great things. They are the gracious gifts of the Most High God, who, while dealing with us in anger for our sins, hath nevertheless remembered mercy. It has seemed to me fit and proper that they should be solemnly, reverently and gratefully acknowledged as with one heart and one voice by the whole American People. I do therefore invite my fellow citizens in every part of the United States, and also those who are at sea and those who are sojourning in foreign lands, to set apart and observe the last Thursday of November next, as a day of Thanksgiving and Praise to our beneficent Father who dwelleth in the Heavens. And I recommend to them that while offering up the ascriptions justly due to Him for such singular deliverances and blessings, they do also, with humble penitence for our national perverseness and disobedience, commend to His tender care all those who have become widows, orphans, mourners or sufferers in the lamentable civil strife in which we are unavoidably engaged, and fervently implore the interposition of the Almighty Hand to heal the wounds of the nation and to restore it as soon as may be consistent with the Divine purposes to the full enjoyment of peace, harmony, tranquility and Union.

In testimony whereof, I have hereunto set my hand and caused the Seal of the United States to be affixed.

Done at the City of Washington, this Third day of October, in the year of our Lord one thousand eight hundred and sixty-three, and of the Independence of the United States the Eighty-eighth.

By the President: Abraham Lincoln

William H. Seward,
Secretary of Statez" (sic)

I am a Christian and I pray that you will become one also.

To be a Christian is to:

Know that God loved you before you knew him

Know that God loved you enough to send Jesus

Study the Bible to learn more about what God has for you and to mature as a Christian

Attend meetings with other Christians regularly (With religious freedom this means Church)

Attend a Sunday School or other small church activity to become part of a Christian community

Contribute your talents to the Church in what way god directs you to serve

Contribute financially as you are able

Invite others to become Christian

Show Christ's love in your daily life

Help others to be better Christians

The Christian Religion is a religion of joy. We are to know that it is by faith that we are saved and not by works. Good works are what we enjoy doing because we are saved not an obligation we are forced to do in order to get into heaven.

A Christian does not want to burden others to force them to do good works but does them out of love. This love is an example and should be the way to tell a true Christian. There is a song that says: " You know they are Christians by their love."

Chapter 8) Science:

Science is not a bunch of facts. Science is a process. The central part of science is the scientific method. The scientific method consists of performing experiments and noting the results. A science experiment has the following characteristics:

- 1) The results are not known in advance. (If the results are known in advance it is a demonstration of a scientific experiment, not science)
- 2) The methods used are controlled so that it can be repeated.
- 3) The results are accurately documented and published for others to replicate.

There are two types of scientists: Experimentalists and Theoreticians. They each have a role to play in science. The experimentalists do just that; they do experiments, document the experiment and record the results. The theoreticians organize the results of the experimentalists and make predictions. Sometimes one person does both the experiments and the theoretical development. The predictions that the theoreticians develop are called scientific theories. After a theory is published other scientists will set up experiments that are designed to test these theories. If a theory is not testable and there is no way to prove it wrong it is worthless. A theory that has been proven wrong (like astrology) which is still promoted is worse than worthless and can cause great harm. If the theory passes many tests it becomes useful for engineering and every day life.

A good example is what is called Newtonian Mechanics. Isaac Newton invented calculus and developed a theory of how things move. The theory is used in designing everything in our daily life that moves or has moving parts. The orbits of most of the planets, operations of an engine or the drive components or even the pop up mechanism of a toaster are all based on Newtonian Mechanics. This theory is the basis of most of what is taught in Engineering Schools.

Albert Einstein and others noted that Newtonian Mechanics seemed to give contradictory results when applied to electricity or light. Einstein came up with the Theory of Relativity to explain how moving things behave. The Relativity equations are not the same as the equations based on Newtonian Mechanics. Newtonian Mechanics is wrong. The differences between the equations of Einstein and Newton are only meaningful at very high speeds or in very strong gravitational fields. The equations of Einstein accurately predicted the motion of the planet Mercury. Mercury moves around the sun very fast and it is close to the sun's strong gravitational field. Einstein's theories also accurately predict the motion of light, the effects of gravity and behaviors of very fast moving particles.

Einstein wrote two papers on the Theory of Relativity, one on the special case where there wasn't any acceleration or gravity and one on the general case that included acceleration and gravity. The special case can be understood by anyone who understands algebra and basic calculus. The general case was so hard to understand that Einstein waited to publish it so that he could study the mathematics involved and not be embarrassed when he was asked questions. Sometimes they are called two theories but there is only one theory. It is just easier to work the mathematics if gravity and acceleration are not included. The Theory of Relativity has been tested in every way that scientists have been able to devise. In every case it has properly predicted the outcome. The Theory of Relativity does not explain all things and some day there will be another theory that will be found to be more complete and it will displace the Theory of Relativity. It is important to note that the equations of Newton are simpler and are still used by engineers for designing things even though they are not exactly correct. The differences for the mechanical things we use in our daily lives are too small to measure.

Sometimes people want to say that there are scientific theories and scientific facts. Theories are explanations of how the universe works. Facts are the results of experiments and do not explain anything. According to Newtonian Mechanics the path of a baseball when it is

thrown will follow a parabola when in the gravity of the earth. This is a theory. If this experiment was done and documented the following would be the results: Tuesday a ball thrown at 73 miles per hour in the Cleveland stadium followed a parabola. This would be an experimental result and a scientific fact and not in itself very useful. Theories are what we use to predict how the universe will behave. In order to be useful a theory must have this predictive property. There is a lot of junk pretending to be science.

The question to ask is: What has the alleged scientific theory predicted? If it hasn't predicted anything not known before it hasn't been tested and cannot be used to predict the future. If predictions made by the theory are wrong then it is also of little use.

Darwin's theory of evolution predicts that insects will become resistant to insecticides, bacteria will become resistant to antibiotics, and in separate environments birds will become different species. This theory has been tested many times and found to correctly predict what will happen. Therefore, it is a useful tool to use when dealing with living systems.

Without the theoreticians, we would not be in the position to think about how the universe works and make predictions on how things will behave. Without the experimentalists, the theoreticians would not have anything to organize and not be able develop theories.

Technology uses well-tested theories to make the things we use in our lives. In technology, the results of the things we make are predicted by the scientific theories. The technologists, who build a car, install a fiber optic cable, make a computer chip or build a house all expect what they make to work. They do this by using the mathematics that comes from the theories developed by the theoreticians. This in turn comes from analysis of the results of many experiments done by the experimentalists.

Chapter 9) Culture

There have been many cultures in the world and there are still many cultures in the world. There was a Roman culture, an Inca culture and a North American Indian culture. There is a French culture, a German culture and an American Culture. There are some people who claim that all cultures are equally valid. Just think of the Aztec Culture of ritual torture and human sacrifice and compare it with the current American Culture. The American Culture is now under attack by those that would say it is no better than the others. They are out to destroy the United States. Our culture is one of acceptance, freedom and the individual. Every American is valued. We go to great lengths if an American is held by another country. This comes from our history. We come from individuals that defied a king. It was individuals, not other princes or kings that started this country. Each American made up his own mind and decided that freedom was worth it. The American Culture is the best on earth. Other cultures may be interesting, but our culture is superior.

In the American Culture, Scots dress up in kilts, eat (or in most cases pretend to eat) awful things like haggis. Play bag pipes at Scots games over the week end but, put on work clothes and go back to work on Monday. Germans go to October Fests, wear lederhosen, drink beer and eat knockwurst then on Monday put on work clothes and go back to work. We are Americans first and our ancestry is interesting and fun to celebrate but we are glad to be here and be Americans. This is the American culture.

Learning English, learning proper American etiquette: how to place silverware on the table, how to eat chicken with our fingers, how to fly the flag, how to shake hands and say hello are all part of the American culture.

If we lose the value of the individual, the thinking of ourselves as Americans and the respect for each other we will lose the thing that is most precious about this country. The people who think all cultures are of equal value should go live in one of the others. If they like it they

should stay. If they do not like it they should come back and thank God that they could live here.

Other governments think of their inhabitants as subjects. They are even called subjects. French subjects, German subjects etc. They are to work for the good of the state and are to be cared for as children. In the American Culture the government is to work for the people and the people are to do what they please. No other country has a constitution designed to limit the power of government. Our constitution describes the organization of the government and the limits of the power of government. Other countries either have no founding document or the founding documents describe the responsibilities of the people to the government. The Magna Carta of Great Britain describes the limits of the kings authority it does not limit the authority of government.

The United States of America is the hope of the world. It is a model of how to govern. Every Communist, Socialist and Dictator thug on the planet rightly hates the United States. Peoples who are oppressed love America. When Ronald Reagan called the Soviet Union an evil empire he was described as a simple man that did not understand diplomacy by every communist, socialist and dictator thug on the planet. The socialist press in United States joined in this condemnation. The people in the Soviet Union knew that it was true and it gave them hope that led to the fall of the Soviet Union. Speaking the truth works. Now we have George Bush describing the axis of evil. The Communists and thugs of this world and the socialist press are treating him like Reagan. No one says: "isn't this what you said about Reagan?-" President Bush should be proud to be scorned by those that scorned Reagan.

I heard the comedian Yacov Smirnov tell about coming to the United States from Russia. He said if a Russian goes to Germany he is always a Russian in Germany. If a Russian goes to France he is always a Russian in France. If a Russian comes to the United States he can become an American.

Chapter 10) Invention

These are thoughts and information to inventors. I am an inventor and would like to see other inventors do well. I am not a lawyer and cannot give legal advice. The following I learned from experience and not legal training. To the best of my knowledge, all of the companies that advertise and claim to help inventors protect and market their inventions are worthless. The reasons are somewhat complex, but here is a simplistic distillation. Legitimate companies do not want to hear from inventors until they have proven their invention in the marketplace and have received a patent for their idea. People who have an idea and think that they have an invention bombard companies with these ideas. If someone contacts a company and shares an idea and the company later invents a product that has some of the same characteristics as the shared idea, then the company is at risk of being sued. As a simple example: having the idea of sending pictures with a radio signal was an idea nearly as old as radio. This is not the same as inventing TV. To invent TV it requires the technology to make it happen not just the description of the need. Making the idea real makes an invention. It follows then that the best mechanical gadget inventors are tool and die makers. The best medical device inventors are doctors. Electricians invent the best house wiring devices.

For legal help, the patent office has a list of patent attorneys and patent agents licensed to do business with the patent office. This is at <http://www.uspto.gov>. These patent attorneys and patent agents have a code of ethics. These are the people to go to for advice or work concerning an invention; they are the ones to pay.

The first step is to see if it is a real invention. To obtain a patent, the invention must be new, useful, and not obvious by someone skilled in the art. To find out if an invention is new go to http://www.google.com/advanced_patent_search. This web site lists issued patents in several ways. If an invention is already patented it will be here. Studying other patents in the field will not only provide an idea of what others have done but, will also provide an idea of the preferred

format for the patent description. There may still be patents being processed that would have an earlier submission date. Just because the idea is not found on this web site, there is no guarantee that this invention is unique. There are also ideas that have been marketed and never patented that are not there. The patent database is good, but remember, it is not complete.

I found out this first hand when I applied for a patent on Cleanest Dishwasher. Proctor and Gamble had applied before me but it was within the 18-month period when patents are kept secret. They had missed my idea so it didn't prevent the issue of my patent.

The second step is to write and submit a provisional patent. This should contain every idea in the subject and every thing that you could ever think of. Think of all of the things that could be done to get around your idea and throw these in too. The provisional patent provides protection for one year. In this time a formal patent must be submitted or the protection is lost. The formal patent cannot add inventions and still preserve the submission date. This is why throwing in everything in the provisional is important. It is possible to submit a provisional patent without help or get one of the attorneys as listed here to help. The proper procedure is also at <http://www.uspto.gov>. If you decide to use an agent or attorney, doing your own research and preparing your provisional patent application before contacting agent or attorney will save a bundle in legal fees.

The third step is to make the product. If your invention requires \$ billions in resources to manufacture (like a new space shuttle design), I cannot help you. If you cannot make the product, I do not know how to proceed. (See paragraph two) This is a catch 22. No one in a big organization will be interested and will not want to even hear of your idea unless you have put it into practice. Likewise, if you need a big organization to make the product and you cannot do it without the help of a big organization I do not know what you can do. If you can make the product, you will earn the best value by demonstrating success in the market place. You can do this on a small scale. I was able to demonstrate

the value of Clean Shower by placing it in 22 convenience stores in Jacksonville Florida. Sometimes a good prototype is OK. In any case, with the provisional submitted you are in a position to see if the invention has merit. To have merit, the product must have value to the consumer in excess of the cost to make and market. As a rule of thumb, the manufacturing cost should be less than 1/3 of the retail cost. The smaller the retail price the larger the mark up must be. This manufacturing cost includes the labor, materials, label, package, and shipping container. A package of washers that cost \$0.02 to make will sell for \$0.39 in a Home Depot and no one is making a big profit. The year of your provisional application for patent will go by fast. I would not recommend giving up your day job but, if you are going to be a success, you need to work fast.

The fourth step is filing the patent application. This process needs to be started before the 10th month after filing the provisional application, in order to give the patent attorney time to do a good job. By this time, the value of the invention should be apparent. If it has value then get an attorney that has experience in the field. This attorney will be expensive based on the hourly rate, but will be more efficient than one without experience in the field of the invention and therefore not cost much more in the long run. With a patent attorney experienced in the field the patent will be better. The final value of the invention will be determined by marketing. Having the best product does not guarantee success. To succeed the best marketing is needed. Developing the best marketing will be hard. The important thing is to listen to the consumer and keep your own council. Everyone will be giving advice and most of it will be bad. Listen to yourself.
Good luck!!

Robert H. Black US Patents Issued

PAT. NO. Title

7,262,160 Dye Product and Method of Treating Clothing for UV Blocking

6,750,186 Composition and Method for Cleaning Dishwashers

6,239,166 Compositions for killing dust mites and methods of using same

6,211,128 Toilet bowl cleaning and sanitizing composition and method of using same

6,192,524 Toilet bowl cleaning and sanitizing composition and system and method of using same

6,090,765 Composition for cleaning hard surfaces

5,912,406 Method of cleaning soiled fabrics

5,910,474 Method of rinsing showers clean

5,837,664 Aqueous shower rinsing composition and a method for keeping showers clean

5,587,022 Method of rinsing showers

5,536,452 Aqueous shower rinsing composition and a method for keeping showers clean

5,009,618 Method and apparatus for making electrical connecting device

5,001,680 Compliant tube baffle

4,887,247 Compliant tube baffle

4,863,402 Method and apparatus for making electrical connecting device

4,725,243 Polarizing key for cable termination

3,111,413 Boron oxide derivative high temperature marking ink

Chapter 11) Rip offs:

There are crooks both in and out of jail that spend every waking hour thinking of ways to rob or cheat you.

Common ones include:

The contractors that come to your door and say that they have left over materials and could do a job at a reduced cost if you employ them now. This is always a scam.

The investment adviser that has several clients and consistently obtains yields that are far above the market rates is usually a crook. The tip off in this case is you do not get to know the stock or bond and you do not hold the stock or bond. The CPA doing your taxes, investment adviser or stockbroker who has you make out checks to them or their firm is likely to be a crook. The only exception is the stockbroker that represents a large firm and has you make out the check to the large firm. In this case you should get monthly reports from the firm showing your investments. Tax payments should go to the government agency directly in an envelope that you seal and mail. Never pay taxes to the CPA. Always pay the government.

The garage that sells services that are not need. The Goodyear, Goodrich and Firestone tire dealers sell ball joint, brake, muffler and shock repairs that are not needed. The quick oil-change shops and the muffler shops also sell many unneeded repairs. New car dealers are not entirely safe but are much better. AAA is a good organization to use when selecting services away from home.

The stockbroker with a hot tip that must be acted on immediately is another common technique.

There are three characteristics of these schemes:

- 1) You must act now to take advantage of some alleged opportunity.

2) Your action while it benefits you will come at the expense of others.

3) It is a technical thing but you are in a position to make substantial profit or save future damage to you or your property.

Examples:

Only you are in the know about developments that will make this company valuable and you can buy the stock from some unsuspecting person

Your framus is cracked and must be replaced or you may be stuck along the road. It could even cause you to lose control and crash. It is a good thing that we found it now. I am sure that you will want me to replace it now.

I am willing to sell you this Rolex for 1/10 the regular price because I need the money right now. My daughter needs to have an operation quickly and this is the only way I have to pay for it.

Try to think of at least 20 of these and see ways to combine the three characteristics. Note the really effective ones always have an “act now or it will be too late” message.

I have developed a strong automatic defense against the “You must act now” technique. It has never cost me anything of significance. When I hear the “You must act now” pitch I immediately stop anything I was going to do with this person. I may have missed a few real opportunities but it has saved me from some costly mistakes.

Buying a car is a good way to lose money. Leasing is a trap. At the end of the lease you will find that you have to pay for every flaw in the car and for flaws that you didn't know about or do. The only way out, short of paying for the car and not getting it is to significantly overpay and get it. Do not lease a car. It is best to buy a car for cash. The finance costs in a

few years will amount to more than the cost of a new car. Save until you have the money to buy a car and then pay cash. If you must borrow to buy the car, get the loan from a credit union before going to the dealer. To get the best price, decide ahead of time on at least three cars from at least three dealers that will meet your need. Make a list of the options you must have and the list of options that would be nice but would not pay extra for. Get the dealers to give you the cash price based on you handing them this written list. Tell them their bid must include everything including all fees and taxes. Say that if their price is the best you will bring them the check. If you pick a deal and find that when you return it cost more than the quote you were given walk out. Do not let them add any fees of any kind. Do not sign a contract for any financing at a dealer. The terms of these contracts are outrageously bad. Do not negotiate and do not pay for any extras. Have them give you the best price on exactly what you want and walk out. See all of the dealers at least twice. I know it is a hassle but they are better at all of the con schemes than you will ever be. If they seem to not understand have them read this paragraph.

Buying a house is the second big way to lose money. Buy a house in a location where it will appreciate. Check the schools, Look at the lot and the surrounding area to be sure that drainage is such that the house will not have problems with any possible flood. Have an inspector check the house for defects. When making a deal on the house make it subject to the inspection and obtaining financing.

Finally never give out your social security number, bank account number or credit card numbers over the phone. Many people will ask for these numbers both over the phone and on forms. Only the government can require a person to give their social security number. The bank and your employer are required by the government to have it nobody else is required to have it.

Chapter 12) Self Confidence and Self Image:

Everyone has to be special to themselves. It is the lack of self-confidence and the feeling of not being special that causes great deal of the antisocial behavior particularly with the young.

When I was young I was very near sighted. I lived in the country and did not go to kindergarten. My eyesight problem was not diagnosed until we moved back to Pittsburgh when I was in the third grade. We had lived with my grandparents in Bedford County while my father was in the Second World War. Somehow I missed the eye test as a result of moving from Pittsburgh to Bedford County and back. They had passed me on because I was not a problem and I was thought of as being merely stupid. I could not see the black board and as a result was not learning anything. In the third grade I could not read, write, spell, add or subtract. I could not catch a ball or hit a ball with a bat. Interestingly enough I was not concerned. I knew I was not stupid. This is in spite of overwhelming evidence that I was both stupid and clumsy. I knew I was special to my parents and I was special to me. When I finally did get glasses I still could not read, write, spell, add or subtract. I could not catch a ball or hit a ball with a bat. I was now learning but I was still far behind. I never did get good at spelling, catching or hitting. It is good that I didn't have to make a living as a baseball player and they now have spell check. By my vocabulary my father knew that I wasn't stupid and to diagnose the problem he had my IQ tested when I was in the fourth grade. My IQ was over 140, which was the limit of the test. I was then sent to a tutor to catch up. All of this time I was not concerned about myself. I knew that somehow, I could figure things out. The late start and the boredom at school were not good grade wise. My grade school grades were C+. My high school grades were B+, My undergraduate grades were B-, My graduate school grades were mostly A in both Electrical Engineering and Management. It was a slow start but not a bad finish. In all of this I never lost faith in myself.

Moving back to Pittsburgh from the country was traumatic in itself. On the farm in Bedford County we didn't have electricity, running water or

any of the things that we now consider essentials. Just think of not having electricity or running water. We had a well that had to be pumped to get water and a wood stove that heated the house, heated water and cooked the food. I looked like a country bumpkin. I smelled like a country bumpkin. I acted like a country bumpkin. I did not fit in with my sophisticated Pittsburgh classmates. I am glad that I had the experience of living in the country without any of what we would now call essentials. The discipline and education of being a farm kid has been good for me all of my life. It was however not good for my social life when I was in grade school.

As a result of my farm experience I was able to learn how to smoke meat to preserve it, can fruit and vegetables, make soap, make butter, make apple butter, make sauerkraut, operate a tractor, husk corn, find the outhouse on a cloudy moonless night and shoot game. These and many other skills helped give me a sense of self-confidence. I don't panic when the power is out.

People with problems of self-image and self-confidence become problems to themselves. They act up to get attention by getting tattoos, getting piercing, wearing the latest "way-out" style, making themselves fail to prove to themselves their lack of worth, engaging in sex too early and with multiple partners, wearing their hair in wild colors and wild styles. Remember when dealing with these people that they have a very fragile ego and are easily hurt. The girls become known as sluts and they are called cheap. The boys put on a bully front but they are frightened little children inside.

My advice is remember your mother, father, grandmother and grandfather all love you and think you are special. You are very lucky to be in a loving family. You have talents that you may not have discovered. I was a late bloomer and you probably are to. Use the above guide to recognizing the people with self-image and self-confidence problems. Give these people a word of encouragement. It may help them and in doing it, it will help you.

Chapter 13) Animal Rights:

They do not have any. This doesn't mean that we can inflict pain and suffering on them unnecessarily. I support the laws in place that make it illegal to inflict pain and suffering on animals. Locking up people that do this has a dual purpose. People that can do this are incapable of any empathy and are the ones that inflict pain and suffering on people. Serial killers were all cruel to animals. Locking these people up and seeing that they have a criminal record makes the world safer for both animals and humans.

The animal rights people all see what people do as cruel and they believe that in nature all of the animals have a good time. They have watched too many animated Disney movies. In nature, all animal populations grow exponentially until either the food or water runs out, they are consumed by disease, or the predator population grows and eats them. This means that the animals in nature are hungry, thirsty, frantically trying to evade predators or, most often, a combination of the above. All animals in nature die in the jaws of a predator, of disease, of hunger or of thirst. Cows, pigs and chickens that are raised for food are kept free from disease, kept away from predators and are given sufficient food and water. If kept in facilities with enough room and slaughtered in a humane way, domestic animals have a better life than the animals that are free in nature.

The extraordinary lengths we go to in order to rescue wild animals says some good things about the human character but does not speak well for our intellectual abilities. Rescuing and bringing back to health and releasing in the wild animals that are not endangered is not a good way to use resources. If an environment supports 1,000,000 animals of a certain species then adding one more either displaces one that is there or the released animal doesn't make it. If a private individual wants to do it then I am glad that a person has that kind of compassion. If taxpayer funds are used then I say we need better control of the public purse.

Chapter 14) Environmentalists:

Most of the environmental organizations are in fact anti capitalists. The stated purpose of the organizations is to protect the environment but the real purpose of the leaders is to destroy capitalism. They do not really have an agenda to protect the environment and they do not base their opposition on real science. We now have the anti capitalist crowd fighting the developer crowd. Neither is right. They both look out into the near future. We do need a well thought out policy that will be practical and look forward to keeping the world together for the next 1,000 years.

In 1,000 years there will not be any such thing as a truly large or deadly wild animal. We cannot have giraffes, hippopotamuses, lions, tigers, cobras, water buffalo, and bears interacting with people. The results would not be pretty for either. Large and deadly animals will have to be in preserves. These should be like zoos in that the individual animal would be cared for and not be able to escape. They should also be open like parks so that the animals would be in a setting similar to the natural environment of the year 2000. These preserves need to be located in the climate appropriate to the animal.

Trees are a crop and they are planted and harvested just like corn, wheat or beans. Part of the natural settings for the large or deadly animals will also be for the trees that will be allowed to grow in a less controlled way. There will also be parks where humans can go free of the large or deadly animals. The idea of rescuing a tree is silly. All people die and all trees die. People seldom see a tree that they planted die of old age. This seems to give the tree a special status. It makes no sense to try to protect an individual tree. Trees are for lumber, paper and some day for biomass.

It is easy to project the future of farming. In some ways it is already here. The farms will be large and automated. There will be irrigation on nearly every farm. Pests will be controlled by genetic methods as well as using natural predators of the pests. There will be controls to prevent cross species viruses from developing in farm animals. This will reduce the creation of viruses like the Asian Flu. Vegetables and fish will be

produced in buildings in cities. This will provide fresher food and reduce the transportation costs.

In 1,000 years we will reduce our dependence on fossil fuels. Energy will primarily have to come from nuclear, hydro, geothermal, and biomass. There will be minor contributions from wind and solar. Oil and coal will become more useful as raw materials for making things.

People will live in the environments we have today. There will be additional concentrations in urban areas. This will be for social reasons as many jobs at that time will be able to be done from home.

There is always a concern for the world running out of something. The something is oil, topsoil, iron ore, copper ore, etc. Make a list any length. If we keep the government out of it then the free market will always fix the problem. During the President Carter years we had what was described as an oil shortage. There were lines at gas stations, the government was directing shipments of oil and gasoline and the energy police were created. The press supported all of this communist activity. Everyone was to turn down thermostat during the heating season. The energy police went from business to business and cited businesses that had their thermostat too high. There was serious talk of government energy police checking individual homes. The lack of opposition to all of this government intrusion was unbelievable in retrospect. When Ronald Reagan became president, he eliminated the energy police and all of this government control. The free market fixed the problem in a few months. The scary thing is, the people who supported this nuttiness under President Carter would do it again. The mainstream press would support this same thing today.

Chapter 15) Envy:

Envy on a personal level is quite destructive. Envy of others for what they have in the way of material possessions or in physical attributes is destructive. As was mentioned earlier in the case of Warren Buffet. It is quite hard to keep from envy and it is harder yet to wish others well who seem to have more.

The world is not a zero-sum game. That is if someone else has more that does not make you have less. It actually is more likely to make you have more. Most of early life experiences are zero sum games. When your mother cuts the pie for dessert into pieces; if she cuts the pie so that your brother's or sisters' piece is bigger then your piece is smaller. This is most of life experience on what is called the micro scale. In the bigger picture, if your neighbor works harder and makes more money then there are more goods and services available and they are therefore less expensive. If an associate invents a way to make a more efficient light bulb and becomes more affluent then the reduction of the need for energy makes the price of energy go down and makes your cost of things go down. When ever someone does something legal to become wealthy that person has made a contribution that is valued by society and it makes everyone's life better.

Wealth and things are also a burden. With multiple houses, yachts and cars, even with practically unlimited funds, the task of managing the care and maintenance of these things is a burden. While Harriet and I were in Nassau in the Bahamas we overheard a conversation between several people on a boat concerning the problem they had with the captain they had for their yacht. They were going to fire him and they were discussing the problem of finding a suitable replacement. They also were having a problem with the maintenance of the yacht. It was causing them concern. I know that this sounds silly to worry about something like this but it is no different that worrying about cutting the grass in your yard and having mower problems. Everyone is someplace on the economic ladder and has problems with things. The more things a person has the more problems they have.

We have acquaintances that lived in a million-dollar + house, had a multimillion-dollar boat and seemed to have everything. Their son committed suicide in their house. I do not envy them. Health and a good family are worth more than any things. Appearances of happiness are deceiving. There is much misery that exists in wealthy households.

The question is: What to do about envy?

Look at your life. Are you healthy? Do you have enough to eat? Do you have enough to drink? Do you have a warm bed to sleep in? Are you free to go where you want? Are you happy doing what you do in your life?

If the answer to these questions is yes then rejoice. Even if most are yes: rejoice. If someone seems to be getting more out of life than you, do not be envious. Study what they do and how they do it. If you like what they do, then copy what is productive about what they do and try to improve on it. If you do not like what they do then be thankful you do not have to do it. Adopt the Tao attitude with respect to life as it presents itself. Do not get mad in a traffic jam but be thankful you have some time to think about life and what is important. Do not worry or be upset with the way life is but work with life as it is and change the things for the better that you can change. Work within the constraints of the things you can't change. Jesus also tells us not to worry.

Chapter 16) All Natural:

The all-natural craze is just that. People that say that they prefer organic foods do not understand what organic means. People that want only natural products do not understand chemistry. Here are the facts:

The most toxic things are natural products. Snake and spider venom; castor bean toxin, (ricin) botulism toxin and mold toxins are only a few of the innumerable examples of natural toxins. Aflatoxin is produced by a mold that grows on peanuts, corn and other grains. It is one of the strongest carcinogens in existence. These toxins and carcinogens are more deadly and harmful than any of the synthetics.

The definition of organic is: Compounds that contain carbon. This applies to both products produced by living organisms and those made from carbon from oil or outer space. If organic means without pesticides then it means that food will be less plentiful and therefore more expensive. Without fungicides food will contain toxins like aflatoxin. If it means without insecticides food will have insect residue that include feces that contain fungus spores and fungus toxins. Without fertilizer, it means the crop will be smaller and less of the world will be fed. If it is without herbicides not only will the crop be smaller it will also be contaminated with residues of the weeds and the weed parasites.

I favor careful use of pesticides and eliminating when possible the use of persistent pesticides. Using insect predators to control other insects is something that will become more prevalent. Aphids are eaten by ladybugs. It would be better to turn loose ladybugs on aphids than use an insecticide. This is not always practical or possible but when it becomes practical it will be a change for the better. For now, the pesticides that are found to be safe are a better alternative than allowing mold, insects and weeds to contaminate and destroy our crops.

It is good to understand that in nature there is no poison gas or biologic warfare treaty. In nearly every organism there are toxins that are used for defense. Apples, peaches, pears and plums have seeds that are quite

toxic. These fruit seeds are able to pass through the gut of animals and are then grow fertilized by the dung of these animals. These seeds when not mechanically broken open also pass harmlessly through our gut. Omnivores like us usually eat the fruit and throw away the seed. The skins of fruits and vegetables have toxins to prevent mold, worms, insects and bacteria from consuming them. Potato skins have a toxin to prevent flat worms from eating the potato. Your skin gives off a nutrient that feeds the bacteria that keeps human skin pH at about 5. This prevents us from being eaten from the outside by bacteria and fungus. Corn contains several toxins that are made harmless by cooking. If we eat corn without cooking we will suffer a vitamin B deficiency.

The human species has done so well because we have been able to genetically modify species and prepare our food. Wheat is a crossbreed and not natural. If man had not made this genetic modification of wild grass about 12,000 years ago, western civilization would not exist. Without cooking corn, the Central American civilizations would have never existed. Without genetic manipulation, dogs would all be wolves. Without genetic manipulation cows, chickens, and pigs would not be as healthy and as productive. Wheat, corn and other crops would not exist or be as productive without genetic manipulation.

It is easy for a rich child of rich parents to say that synthetic fertilizers, pesticides and genetic modified crops should be outlawed. In practice, if we eliminated these things and were still expected to provide the same quantity of food, the amount of land we now use to grow crops would have to be increased several times. We would either have mass starvation or take drastic measures to increase farmland. It would involve cutting down all of the forests and parks, removing houses from bottomland and eliminating the growth of flowers. Even with these measures a swarm of locusts or another fungus outbreak like the potato fungus that caused the famine in Ireland would cause periodic famine.

Without cooking, adding salt, canning, freezing, adding preservatives, extraction, fermentation and other industrial processes we would not have food that is as nutritious or as abundant as we have now. As an

example, many vitamins are made by fermentation. Without the addition of these vitamins to our food we would not be as healthy. Bread is made to rise and taste good because of fermentation that produces the yeast taste and carbon dioxide. The carbon dioxide makes the bread rise.

Chapter 17) Work

If you become the President of a large corporation do your best. Remember you are working for the stockholders, the other employees, customers of the company and for yourself. If you take care of the first three then taking care of yourself will become easy. Work with a smile. Be honest in all of your dealings. Expect others to be honest. Work in such a way that you can be proud of what you do and proud of the result. Do not shrink from doing what you know needs to be done.

If you become a clean up person at a fast food restaurant do your best. Remember you are working for the stockholders, the other employees, customers of the company and for yourself. If you take care of the first three then taking care of yourself will become easy. Work with a smile. Be honest in all of your dealings. Expect others to be honest. Work in such a way that you can be proud of what you do and proud of the result. Do not shrink from doing what you know needs to be done.

There is no difference. A fast food clean up person can have exactly the same attitude and pride as a corporation president.

Supervision:

If you become a supervisor you should listen to your great, great grandfather. He was the general superintendent of a coalmine. He worked up to general superintendent from being a worker in the mine by self-study and initiative. I asked him how he was able to manage the 3,000 miners that he supervised. He said: "Robert you should say what you do and do what you say." This requires thinking about what you are going to say before saying anything and then doing what you said. This will gain respect even from those that disagree. If people can depend on what you say then they know that you do not make idle threats or promises.

No meeting with a superior or with a subordinate should ever take place without a script. Whenever going to visit the work place of a-subordinate, work out ahead of time what you will say and predict what the

subordinate will say. Do the entire conversation either on paper or in your head. These meetings should be twofold. The first and most important to the subordinate will be what you can share about the future. Your knowledge of company plans and business developments will affect the life of this person and it should be your principle source of power. It is also an opportunity to prepare the employee for possible changes. The start of the conversation should be telling the employee about recent events in the company. It should then move to predict future events that may affect the employee. Finally it should be a time of gathering feedback on the employee's views of current company events and future contemplated changes. These meetings are not about discipline but when successful may head off discipline problems. As companies mature, there are changes that must be made and there are changes that never should be made. By getting feedback on anticipated changes, better decisions on changes can be made. When changes are required it allows the employee to go through the change reaction steps. These steps are:

1 Disbelief (You are kidding)

2 Blame on others (It is the company's fault; It is Jim's fault)

3 Internalization of blame (It is my fault that my life has to change)

4 Acceptance (OK this is the way life is going to be so how am I going to handle it?)

If the employee is able to work through these steps when the change is not inevitable then there will be lower emotional investment in the present and less problems. There is also the strong possibility that the employee will provide valuable input that will make any change less disruptive.

If during these interactions you are surprised by what the employee says and the script is no longer working it is best to hold your chin with the thumb and index finger and say: "Hmm I need to think about that." After saying that do exactly that, go and think about what the employee said.

Discipline is another matter. Discipline interactions have two purposes:

- 1) Change the employee's behavior
- 2) Prepare the groundwork if termination is required because the behavior cannot be changed.

The interaction should be completely scripted. It should start by describing your observations of the behavior in question. The observations of arriving late, errors in work, customer feedback, etc. The focus should be on behavior not on personality. There should be a period of listening to rebuttal, excuses, extraneous complaining and attempts to change the subject. This should be carefully listened to and documented. Write it down because the excuses and rebuttal will change as the behavior change process proceeds. It is good to have for later.

The next step in discipline is to describe the effect of the behavior in question on the business. It should be stressed at this time that this behavior is unacceptable and must be changed in order for the employee to continue to work at the company. This should not be a threat but a statement. Say: "This behavior must be changed. We can not have this continue." Do not say: "We are going to fire you if you do not change." Note the focus is on behavior not on the person.

The last step is to have the employee describe how the employee is going to make the change. The lead in is: "How are we going to solve this problem." Notice you are not going to solve the problem it is going to be a joint effort. Ask for suggestions and allow the employee time to work out how the employee is going to solve the problem. As this plays out ask the question: "How will this solve the problem?" At this point take the position of General Grant who said "I am going to fight it out on this line if it takes all summer." Do not be in a hurry; repeat "How are we going to solve this problem." and "How will this solve the problem?" over and over until the employee agrees to a plan.

By being close to the employee on a regular basis discipline will seldom be required. If it is required, be ruthless in documentation and final discharge. There is nothing like discharging the person that needs discharged to improve morale and productivity. After discharging the person that needed discharged their peers will say that it was about time.

We kept the buck (male) sheep penned up and away from the females until the time for breeding. This was to have the lambs borne in the spring. While the buck was penned up he would watch through the fence to see what was happening. There would be one or two female sheep that would lead the flock. The head female would not keep the flock together and there would be several groups of sheep that would wander off from the flock. When we would let the buck out he would immediately go to the female leader. She would invariably challenge him. He would then butt her so hard that she would fall down. The flock would then stay together and the buck had no more need of discipline. In a business situation it works the same. There will be the employee that tests the boundaries of acceptable behavior. This may be extending breaks, doing employee business on company time, arriving late and leaving early. Your first job is to identify this person. Your second job is to butt heads so hard that the person is fired or this person becomes a model employee. The effect on the group is electric. No one will want to be the next person testing the limits.

I once had an airman that worked for one of my sergeants who said he didn't know how to do his job. This was during the Vietnam War. It was clear that the airman wanted to get a general discharge to get out of South East Asia. Since the job was quite technical, proving that he was competent was not practical. The sergeant asked for my help. I called a meeting with the sergeant, one of the engineers and the airman. I instructed the engineer to give the airman some refresher training in the next week. At the end of the week I called the same group together. I asked them to tell me the results of the training. The sergeant said that the airman still claimed he could not do the job and the engineer described his frustration at the airman's lack of cooperation or progress. I asked both the sergeant and the engineer to give me a written

statement for the record and sent them to write it. In private, I told the airman that he was going to be processed for a general discharge and that while this discharge was in process he could not be transferred. I also said that since he could not do the job he would have to be given the menial duties that he could do. I also said that the process would be long and difficult. It was going to require extensive research and this would probably not be done during my term of duty and my successor would have to repeat some of this investigation. I told the airman he would probably be the last person to leave South East Asia. The results were spectacular. The next time I saw the sergeant I asked about the statement. He said it was not necessary and that the airman was now his best worker. The airman never told anyone what happened or what I said. All of my subordinates knew of the situation before he had the meeting with me and the situation after our meeting. They knew that whatever it was that I did they did not want any. If life gives opportunities like this take advantage. Look at personnel problems as potential opportunities. The bad apple is an opportunity to demonstrate the folly in being a bad apple.

The poison to any supervisor's effectiveness is conflict avoidance. Never let observed unacceptable behavior go without bringing it to the attention of the employee in question. This should be noted and documented. Make a record of any interaction and put it in the file. According to Jack Welch the former President of GE: "A company needs to fire 10% of its employees each year to remain healthy." Making good hiring decisions may reduce this number but it will not be zero.

Employee selection:

Selecting employees is your most important job. It will start with the preliminary sort of applications or resumes. Determine several things:

- 1) Does the person want to do what needs done on the job in question?
- 2) Does the person have the skills to do the job?

3) Is the person honest with himself or herself and with you?

Start with the people that need a job and have, at least on paper, the credentials. The person that has had an easy time in life so far is suspect.

Document the interview as it progresses. This will be disconcerting to the interviewee at first, but they will get over it. Remember you are making a legal record; so do not note any physical characteristics about the person. Also do not note things like marital status, health, age, religion or any other things that are illegal to ask.

Talk 50% and Listen 50%

Do ask:

Technical questions that they should be able to answer and where you know the answer. This will test their abilities.

Technical questions where you know the answer and they probably do not. This tests the honesty factor. If they try to bluff at an interview they may try to bluff on the job.

Open ended questions about the work they have done. These should lead one to the other and simply go where the interviewee leads. This will determine the level of thinking that the person has about the job and also show what is important to them. It is only after we ask the hard questions for the third time that we get a truthful answer.

Sample:

Q: What did you do at XYZ company?

A: I worked on ABC.

Q: What work did you do on ABC?

A : I

Q: How does that work?

A: It

Q: What happened then?

A: I

Q: How did you feel about that?

A: I

Ask what they are best at. What is the thing that best demonstrates their skill?

Then ask what they are worst at.

Ask them to describe themselves.

Ask what the person would really want to do if he or she could do anything at all. This must be asked several times to get the truth.

Let the candidate ask questions. These are important. They will give a sense of what they value. Do they ask about vacations, about retirement, fellow workers and job details? All of this should be noted and will tell a lot about what the person values and where getting the job done comes on the list.

When an interviewee asks a question follow up with: "Why do you ask that?"

Selecting a person that wants to grow requires some careful consideration. Some employees who are capable of being promoted to your job are needed but a large group in a power struggle to get your job is not needed. Hiring someone in school usually works well. Some of the best employees are going to school to get ready for another career. It is also good to have a variety of sexes, ages and ethnic backgrounds. By hiring the best, the company will probably get a good variety. Trying to force a variety by hiring someone not adequately qualified will make a problem for him or her, your company and you.

Persons with a high IQ will be more productive, have less discipline problems and be more flexible in work assignments. Smart is one of the best selection criteria.

Richard Parraro of Grandmas Secret Stain Remover gave me a good Idea. He would excuse himself from the interview and go out into the parking lot and look at the car that the person drove in. Sometimes it was a mess. It had trash, clothes and entertainment equipment. He would not hire anyone that drove that car. He hired the person with the neat clean car interior. It has worked out well for him.

The other side of interviewing is being interviewed. Sometimes we get caught up in the chase. Like the dog that chases cars. It is best that the dog does not catch the car and it is sometimes best that you do not get the job. Before going to the interview research the company and the job. It is best to interview future peers. I once had a job candidate schedule an interview for a Wednesday and show up in the lobby on Tuesday. He sat there and listened to the receptionist who was also the telephone operator and listened to our employees going in and out of the building. He told the receptionist he was waiting for someone. He later told me that he liked the attitude of the people and thought it would be a good place to work. I thought that it was a clever thing to do.

Confirm with the interviewer what will be expected. Be honest about what you know and what you don't know. Say: "I know that this position is important for you but, it will be my livelihood. I need to know that I can

be a success. If I can't it will be bad for us both." This way you will be working together to see if there is a fit with your skills, what you want to do and the position. Have three reasons that you should be the one to hire. Insert these when appropriate.

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graph TD
    Network[Network] --> Friends[Friends]
    Network --> Relatives[Relatives]
    Network --> Organizations[Organizations]
    Friends --> Elevator[elevator speech]
    Relatives --> Elevator
    Relatives --> Card[card]
    Relatives --> Resume[send Resume]
    Organizations --> Elevator
    Organizations --> Cover[Cover letter]
    Elevator --> Newspaper[Newspaper]
    Card --> Newspaper
    Resume --> Newspaper
    Cover --> Newspaper
    Newspaper --> Internet[Internet]
    Internet --> Cover
    Internet --> Search[Search firm]
    Search --> Cover
    Search --> Interview[Interview]
    Cover --> Interview
    Interview --> Offer[Offer]
    Offer --> Negotiation[Negotiation]
    Negotiation --> Job[Job]
  
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The diagram illustrates the job search process as a sequence of steps. It begins with 'Network', which branches into 'Friends', 'Relatives', and 'Organizations'. 'Friends' leads to 'elevator speech'. 'Relatives' leads to both 'elevator speech' and 'card'. 'Organizations' leads to both 'elevator speech' and 'Cover letter'. 'elevator speech', 'card', 'send Resume', and 'Cover letter' all lead to 'Newspaper'. 'Newspaper' leads to 'Internet'. 'Internet' leads to both 'Cover letter' and 'Search firm'. 'Search firm' leads to both 'Cover letter' and 'Interview'. 'Cover letter' leads to 'Interview'. 'Interview' leads to 'Offer', which leads to 'Negotiation', and finally to 'Job'.

Card: Must have your name, address, phone number e-mail address and what you want to do or your profession. The card should have information that would remind the parson of you. The card is to get the opportunity to send a cover letter and resume. Get free cards from: www.vistaprint.com or make them on a computer.

Resume: Customize to cover job specifications, for industry one page is best two if there is plenty of white space, detail on last ten years, only

mention things before ten years if needed to cover job specifications, perfect in every way, don't add irrelevant details. It is to get the interview not the job. You are unlikely to have the same job all of your life. When you have a job you should be thinking about building a resume for the next time. The best resumes consist of the following:

Name, address, phone number then e-mail address.

Jobs in reverse chronological order. For each job say dates, Name and address of the organization, job title, duties and how you positively impacted the organization. Tell what you did that made the organization more productive or more profitable. The contribution should be specific examples of what you did that made an impact. For example if you controlled inventory in such a way that there were no outages, spoilage due to excess stock and inventories were below permitted limits I would say this. If you were personally more productive or if you made the organization more productive I would put this in. Keep track of these contributions for your next resume.

I would not put in the church or other volunteer jobs unless you are looking for a job at a church or at a non-profit agency. Employers would be concerned that you will be working for the church or non-profit and not them.

Have a list of references available if asked. Most should be work related. Check references to be sure that they agree and will give a good reference.

Identify who the people are, where they worked and their business relationship to you. One of your goals at a business is to build a list of business people that will give good references. Supervisors are best but coworkers and subordinates are OK.

Interview: Research to prepare, attitude, attitude, attitude, honest, talk 50%, ask and listen 50%, It is to get the offer. At this point the card, cover letter and resume are not relevant. Ahead of the interview think of three

reasons the company should hire you. If they don't come up in the interview add them at the end.

After the interview sent a thank you letter. This should cover the three points that should be reasons to hire you as well as additional points relevant to the interview.

Search firms: Continue to contact. They work for the company not you. Some do temporary to permanent. It is a way to get in. If they promote from within it may be the way to get the premium job. If they want you to pay them they are crooks or at least not worth it.

For most positions networking is the most likely source. Go to trade events, attend free events, have relatives and friends invite you to meet people that could help, do practice interviews, contact companies that don't advertise, ask for help in a positive way, read the business section and the business papers, be there first.

Selling:

Selling is an art. Each interaction with a potential customer should be planned. If it is a one-time shot then every word should be scripted. It is like figuring out the first 4 moves of a chess match. It can be completely worked out.

Customer interactions are usually a sequence of meetings. Before each meeting, work out the 1 2 3 of the meeting.

1 is the minimum outcome that should be achievable

2 is the practical expectation

3 is the visionary result.

The number one may be getting the spelling of the name right and determining that this person needs the product.

The number two may be finding out the specifications of the need.

The number three may be finding an immediate need that your product can fill and getting the order.

At the meeting first get the 1 done, then work on the 2 and finally if possible do the 3. This way each meeting will be a positive experience. It will be good for your morale since otherwise all calls that do not result in an immediate order will appear as failures.

At subsequent meetings the 1s will become more former 2s and the 2 will become former 3s.

There is a science to selling it involves six aspects. It was described in an article in *Scientific American* February 2001 starting on page 74. I have summarized it below:

1) Reciprocation:

Here we give something and this is an inducement to have someone give something back. It is done by charities all the time. They give you an American flag trinket and you feel obligated to give at least what you perceive as the cost of the gift. It is also done in a reverse negotiating way. Ask for all of the eastern US as a sales territory and then retreat to only Florida as your concession. You give up 20 states and in return the other side only gives up one. It is more likely to work than the other way around.

2) Consistency:

An example is to ask someone their feelings about something. Having that input then asking them for the order when refusing would be inconsistent with the feelings earlier expressed. Asking a customer how they feel about foreign goods being sold in this country that undercut domestic goods would then put you in a good position to ask for and order for US made products, when you know the competition is foreign made.

3) Social Validation:

This is when you tell the potential buyers that it is the accepted thing to do. If you want to sell to Ford then telling them that GM and Chrysler are buying is a powerful message. If you are selling Christmas decorations then knowledge that neighbors are buying works well. There is what is sometimes called a critical mass. This works in atomic fission and also works in mass marketing. Once 10% of the people have a Hula-Hoop and it is talked about in the media then, you must have a Hula-Hoop. In selling becoming the current media topic works wonders.

4) Liking

People like to say yes to those they like. Good appearance, a bonding due to geography, school, education, and military service make a sale more likely. Even a fellow entrepreneur, when identified as such, will be more likely to say yes. Complements also work but be careful when complementing someone of the other sex. I like your outfit will work every time. Being perceived as a helpful partner works very well. The complements should be sincere. Thinking of a complement will also add to your liking and this will come through. The joke is the country boy that went to a dance and was told that he should always complement his dance partner. After the dance he could not think of anything to say so he finally blurted out: "You don't sweat much for a fat girl." The moral of this story is: If it isn't sincere and it is not really a complement keep your mouth shut.

5) Authority

A man in a suit with good posture is usually able to go anywhere. The look of someone in charge will get followers. The "four out of five doctors recommend" pitch works. Cleanest, Inc. can say we are the experts at cleaning products. Sometimes the authority is real and sometimes it works even when not real. The TV actors that play doctors are able to sell patent medicines, even though the viewers know that they aren't real

doctors. There is no such thing as over dressed for some one selling. This is true if selling a product or selling your self. Stand straight, sit straight, speak up, hold your head up and think before you talk.

6) Scarcity

Limited time only, limited supply will generate sales. If you have a product that has some uniqueness and is not what is called fungible. Fungible is like wheat flower. There are many producers and one is interchangeable with any of the others. In the case of Betty Crocker and General Mills some may prefer each of the flours, but a shortage of one or the other would not be a problem to a super market buyer. If the non-fungible product availability is finite, (and what isn't) telling the buyer that it is finite is more likely to make a sale than saying the supply is limitless. Finally when selling know when to quit. When the answer is yes, stop talking.

I was at lunch with Mr. Folgers and the senior members of the staff of the Folgers Coffee Company. Proctor and Gamble had recently purchased Folgers Coffee Company and planned to expand the Folgers Coffee Company from a West Coast brand to a national brand. Mr. Folgers had been retained as a consultant. I was being interviewed to become a member of the staff. During the lunch Mr. Folgers was asking how to best get to a certain address. When asked why he was going there he read a letter from a woman who was complaining about Folgers tasting bitter. Mr. Folgers said he planned to go to her house, wash her pot and brew her a cup of coffee. I think this is a sample of the care and attention a successful company has to pay to customers. (Just think of the story she will tell)

Negotiating:

In business and in life negotiations are very important to how well you do.

When negotiating, plan the location and plan the script. Think how the other side is going to respond and how you should then respond. Remember it is begging if you are not willing to walk away without a deal. Plan on not having a deal. If you accept not having a deal and have a plan without the deal then you are negotiating.

Get comfortable. Have plenty of time. Allow the other side to pressure themselves. Do not pressure yourself.

What is usually taught is to have the other side go first. If everyone followed this advice there would be no deals. No one would ever speak. Speak first and propose an agenda. Outline on your terms what is being negotiated. At this point do not give anything away. This is simply a statement of what is being discussed.

1) Never argue. Always agree and add value. (Yes you are right it is an old car but the bumper is chrome plated.)

2) Never negotiate with yourself. Give the other side time to negotiate with themselves.

3) Wait, listen, wait, listen and wait some more. The other side will fill in the silence. It is also time to think and that is not all bad.

4) Establish authority. Never negotiate with someone that does not have authority. If the representative doesn't have authority, send someone who does not have authority. This is the car dealer trick. They have you negotiate with a salesman that does not have authority and then have the supervisor say the deal is too good and he increases the price. Do not fall for this type of scam. Start the negotiations with the question: "Do you have the authority to make a deal? "

5) Know the boundaries, but do not reveal them. Know the 1 2 3 on a completely worked out deal. Put it on paper. Know when to walk away.

6) Be ethical. If the deal is too one sided then it will not work in the long run. I have negotiated deals only to tell the other person that they were going to be paid more because I needed them in the long run and I knew that they were not charging enough to be profitable.

7) Set the agenda. This is usually easy because people have been conditioned to not speak first. They confuse “Not speak first” with. “Not set the agenda.”

8) Be willing to walk away. In some negotiations walking away several times will be needed. Know when you do that it may be the end. Not getting a deal is better than getting a bad deal.

9) Some deals require work until the other side drops. Some deals require recess. Blue sky and Visionary deals require soak in time. The visionary deals require a Martin Luther King type presentation: “I have a dream ...”

10) Do not be time constrained. With time constraints you will fold too soon. Negotiating a good exchange rate with the attendant at a pay toilet in France is begging.

11) Being willing to walk, not having time constraints, having a worked out 1,2 and 3 and knowing value you will add in place of argument will instill confidence. Confidence will be more important than any technique. The other side will feel your confidence and it will be them negotiation with themselves.

Forgetting is a constant process. If learning is not taking place our brains slowly become empty. Learning through life helps to keep our brains from becoming empty. A good way to retain skills is the Kahn Academy. It is free. Go to: <http://www.khanacademy.org/about>
It also has good sections on Chemistry and Physics.

There is a way to determine if your employees are cheating on their expense accounts or in making payments. It is called Benfords law. Look at the leading digits they should follow the law if they are really random.

Benfords Law:

Chance of a leading digit in a set of numbers generated by a random process

1	30.1%
2	17.6
3	12.6
4	9.7
5	7.9
6	6.7
7	5.8
8	5.1
9	4.6

Chapter 18) Integrity:

Integrity is something you have until you lose it. Once lost it is hard to get back. You can never completely recover lost integrity. Loosing your integrity is not something that is done in one day or at one time, it is a slippery slope that slowly sucks your integrity away.

Businesses are always sensitive to seeing that the results never go down from one month to the next or from one quarter to the next. There is always pressure to bill for work done or shipments made before the end of the month or the quarter or the year. When under pressure to see that this happens it is common to move material to the shipping dock and ship early or work intensely to finish a job so that it can be billed. This in effect takes billings from next month. In order to not show a drop, the next month the pressure becomes even more intense and if a shipment just misses getting on the truck, but is done there is a temptation to bill anyhow and to change the actual ship date. With the expectation of bigger orders for the next month, it is easy to say to yourself that everything will work out before the next quarter and the auditors will not know the difference of a day. Of course, the next month arrives and the problem is compounded. The big order did not arrive. When the bill early scheme worked last month, it will work now even if the material is not done. This leads to billing earlier and earlier. The problem compounds and the customers complain that they are being billed early and dispute the bills. This is fixed with an agreement with the customer that they can dispute the bills and the invoice will be corrected on their copy. The company records look good; the sales are apparently growing (The actual sales are not growing). The costs of goods sold are apparently getting better and better since the product shipments are being billed without any labor or material used. It looks like business will pick up and this will enable all of this to come to an end without discovery. Then there is an actual decrease in sales. This billing early is now to the point of billing at receipt of order and there is no way to bill before an order comes. Of course, this can be solved by making up orders that you expect to receive and then when received simply changing the date. The problem now comes when there isn't any money coming in and all of the company's

assets are called accounts receivable. To solve this problem the company that appears to be well managed, profitable and growing gets a loan to expand its capacity. The company then charges what would be expenses to capital expansion. The cash crunch and the ability to cook the books without being discovered by auditors now become impossible. This is where the federal agents come with handcuffs and take you to jail. You have no more integrity to use and are now going to jail with your career lost forever, your family destroyed and you are never going to be respected again. Notice how easy each of the steps was.

This is how the businessman slowly loses his integrity. For the politician it is a similar slippery slope. The campaign contribution becomes the bribe. The gifts become bigger and go from the pencil and pen set and lunch to the envelope full of money. It is easy in each case to rationalize it as "I was going to vote this way anyhow." The pay for politicians is lower than for lobbyists. Politicians see this and think it is unfair. They should be getting at least what the lobbyist gets. Rationalization is easy and once on the slippery slope, integrity is lost in little bits, each one seems unimportant until the FBI investigation discovers it all.

There isn't any profession where loosing your integrity is hard. Ministers take donations to the church and convert them to cash for themselves, lawyers borrow from escrow funds, clerks take money from petty cash and salesmen cheat on their expense account.

How to resist? The first step is to not take the first step. Note that in each case the first step was easily rationalized. The principle to use is the one recommended by Thomas Jefferson: "Never do or say anything that you would not want printed in tomorrows newspaper."

One of the hardest decisions to make is to quit or blow the whistle on a superior that is going down the slippery slope and taking you with him. The Republicans were faced with this when Richard Nixon covered up the crimes committed by some of his underlings. They sent Barry Goldwater to ask him to resign. The Democrats were faced with this when Bill Clinton committed perjury before a Grand Jury. The Democrats joined

his legal team and protested that it was all a Republican plot to discredit a fine president who had only made a mistake in his personal life. The Democrats lost their integrity.

When choosing whether to lose some of your integrity or stand up. Stand up. It will be costly. If the organization is losing its integrity get out. Do not sign something you know is not true. It is easier to not take the first step. Just ask the boss to have someone else sign it or he can sign it. Start getting your resume out that day. Being a whistle blower is risky and I would not recommend it. Only do it if you are backed into a corner and it is the only way to not go to jail with the crooks. In the end whistle blowers lose their employability. It is not fair but it is life.

The first step in protecting yourself is to send an e-mail to the person above you describing your concerns. This should not be confrontational. It should sound naive, something like: "I don't understand this but I think the reporting is not correct." This will keep you out of any conspiracy. The crooks will assume you haven't caught on and will try to keep you in the dark. Next get a good lawyer and give him the documentation that you are concerned about. Make a paper trail and keep a diary for use by the prosecuting attorney later. Give your lawyer the documentation and also give him the diary one page at a time. Give your lawyer the documentation as it is available and have his secretary date it to make the diary attorney-client privileged. Things that are between an attorney and a client cannot be subpoenaed, that is you cannot be made to disclose them or give them to the court. It is something like not being forced to testify against yourself. It puts you in the best bargaining position with the prosecuting attorney. He cannot get the documents without your agreement, and you will not agree unless you get immunity from prosecution. After you have made a successful exit to another position, have your attorney give the law an anonymous tip. Your conscience, integrity, career, family and your freedom are now secure.

Having integrity starts with telling the clerk when you are given too much change or you are given two things and charged for one. If you can't be honest with the small things you will never be honest with the big things.

Lack of integrity is a disease. It needs to be caught and treated early.

Shakespeare: "To thine own self be true, and it must follow, as the night the day, thou canst not then be false to any man." Even though it came from the line spoken by the villain in the play it is true.

Honesty must be part of you or you will not have self-esteem.

"True courage is not the brutal force of vulgar heroes, but the firm resolve of virtue and reason." --Alfred North Whitehead

C.S. Lewis in the Screwtape Letters points out that courage is virtue at the testing point. Pontius Pilate was virtuous until it became dangerous.

Chapter 19) Financial Security

Introduction:

There is no real security. As General MacArthur said:” There is no security there is only opportunity.” The closest thing to security is portable skills. With the rapid change of technology any high skill profession is a treadmill. In times past a carpenter could acquire skills at an early age and they would last a lifetime. This is no longer true. Every trade and profession moves rapidly. Sometime back my friend Bob Bremkamp said that everything he learned about computers was no longer useful after five years. He had to constantly study to keep up. I am sure that the cycle time for computer knowledge is not getting longer. From a personal viewpoint, there is only one answer: Learn, Work, Learn, Work, Learn, Work....

When you are young the best investment for financial security is development of marketable skill. Investing in skills in the arts may make for a good hobby but there are literally thousands of great singers, musicians, dancers, painters etc. for every one gainfully employed in his profession. Skill in technical fields like science, math, engineering, business, medicine and law are more likely to be in demand. Knowledge of history, science, math and economics are needed to be a good citizen.

From a macroeconomic viewpoint, when someone is retired, someone that is not retired provides all of their goods and services. People in retirement need to have a reason for people who are not retired to provide goods and services. Ownership in things that society sees as valuable can be sold to get money to obtain goods and services from these people who are not retired. If you are going to depend on Social Security for at least part of your retirement then it is important that the burden on the people who are not retired is reasonable. The only way to do this is for the people who are not retired to be very productive. The ability for the government to improve productivity directly is very limited. The government can build roads, canals, bridges and dams. The government can advance science and technology by supporting these endeavors. It can also provide education for citizens that make them

more productive. These things can improve the productivity of the society but these improvements are not useful without the efficient deployment of capital. Making the government more productive also helps. To the extent that the government is spending money the economic burden on the people who are not retired reduces both their productivity and their ability to provide goods and services to those who are retired. With lower taxes there is capital available and with the pressures of free market competition, businesses become more and more competitive and therefore more productive. The Fair Tax is the best idea. (I have added a short description of the Fair Tax at the end of this book. For more information go to: www.fairtax.org) Unnecessary regulation has the same effect as higher taxes. When considering a regulation, the benefit must be weighted against both the burden on business as well as the cost of the bureaucracy needed to do the enforcement and the corruption that will creep into that bureaucracy.

In the present business climate and in the future, as far as I can see, the entrepreneur will grow the small businesses and create new products and new jobs. Large businesses will acquire these new small businesses and make them more productive. This is, probably, an accelerating phenomenon.

In summary, to have an acceptable retirement: Learn skills throughout life, work diligently, save by investing in things that have lasting and growing value, vote for candidates that will create an economic system that encourages increasing productivity and allows the market to be free.

To retire having debts is a real problem. As a life plan do the following:

- Not have any payments on appliances, furniture or electronics after age 23,
- Don't keep up with the Joneses; Start with used and low cost. Later buy selectively things that will last a lifetime. Buy the time you are 40, you will have the best stuff.

- Be a late adopter of electronic devices. They will cost less, be more reliable and have better features.
- Not have any car payments after age 25: After paying off the first car, keep the car and put the equivalent of a car payment into a savings account. Only buy a new car when the savings account builds to enable payment in cash.
- Have savings of at least 3 months of expenses on hand by age 30. These savings are in addition to any retirement funds.
- Not have any mortgage after age 50. Buying a first house at age 25 with a 20-year mortgage will allow attainment of that goal. Subsequent houses should be paid with savings plus the equity in the first house. Having children in college will delay payment.

In thinking about retirement, it is important to have a plan.

Having financial security through life requires investing. To have the best return requires knowledge and care in investing. If anyone says they know exactly what to do they are not telling the truth. Every day there is at least one stock that goes up by at least 1 percent. If this stock had been known in advance then it would be possible to make more than 1 percent per day. One percent a day for four years would turn \$ 1,000 into \$ 20,959,155. I am not that good and no one else is either. There are some things that can be known and it is possible to do quite well.

I had an early experience that has been of value all of my investing life. The first stockbroker I met with was older, wearing a well-worn suit and taking time with me to invest a few hundred dollars. I came to realize that he did not really know how to invest or he would be rich and not need my money

It is best to work out a complete budget. Below is the budget that I made before deciding I didn't need to work anymore.

Expenses
Property Tax
House pest control
Alarm System
Insurance House
Boat
Cars
Umbrella
Blue Cross
Health care deductibles
Dental
Lawn Service
Lawn chemical service
Maid Service
Boat docking
Boat Maintenance
Boat cleaning crew
Accrual for new cars
Cell Phone
Dish Network
Comcast
Queens Harbour Dues
University Club Dues
Electric and Water

Total Fixed -----
Groceries
Car service
Gasoline
Clothing
Eating out
Miscellaneous
Travel
Cash
Church
Total Variable -----
Total expenditures ---

Income

Income
Investments X .065
Social Security
Pension
A
B
Total Income
Remaining (decrease of capital)

The bad and the ugly of investing

The prices in the stock market go through cycles called sector rotation. There are 98 sectors that will come and go in style. The market will overvalue steel, then toys, then oil exploration etc. It starts when a sector is reasonably valued or slightly undervalued. The pension funds, the insurance companies begin accumulating in that sector. When this starts to drive the price up the pension funds and the insurance companies stop buying but by that time the momentum investors have started buying. These are funds, trusts and individuals that buy whatever is going up. This is like a herd of cattle that is spooked by a clap of thunder. One cow will jump and start to run and the whole herd will stampede. They do not know why they are running or where they are going. Soon the initial holders will start to sell and the price will plateau. The funds and insurance companies will want out and take their profit. They can't dump their stock on the market without driving down the price so that sell it through brokers through what are called black pools. This enables the sale of big blocks of stocks without tipping the market. The price is below the market price to give an incentive to sell the stock. The brokers then do what is called pump and dump. They tell their clients about this stock that is continuing to go up. When it is all sold to the retail investor the price then heads down and the stock becomes out of style. The brokers change their recommendation from buy to hold and then after it is too late to sell. The price usually then moves below a reasonable valuation. Individuals that get in late and get out late lose big. The only good part for the individual investor is the ability to get in and out without effecting the market. The individual brokers that do this aren't necessarily crooks but are selling what they are told to sell. Brokers are to the finance industry as car salesmen are to the automotive industry. In any case when we are buying, we are buying it from someone else that doesn't want it at that price.

If this were not enough at the same time the stock market is being manipulated. See the YouTube video Cramer manipulation. It is on: life401.com in the downloads page. This video was made for other hedge

fund managers and not for the public. For a small company it is easy to spook the market in order to either sell at a better price or buy at a better price. Below is the order book for DDE on December 11 at 2:16 PM

Bid	Ask	
Price	Price	Size
1.40	1.45	100
1.39	1.48	100
1.24	1.50	100
1.07	1.54	100
	1.66	100

Notice for less than \$1,000 it is possible to drive the price up or down more than 10% . Since many buying and selling orders are at market your efforts would be aided by the at market orders and also the momentum crowd would join in. By doing this and what Cramer also recommends, publishing information on the company either bad or good the price could be made to move dramatically up or down. This is like spooking a herd of cattle. Now that you know that this is happening it is easy to see. Do not be one in the herd that stampees off of the cliff.

This is one reason that Warren Buffett says” The stock market is a mechanism for transferring wealth from the impatient to the patient.”

If you understand why you are investing in a stock it will be easier to not panick when the Cramers are at work.

The free lunch can be the most expensive you ever had. They are wonderfully effective salesmen. They will kill your retirement. Mostly they are selling annuities. Annuities are the favorite product of the free lunch crowd. Annuities have an upfront commission as bad as 10% that the broker and the issuing institution share. By reading the agreements this can be spotted in the early surrender charge. Buying an annuity today and

cash it in tomorrow will reduce your portfolio by about 10%. The annuity growth or imputed growth is low compared to alternatives. In short it is illiquid, low yield, and has a high management fee

Be careful of the free lunch or dinner with a lawyer. One of their tricks is to have you appoint them as the administrator. They will be able to bill to the estate forever. Your estate will become their retirement portfolio.

Insurance salesman will sell long term care (Sometimes called Custodial Care) insurance and sometimes they sell burial insurance. It is possible to prepay burial expenses. Insurance for burial is seldom a good investment. Insurance is good for someone that must provide an income for someone else. Good term insurance for someone working to provide for there family makes sense. Custodial care insurance is unlikely to be a good value. A good assisted living facility it is likely to be less expensive than your current cost of living. The reality is, no one lives very long in a nursing home. All other costs go away. All other insurance policies are combinations of annuities and term insurance. The insurance salesmen make good money, but they seldom provide value for people in retirement.

Because of the conflict of interest never use a broker as an advisor. What makes money for them seldom makes money for you. The investment advisor that charge a continuing fee are also to be avoided. Only use advisors listed on Financial Industry Regulatory Agency web site (FINRA) They can be found at finra.org and charge by the hour. This book is to equip you to be your own advisor.

Use one of the big discount brokers as custodian. Some to consider: Fidelity, Scottrade, E*Trade, TD Ameritrade, Charles Schwab. Always trade on line, it is lower cost. Full service brokers will not let you do what is best for you and only let you use their products. They also aggressively push what is best for them. Stay away from them. They include: Merrill Lynch, Edward Jones and Raymond James. Always use the bigger discount Brokers as custodians. There are two agencies that are set up to provide

security for investors: FINRA and Securities Investor Protection Corp (SIPC). Users of small companies and those that give a broker control are not well protected. Never give a broker control in any case.

The Broker may be a crook, but even Brokers that are not outright crooks will have a conflict of interest. Brokers make money by:

1. Selling mutual funds
2. Selling initial public offerings and secondary offerings where they earn extra commissions,
3. Selling Annuities,
4. Churning your portfolio
5. Pumping and dumping stocks from black pools
6. Skimming from customer accounts (They are usually caught and some funds are recovered but any possible growth in value is lost)

Mutual Funds have historically performed less well than the average of the market or simply random picks. They have high fees, they are not tax efficient and their customers drive them to buy high and sell low. The buy high and sell low public buys mutual funds when the market is up forcing the managers to buy high and sells when the market has a dip forcing the managers to sell low. Vanguard funds are the only mutual funds to consider and only for cases when there isn't an Exchange Traded Fund (ETF sometimes called an Exchange Traded Portfolio to be explained later) The mutual fund companies always show funds that have done better than the market. They do this by continuing to add funds and delete funds. Added funds that happen to do well which is about 30% of the time are continued. Funds that do not do well are closed and the customers are placed in those that have done well. These only do better than the market 30% of the time. When they say past performance is not an indication of future performance it is true. The Review of Finance did a

study on the effect of the fund musical chairs and found the effect of mutual fund survivorship was to make the effect performance 20% lower when dropped funds are included.

Forbes did an analysis of the fundamental reason Mutual funds do not do well. They looked at the things weighting on a typical mutual fund holding.

For a Non Taxable Account:		For a Taxable Account;	
Expense Ratio	.90%	Expense Ratio	.90%
Transaction costs	1.44%	Transaction costs	1.44%
Cash Drag	.83%	Tax excess	1.005
Total cost	3.17%	Cash Drag	.83%
		Total cost	4.17%

Big Players that drive the market:

There are many large institutions operating in the financial markets. The largest is the US government. The treasury prints money and sells bills and bonds. The Federal Reserve serves as a clearinghouse for inter bank transactions, like checks. The FDIC audits banks to see that they have the funds to cover deposits. The Federal Reserve also sets the discount rate that allows FDIC insured banks to borrow from the Federal Reserve. Lately the Fed has been loaning money to other than FDIC insured banks. This has allowed Wall Street firms to use Federal reserve money for more speculative activities. This rate setting is critical. With low rates the banks can lend at low rates and still make a profit. This leads to more speculative activity on the part of borrowers and banks. With higher rates the banks must charge higher rates and therefore the borrowers reduce activities. The Fed has been unsuccessfully trying to use this system for the last 100 years to stabilize the economy. By making the financial system more stable it leads to more deals with slimmer margins, which then leads to instability. Rather than short dips in the economy we have

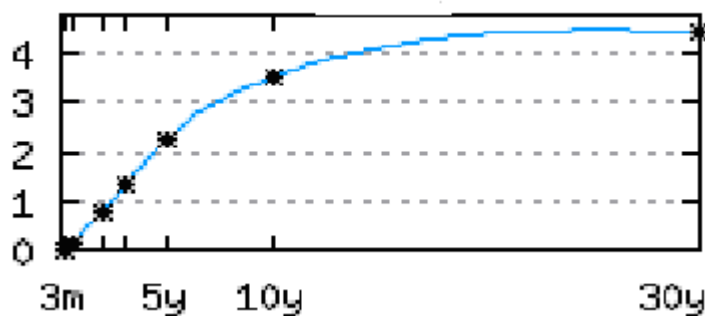
longer periods of stability followed by big dips. Foreign banks have used the US dollar in place of gold as what is called a hard asset. The current actions of the federal government and the Fed will probably bring this to an end.

The next larger players are the pension funds and insurance companies. These funds must purchase securities that can pay for the retirement benefits and the annuities that will come due. They must invest. This can provide some overall stability except sector rotation. These large players use what are called Black Pools to trade with each other. This is to disguise these transactions from the public. It is a way to allow the public to continue to buy at the top while they are selling at the top. Black Pools provide additional time to get out for the investors who are selling stocks that are in style but can no longer produce income to justify the price. For the investor that buys stocks in style, Black Pools provide a bigger trap.

Each portfolio needs a diverse blend of asset classes and instruments within each class.

Fixed Income Instruments

The first part of a portfolio is fixed income instruments. For the last 2,000 plus years, the zero risk rate of interest has been about 3% plus inflation. Things like US long-term government bonds should be at that level. In a stable market, a yield will look like the following:



When a period of high inflation is anticipated the curve becomes steep. When inflation is high and it is believed to become lower in the future it can invert. An inverted yield is where short-term rates are higher than long term. We saw both a steep yield curve and an inverted yield curve in the Carter years.

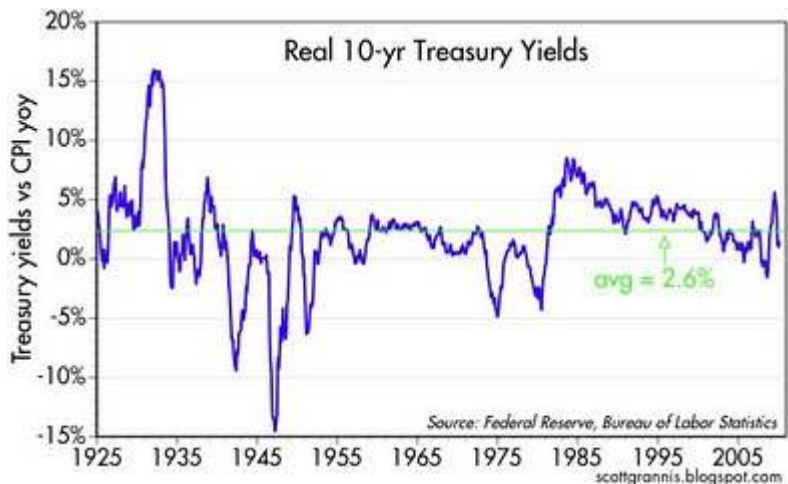
It is prudent to keep some funds in a bank for immediate access. These funds will not earn much interest, so only a small portion of a portfolio should be in money market and checking. In the right bank, deposits will eliminate some bank charges like checking, safety deposit box, certified checks, notary fees, etc.

Bonds, T- Bills, TIPS

Bonds are a promise by the issuing authority to pay the face value at maturity and to make interest payments over the life of the bond. The interest payments are called coupon. At one time bonds had a series of perforated coupons attached to the bonds with a date on each. Coupons cashed like a check. Zero coupon bonds are sold at a discount and then pay the full value at maturity. Governments and private companies issue bonds. When looking at bonds on the secondary market, the factors are face value, coupon, yield to maturity, discount and revenue source.

The US government issues Treasury Bills (T-Bills) that are short term bonds that pay at maturity. These can be used as a safe way to park money that is to be used for a specific purpose, like the down payment on a house or purchase price of a car. The interest rates are too low for any significant portion of a portfolio for any time. Treasury bonds are seldom a good investment. The interest rates are low and taxable. Only when Interest rates are very high should these be purchased.

Buying a bond paying 6% in 1974 was a disaster for some. Buying bonds now (2015) Has a similar risk.



Real 10 year yields have been near the 3% that has been the average zero risk rate for the last 2,000 years. When this was written the interest rates are being kept artificially low. Notice that retirees to Florida lost a one half of their savings in the late 60s and 70s when inflation spiked up. The fed by buying bonds has artificially reduced the rates for bonds and as a result for any fixed income instrument.

The Treasury issues Treasury Inflation Protection Securities (TIPS). They pay a low interest plus the principle grows at the same rate as the consumer price index. These are available from the treasury directly at www.treasury.gov. They can be purchased in 5-year maturities. A good portfolio will provide safety from as many external events as possible. The biggest risk associated with fixed income securities is inflation. TIPS are insurance against this risk. Brokers can buy these on the secondary market. It is not as good but can also be used. TIPS funds can have too many levels of fees to be a good idea. TIPS are not tax efficient both the interest payments and the bond value increase are taxable.

State and local governments are allowed to issue bonds that are Federal Government tax-free. These bonds have good yields. The risks to all bonds are Interest rate, default and call. If purchased when interest rates are high the municipality can call the bonds and replace them with lower interest rate bonds. The investor obtains a return of the principle but is then only able to buy bonds paying a lower interest. The best way around this is to buy bonds on the secondary market with a low coupon that are

heavily discounted and have a high yield to maturity. The interest payments are Federal tax-free and the payment at the end is a capital gain. Municipal bonds have a very low but not zero default rate. Look at the source of income and the guarantees. If it is tax revenue that pays the bonds, then the risk is tiny. If it is an industrial enterprise, the risk is usually low but not as good.

Companies issue bonds. The interest is taxable, and, as a result, they pay a higher interest. Corporate bonds can be good in a retirement account that grows tax-free. The same strategy of buying on the secondary market applies when it comes to avoiding call risk. The company should be researched to determine the risk of default. The required research is the same as researching a stock. For high yield bonds that have risk it is sometimes possible to buy a put on the stock so that if the company becomes bankrupt then the put will pay what the bond would have paid. This is an option strategy. Options are discussed later. Depending on the investors tax bracket, some of these outside a tax free retirement account may be appropriate. In order to get the best yield on an investment the initial price of the bond is important. Zionsdirect.com buys bonds with less mark up than most and should be considered independent of the company holding a portfolio.

Convertible bonds provide an opportunity to gain if the stock appreciates. These can be a good investment if the premium being paid for the conversion privilege is low enough.

Preferred Stock are fixed income instruments that work like bonds except the company can skip dividend payments and there is never return of principal. The dividends are treated better than interest for tax purposes. It requires a high dividend rate to make these a good investment.

For all fixed investments the maturity dates should be spread over time. This is called laddering. This way the funds come available over time and over time the interest being earned will better match the inflation plus 3% historic rate.

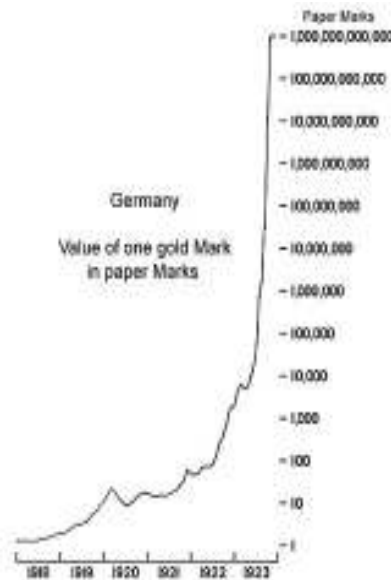
There are closed end funds that are invested in both corporate and municipal bonds. They can usually be purchased below the price of the individual securities. The municipal closed end bond funds are the favorite of high wealth individuals. The web site cefa.com is the source for fixed income closed end funds. These can usually be purchased at a discount to the value of the fixed income securities in the fund, are high yield and are managed by investment firms that want to keep their clientele.

Closed end funds are put together by large investment fund. They decide on theme and go to managers of trust funds and accounts managed by administrators. They require large investments of at least \$10 million from each investor. After being adequately funded by at least \$500 million they invest as that proposed. Each fund investor receives share that represent \$10 worth of the initial securities in the portfolio. Later the owners may want to buy a yacht or the heirs want to get the money so the shares are sold. At that point they are usually sold at a discount to the market value of the funds holdings. If these are purchased they can usually be purchased at a discount but if there are sold it will usually be at a discount.

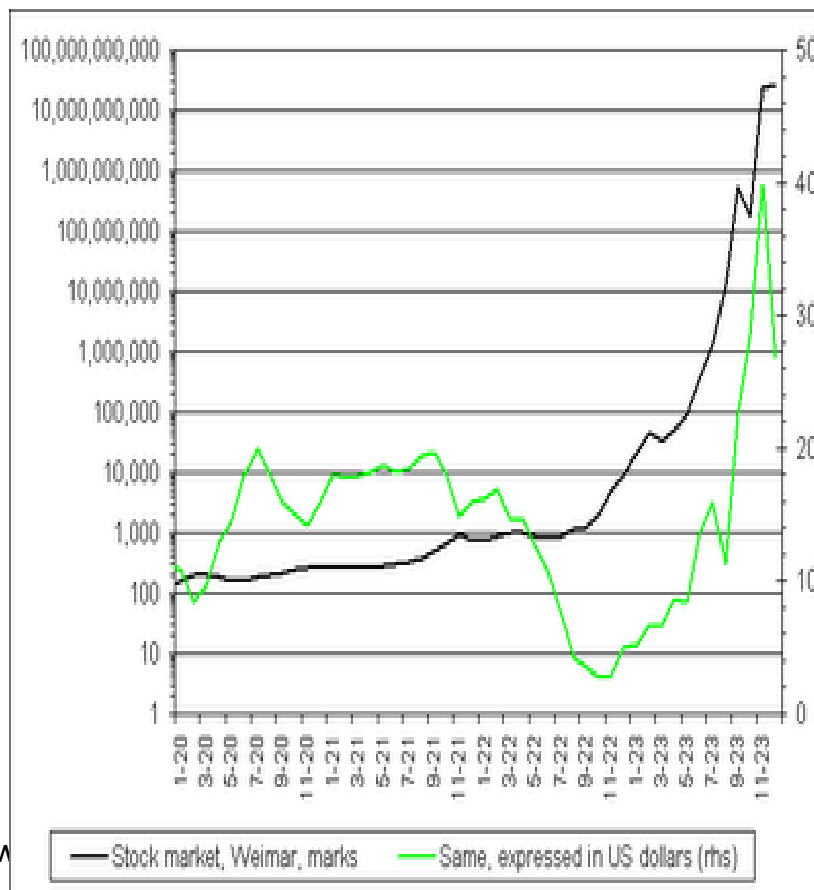
Gold and Silver:

Gold is just like a secretary I knew. She was not productive and cost the company just to sit there looking pretty. In the long run gold does not keep up with inflation and doesn't produce anything. In a recent commercial for a company selling gold the announcer said that if gold had kept up with inflation it would be worth over \$ 2,000 per ounce. His point was gold was going to go to over \$2,000 an ounce. But the reality was it did not keep up with inflation. It is not a good investment for the long run. Even in periods of modest inflation the zero risk rate for fixed interest rate securities will be about 3% plus inflation. Gold is insurance for run away inflation. In Germany during the inflation of the Weimar Republic one German Gold Mark become worth 1 trillion paper Marks. There are people, including me, that think we are in for substantial inflation and as a result I have some investments in gold and silver.

Timing is the key. I don't recommend more than 1% in gold
 There have been run away inflation in many countries. Argentina, Brazil, Italy, Zimbabwe, Germany and the start of run away inflation in the United states. This is what it looked like in the case of run away inflation in Germany.



The stock market in Germany initially went up and did end higher with respect to US Dollars.



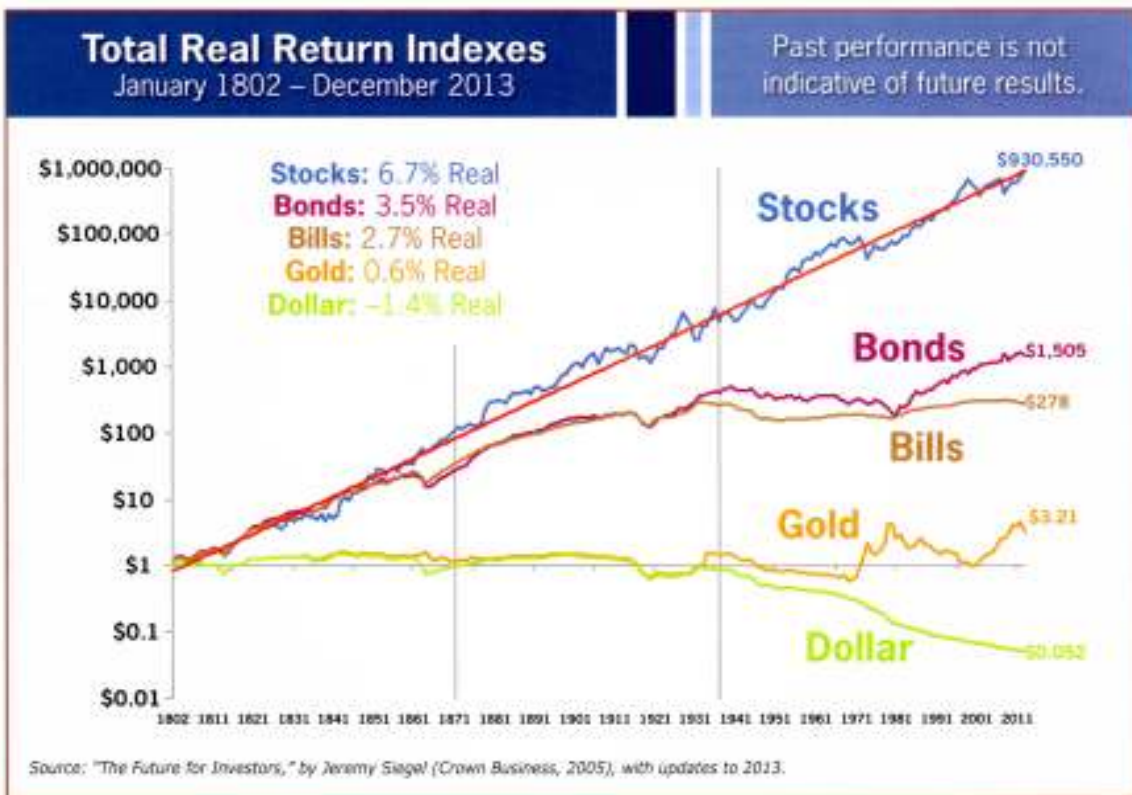
Those w

the stock

market did better. In order to come out ahead the investor would have needed nerves of steel to hang on from March of 1922 until September of 1923. In the case of Germany stocks were a better hedge against inflation than gold.

Stocks:

Stocks are equities and represent a part ownership interest. These should be a significant part of a portfolio. Over the long term, equities will appreciate at inflation plus a factor associated with risk.



When looking at this chart keep in mind the gains are above inflation and the chart is logarithmic. The dips in the stock chart look small but are sometimes a factor of more than two. The worst thing to hold is dollars.

As you can see in the long run Stocks outperform every other investment type. There are several ways to participate in the stock market. Mutual funds, Exchange traded funds (ETFs), Smart Beta ETFs and individual

stocks. Here it is a case of each investor knowing their limitations. I like to compare it to swimming. It is possible to enjoy the kiddies pool or the shallow end of the grown-up pool or the deep end of the grown-up pool or swim in the ocean. In any case do not try to go beyond your skill level. I am going to discuss stock picking. If this is too hard don't do it. If you are an amateur start small and do not risk a significant part of your funds before suffering some losses. Early on it is easy to confuse good luck with skill and to start swimming with too many sharks.

Timing and stock picking are the keys. Timing is mostly not catching a falling knife and not fighting the tape. Fighting the tape means buying stocks when the market is going down. Catching a falling knife is buying an individual stock when the individual stock is going down. To see if the market is going up or down go to www.stockta.com. This web site will do a complete analysis and will also give advice on buying and selling. Again enter SPY and look at what it says about whether the stock market is Bullish (Going up) or Bearish (Going down). SPY is an index fund that follows the S&P 500 index. This is the 500 largest stocks on the exchange. It is a good benchmark to see what is happening to the stock market as a whole or for comparing individual stocks. Stockta is to be used for timing. Don't be a momentum investor. Having determined that buying will not be fighting the tape the next thing is picking a stock. Stock splits, stock buyback, stock given as part of a buy out or stocks distributed as part of a settlement can result in an oversupply or an under supply. Two examples are: When Winn-Dixie stock was given to creditors many of the new owners simply wanted money, making an oversupply. Several buy back programs have created a short supply. Buying Stock in companies with good value in a temporary oversupply can be a good move. Selling stocks that are in a buyback can be better than waiting until the market assumes equilibrium.

The stock market has style. There are 98 sectors in the market. As mentioned earlier the market goes through sector rotation. Sectors will go in style and out of style. What is in style today can be depended upon to be out of style tomorrow. Some of this is due to externalities. Fracking made oil go out of style. Low fuel costs made airlines go in style. Some of

the style is also irrational.

Avoid any stock that is in the news, recommended by a broker or a TV show. These stocks are looked at by both professionals and by the naive public. The professionals will see that these stocks are fully valued by buying them if they are a bargain. The naive public will get caught up in the buying frenzy and bid up the price. In the news means in style and there is no way for in style to go but down. The only exception when the news is bad and the stock or stocks go out of style. Stocks recommended by brokers are either in style or they are being pumped and dumped by the broker. Either way they are a bad deal. Sometimes bad news will unfairly drive down the price of a good company. When buying on bad news remember: "the stock market can be irrational longer than you can remain solvent."

A stock screener is a good way to find potential stocks to purchase. Most of the brokerage companies have a tool to help Pick stocks. I will discuss using finviz.com but the principles are the same and will work with any of the good broker sites. Start by thinking about where things are and where they are going. For example, when this was first being written the building industry was in a major recession and real estate prices are depressed. This was the time to look at building materiel supply companies and Real Estate Investment Trusts (REITs). As of this rewrite the reverse is true. There are also some measures like price to sales. Companies with a high price to sales ratio are successfully selling products but not making much money. They have the opportunity to do well if they can either cut costs or increase prices. In all cases these techniques are a way to find stocks to look at and are only a first step. Return on assets is one of the favorites of Warren Buffett.

For each stock look at all of the information on Yahoo. Read all of the messages. Be careful, sometimes people sell short and put negative information on the message boards. There are sometimes positive things that are not true. Be careful of these as well as articles written by the finance media. The real story is in the numbers. The research reports are seldom needed. Try to decide what are the performance measures that

would signal something bad happening.

To really understand a company, it requires knowing how to read the income statement and balance sheet. Read and understand every number on at least 100 balance sheets and income statements before investing in any company. The income statement shows sales, the cost of the goods or services, the cost of general operations, sales, administrative (GS&A). The balance sheet reports the condition of the company at an instant in time.

For timing go to www.stockts.com and see the current trends. It is good to buy at the bottom but the bottom is hard to find. It is safer to buy when the stock has been down and just starts up. Motifinvesting.com provides packages of stocks that are, in their opinion the best in each category for investors. They seem to be good stock pickers and looking at the lists for ideas is a good place to start.

“I don’t look to jump over 7-foot bars: I look around for 1-foot bars that I can step over.” Warren Buffett

Warren Buffett teacher Mr. Graham has some fairly strict criteria when choosing “value” stocks. The great thing about his strategy is that it’s fairly easy to screen stocks to find “Grahamish” stocks.

GRAHAM-INSPIRED RULES

1. P/E Ratio less than 15
2. P/Book Ratio less than 1.5
3. Book Value more than 0.01
4. Current Ratio more than 2
5. Annual EPS Growth (5-Yr Avg) more than 3%
6. 5-Year Dividend Growth more than 0%
7. 5-Year P/E Low more than 0.01
8. 1-Year Revenue more than \$400 Million

<http://www.milliondollarjourney.com/value-investing-like-benjamin-graham.htm>

Like any of the mechanical ways to screen stocks that are well known, it is only a first step and it will miss the best bargains. Since many investors use this technique, the prices are moved higher and the stock will no longer meet the criteria. In the past when I researched companies, my last screen was the broker. If he liked it, I knew I was too late. If he hated it, I knew I had a winner. I no longer use a broker so that will not work for me. A systematic way to research a company is the following:

These are the things to look at first. PE is the price of the stock divided by the earnings of the company per share. I like to think of it as the inverse expressed as a percentage. For example with a P/E of 10 the company would be making 10 cents for every dollar of shares. For 20 it would be 5 cents and for 50 it would be 2 cents.

Start with the sales year over year and then look at sales quarter by quarter. If the sales are increasing then think of the hula hoop. What is the limit on growth? Is it a fad? When will growth end? Growing companies are priced in the market at a premium even when the growth is not sustainable. An example was AOL. Save that information for later. Watch for seasonality. Some companies sales and profits go up and down with the time of year.

Inventory should increase and decrease by the square root of the sales. For example if the sales increased by a factor of 2, the inventory should increase by the square root of two or 1.414. Retail companies often make most of their yearly profit at Christmas this should be considered when looking at inventories.

Look at Sales General and Administrative (SG&A). SG&A should grow less than the growth in sales. If it is growing more it is a red flag. Accounts payable and receivables should track sales. Growth of accounts receivable in excess of sales indicates that the customers are having trouble paying the bills or they are disputing the bills. Either is a bad sign. Growth of

debt and deferred liabilities are only acceptable if there are tangible results in either income growth or improvements in margin. It is important to understand all of the numbers in the balance sheets and the income statements. There are things specific to each industry. In the case of retail, it is same store sales. Some companies grow by opening new stores. This can make it look like the company is growing even when the individual stores are not doing well. Most industries have specific factors that are good indicators.

Next look to see that the price is supported by the basic fundamentals. If the PE (price /earnings) is not higher than the PE of the Dow Jones Industrial Average (DIA), it is a good buy if there are reasonable prospects of continued growth in sales and earnings. If the PE is above the Dow Jones Industrial average, then there must be some justification based on future growth in sales and earnings. In the long run, competition will drive a company to have an average return on sales. The market will also drive the P/E to be like the market.

Short interest is the number of shares that have been sold short. This may an indication that the people selling short believe that the stock will not do well. When they are wrong, and they have to buy the stock back, it can cause the stock to spike up. Sometimes the shorts (That is what they are called) gang up and cause the price to go so low that it is sold by the funds. The investor needs to understand what the shorts are seeing if there is large short interest. Look at the short interest and see if it is growing or shrinking. Some short interest is not necessarily bad. The hedge funds will short one stock and buy another in order to take advantage of events that will cause one stock to move more than another. This protects them from market movements that will effect both.

Forward P/E is interesting but remember, the analyst's and the company can be optimistic. As a rule of thumb a 5% return on a company growing at 5% has the same value as a 10% return on a company not growing. Research and development trending down as a percentage of sales is a bad sign. R&D is the future

After analyzing the digested data on Yahoo and finding potential companies worthy of investment the next step is to use the data from the Securities Exchange Commission. Go to www.sec.gov and select: Search for company filings, Select Company or fund name. Then put in the symbol of the company that is to be researched. There will then be a directory come up that will display all of the information that the company has made public. A serious analyst should plow through all of this data. The truth is even the professionals get bogged down in the flood of information. Stock brokers never dig this deep. They cannot do it for every stock that their clients own. In most cases that do not even know that this information exists. There was an analyst, who did the research, and found that Enron was cooking the books. She did this one-year ahead of it becoming public. Her firm fired her after she published her report. Enron was one of their clients. This is something to think about when trusting brokerage firms.

That said, a review of the latest 10-Q will reveal a great deal about a company. Look for any part that equivocates. These are red flags.

Look for related party transactions. This is the way Enron and others have covered up massive frauds. Capital leases are a way to make a company look like it does not have debt when it is drowning in debt. Look at Capital Leases as debt when considering the total debt and evaluate the company's ability to pay it off. In the case of banks credit default protection issued and non-performing loans are serious concerns. All of the off balance sheet items need analysis. If they are hard to understand the average investor is better off simply looking at another stock. There are too many good companies with straight forward easy to understand accounting reports worthy of investment. There is no reason to invest in the ones that make their reports excessively complicated. The crooks always make it complicated. For at least one firm go through one year of the data. Pick a small, uncomplicated company. It is hard work but the exercise will be a good education.

When to sell is as important as when to buy. Do the same analysis as that done on buying a stock on each stock each quarter. If the stock has

become overvalued it is time to sell. If the financial indicators like inventory, debt or increasing SG&A are out of line, sell. Decide why you are buying and sell when this changes.

Other than stock picking, there are three ways to invest in the stock market: Mutual Funds, Closed End Funds and Exchange Traded Funds.

ETFs

ETFs (Exchange Traded Funds) are packages of stocks that trade like stocks. The funds hold stocks based on a formula or a published index. Some of the newer ones use a complex formula that has been back checked to see that it would have picked companies that increased in valuation. Because of diversification they have less risks than individual stocks. There are some possible major hits when the holdings change. ETFs usually follow an index. The simplest Index is the Dow Jones Industrial Average. The DIA is 30 large companies in terms of the sum of the value of all of the outstanding stock and the bonds. They have been picked by the Dow-Jones company as being representative. This is available as the ETF called DIA. Research ETFs in one of the many finance web sites. I recommend: Morningstar.com if you do not have it with your broker account. The ETF Screener can be accessed free. It requires signing up and sharing your personnel data. I actually use the screener in my Fidelity account. Most of the good discount brokers have a similar screening system. For a good article on the DIA stocks go to: http://en.wikipedia.org/wiki/Dow_Jones_Industrial_Average Stocks come and go on the Dow Industrial Index. When they do the management of DIA must sell these holdings and buy enough of the replacement at a level with an equivalent value. If you know the replacement and buy it and sell the looser then it is possible to make money both ways. In a recent case Kraft split. The pieces were worth more than the whole. Selling ahead of time would not have worked. It only works with companies that are going off because of poor performance. Make your own ETF by buying all of the stocks. Better yet, leave off all of the potential losers. By studying the largest capitalized stocks it is possible to buy what will be the next winner and sell what will be the loser. Making your own you will save the 0.2% fee charged by the management company. For a good

analysis of ETFs go to: <http://etfinvestmentoutlook.com/> It will also give a good list of ETFs by Ticker Symbol that can be researched on Yahoo Finance. When considering an ETF, study the holdings, expense ratio, turnover and size. High turnover and high expense ratios are a disaster. Here we want to find ETFs that have been losing value recently but have value and will come back. These are buy and hold, so a great deal of research is needed. By paying .2% as a management fee, the total effect over a 20-year retirement is a loss of more than 4%. With a 1% management fee, the total effect over 20 years is 22%. Fees add up over the years.

For an equity part of retirement buying the stocks of DIA and watching carefully for the laggards in terms of market capitalization works. Sell those before the DIA dumps theirs. Buy the potential replacements before the DIA has to buy them. Look at Capitalization of the top 50 companies to find a winning replacement.

For the novice or the person that wasn't want to spend time worrying about stocks and the market. ETF's are the best way to preserve wealth and still grow to protect from inflation. With a combination of the ETFs DIA and SPY it is possible to beat 70% of the mutual fund managers and only have a small management cost. To protect against US economy problems a portion should be in foreign ETFs.

"The best way to own common stocks is through an index fund." – Warren Buffett

Mutual Funds

Mutual Funds are managed packages of stocks that can perform better than ETFs but the management fees easily overwhelm any performance improvement. There have been studies that show their stock picking value added is more than offset by their management fees. Large Mutual Funds negatively affect themselves when holdings increase and get hit hard when funds are withdrawn. Taxes are due when the fund makes a profit due to sales even though the owners may not receive any payments. Because the average investor that buys high and sells low owns mutual funds, mutual funds are forced by their clientele to buy

when stocks are up and sell when stocks are low. Even with skilled stock pickers they are forced by their customers to do the wrong things. Mutual funds managers tend to be what is called momentum traders. They buy what has been going up and sell what has been going down. They move like a herd of cattle. They depend on the suckers getting in too late and selling too late. In a rapid declining market with high withdrawals they kill each other by selling what is no longer in style and is declining rapidly. It is like cattle stampeding over a cliff. Think WorldCom and Enron. The bigger they are and the older they are the, greater the risk.

When I last studied this in 2005 of the 308 major funds 19 years ago as reviewed by Fortune magazine only 205 made it so far and only 89 have beaten the Vanguard S&P 500 index. All were down when I checked in June of 2008. I do not follow mutual funds.

Closed End Funds

Closed End Funds are managed packages of investments that trade like stocks. They do not have the down side risks of withdrawal causing loss of value. They often trade at less than the value of the underlying investments. Closed fund aggregators determine a theme and obtain funds from high net wealth investors. After they have the funds committed, the funds buy stocks and bonds that fit the theme and issue shares that are nominally \$ 10.00 worth of the assets. The shares sell like stocks and there are taxes only on distributions of dividends or interest. Shares are purchased from another owner and sold to a new owner. There is no need by the fund to sell or buy due to either redemption or fund purchase after issue. Since they don't have the stampeding characteristics they can be better values in a downturn. The management is the key. The closed end fund association has a good web site: www.cefa.com the web site shows many that can be purchased at a discount to the underlying assets. Their advanced fund selector works well. Sometimes high wealth individuals dump their holdings to buy a yacht or heirs sell theirs. It is possible to take advantage of the temporary

irrational dips in the price. Barron's is the best place for an overview. Yahoo is a good place for research on individual closed end funds .

"Should you find yourself in a chronically leaking boat, energy devoted to changing vessels is likely to be more productive than energy devoted to patching leaks." Warren Buffett

There are some specialty investments to consider:

Royalty Trusts

Royalty Trusts hold rights to assets like oil and gas deposits. Their price moves with the price of the commodity. Since all of the commodity will finally be consumed, a portion of the dividends are considered return of capital. Royalty Trusts are purchased just like stocks. They pay high dividends since all of the profits must be paid to stockholders. HGT, MTR, SJT and CRT are some to look at. These trusts can make your retirement independent of the price of oil and gas. If you purchase the equivalent of a lifetime supply of oil and gas in the ground, then your dividends will go up and down with the price of gasoline and electricity. Look at your bills for electricity and gasoline. Estimate how much it would cost to make you independent of these prices in the future. These stocks require as much research as any other stock.

REITs

REITs are another type of trust. Real Estate Investment Trusts represent interests in property. Some specialize in one area like Florida or New Jersey. Some specialize in one type of property like shopping malls, apartments or office buildings. Their dividends carry with them the depreciation on the underlying assets. There are some that are not listed and sold through crooked brokers. Be careful. Buy only the ones that you can research on web sites like Yahoo and are listed on an exchange. The same research is required of REITs as any other stock. REITs are another way to hedge in retirement. If you live in an apartment you could purchase enough of an apartment REIT to pay the rent. This would make

you independent of the price of rent since your dividends would move up and down with rent prices. Buy them when the class is down. Consider net lease REITs. Net lease REITs own the property occupied by the major retailers. The retailers agree to pay the REIT all of the occupancy costs plus a fixed fee. Because the buildings depreciate the returns include a tax advantage. The risk is the major retailer goes bankrupt or abandons a property even if they continue to pay. The real estate trusts that had the Linen and Things net lease properties lost a great deal. It is possible to go to some of the properties and see for yourself how they are doing. If you are going to buy a shopping mall REIT go to a mall and look at how many of the stores are closed. Look at how many people are at the mall and see if they are buying. For an apartment REIT look at some of the properties and see if they are run down and look at the neighborhood and see if it is becoming run down. Go to: Yahoo.com Finance, for REIT ETFs. For researching and studying REITs Yahoo.Com Finance under investing, stock, financial.

MLPs

Master limited Partnerships (MLPs) are limited partnerships or limited liability companies (LLCs) choosing partnership taxation which are traded on public exchanges. A share in an MLP is called a "unit," and MLP shareholders are known as "unit-holders." MLPs can be found on the major exchanges, as well as many regional exchanges. They combine the affordability and liquidity of corporate stocks and bonds with the advantages of investing in a partnership. MLPs generally pay their investors regular cash distributions, and many offer growth potential as well. There are over 100 MLPs on the market, the majority in industries related to energy and natural resources. They are more tax efficient than corporations since they do not pay corporate tax. The unit holders pay tax on the partnership profits. Most partnerships distribute more than the profits because of the depreciation of the assets. Distribution in excess of the profits reduce the basis for unit holders. If the units are sold the tax is based on the difference between the sale price and the basis. If they are inherited the basis is the reset at the market price at time of death and the avoided taxes never need to be paid. Owning these adds to the

complexity of filing income tax. There is also an issue of some taxes. For a list go to: <http://naptp.org/PTP101/CurrentPTPs.htm> There is an ETF for the partnerships. It is AMLP. It eliminates the tax complexity but the fees are high.

Options

Puts and Calls are options to buy or sell a stock at a fixed price. Options are ways to leverage stock market investments. In this case Puts and Calls are purchased or sold rather than the stock.

Calls are the right to purchase the stock from a seller at a preset price. It is an option to buy. You can buy or sell a call. If you have the stock and sell the call it is called a covered call. If the call is exercised you have to sell your stock at what is called the strike price. If you are confident that a stock will go up, you can buy the call rather than the stock and gain leverage. Selling an uncovered call is only a good idea when you want to sell.

Puts are the reverse of calls. They are the right to sell a stock at a fixed price. Selling a put is a risky business unless you want to buy the stock on a dip in price. If the stock goes down you must buy it or pay the difference between the stock price and the call price. The possible loss is uncapped. If you are confident that a stock will continue to go down, you could buy a put. Buying a put can be a good bet. If the stock does not go down, then the put becomes worthless. The most to lose is the cost of the put. If the stock tanks the rewards can be large.

A way to play the game is called a strangle. Buy both the put and the call. If the stocks makes a major change in any way, one of them will be worthless and the other may more than make up for the loss and the total will be a net gain.

Think of stocks that have reached a point where the business can no longer support the high price. Look at the Price Earnings Ratio (PE). Think of what the company would have to do to make this company become

even an average company. Think of Starbucks at the peak, AOL at the peak etc. Buying a put makes sense.

On the other hand, look at stocks that are good companies and are down simply because the sector is down. When a sector goes out of style all of the stocks in the sector suffer. This is usually due to some major problem in the industry. A good example is banks. The sub-prime loan business has hurt most banks. All of the banks went down even though some did not have the problem. Buying the banks without the problem is good. Buying a call provides more leverage. The risk of a call is in the timing.

If you have a stock that is volatile, and you want to sell it consider selling the covered call. You get paid for the call and if the stock goes up you get the strike price. Some people write covered calls over and over for the same stock. It is a way to make money in a down or flat market. There are two down sides: 1) You will lose the opportunity for any large gains 2) If the stock has major problems and you want to sell the stock you will have to buy back the call or take a chance that it will not spike up. All Covered Call funds have failed. Their stocks get called and they end up buying back in at a higher price.

Go to a stock on Yahoo Finance and click on options. Options are sold in units of 100 and the data on Yahoo is for each. If you place an order on www.scottrade.com, or www.fidelity.com the symbol will be different and the units will be 100s. It is confusing, but once you go through it, you will be OK.

I have two experiences in Options that are instructive. I reviewed companies by PE and found Starbucks was over 200, even McDonalds and Burger King were advertising upscale coffee, The joke was a \$ 5.00 cup of coffee and the stock price was \$ 35.00 per share. In order to justify the high price, the profit of Starbucks would have to grow by a factor of more than ten. I bought the Put. The herd was still running north, so by the time it fell off of the cliff, my Put had expired. I lost. Later after it had fallen to a more reasonable price the price went up in line with the growth. More recently I purchased some puts on Beats Electronics believing

(correctly) that the stock would not do well Christmas 2013. It went down in time for me to make a good profit.

I read an article about a company that was under a congressional investigation. Their business was operating a clinic for testing experimental drugs for the major pharmaceutical companies. The stock lost more than one half of its value. I dug deeper. The company had fire escapes blocked and there were many building code violations. I watched the revenue in the succeeding quarter. Revenue went up. Expenses went up slightly. There was a small amount of insider buying and no insider selling. This told me that their customers did not go away and they were spending what it took to fix the problems. I bought Calls. This time I was long enough and the stock nearly doubled before the Call expired. Between the three, I made money. I could have made more if I bought the Starbucks put further out.

I have been talking about American style calls and puts. These are the ones you will be dealing with but understand that there are others. American style are convertible at any time, cash settlement and the settlement value is the price first reported at closing vs. the option price.

An additional resource is:

<http://www.optionsmentoring.com/stockoptions/advanced-stock-option-strategies.shtml>

For an individual investor buying and selling options like I have done is not a good strategy. It can be useful as a way buy a stock using a put to get the best price of a volatile stock or to use a covered call as a way to sell a stock.

FOREX

This topic isn't complete without discussing the foreign exchange market. Forex.com is all-electronic and operates 24 hours per day five days a week. The FOREX market trades trillions of dollars per day. It is the fastest way to make and lose money. Some of the currency exchange rates are rational. Things like a foreign leader having a bad day or the President of the US getting a cold can cause them to be irrational. Do not

use your retirement funds to gamble in this market. If you are going to gamble in the foreign exchange market, use your Las Vegas funds.

Recommended Portfolio

100% paid off house, cars etc.

Investments as follows:

10 to 40% Fixed

Bank things like checking and CDs \$ 5,000 to \$ 20,000

TIPS through treasury.gov

Closed End Funds

Individual Bonds

55 to 80 % Equities

Individual researched stocks, ETFs and MLPs

5–10% Specialties

Royalty Trusts

REITs

Closed end Stock funds

0–2 % Gambles

Puts, Calls, Speculative stocks (No more than 2)

Don't get fixed on the exact distribution. Leave out anything that you do not understand and use some market timing to move into things when they are down. Spend time getting in so that you are in effect dollar cost averaging. You should be able to say why you invested and after investing be able to see if you were right. Explain out loud why you are investing in that instrument. Even if you only explain it to your cat, it will help you understand your reason for investing. If you were wrong, get out. If fixed income securities are not paying at least 3% plus inflation it is better to be in stocks like utilities that behave like fixed income securities but provide some inflation protection,

"The business schools reward difficult complex behavior more than simple behavior, but simple behavior is more effective."

Warren Buffett

Risk

There are some that are so risk averse that they live in a rural area, have guns, ammunition and food stores. I am not that risk averse. I do try to limit risk even to the point of accepting the lower yield in the short term. There are some things that a reasonable person should do to protect themselves from the risks of extreme economic disruptions. Just like hurricanes, earth quakes and floods, it is a matter of when not if. A look into the past shows some of the things to cause concern. During Jimmy Carter's presidency the prime rate went to over 20%. At the time unemployment was high and inflation was double digit. Retirees to Florida lost more than half of the value and buying power of their bond and annuity portfolios. Carter's team did all the wrong things. During Franklin Roosevelt's first two terms the unemployment rate stayed nearly constant in the double digits. The wrong things were done by Hoover before him and then by Roosevelt. The value of commodities and real estate plummeted. Germany was one of the most intellectuality-advanced

countries in Europe during the Weimar Republic. This is when the German currency lost more than 99.999% of its value. High taxes and the resultant reduction of economic activity reduce tax collections. Increased tax rates and printing money faster than the growth of the economy will set off all of the above. Looking at the actions of politicians today it is easy to see that they have not learned the lessons of the past and are on the road to repeat them.

Thomas Jefferson recognized our path to destruction when said: "Our country is now taking so steady a course as to show by what road it will pass to destruction, to wit: By consolidation of power first, and then corruption, its necessary consequence."

Owning Treasury Inflation Protected securities when the government retains the ability pay its debts can mitigate some inflation risk. Gold and silver metal and mines are a way to retain value. Commodities and commodities produced abroad and sold abroad retain value. Companies that will sell their products for more and therefore make the equivalent in buying power can also be a hedge against inflation. An example is Proctor & Gamble. If there is an inflation of 100% then they will charge 100% more and the results will yield 100% more profit. It is prudent to examine each investment product in a portfolio to see what inflation would do. The investments most at risk are long term bonds and fixed annuities. Also at risk are REITs, preferred stock and utilities.

Loss of value of our currency can be protected by securities based on other currencies. Iron ore from Australia is sold to China and paid for in rmb. US dollars are not involved. Siemens makes products in other countries and sells them worldwide. Unilever has factories over seas and is not dependent on US currency. Unilever is only an example it is not a recommendation. Again, each investment should be evaluated based on the impact of a currency loss of value.

High unemployment and the reduction of buying power can cause a reduction of consumer purchasing power and a loss of profits of all companies selling to the US market. This has the effect of decreasing the value of commodities and real estate. In this case the protection is the reverse of the inflation protection with respect to commodities, and things like gold do not work and will lose value like everything else. Treasury inflation protected securities will still work but not as well as having cash.

As this being written the politicians are promising higher taxes on business and crushing regulation. The only way to protect from these threats is to invest in companies outside the US. It is difficult to protect from government policies that destroy wealth.

Sectors will come in and out of style. Diversification will reduce the risk of being in a sector that falls out of favor.

It is not necessary to have 100% of a portfolio protected in every way. It is necessary to have enough protected to preserve a life style. It is necessary to do a, what if, for each investment under each scenario.

Look for between 4 % and 6 % real return on the investments and compare it with your budget. If it fits, you should have a good retirement.

“You can see a lot just by watching.” (Yogi Berra)

Learning to invest is just like learning to swim. You can wade in the kiddie pool, swim in the shallow end, swim in the deep end or swim in the ocean. In any case, do not go swimming beyond your ability and do not invest beyond your ability.

Kiddie end: TIPS, closed end municipal bond funds, closed end corporate bond funds and ETFs

Shallow end: As above plus some individual bonds, out of style ETF, Royalty Trusts and two to five additional stocks.

Deep end: As above plus additional individual stocks and REITs

Ocean: Full list shown as recommended portfolio including MLPs

Do not get caught with long maturity bonds when the government is printing money to fight unemployment.

In summary: Buy when the market is down and the talking heads are saying gloom and doom. Buy things that will be good in the long run. By purchasing the right companies, they should be good to hold for many years. Review your entire portfolio on a schedule. Three months is a good time period. Be as unemotional as possible. You will lose the most on what you love. Every quarter do a complete analysis of every number in the income statement, balance sheet and cash flow statement of each company.

“Why not invest your assets in the companies you really like? As Mae West said: “Too much of a good thing can be wonderful”.” Warren Buffett

When starting the stock portion of a portfolio, a good starting place is the homemade DIA ETF. It still requires some management because, stocks have seldom been on the DJIA for more than 20 years.

“You do things when the opportunities come along. I’ve had periods in my life when I’ve had a bundle of ideas come along, and I’ve had long dry spells. If I get an idea next week, I’ll do something. If not, I won’t do a damn thing.” Warren Buffett

Dow Jones Industrial Average

Stock % Weight in the Index as of Dec 5,2008

IBM	7.43
Exxon Mobil	7.07
Chevron	6.86
McDonald's	5.78
Procter & Gamble	5.78
3M	5.52
Johnson & Johnson	5.37
Wal-Mart	5.37
United Technologies	4.52
Coca-Cola	4.24
Boeing	3.65
Caterpillar	3.53
Hewlett Packard	3.09
J P Morgan Chase	3.08
Version Communications	2.55
Merck	2.44
Home Depot	2.25
DuPont	2.22
Disney	2.10
American Express	2.01
Microsoft	1.83
General Electric	1.65
Pfizer	1.53
Bank of America	1.41
Intel	1.23
Alcoa	0.75
Citigroup	0.71
General Motors	0.38

From: <http://www.indexarb.com/indexComponentWtsDJ.html>

Notes: Airline index: **AXAL** There is no ETF As of 2008

www.finra.org The outfit that operates this site wants you to use their members. It is a good way to check up on brokers. Go to www.finra.org/Brokercheck. The limit is the data on the site is removed three years after the offending broker is found to have done something wrong or lost his license. They can become an advisers and split commissions with a broker that hasn't yet lost his.

An additional source is: www.nasaa.org. It has good advice on investor scams.

The FairTax plan is a comprehensive proposal that replaces all federal income and payroll based taxes with an integrated approach including:

A national retail sales tax.

A prebate to ensure no American pays federal taxes on spending up to the poverty level.

Dollar-for-dollar federal revenue neutrality.

Repeal of the 16th Amendment through companion legislation.

For a comprehensive understanding go to www.fairtax.org

The attached worksheet is for my students. It has terms that require explanation. There is an explanation sheet after the work sheet.

Bob Black Life 401.com ©2015 Symbol_____ Stock picking

Check all items each quarter Red mark concerns

P/E:___ Forward P/E:_____ P/S:___ Yield:_____%

Growth of sales: Yearly___ Last Quarter_____

Growth of Bottom Line: Yearly___ Last Quarter___

Inventory growing more than sales growth? Y___ N___

S, G and A growing more than sales? Y___ N___

Is this fighting the tape? Y___ N___ A falling Knife? Y___ N___

A hula Hoop? Y___ N___ Bowling alley limits? Y___ N___

Current ratio: _____

Recurring one-time charges? Y___ N___

Short Interest:___ days Inside buying, selling _____

Return on equity:_____

6K and 10K alarms: Off balance sheet, Litigation, Related party

Why am I buying? -----

What would make me sell? -----

Effect on risk? -----

Stock picking work sheet notes:

The price earnings ratio must be less than the P/E of the S&P 500 and sustainable or reasonably expected to become below the P/E of the S&P 500 in the near term.

The best performing stocks pay a dividend and pay out 40% to 60% of their earnings.

Companies with growing sales where this is sustainable will in the long run will grow in price. The stock market is irrational in the short run but not in the long run.

If the inventory is growing more than the $\sqrt{}$ of sales there is a problem. If it is a company that is seasonal it should be compared with the sales last year.

Administrative and selling costs tend to get out of control before other bad things happen.

Do not jump in when the bottom is falling out.

Is it a fad like the hula hoop? Is so stay out

Is the market going to become saturated bringing growth to a halt?

Are they going to have to struggle to pay the bills? If so there will be pressure to do things for the short term that hurt the long term.

Is the P/E artificially low because they don't count what they call one time charges that repeat?

A small level of shorts are OK. More than a few days required to cover requires investigation.

If insiders are buying it is a good sign. Selling is OK if it is at a steady rate where executives are cashing in stock options and it is considered part of the pay.

Return on equity is one of Warren buffet's favorite measures since the stock is the equity and we want the best return.

It is necessary to read the latest 10K. If any of the alarms are there just move on.

What are called story stocks are usually a bad idea. The story usually goes that the company has some special advantage that will pay off in the future. Be super skeptical.

For investors that want to stay in the safe part of the pool I have prepared a portfolio that does not require any analysis or upkeep. Buy and forget.

Have a plan on what would make you sell.

Risk for most investors comes from lack of diversity. If everything is oil related or consumer related or internet related for example big losses can occur even in a relative calm market.

Suggested portfolio for low attention. See also next page:

53%	Broad US stock market:			
	30	S&P 500	Guggenheim Equal Weight S&P 500	RSP
	12	Mid Cap	Guggenheim Mid cap 400 Pure Value	RFV
	11	Small Cap	Guggenheim Small cap 600 Pure Value	RZV
8%	REIT			
	8	ETF	Vanguard REIT index	VNQ
3%	Royalty Trusts			
	1	Cross Timbers Royalty Trust		CRT
	1	Sabine Royalty Trust		SBR
	1	San Juan Basin Royalty Trust		SJT
20%	International			
	10	i shares MSCI Frontier		FM
	10	I shared Core MSCI EAFE		IEFA
12%	Fixed income:			
	6%	Credit Suisse Income	Closed end fund	CIK
	6%	Fidelity Total Bond Fund		FTBFX
12%	Alternate to fixed income			
	12%	Vanguard Utilities ETF		VPU
3%	Partners			
	3%	Alerian MLP ETF		AMLPS
1%	Gold and Silver			
	1%	Central Fund of Canada Closed end fund		CEF

There is risk in all investments. This portfolio is designed to be diverse, require minimal adjustment over the years and have minimal fees. It is designed for class members who understand the various products. It should be rebalanced yearly to be within 10% of the target distribution.

Broad US Equity Portfolio: This is to keep up with inflation and allow growth with the economy. It is where we spend our money. It also had components that depend on other countries. Many of the US companies have facilities overseas and sell goods and services overseas. The historic return is about inflation plus 6.7% The risk is about 30%

REIT These provide a good dividend with low taxes. These are mostly dependent on the US economy. The historic return is about inflation plus 4% growth + 4% in dividends The risk is about 35%

Royalty Trusts: These hedge the cost of energy. This includes gasoline and electricity. The historic return is about inflation plus 10% The risk is about 90%
Others to consider are: SDT, CHKR, PER, ROYT

International: The US is becoming a smaller part of the global economy. The international businesses have more room to grow. It has little China direct because most of the others are linked to China directly or indirectly. The historic return is about inflation plus 6% The risk is about 30% because of diversity

Fixed income: The large asset management companies run these. The cost to acquire is low and the returns should handle most inflation situations. There is however a good chance selling them will counteract the savings in buying them. The historic return is about inflation plus

3.5%. The risk is about 50% Periods where fixed income is paying less than inflation plus 3% consider using utilities as a substitute.

Limited Partners: Limited Partnerships distribute the taxes on their profits and distribute their cash flow to their unit holders. They make income taxes harder to fill out but tend to allow unit holders to pay lower taxes. The tax saving must be accounted for if the partnership is sold but if inherited the taxes not paid and never need to be paid. The historic returns are about inflation plus 8%. The risk based on history is about 25%.

Gold: and Silver: This is a cushion to the big swings. It allows a more peaceful sleep. It includes both Gold and Silver in approximately the ratio of their historical prices. The historic return is about inflation plus 0.6% The risk is about 50% Holding costs erase all gains.

Cash: The present return with respect to inflation is about -1.4%: The risk based on the same analysis is about 50%

Additional tools:

robertblack401@live.com

Text: www.life401.com Financial Security chapter 19

Web sites:

SEC Broker information: www.finra.org/Brokercheck

[Advisors: \(www.adviserinfo.sec.gov\)](http://www.adviserinfo.sec.gov)

Fixed Income TIPS: www.treasurydirect.gov/indiv/indiv.htm

Fixed Income Closed end funds: <http://www.cefa.com/>

Stocks screener: [Any of the discount brokers or finviz.com](#)

Stock individual research: <http://finance.yahoo.com/>

SEC stock in depth research:

www.sec.gov/edgar/searchedgar/companysearch.html

Technical analysis: <http://www.stockta.com/>

DIA top 25 components:

http://en.wikipedia.org/wiki/Dow_Jones_Industrial_Average

Options: cboe.com

ETF Screener <http://etfdb.com/screener/#>

Bond screener <http://screener.finance.yahoo.com/bonds.html>

http://finance.yahoo.com/etf/lists/?mod_id

<http://www.freestockcharts.com/platform/v1> (You must activate silverlight)

Chapter 20) Diet

There have been Diet fads for as long as I can remember. In every case the fads have been harmful and not effective in making anyone healthy or thin. Everyone has a basic metabolic rate and when the input of calories is more than the metabolic rate of consumption of calories the body deposits the excess as fat.

With respect to diet there are only two types of materials. There are type one materials that are fundamentally bad. Organic mercury is an example. Any is bad; more is worse and more than that is fatal. Type two materials are bad if you have none, better to have a little, even better if you have even more and worse for you if you have a lot and really bad for you if you have a great deal. The lack of vitamin A causes serious health problems, a little solves these problems, a little more makes you healthier, even more makes you sick and a great deal is fatal. That sentence is true if you substitute water, vitamin B or C or protein or any of the things we have in our diet. Having a balanced diet and adding additional vitamins and minerals is the overall best course of action.

1) Your body can only handle a certain level of protein. In excess, it becomes a poison. When you eat more protein than your body needs, it is broken down and the waste products are secreted in your urine, sweat and excreted in your bowl. (If you are ever going to hide in the jungle do not eat any excess protein or you can be found quickly by your smell.) More protein degradation products than your kidneys can handle will cause sickness and even death.

2) When you eat fats the brain secretes Leptin a hormone that tells you that you are not hungry. This method of turning off the hunger signal works and is the success of the Atkins diet. It has not proven to be effective for already obese people. When you eat carbohydrates the

carbohydrates are in the case of sugar taken directly into your blood stream or in the case of starch broken down into sugar and then taken into your blood stream.

3) Easily metabolized carbohydrates are one of the type two materials that are best in very small doses spread over long periods of time. Check the document describing how fructose is killing us. When sugar is in your blood stream your body secretes insulin. The insulin converts the sugar to fat. Once the insulin is in your blood stream and you stop eating, the insulin reduces the sugar level in the blood to very low levels. This causes weakness, hunger pains and a craving for sugar. This is a common vicious circle. If you eat enough sugar over time the body becomes resistant to the insulin and the sugar level in your blood becomes toxic. It then takes a dramatic reduction in sugar level to stay healthy. This insulin resistance is at least part of most type II diabetes (Sometimes called adult onset). Low fat diets are not effective in that by replacing fat with carbohydrates we fuel the sugar / insulin / craving / sugar cycle and the resultant insulin resistance. In the case of carbohydrates simple sugars are the worst in that, they are absorbed quickly and cause the spike in insulin. Complex carbohydrates take time to digest and cause less of a problem. Sugar soft drinks, candy and table sugar are the worst. Vegetables, whole grains, nuts, lentils and beans cause the least problems. Nuts are good at the end of a meal because that slow the digestion and reduce the spike in nutrients that cause the most damage to both your Cardiovascular System and your Insulin Control System.

4) Salt is much maligned. I think this is due to the relatively high blood pressure of most of the population and the effect of salt on blood pressure. Low salt has been prescribed to persons with high blood pressure. I think that this prescription will go out of favor and other methods of treatment will take its place. In any case salt is needed and is especially important in hot climates. Like any type two diet item excess

can be unhealthy but a healthy person has quite a range of salt intakes that are healthy.

5) The important minerals most likely to be a problem are calcium for both men and women and iron for women. Based on my analysis of my own diet I found that low calcium was the biggest problem. Lack of Calcium caused my gums to recede and cause gingivitis. I read an article about lions in the zoo having gum problems that was caused by lack of Calcium. I started taking Calcium and my gums got better right away. I think it is hard with the foods we now eat to get enough calcium without supplements.

Women have a harder time controlling calorie intake than men. When a man reduces calorie intake below metabolic consumption there is a craving for food but there is a smaller change in metabolic rate. A man can function and even exercise vigorously. When a woman reduces calorie intake below normal metabolic consumption there is the same craving for food and at the same time there is a reduction in metabolic rate. The craving becomes all-consuming and functioning becomes difficult. When a fat lady says she is weak from hunger she is not kidding. The body of the fat lady has turned down the metabolic rate and the craving for food has become overpowering. I explain this by looking at what was best for survival in the early tribal days. In times of famine the women that survived and even successfully nursed their children were the ones that came into the famine with the extra weight. They were also the ones that reduced their metabolic rate to survive. The men who had their children survive were the ones that in spite of the lack of food went into the bush, attacked and killed game and brought it back to camp. I do not know if this theory has ever been subjected to scientific inquiry but it does fit my personal observations.

The body uses Insulin, Leptin and a “get fat” hormone to generate a “I am

full” and a “I am hungry” signal. Working together, these hormones will keep a person from gaining or losing weight in the short run. Studies by Benedict showed that when calories were restricted the body reduces energy consumption. In the Minnesota studies volunteers were given a concentration camp diet. This was done in part to see how to best treat victims of the German concentration camps. It showed that, when given a starvation diet, hunger became overpowering and persons will become psychotic. Later the Vermont studies showed that paying volunteer prisoners to eat more would cause them to gain weight. When they were no longer paid to eat more, they ate less and their weight returned to nearly the level it was in the beginning. Short-term diets fail both to gain and lose weight. The process of natural short-term weight control is called homeostasis.

I found that I lost weight when sailing our boat. I would have a breakfast of orange juice, toast with butter and jelly and tea. I would then get busy to get us underway. Even with power winches, casting off or weighing anchor and setting sail is physical. At lunch Harriet would fix some peanut butter or cheese crackers, a diet Pepsi and fruit. The boat would keep me occupied, either tacking or navigating the waterways until time to dock or anchor. Anchoring and docking are intense activities. After we were safely docked or anchored I would have a glass of wine or a beer. If docked we would sometimes go out and sometimes Harriet would cook. At anchor Harriet would cook. All of this activity and discipline in portion control would cause me to lose about two pounds a month. This loss of about an ounce a day was not really on purpose. It was however; a good lesson in weight loss for me.

The present low calorie burning activities of TV and computers reduce calorie expenditure. This coupled with the large portions of good tasting nutritious food will lead to a slow accumulation of fat. Once the weight is added, homeostasis will keep the weight on. Our body will resist any

attempt at significant calorie reduction. We can however use portion control and keeping busy to slowly lose one to two pounds a month. This can be done without severe hunger or psychotic reaction. Avoiding sugar soft drinks is one of the keys. It is easier to do portion control by filling a plate once and not having seconds. At a fast food restaurant simply order one item off of the \$ 1.00 value menu. It will be more annoying to stand in line again than fight the small hunger signal and simply get busy. It is possible to have the equivalent of my boat experience.

Drug companies are working on finding ways to control our “I am full” and “I am hungry” signal system. If they succeed it will be a problem for the food industry, the heart disease treatment industry and the diabetes industry.

My advice concerning diet is the same as the Buddha: Moderation. Eat a variety of foods, get your recommended vitamins and minerals and stay a healthy weight. Aspirin in low doses has been shown to reduce the inflammation of the artery walls that leads to blocking and damage to the heart, brain and lungs. Exercise needs to be regular, circulation increasing and low impact. Swimming is best bicycling and walking are nearly as good. If you have inherited my knees, back and ankles do not run or do any of the high impact exercises. Running is also not good for your internal organs. There are a few people who can get away with running. These people do it by making the running low impact. Instead of my clump, clump, clump they just glide along putting down a foot here and there. My son in law Andy can do this but there aren't many that can. Brisk walking until your skin tingles will do all that you need. If your skin tingles then your heart rate has become high enough to do you some good. No diet will work without exercise and no exercise is sufficient without control of caloric intake.

Chapter 21) Oil

We have been running out of oil since I was in grade school and you would think with an obviously finite source and an ever-increasing demand that some day the prediction that we are going to run out would come true. In a free market, it doesn't work that way. First, we need to understand that the long run price of oil is the risk-adjusted cost of drilling the next hole or the cost of adding the next increment of recovery equipment to existing wells. These costs include everything such as the costs of exploration, drilling test wells, dry holes, environmental costs and political risk. If the price of oil on the free market is below the cost to drill the next hole or adding the extraction equipment then in a free capitalistic economy no one will invest in drilling the next hole. If no one drills the next hole or adds more recovery equipment then the oil wells now being pumped will finally dry up and the price of oil will go up. When the price of oil goes up the cost of drilling or adding recovery equipment becomes a good investment then the drilling and adding recovery equipment will be done.

By understanding the above, we can see that as the locations for drilling become more expensive and adding additional recovery to existing wells becomes more expensive the price will increase. When the price increases it will be more expensive to use oil and oil products and the consumption of oil will go down. At the same time such things as oil shale recovery, tar sand extraction, biomass conversion and coal liquefaction will become more competitive. Finally, as these also become more expensive and more difficult, nuclear will become the only solution. In your life, you will see some of this happen. Coal and oil and gas if you include tar sands and oil shale will last past your grandchildren's grandchildren.

Oil will become more expensive and production will go down but for thousands of years there will be some oil production. In a free capitalistic

market the problem will solve itself. Government does not need to do a thing except try to stabilize the world market by keeping other governments from getting involved. Without any government involvement, the transition from a world economy dependent on large and increasing quantities of oil pumped out of the ground to alternatives will happen smoothly and without any disruptive economic consequences.

In 1973 Jimmy Carter said that we would run out of oil before the end of the next decade. That means that he predicted that we would run out by 1990. He is only an example of the crowd that has been prediction that we would run out of oil. It demonstrates a complete lack of understanding of how a free market operates. If he was still president and still making decisions on the production and distribution of oil he may have been right.

My only recommendation is that the motor fuel tax be increased to represent the cost of motor vehicles on our society. This is more than the cost of road building and road repair. It also includes the economic costs of the accidents, the dislocation of our society and world stability. I hate to sound like the socialists when recommending this but, this is one time that a tax designed to effect behavior makes sense. It will also stretch out the transition from oil to alternatives and make it less disruptive.

There is a crowd that wants to outlaw or tax the SUV out of existence. Like any of the social meddlers their logic is wrong headed. I do note however that SUVs reduces the capacity of roads by limiting the view of drivers in cars and taxing this reduction in road capacity makes sense since the tax on vehicles is linked to road building funds.

Finally, there is the myth of a Hydrogen economy. This is a stupid illogical boondoggle. First Hydrogen is expensive to produce and the only current

production comes from oil or gas. Converting oil or gas into hydrogen is a wasteful process. It is better to burn the fuels directly in an engine than do the conversion. The second point is storage. To store large quantities of hydrogen it must be either kept at extremely low temperatures as a liquid, in high-pressure containers, chemically adsorbed on a surface or chemically combined. Making hydrogen a liquid is energy intensive. It will quickly evaporate in even a well-insulated container. Keeping it cold requires continuous energy input. The present high-pressure cylinders are 98.5% metal and 1.5% hydrogen when the hydrogen is at 5,000 pounds per square inch pressure. Chemical adsorbed hydrogen is similarly inefficient. The best way to store hydrogen is in carbon hydrides like oil and gas. The best description of the hydrogen silliness was in a letter to the editor of Chemical and Engineering News August 25, 2003 issue by F David Doty of Columbia, SC. Using nuclear energy to make electricity to charge batteries makes more sense. There may become a time when making hydrogen with off peak nuclear makes sense but it will be after nuclear becomes most of the power production.

All of the mined or extracted commodities will have the same history. It is important to remember that the hot commodity of today may not be of any value in the future. Mercury was considered a strategic commodity and was stockpiled by the US Government. There is now a worldwide Mercury disposal problem. It is no longer used to make Bleach, or used in thermometers or Barometers. Sulfur was mined in the gulf coast until some time in the 60s. Sulfur is now a disposal problem for the refineries that extract it from fuels.

Chapter 22) Public Speaking:

It is natural to dread public speaking. A stare is threatening. When you stare at an animal they feel threatened. If a lion stares at you he is thinking about having you for lunch. When you are stared at you feel threatened. This is a natural response. When you get up to speak and you get the attention of the audience, the audience will stare at you. It is hard to suppress the natural reaction to freeze, flee or fight. It causes your body to produce adrenalin. Not reacting goes against our nature. Your voice will go up and you will tend to talk faster. The only cure is repetition. Volunteer to give the prayer, give a speech, do a dance or do magic tricks for an audience. Every time you perform in public it will get easier. After you have had a great deal of experience it will feel good. Actors and comedians become addicted to the adrenalin release when they react to the audience. Before a speech stand up straight and smile. This will send a signal to your brain that you are in charge.

When giving a speech do not use the tell-a-joke-first technique unless you are doing a comedy routine. In that case tell a joke first, second, third etc. In a non-comedy speech do the following:

1) Wait until the audience settles. If you look at the audience and wait they will quiet down. This is using the stare to make them uncomfortable and less likely to talk. After they are quiet wait an additional three seconds for emphases.

2) Start your speech with a bold statement. Every adult that was alive in 1948 remembers the first words of Churchill's Iron Curtain speech. "An Iron Curtain has descended across Europe..." This start captured the attention of the audience and when repeated it captured the attention of the world. You have the complete attention of the audience for about 20 seconds in the beginning. If you do not take advantage of this time you

may lose them for the balance of the time. This first sentence needs to be the one you would like everyone to remember. I recently gave a speech on invention. My first sentence was: "Inventing is fun and you can do it."

3) Use parables. They worked for Jesus. Parables have enabled his message to last over 2,000 years. People remember stories and the moral of the story. Crying wolf is a phrase that is part of our vocabulary. Your parable should be as simple as the story of the boy that cried wolf. My story of Mr. Folgers is true and I have used it over and over to describe the attitude I want from employees with respect to customer service.

4) Use humor not for it's own sake but to emphasize a point. As part of the Mr. Folgers story I ask the audience to think of what this woman would say to her husband when he came home from work and asked: "Anything happen today dear? "

5) If you want the audience to remember a point, describe the principle, use a parable as an example and then explain how this principle relates to this parable.

6) Keep the monologue short and have three points or less. No one complains when a speech is short. The following is the maximum speech:

Opening wake up bold statement

Principle, Parable

Relate principle to parable

Principle, Parable

Relate principle to parable

Principle, Parable

Relate principle to parable

Close with a bold statement

Ask for questions

7) Think through the possible questions and have prepared answers. Be prepared to expand on the central points. If someone asks a silly or confrontational question ask why they are asking. If someone wants to make a speech instead of asking a question do not respond directly. Either call them on it by saying: "I thought I was the speaker" or review the relevant principle and parable.

8) Do not hurry. This was my principle flaw in early speeches. Slow down., speak lower and softer. If you hurry you look like you are not confident. I did it in my early speeches because I was not confident.

9) React to the audience but stick to the script. If you get an unexpected laugh, someone in the audience falls off of their chair, the public-address system fails or the podium falls down have a good time along with the audience. React in a confident way then get on with it. George W. Bush was giving a talk to the workers at ground zero after September 11th. Some one in the audience said: "We can't hear you." He reacted by saying: " Those who did this can hear you." He then went on to finish what he planned to say.

Judy Carter (Judy Carter.com) has some good advice on humor. She recommends four formulas for adding humor to the speech. The first is to open with a humorous line in the first ten seconds that relates to what is happening with the audience. She recommends asking applause for something at the moment. This requires some bravery but it can get the audience to listen. Formula two for Judy is to make fun of your own characteristics. An example for me is: I may not be able to untangle a mike but I do know about climate science. She describes formula three as the mash up. This is where you put things together and come out with a third. In my case: I am part Scotch and part Irish. This means I drink but I don't pay for it. Her last formula is the list of three. In this case we are combining two serious things with a third that makes it funny. In my case:

There are possible disasters: We may be entering an Ice age, we may have run away global heating and we may have another season of political ads.

Chapter 23) Slavery

Slavery is a very bad thing but when you look back it needs to be understood in context. Until recent times life expectancy was short. Slave and master alike were unlikely to live long enough to become infirm from old age. Until the 1800s—people sold themselves into slavery. This would provide funds for the family but it also provided security for the slave. Without the support of the church or the government when the money and the food ran out you starved. Slaves did not starve. If a master did not have the ability to support a slave he would sell the slave to someone that did. There was a social hierarchy in the slave quarters and being the top slave was a respected position. The slave did not have to worry about the future.

The bible has many admonitions to masters that they should treat slaves well. It also entreats the slave to work hard and live an honorable existence. It was expected that the slave would not only serve the master but would also serve God.

The founding fathers of the United States were all against slavery but they did not know how to end it. They thought the slaves were like children and if put free they would not be able to support themselves. Benjamin Franklin owned a slave but later founded a school for children of freed slaves. Once he saw that these children were every bit as capable as the Europeans he became an abolitionist. At that time, and until slavery was abolished slaves were of many nationalities. We think of slaves as being from Africa. This was not the complete picture. Europeans were also slaves in the United States. In New Orleans, there were some masters of African decent that had slaves of European decent. It was rare but not unheard of. Slaves did not have to worry about the future and learned to be completely free of responsibility. When the slaves were set free many simply stayed on the plantations and worked for the former masters

because they had neither the skills nor the understanding of responsibility to go out on their own. (The intercity-welfare culture is no different today) The African wife of Mr. Kingsley inherited the Kingsley Plantation in Jacksonville. She ran it for a while. At the Kingsley Plantation is a notice of a sale of eight slaves. Several are noted to be mulatto. ($\frac{1}{2}$ White) One notice says all of the slaves are guaranteed to be of good health and character except Frank. Frank was known to drink to excess.

When we hear stories of slavery it is usually one of unspeakable cruelty. This was the case with the slave trader but it was seldom the case with slave owners. Owners treated slaves the same way farmers treat their animals. They made sure that they have adequate food, clothing and shelter.

When you think about it, the dictators and their subordinates in a Communist country have the same powers and treat their subjects the same way the slave owners treated the slaves. The worker in a factory in a Communist country has the same freedom and the same concerns for the future as the slave of times past. The factory boss has the same power as the slave master. Workers who do not perform are sent to reeducation camps as punishment. These camps are prisons with forced hard labor. Some of the explanation for the difficulties experienced by former Communist countries can be explained as the same problems experienced by released slaves. Many wanted to go back to the security and structure of slavery. Freedom is scary for those who have not been brought up in freedom. It is good that slavery has ended in the United States but we should not judge the people in the past with the values of the present.

Chapter 24) Addictive Substances:

There are many addictive substances. The most common is sugar. Sugar causes the sugar – insulin – craving for sugar – sugar – insulin.... Cycle. It is the one familiar to everyone in the United States. Sugar tastes good and it gives us a feeling of energy. Withdrawal from sugar makes us feel weak and we have a craving for more sugar. All addictive substances have this same property. The study of the effects of heroin, cocaine, caffeine, nicotine, and alcohol is a book in itself. There are new drugs coming on both the illegal and legal markets all the time. The reinforcing properties of the drugs vary both from drug to drug and from person to person. There is also a different emotional reaction from person to person. The fundamental mechanism of addiction is the same.

I have been given narcotics for my back pain. They make it hard to think and I do not like that feeling. I found that I would rather suffer some pain than lose some of my intellectual abilities. This reaction is not common. Many patients who are given narcotics find it difficult to quit even when they are not needed for pain. When stressed, I do not want any drugs. I have no interest in alcohol. Many people turn to drugs either illegal or legal like alcohol when under stress.

The first dose of illegal drugs like cocaine, heroin and marijuana make you feel better. In some people that feeling is very powerful and it makes them feel better than they have ever felt in their life. The exact feeling is different for the different drugs. Some simply dull your senses and some give a feeling of energy but the good feeling part is the same. The effects wear off and the feeling when they wear off is a bad feeling. It is as bad as the good feeling was good when the first dose was taken. Subsequent doses never generate the good feeling of the first dose but when they wear off the bad feeling of withdrawal from subsequent doses is just as bad as the first time. It also takes more each time to be effective in

preventing the bad feeling. If you start by taking one dose in any of these drugs you are a drug addict. You will always remember the good feeling and you will always want to repeat this good feeling. You may not ever take a second dose and you may be an addict that is in remission but you will always be an addict.

The profits from illegal drugs support all of the bad things like killing families that do not cooperate with drug lords, killing honest judges and killing honest policemen. They also use the profits to bribe politicians, policemen and judges in both this country and in countries throughout the world. When someone says that taking illegal drugs is no big thing, just think of the honest law enforcement people that are being killed or bribed by the money made on these enterprises. Think if you want to be responsible for doing any of this. Former President Bill Clinton may think of his staff using illegal drugs as being cool but if you think that way you either are so intellectually challenged that you can't think past the present moment or you have no integrity.

Legal drugs like nicotine, caffeine and alcohol are different in addictive qualities and effect. Nicotine has powerful addictive properties. Addicts that have been addicted to illegal drugs and nicotine have said that it was easier to get off of heroin than getting off of cigarettes. There is a permanent change in brain chemistry that comes from all drugs including nicotine. This is why smokers go back to smoking nearly every time. This change in brain chemistry happens very quickly. People that smoke for even a short time have a real problem the rest of their lives. It appears that the earlier in life that some one smokes the more profound the change. Nicotine like many powerful drugs has uses in treating some diseases. It is the drug of choice in treating Turrets Syndrome. Cigarettes, cigars and chewing tobacco as a way of obtaining nicotine have powerful negative side effects. Cigarettes cause emphysema, heart disease and lung cancer. If you see someone that is using oxygen in the mall they

probably have a problem generated by cigarettes. Cigars cause these same diseases and they also cause mouth cancer. You seldom see the results of mouth cancer because it usually kills its victims quickly. Chewing tobacco causes gum disease and mouth cancer. Tobacco is a complex plant. The other things in the tobacco products cause many of the problems caused by tobacco products. These other compounds and many others are created when tobacco is burned are the cause of many of the problems caused by tobacco products. Nicotine like most drugs has negative side effects. Even if it was taken without the other compounds it causes constriction of blood vessels. This constriction causes heart disease and circulation problems.

Caffeine and Caffeine related compounds are present in chocolate, coffee and tea. Caffeine is an insecticide that many plants use for their protection. In most cultures, the natives have found ways to make an extract of a local plant that contains Caffeine and drink this extract in order to get the caffeine. Caffeine gives the high-energy good feeling followed by the low energy bad feeling. It also causes headaches during withdrawal. I have been addicted to caffeine twice in my life, once in the military and once when working for Associated Enterprises. In both cases coffee was readily available. I found that if I stopped drinking coffee over the weekend I would get a headache and when I was drinking coffee regularly I no longer got an energy boost. I stopped, suffered through one headache and now only occasionally drink coffee or tea. I was on jury duty and the deliberation lasted past midnight. I had to take the Graduate Records Exam early the next day in order to get into management graduate school. I went home took a shower and changed clothes. I had no sleep that night. At that time, I was not drinking coffee. At the test site there was a coffee bar. I drank three cups. It gave me the high that lasted through the test. I tested in the 98th percentiles in both the mathematical and the verbal areas. I do not remember having to use the restroom. I may have been dehydrated as well as sleep deprived. You can

keep this trick in mind. If you use coffee regularly then you cannot get the high-energy boost but if you only use it once a year or so it works well.

Alcohol is another story entirely. Abraham Lincoln put it in proper context when he addressed a temperance society in 1842 where he said: “many were injured by it. But none seem to think the injury arose from the use of a bad thing but, the abuse of a very good thing. “ In small doses like one or two drinks a day alcohol improves circulation and seems to have positive benefits. One drink is equivalent to a 1 ½-ounce shot of whiskey, five-ounce of wine or a 12-ounce bottle of beer. In large doses like four drinks a day it damages the liver and causes other health problems. In large doses it also degrades performance on the job. A normal person who does not drink at all is made quite incapacitated by a medium dose like two drinks. Someone that drinks one or two drinks a day is not affected very much by this amount. An alcoholic with a damaged liver, just like the non-drinker, is made quite incapacitated by a medium dose of two drinks. For a person under 21 there is no circulation problem to worry about. For a person over 30 having one or two drinks at dinner makes sense. If you are not able to easily stop at one drink or you find that you are using alcohol when stressed then the benefits of the one drink are not worth the risk of being an alcoholic. If you find that you cannot use alcohol in moderation you are an alcoholic. If you do not drink alcohol you are a recovering alcoholic. In any case you are unlikely to ever be able to handle alcohol in moderation.

Chapter 25) Men and Women:

Men and women are different. It seems politically correct to somehow either not say this or lie and say it is not true. We are a bimorphic species just as lions are bimorphic and tigers are zoomorphic. I believe that it comes from millions of years of evolution that developed a role for both sexes. In the tribe, it became the role of the women to stay at the camp, care for the babies, do the gathering of edible plants and keep the fire going. It became the role of the men to hunt and defend the tribe. Women needed to be patient, to be social and to do things that required sustained effort. Women needed to keep their man and form alliances with other women to protect their offspring. Men needed to work in groups with little communication. Men had to be competitors for the women but not hold a grudge when they cooperated in either hunting or defending the tribe. They had to be able to put forth great effort for a short period of time and to have a good sense of direction to find game and water and then find their way back to the camp.

In all of the characteristics that on average differentiate men and women there is a range of these characteristics. If we measure strength we find that, on average, men are stronger than women. On the other hand, there are some women that are stronger than the average man. Similarly, if we measure verbal ability we find that on average women are better than men. This does not mean that there are not some men better than the average woman at verbal skills. We could say this about every characteristic.

What should we do about all of this? If you are a man, be glad. Chances are you are stronger, have better spatial skills and can work together with other men without much verbal communication. If you are a woman, be glad. Chances are you have better verbal skills, have more patience and can work at a task longer than a man. Presently, verbal skills and patience

at school are rewarded. This puts women at an advantage in obtaining better paying jobs. Having babies and having to care for them is a disadvantage to better pay. There is some balance of the two characteristics. I am glad I am a man and I hope that if you are a woman you are glad you are a woman.

What does this say about hiring? Just like you can drown in a lake that averages 3 feet deep, averages say nothing about individuals. The lake can average 3 feet deep and have small part 20 feet deep and the rest 1-foot deep. The average woman may not be able to comfortably lift more than 30 pounds but there will be some that can comfortably lift 100 pounds. The fact that the average man may not be able to write as well does not mean that there are not men who can write very well. Making decisions about an individual based on the average of a population does not make sense. The hard part is deciding what abilities you really need. When a fire department has one standard for men and one for women it must mean that the lower standard of the two must be what is really needed.

Just as making decisions about the individual based on the average does not make sense, it does not make sense to say that because more men are linebackers on professional football teams there must be some underlying unfair evil discrimination against women. On average women will be better at and more likely to enjoy some types of work more than men and on average men will be better at and more likely to enjoy some types of work more than women. Work that resembles hunting, killing game and dragging it back to camp will more likely be better suited to men and work that resembles keeping the camp fires going and communicating will be more likely suited to women. More likely does not mean always.

Chapter 26) Finding a spouse

There is an old rock and roll song about finding a spouse that says: "Don't pick the very first one." Just as when picking a car or a shirt you need to do comparison-shopping. This does not mean living together. It means dating several other people before you make any serious commitments. It is hard when you are young and find the other sex attractive to do comparisons. There is a need for security in having someone of the other sex that you can depend on. This makes for early attachments that are too strong. It leads to one or the other saying: "If you do not do what I tell you then I will leave you." If you find this happening drop the other person like a stone. Being without a boy friend or girl friend is much better than being with the wrong person. Do not play hard to get but be hard to get. The girls who are picky get the most boys interested and the boys that are picky get the most girls interested. The girls who are known as easy will get the boys attention but will never be taken seriously or ever thought of as a wife by any of the boys who know that she is easy. These girls are correctly called cheap.

Finding a spouse requires attracting a spouse. If you are a man be a real man. Be someone a woman can respect. You can't love someone you do not respect. Women want their man to be strong and brave. They do not want a wimp. Being strong does not necessarily mean being a muscle builder it does mean being having a strong character.

Men want a woman that has principles and is selective about who she dates and who she has as friends. Overuse of cosmetics is a turn off. Again, it is respect. Cosmetic surgery like breast implants, piercing and tattoos are a sign of little self respect and are a turn off. They are a sign of easy sex not a sign of real self-respect.

In both cases men and women want their perspective partner to be clean,

in good health, not overweight or underweight, well groomed and wearing clean clothes.

The appearance of sex hormones that start in junior high school makes everything complicated. Learning how to handle this and deciding what to do is difficult. The difference between love and lust is also hard to sort out. Your mother and father love you, your grandmother and I love you and your grandmother and I love each other. Love means that we would do something that would hurt ourselves to keep something from happening that would hurt the one we love. The media have damaged our language by saying that people love their product. You can't love a candy bar or a cup of coffee. Like or enjoy are the correct words.

Lust is what we feel when our sex hormones are activated by how someone looks, smells, sings, dances or speaks. Lust is powerful. If it were not powerful there would not be any babies. Sex is messy and strenuous. No one would do it if the sex drive were not so powerful. Lust makes us do dumb things. Boys are particularly vulnerable but girls are not immune. Women spies have used this emotion to get secrets from men. Men use it to get women to have inappropriate sex with them. Recognize the difference. With lust we would be willing to risk harm to have the object of our lust. With love we would be willing to risk harm to prevent harm to the object of our love. Lusting after someone is the wrong way to pick a spouse. There is a component of the sex drive that is required when picking a spouse. The marriage vows have a section that reads, "forsaking all others " This is the test for the lust part. Would you be willing to forsake all others?

If the one part of selecting a spouse is selecting someone that you would be happy to have as your sex partner forever then the other part is selecting someone that you would like as a friend for the rest of your life. There is an Amish saying: "Kissing don't last cooking do." marriages

based on lust do not last long. It isn't only the cooking it is also other things that must be compatible. Before we were married your grandmother and I spent time talking about what we wanted in life. How many children, who would take out the garbage, would we have a pet, who would do the dishes, who would earn the money, who would cut the grass, where we wanted to live, what style we liked in furniture and many others. We discussed these things for hours. At the time I wasn't smart enough to know how important these little things were. It was agreeing to these seemingly little things that has probably been what has made our marriage last. If you are seriously thinking of making a life long commitment with someone, you need to be sure that your goals are compatible. Do not start these conversations right away or the potential spouse will run away but do start them when it gets serious. If you are reluctant to have these discussions then you are going with the wrong person.

To marry class you have to be class. In India there are Casts. If you are born into one of the low Casts you can never move to a higher Cast no matter what you do. Europeans speak of class and people are expected to remain in their class. There are working class people and high class people. It is not as ridged as Indian Casts but it has some of the same effect. Lower class Europeans speak a different language than upper class Europeans. The movie *My Fair Lady* is a good example of the difference in language. This same pattern repeats its self throughout the world.

In the United States your birth does not matter. You get to choose your class by how much education you have, how you act, how you present yourself, how you speak and how you dress. With sufficient intelligence and hard work it is possible to get any level of education. Scholarships, student loans and just plain hard work make it possible for anyone. How you dress, how you speak and how you act is up to you. Course language, improper English and mispronounced words identify you as a low class

person. Paying attention to the proper use of language in school will go a long way. A larger vocabulary will identify you as intelligent and a person of higher class.

How you present your self tells a great deal about your class. It is different with men and women. In both cases tattoos, piercing, poor posture, being out of shape and clothing with large logos of clothing companies identify you as a lower-class person. Labels show that the person is lower class and wants to use the designer label to show that they are of higher class. Penney's started the Cheryl Teague's clothing line as a way to attract high-income buyers. They were surprised to find that the buyers were low income. Putting on the name of a famous person or designer makes the wearer look like they want to be something that they are not. Princess Caroline of Monaco drives, or is driven in a Volkswagen. In Monaco a limousine is out of the question because of the narrow streets. She had the VW logo and all of the VW model identification removed. Her car only has a license plate with Monaco 1957 on it. (That was the year of her birth.) She is a tramp but a tramp that understands class.

For women signs of low class are hair that is not well kept, hair in the face, outfits with belts below the natural waist, excess jewelry, low cut outfits, pants that create a bun top, too short shorts, piercing in excess of one ear ring in each ear. High class is identified as well kept hair without any flyaway hair, dresses or skirts and a blouse with the belt or highlight at the natural waistline. Men are programmed to be attracted to women with a waist diameter of about $\frac{2}{3}$ of the hip diameter. In the case of shorts they should come to the natural waist and be at least long enough to cover down to the natural crease at the bottom of the buttocks. Jeans should be high enough to have a belt at the natural waist. Faded jeans are OK but holes rips and tears are out. Underwear lines should not show. The maximum jewelry for high class is one pair of

simple earrings, a necklace and matching bracelet and one ring. For most occasions, less jewelry is better.

For men hair should be short but long enough to have a part and not show scalp unless they are partially bald. Pants should be belted at the natural waistline. Pants should break at the top of the shoe but not cover the heel at the back. T shirts are out, golf shirts with a collar are what is to be worn in very casual occasions. A button up shirt over an undershirt is better. Bathing suits should be boxer style except for competitive swimming. For competitive swimming use a complete Speedo suit. Slacks are better than jeans and a sports coat is better than a jacket. Shoes should be black and shined or sneakers. Sneakers should be black with black sox with long pants and white with white sox for shorts. Don't use shirt pockets for pens etc. The only jewelry should be a conservative watch. Keep the wallet in the front pants pocket. Wallets should be as small as possible. Belts should be plain with a plain belt buckle.

Your peers and other adults that are jealous will encourage low class behavior. When they do, recognize that it is an attempt to bring themselves up by bringing you down. Don't fall for it.

Chapter 27) Emotions:

I have discussed hate, love, lust and envy in some detail. There are others that deserve attention. The first one is anger.

In our culture people are referred to as being angry at someone. In oriental cultures anger is a state of being and being angry at someone does not make sense. In Thailand when some one is angry other people avoid that person and say that that person is angry. It is just like saying that person has a disease. Just like any emotion anger is what is happening in your head. There are no anger waves sent out to effect the person that is the subject of your anger. If you are angry it is because of an event that may be the result of something some one else has done or is the result of what we ourselves have done. I advise you to get over it. If some one else has behaved in a way harmful to you, think about how you can prevent this from happening again. The “don’t get mad get even” is not right. It should be “don’t get mad, do something to prevent future replication of this harm.” Sometimes it means kicking some one in the shins who steps on your foot. Sometimes it means putting better locks on your doors and installing a burglar alarm. Sometimes it means not agreeing to that type of contract again. In any case we do not have a time machine and we need to press on with our life from wherever we find ourselves. Displaying anger is sometimes useful. I was in a meeting with a Vice President of Ohio Brass Company and representatives of the union. At that meeting the Vice President pounded his fist on the table and got red in the face at something one of the union representatives said. We went to lunch during a break in the meeting. The Vice President ordered chili. I said: “I can tell from your order that what you did at the meeting was an act.” He said: “It was an effective act. Sometimes you have to do that to make a point that you are serious.”

Being happy is a state of mind. President Lincoln said: “A man is as happy

as he makes up his mind to be.” Putting this in context Lincoln suffered from severe depression and had one of the most difficult jobs in history. It is true you can decide to be happy. This is true even when you are doing something you do not want to do, are where you do not want to be and have health problems. Being sad is the other side of being happy. Once when I drove your great grandmother and great-great-grandmother to Bedford to shop we met another woman your great-great-grandmothers age at the time. (About 65) The woman said hello Kate how are you doing? My grandmother said hello Bessie I am fine how are you? Bad mistake! Bessie proceeded to list her ailments and infirmaries. Her medical problem list went on for some time and seemed to include every body part. At the end of the list my grandmother said I hope you are going to feel better. After we had walked well out of earshot my grandmother said to my mother and I: “Bessie certainly is enjoying her ill health.” It was true she did enjoy telling everyone about her ills. When your great grandmother was dying of cancer I went to the hospital to cheer her up. I had been seeing her regularly and this was just one of many trips. It finally sunk in that she was going to die. I started to cry and the hospital staff pulled me out of her room and put me in a tiny room away from the patients. I cried for a long time and each time when I quit crying and started to open the door I started again. We all have things that will make us sad and there is nothing we can do about them. On my next trip to see my mother I had the sad out of my system, and was able to joke about the family and reminisce about the good times. At her funeral, I was able to keep mostly composed. I had done my morning there at the hospital.

Pride goes before a fall is a common saying and it is true. The football players that hold up their finger indicating that they are number one usually become lower than three. The player that brags about his ability usually is made to feel very bad when his performance is less than perfect. The list could go on and on. It is good to feel proud about what

you have accomplished. This is particularly appropriate when you have achieved a goal that is at the limit of your abilities. It is the boastful pride that gets us into trouble. When given an award or singled out for outstanding performance it is best to allow others to do the boasting for you. If they will not do it then it is not going to get done. When others boast of your performance handle it with humility. Do not say that it was nothing but do say that you are honored to be recognized. Don't say that you do not deserve it but do thank others that helped. Don't claim future high performance; just allow the future to speak for itself. Saying that you are blessed and thanking God for your blessing is only appropriate if you believe it.

Fear is a good thing if you are at the edge of a cliff or if a poison snake or tiger is near by. Fear can be a bad thing if it makes you jump up when a tiger is near by or freeze in front of a bus. Fear is an emotion to control. You must control fear with your intellect rather than have fear control your intellect. Fear can generate adrenalin and give you extra strength. When it is appropriate use this adrenalin to overcome your situation. In the modern world the extra strength that comes with the extra adrenalin is seldom useful. Think as a disinterested observer. There is a saying: "A coward dies a thousand times a brave man dies but once." This saying is true and I might add a coward is also more likely to die if fear takes over. In a situation where fear is appropriate think of actions and consequences. Plan. If immediate action is appropriate think as you act. Think and plan steps ahead. The most powerful tool you have is your brain.

Sympathy is an emotion we all have for someone in pain or someone in unfortunate circumstances. Be careful of who you feel sympathy for. Feeling sympathy for someone that has some handicap is natural. Feeling sympathy for someone that has made bad choices in committing crimes, taking illegal drugs or failing to get a basic education is not appropriate.

People who have made these bad choices can start making right choices at any time. There are job pool companies that employ people for temporary work on a daily basis. These companies want someone who is dependable and will employ dependable people nearly full time. People who are employed for extended periods of time with these temporary service companies will be given job offers from the companies where they have done temporary work. People who do good work at any company can develop skills that lead to advancement or to positions in other companies. The libraries are open for self-study. Having the credentials is useful when working up to higher positions but good positions are always available for someone who is ambitious. It is never too late to start. I have heard many people say that life is not fair. Never wish for it to be fair in your case. If it were fair all of us would spend 80% of our lives as peasants in socialist dictatorships.

Remember our emotions are only happening in our heads, how we show our emotions is a decision we make and it is how the world sees us. You decide how the world will affect you and cause your emotions. You decide how you will react in your head, how you will show the emotion and how you will react to the world.

Chapter 28) Education

Your great-great-grandfather William Harrison became the superintendent of a coalmine after completing the third grade and doing home study with books he bought and with books from the library. You cannot do this anymore. Your great-great-grandfather was a brilliant man and the technology of the time wasn't as advanced as it is now.

There are several good things that come from education. The first is the diploma. People usually focus on the diploma. A diploma will open doors and will help get you an opportunity. After you get the opportunity the diploma will not help you do the job. The second is learning facts and concepts related to a profession. If you get a job as an accountant you must understand accounting and know the accounting standards or you will quickly have to look for other employment. The third is broad understanding. Understanding of not only your craft but, understanding related and associated crafts will make you a better employee and person. You should know how it fits in the business world and in the world at large.

I liked chemistry before I had my first chemistry set. I read library books and I read the chemistry section of an encyclopedia. I was fascinated at how things worked. With that direction I studied chemistry in high school and in my first four years of college. It was only in my last semester of my senior year that I came to understand that I was never going to like doing what chemists do. That semester I did actual bench chemist research work. I was too gregarious for this type of work. Rather than throw it all away I finished my Bachelors Degree in Chemistry. At that time I was working for Pannier Corporation in Pittsburgh PA. This was the time of the Vietnam War. I was going to be drafted so I decided it would be better to check my options. The Air Force was short on electrical engineers and had a program that made electrical engineers out of chemists,

mathematicians, physicists, and zoologists. They did not have to teach us mathematics, chemistry, physics, English or any of the liberal arts courses. I spent 89 days becoming a second lieutenant and another 10 months becoming an electrical engineer. I was given assignments supervising the maintenance of weapons systems. I applied for additional education in electrical engineering and was given an opportunity to go to the University of Missouri to get my masters degree in electrical engineering. I found that I liked managing technical operations. I enjoyed the management role. During this time I continued to read the chemical literature and keep up on developments in chemistry. I also started to get an education in management. There were Air Force courses and I was able to go to an on base graduate management course that was given by The University of Southern California. When I got out of the service I got a job with Union Carbide. They were really nice people and I liked the job. It enabled me to use my chemistry skills, be involved with management and use my electrical engineering. At the same time I was able to learn mechanical and civil engineering on the job. I studied the other engineering disciplines sufficiently to take and pass the Registered Professional Engineers Exams and become a PE. It was in a lunch meeting with other engineers that I realized that I was starting to think like an engineer and not a manager. It did not feel good. I missed the management role. I now had impressive credentials, Air Force officer, BS in chemistry, an MS in electrical engineering, PE. I then got a job with the Ohio Brass Company. At Ohio Brass I started as the Maintenance Manager, became the Manager of Maintenance and Services, then the Manager of Engineering and Maintenance and lastly Manager of Manufacturing. When I left I was managing over 900 employees. I used all of my engineering, chemistry and management knowledge and skills. During my time at Ohio Brass I decided that I needed more management training. I enrolled in a MBA program at the University of Akron where I received an MBA in Finance. Since leaving Ohio Brass Company I have found that wherever I went I was able to excel in whatever task I was

given. I also found that I was too outspoken and too entrepreneurial to fit in at a big company. I decided to strike out on my own. With my partner Mark, I bought a failing company that made machinery and brought it back from its deathbed. I did the sales, overall management, electrical design and electronic design. Mark did the mechanical design and managed the production. Your grandmother worked in the office and handled the books. It was at that time that I was challenged by your grandmother to clean the shower and fell back on my chemistry to invent Clean Shower.

In my entire career, I have found that whatever skill I had I used. If I were less pushy, less outspoken and less self-confident I would probably have gone back to Pannier after the service and had a dull but seemingly secure life. I say seemingly secure because as quoted before: “-There is no security, there is only opportunity.-“ The closest we get to security is portable skills.

My long and involved story is an illustration of how education works to give you opportunities and enables you to take advantage of these opportunities. My recommendation is study, work, study and work some more. Always keep learning. If not in formal settings at least keep up with the latest on fields of interest by reading the journals written in the field.

It is good to understand what I am talking about when I say, read the Journals. Newspapers are written for someone with a sixth grade reading ability. If they were written for someone with more reading ability the sales would go down. The reporters for the papers get their information from reading the popular technical magazines, from companies giving them information in hopes that what is written will benefit them and from web sites like www.nasa.gov. The popular technical magazines like *Popular Science*, *Scientific American* and the NASA web site write at the junior high school level or in some cases at the high school level. These

in turn get information from the digested technical publications like *Chemistry and Engineering News*. The digested technical literature is written for someone with an undergraduate degree in the field but not a direct understanding of the specific subjects of the articles. Finally these publications get their information from the basic technical publications like *Journal of the American Chemical Society* and *Journal of the American Medical Association*. The articles in the Journals are written for experts in the field. Their readers are assumed to be at the Ph.D. level. Articles in the Journals are reviewed by peers of the writers and are ruthlessly attacked if they say something wrong. At each step from Journal to newspaper the information is filtered to make the subject simpler and things are added to make the articles have more human interest. Some things end up oversimplified and others simply untrue. If you are serious about your field, read the journals.

Chapter 29) Capitalism:

Capitalism is an economic system. Economic systems are ways to allocate scarce resources. There have been many systems in the history of the world. The two major competing systems are Communism and Capitalism. Adam Smith in 1776 described how in a capitalistic system what he called the invisible hand would allocate resources to where they would provide the most in the way of goods and services for everyone. Benjamin Franklin in a simple description showed how when a woman earned some extra money by selling clothing she had sewn it created benefit for the entire community. The purchaser was happy with the clothing, the woman spent money on more material and for the necessities of life. The merchant was happy to have the woman's business. The farmers and manufacturers were happy to sell to the merchant. Everyone in the chain was, in his own opinion, made better as a result. In each case where there was a free market exchange both parties believed that they were better off after the exchange than before. In each case both parties want to maximize what they have to offer in order to obtain the most in the way of goods or money from the other party. The woman wants to sew most efficiently and produce the most valuable clothing. The farmer wants to have the biggest and best crop. The manufacturer wants to have the most and best goods. The merchant wants to be most efficient in order to obtain the most business at the most profit. Each has a financial incentive to be more productive.

In a Communist system, the government controls all exchanges. The farmer has his crops taken away. He is paid what the government believes he needs independent of how well he did in raising a crop. Similarly the manufacturer is told what to produce independent of what the merchant wants or can sell. The merchant is shipped the goods and told the price. None of the individuals have any financial incentive to produce more or better things or be more efficient. The only incentive is

punishment by the government. In order to have anyone produce the punishment must be harsh. Good people will not want to be part of the punishment system. It always ends up with evil people in charge of an evil system. In the case of the Pilgrims, Bradford wasn't evil enough and Communism was abandoned.

"... The statesman that should attempt to direct private people in what manner they ought to direct their capital would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted to no single person, but no council or senate or whatever, and which would nowhere be so dangerous as in the hands of a man who had the folly and presumption enough to fancy himself fit to exercise it."

An Inquiry into the Nature and Causes of the Wealth of Nations Book 4
Adam Smith 1776

Chapter 30) Course Language (Rough Language, as in Course not Fine)

Crows have one word: Caw, and Chimpanzees have two words: Screech and Hoot. These animals are able to use their one or two word vocabulary to say things like danger, help, food, stay away, pleasure, pain, etc. These short vocabularies are expanded by the tone of voice. Only the tone has meaning. The Chimpanzee dictionary would only have two entries but under each would be a list of meanings and the associated tones. The English dictionary has 300,000+ words and enables us to go beyond the animals in discussing things like Philosophy, Religion, Ethics, Law and Science.

The modern radio, TV and print medium bombards us with F this and F that, JC this and JC that. Sentences like: The F driver in the F car on the F road was all Fed up. Do not have any meaning except from the tone of voice. It has no more meaning than the chimpanzee screech. If course words are common in your vocabulary then your expressions become no more than a screech.

Words that you say are the words that use to think. What comes out of your mouth is what is in your brain. By using course words and spouting meaningless sentences or sentence fragments you reduce your mental abilities. This is usually a vicious cycle. People who don't think logically use course words to screech and the effect is less ability to think logically.

My advice is to eliminate course words from your vocabulary. If you get hurt you can screech in pain, but don't use course words to screech a description later.

Chapter 31) Books and sources

These are the sources of much of this book. They have helped form my vision of life. I recommend these books. It is now not possible for you to experience some of the people that have shared their wisdom. Part of the reason for this book is to share their wisdom.

The Bible: I Particularly recommend the New Testament, Psalms and Ecclesiastes. Of the New Testament understanding Revelations requires that you understand the Old Testament and the events of the time when it was written. Unless you are a biblical scholar I wouldn't spend much time on Revelations. It is interesting to note that the writer of Revelations knew the entire bible very well before it was compiled. The words of Jesus and the letters of Paul are the best guide to living

The works of Shakespeare: The settlers of this country had to travel light and books were expensive. They took the Bible and the works of Shakespeare. The Bible was taken to know God and Shakespeare was taken to understand man.

The Federalist Papers by James Madison, Alexander Hamilton and John Jay: It has been called the owners manual for the United States. This is a must read for any voter. Consider what was available to these people in the way of information, how brilliant they were and how they were able to look in the future. They said God guided them. It must have been God because there is no way they could have known the future as they did without God.

The Constitution and the Declaration of Independence. These are powerful documents. In the 200+ years we have been governed by these documents the wisdom of the authors have become more and more clear

Tao Te Ching: A New English Version by Lao Tzu translated by Stephen A. Mitchell, Foreword by Stephen Mitchell: This book consists of 81 short verses. It is an early attempt to know god and know morality. It still has truth today, after more than 2,500 years.

The True Believer: Thoughts on the Nature of Mass Movements by Eric Hoffer: This book, written in 1951, is as new today as it was then. It describes events at his time and how the current evil Islam movement evolved and is a guide to defeating it.

The Bell Curve: Intelligence and Class Structure in American Life by Richard J. Herrnstein and Charles Murray: This is a book about intelligence that is wonderfully researched and presented so that it can be read to any level of detail.

Winston S. Churchill series on the Second World War: This is quite long but history revisionists mostly write later histories. It is from his prospective, is focused on Europe and doesn't cover the war with Japan very well. Leaders today are making the same mistakes as the leaders made than.

The Republic of Plato: It should be noted that the Federalist Papers describe why this was not a good Idea. It was however, a big leap from the era of Kings.

Communist Manifesto by Karl Marx and Fredrich Engles: This describes the move from Capitalism to Socialism to Communism. The premises are false and the predictions are wrong. There are still true believers in this junk. Don't try to understand this except in the context of understanding the enemy.

Varieties of Religious Experience by William James: This is heavy reading

and should be taken in small bites. It shows the different effects of religion on different people and will help you be more tolerant and more accepting of your own experience.

Mien Kampf by Adolph Hitler, Ralph Manheim translator: In his book he said what he was going to do. His description of how to use propaganda is as true today as it was then. He recommended the big lie. The current big lie is that Bush stole the election. The Democrats in the way recommended by Hitler are now using this and other lies.

The Prince by Niccolo Machiavelli, Translated by Luigi Ricci: This is considered the next step in government. First there were Kings then Plato describes rule by the elite. The Plato model was wishful thinking and required ideal people. Micaville describes how to rule in practical terms. The founders of the United States put the final piece in place and described how to have government with imperfect rulers and imperfect citizens.

Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations Books 1 to 5. It explains how Capitalism works for the benefit of everyone. He discovered how political decisions determine the wealth of nations. It is tough reading and requires knowing history. The bottom line: Government interference in commerce is a bad idea. You only need to read books 1,2 and 3 to understand the principles.

Other contributions came from your Great Great Grandfather, Your Great Grandfather (My father), Your Great Grandmother (My mother), speakers at meetings, previous supervisors, previous subordinates, colleges, friends and relatives. I wish I could properly reference what person provided which idea but I remembered the principles and not necessarily the source.

I found the information on selling in a *Popular Science Magazine*.

Most of the information on diet came from *the Journal of the American College of Cardiology State of the Art Paper Vol 51 No. 3 2008*

F.A. Hayek *The road to serfdom* The University of Chicago Press 1944, 1972, 1994 Written over 60 years ago, it is true today. Unfortunately everything he said is coming true.

Milton and Rose Friedman *Free to Choose* Harcourt, Inc. 1980
He won the Nobel Prize for a reason.

Chapter 32) World War IV

We are in the middle of World War IV. World War I was primarily a war in Europe. World War II involved more of the world and only a few countries were not involved. World War III was what is usually called the cold war. To the millions who died it was hot enough. World War III involved nearly every country on the planet and was won by Ronald Reagan without the possible nuclear disaster. From World War II until Reagan the West had retreated before Communism. The Communists had good reason to believe they were on the winning side. President Johnson was afraid to win in Viet Nam and he personally did things to prevent us from winning. President Nixon made a try at winning but the public had lost faith in the war. Nixon then tried to call it a tie by the treaties he signed and the change in our China policy. President Ford started as a lame duck and by that time Viet Nam was over. President Carter was on the defensive from the start. He tried to make peace by being conciliatory to both the Soviet Union and the Islamists.

It was Reagan that decided to win. Reagan won World War III by orchestrating a complex strategy that consisted of allowing the Soviet spies to steal faulty technology, pinning them down in Afghanistan, draining their economy by introducing new military technologies that forced them to spend on new military equipment, confronting them militarily in South America, challenging them with SDI and finally telling them and the world that they were an evil empire. The evil empire speech had a substantial impact both in and out of the Soviet Union. With the evil empire speech it became plain that we planned to win. This gave heart to our friends and allies. It also was disheartening to our enemies. Imagine if the Soviet Union had won the cold war.

World War IV has been going on since Carter. Reagan took limited action and it appeared that the threat would pass. The first president Bush attempt was at a world order that allowed the brutal dictators to keep what they had and rule their pieces of the world unrestrained. It simply allowed the cancer to grow. President Clinton tried to treat the growing threat as a law enforcement problem and to retreat when challenged. This policy caused the Islamists to believe that we were cowards and that they were on the winning side. Appeasing Hitler prior to World War II had the same effect. Just like the West had allowed Hitler to believe he could win and the West had allowed the Communists to believe that they were on the winning side the Islamists have been given good reason to believe that they were on the winning side.

President Bush, has decided to follow the path of Reagan. He has called the rogue states evil, he has confronted them with a complex strategy that involves draining their money, putting their supporters on notice that they were in jeopardy, using the CIA and Special Forces to undermine our enemies and fighting wars when necessary. By calling them the Axis of Evil he has put them on notice that we intend to win. This has had the same effect as Reagan's Evil Empire speech. It has made it plain we intend to win, given strength to our friends and allies and has been disheartening to our enemies. So far the Taliban in Afghanistan have been defeated, Pakistan is now cooperating, Libya has given up nuclear and chemical weapons, the dictator of Iraq is defeated, Syria has become more helpful, Iran is internal turmoil, the Philippines government is now on the offensive rather than the defensive and over 50 countries have helped in Afghanistan and Iraq. Once you do what you say and succeed the bandwagon becomes quite full. As the fact that our side is winning sinks in, it will become harder and harder to recruit suicide bombers to a losing cause. Bush has been able to do this despite the Democrats trying their best to make us lose. The list of positive effects is quite long and

has grown. This is a war that we have to win. They have pledged to destroy our civilization. There isn't much compromise in that.

It is also interesting to note how the support for the Palestinians faded. This was a sign that we are on the offense not simply playing defense.

With the election of Obama we have an opportunity to finish the job that Bush started or go back to defense. The early indications are not good. Obama made threats to North Korea that if they launched a missile there would be dire consequences. There have been no consequences. Once you threaten and do not make good on your threat no threat is ever credible. This and cutting off funds for the military development programs have us looking weak.

Chapter 33) Miscellaneous

Lightning does strike in the same place. If a spot has been struck it will probably be struck again. This also applies to bird droppings. When you see bird droppings on the ground don't walk over the same spot. Also don't look at birds directly above for the same reason.

Your body controls your breathing rate by the Carbon Dioxide in your blood. Your body burns food to make energy and the waste product is Carbon Dioxide. The Carbon Dioxide decreases the pH of your blood and that makes you want to breathe. Your body senses the Oxygen level in your blood and increases the rate of making red blood cells. Lack of Oxygen does not cause you to breathe. This increase of red blood cells takes about a week to stabilize the Oxygen level in your blood. If you go up to a high altitude it will take that much time to adjust. If you breathe in Helium or Nitrogen in place of air your body does not cause your breathing to increase and you will die quickly because of lack of Oxygen.

When people start backing out of a parking place or are pulling into a parking place they often lose control. I know of several people including my father that did this and I saw it happen. The one I saw happen was a young man who was attempting to back out of a parking place at a super Market. The car accelerated forward and crashed a bench into the side of the building. Their foot slips off of the brake on to the accelerator and the car accelerates out of control. They push harder only to accelerate faster until the car hits something bringing it to a stop. Never pass behind or in front of someone just starting out.

I read that your face in old age was the face you had built over the years. If you frown it will become permanent. If you smile it will become permanent. I tried to smile so that it would become the face I would have. I found it to be beneficial in my interactions with other people. Newberg

and Waldman claim that it is also the eighth best way to exercise your brain and it is also the best way to approach others in any situation.

I have tried to stay intellectually active. Writing this, managing my investments, teaching investing, my other technical work and business pursuits have been my way to stay intellectually active. Newberg and Waldman claim that it is also the seventh best way to exercise your brain

Consciously relaxing Newberg and Waldman claim is the sixth best way to exercise your brain. I have learned over the years that I can relax in what others find frustrating and stressful. I find that it also helps when I put these situations into perspective.

Newberg and Waldman claim that yawing is the fifth best way to exercise your brain. They say to do it ten times in a row. They recommend it before a test or other stressful situations. The problem is the antisocial implications. Just hide or start others yawing so it will be less antisocial.

Newberg and Waldman claim that the fourth best way to exercise your brain is meditation. I learned to meditate many years ago. My system is to do as follows: Sit in a comfortable chair with feet flat on the ground, put your hands on your lap, close your eyes, listen to yourself breath, take a deep breath, listen to yourself breath, think of relaxing your feet, then think of a mantra, (a good mantra is abba also good are na, sa, la, ma), next relax your lower legs, continue with the mantra, relax the rest of your body one part at a time, all the while saying the mantra. Thoughts will interfere, noises will interfere. Just let thoughts and noises come and go. Note them but do not dwell on them. After it feels right open your eyes and stay seated. You will feel relaxed. A variation is to do the na, sa, la, ma by touching your thumb to your hand at each syllable. Saying the mantra out loud is sometimes effective. Do not worry about doing it right. Worry is a meditation killer. What you do is right for you by

definition.

Newberg and Waldman claim aerobic exercise is the third best way to exercise your brain. This is something to do in any event. It is good for your heart and your brain. Meditation can be done at the same time. Watch out because you can fall down if you get in a meditative state on an exercise bike or tread mill. In this case visualization is the best form of meditation to combine with exercise. I think about things like letters to write and inventions.

Newberg and Waldman claim that entering into a dialogue with others is the second best way to exercise your brain. You need something to say and someone who has something to say. To be helpful the dialogue needs to be non confrontational and truly both sided. Talking and listening should be about equal time. Learning new things and discussing them with others is good. Book clubs are good if the group is small and no one dominates.

Newberg and Waldman claim that the best thing for our brain is faith. Believe in something so you can feel secure. As an example of what this means: Some time back an Australian airliner had an engine catch fire when the plane was over the Pacific Ocean. The people on the plane saw the fire and knew that there was a chance that the plane would crash and they would be killed. There were two extremes in ways to react:

Extreme 1) Some of the passengers felt extreme stress at the prospect of dying. Their muscles tightened. Their adrenaline levels went up. They went into a flight or fight state. Their logical brain shut down. Gripped by fear they actually did damage to their brain, heart and immune system.

Extreme 2) Some others reacted in a completely different way. They

also thought that there was a significant chance of the plane crashing and them dying. Logically thinking of what to do was the next step. Where are the exits? Where are the life vests? What should I do? Once they had a plan they could relax. They had done all they could. Thinking about their situation they thought that this way to die was not so bad. It would be quick and no lingering pain or being pushed about in a wheelchair. They knew that God was in charge and they could do no more at this time. The next thoughts were about their life and the blessings that they had received. Good thoughts for those that had been supporting and forgiveness for those who had not been helpful. Having put their logical brain in charge, there was no need for adrenaline. The seating position was good for meditation so a meditation time seemed to be useful.

If the plane did crash the second group was more likely to survive because they had a plan and their logical brain was in charge. If the plane did not crash their brain, heart and immune system were strengthened. They had an improved sense of spiritualism.