



JEFFERSONIAN GROUP

CHAMPIONS OF FREEDOM AND SELF RELIANCE

Issue: 12-2017

February 1, 2017

The Source for Freedom and Self-Reliant Information¹

Thomas Jefferson defined *rightful liberty* as “unobstructed action according to our will within limits drawn around us by the equal rights of others—I do not add ‘within the limits of the law,’ because law is often but the tyrant’s will, and always so when it violates the right of an individual.”

Inside This Issue

- **“How To Really Ruin Your Financial Life And Portfolio”1**
- **President Trump, A Threat to the Left and Right3**
- **Global Warming or Climate Change, A \$1.5-Trillion Industry4**
- **Great Businesses To Buy Right Now6**
- **If You Are A Democrat, You May Be A Socialist8**

“How To Really Ruin Your Financial Life And Portfolio”

As most of our readers know, the only truly safe investment strategy available today is to buy great businesses—that have survived wars, recessions and depressions---that pay at least a 2.5% dividend when purchased and have paid and raised their annual dividend payments, on average, 10% or more each and every year for at least 25 years. These great companies have

¹ Each Jeffersonian Group, LLC (www.jeffersoniangroup.com) publication is intended solely for information purposes and is not intended nor does it purport to provide legal, tax, individual investment advice, estate planning advice, insurance advice or business advice. In addition, information and analysis is compiled from sources believed to be reliable but such accuracy cannot be guaranteed. Readers should do their own research and consult with expert legal, tax, insurance, business and financial counsel before taking any action.
Copyright © 2017 Jeffersonian Group, LLC

dividend reinvestment programs (DRIP's), which allow investors to automatically reinvest their dividends without any additional cost. Einstein's Theory of Compound Interest can turn a \$10,000 investment in a DRIP yielding 5% with an annual growth rate of 10% per year for 30 years to over \$5,000,000 without considering any potential growth in share price.

Wall Street and the entire financial planning community do not even acknowledge that such programs exist because they cannot make any money from DRIP's.

Need more convincing? Ben Stein, the economics teacher from Ferris Bueller's Day Off, economist and lawyer, wrote *How To Really Ruin Your Financial Life And Portfolio*, which explains in detail why you should avoid financial advice from Wall Street and the entire financial planning community. Unfortunately, Stein is enamored with Warren Buffet and his company, Berkshire Hathaway (BRK). Buffet became extremely successful by investing in great businesses that have DRIP's like The Coca-Cola Company but, does not pay his own shareholders' dividends. Although Stein acknowledges the benefits of dividends in one of his chapters, he may not even know that DRIP's exist; and recommends, as Buffet has recently suggested, the average investor is better off just buying the market, i.e., just buying index funds.

Although the index funds tend to beat the professional traders and money managers over the long-haul, especially when considering their fees, nothing comes close to the compounding-interest principle available with DRIP's, e.g., \$5,112 invested in 100 shares of The Coca-Cola Company in November 1994 turned into \$100,178 on March 29, 2016 resulting in an average annual return of 87.19% per year per annum for 21.33 straight years.

Although certain DRIP's offer huge annual returns over the long-haul—much greater than index funds because of the principle of compound interest--the important key to success is an ever-increasing cash flow, which the U.S. Dividend Champions provide; and, this increasing cash flow is necessary to maintain our lifestyles and avoid depleting our financial assets.

People, we need to take charge of our own financial affairs. Many financial professionals mean well but, they lack understanding based upon their training; and, the propaganda designed by Wall Street to sell their financial products to the unsuspecting public, i.e. you and me.

President Trump, A Threat to the Left and Right

For most of America, “occupied by people, who vote with, on average, common sense,”² President Trump has been a refreshing change as president. He has actually done what he said he was going to do with less than two weeks in office!

The Left and the Democrats hate him because they believe he will put a stop to their socialist agenda. Furthermore, they cannot believe Trump got elected in the first place. They can thank Barrack H. Obama for his eight years of failed policies and lies to the American people, which has ruined the economy for many Americans, left the middle-east in complete chaos, and ramped-up racism in the United States. With the exception of a small minority on both sides, I thought racism had been mostly eradicated since the mid-1980’s. In addition, Obama was not entirely happy with the mess he created so he pitted men against women, gays against straights, rich against poor, public school teachers against private & home school teachers, and the educated against the blue-collar working class.

The Right and many Republicans don’t like Trump either. They argue that since he wants to re-negotiate “free-trade” deals, he is against free trade. Even Glenn Beck made a statement that all he wants Trump to do is follow the Constitution. First, Beck and the other Trump-hating conservatives are just as bad as the liberal-left. In today’s environment, the average American has no idea what the Constitution says; it has not been followed for the past 75-to-100 years. Secondly, free-trade has not existed in the United States or any other country for well over 100 years; probably longer. If we truly had free trade, we would need no agreement; or, the agreement would be about one paragraph long. The existing so-called “free-trade” agreements pick winners and losers and line the pockets of the politically connected. By re-negotiating these unconscionable restrictive deals, Trump can only improve things for more Americans.

Another benefit with Trump as President and his billionaire-cabinet; they are not doing this for the money. In fact, most are not accepting any compensation and Trump is donating his presidential salary to charity. Ben Franklin and George Washington, along with many of the American Founders never received any compensation for their public service. Franklin warned us that if it became profitable to seek public office, we would revert back to where we had

² Dr. Arthur B. Robinson, *Access To Energy*, Vol.44 no. 5, December 2016. According to Dr. Robinson, if you look at the electoral map of the United States, “Most of the land is occupied by people who vote with, on average, common sense. It is in the population centers on the coasts that the densely packed crowd makes, on average, the poorer political decisions. While many accomplished individualists are found in cities, there is a statistical tendency toward more group think in these places.” There is a tendency to revert to the lowest common denominator or to the mean.

come from (Europe) and only attract scoundrels who are in it for the money. Franklin's warning went unheeded. We now have a professional political class that have become members of the top 10% at the expense of poor and middle class taxpayers.

I believe that the major media, academia, and the professional political class are most afraid of Donald J. Trump actually having a successful presidency. If Trump succeeds, the average voter will realize that we do not need professional career politicians. The professional political class, aided by academia, the judiciary, and the media, have been responsible for destroying the United States and what it stands for---FREEDOM. The United States of America is not a democracy, which as Aristotle stated was a perverted form of government, representing tyranny by the many. We are a Constitutional Republic where the Government is charged with protecting our Freedom and Private Property; not taking it away from us as it has been doing for well over 100 years.

Throughout recorded history, the average empire has lasted about 250 years (10 generations of 25 years). The United States of America is in the final two stages before collapse, which would bring us to the year 2026. To wish or assume that we are different is to assume or wish for something that has never occurred; everything as with life, has an ending.³

President Trump may be able to create enough jobs, making many of our problems fade away. He has an almost impossible task ahead of him. Hopefully he can slow things down and delay the implosion of the Empire of the United States of America. We all need to give him a chance. He certainly cannot do any worse than Obama did during the past eight years.

Dum spiro, spero—While I breath I hope.

Global Warming or Climate Change, A \$1.5-Trillion Industry

On Tuesday, August 11, 2015 the Washington Times published a piece by Jennifer Harper, *An inconvenient truth: 'Climate change industry' now \$1.5 trillion global business*. The climate change consulting market alone is worth an estimated \$1.9 billion worldwide and \$890 million in the United States.

³ Sir John Glubb, *The Fate of Empires and Search for Survival*, William Blackwood & Sons, Ltd., 32 Thistle Street, Edinburgh EH1 1HA, Scotland. (1976,1977).

In addition, over \$27 billion in United States tax funds flow from the U.S. government to “climate change” activities. As Rex Tillerson, Trump’s Secretary of State was quoted as saying, “Because we have a society that by and large is illiterate in these areas of science, math and engineering, what we do is a mystery to them and they find it scary. And because of that, it creates easy opportunities for opponents of development, activist organizations, to manufacture fear.” As Dr. Robinson stated,

What however, can be done about this? Fear, lies, and mob rule threaten to destroy our Republic and way of life. While Tillerson speaks of fear that is used to manipulate the illiterate, what of the manipulation by fear of those who are not illiterate?

‘Illiteracy’ about math, science, and engineering is everywhere. Americans are trying to run a Republic, which has been turned largely into a functional democracy where life, liberty, and property are now subject to majority vote. We depend almost entirely for our existence upon science and engineering—yet, most of our citizens have essentially no knowledge about science and engineering.

Most people . . . do not know, even in general terms, what an atom or molecule is. They have been educated in union-controlled schools where most of the teachers do not know these things either.

It is surely true that a people must be free of over-taxation, over-regulation, and over-litigation in order to thrive and produce more than they consume. Yet, our taxes pay for millions of bureaucrats to deprive Americans of this freedom.

To thrive, people should also be free of ignorance about the physical world around them.⁴

Let me repeat, “To thrive, people should also be free of ignorance about the physical world around them;” and, understand the climate change or global warming argument is being used by the politically connected to grab power and money from the less-informed masses. As Dr. Robinson has stated and the Washington Times confirmed, “There is lots of money in the global warming scam.” Before you get sucked into believing this scam, you may want to obtain a copy of the Global Warming Petition prepared by Dr. Arthur B. Robinson and signed by 31,478

⁴ Robinson, *supra* note 2.

scientists and engineers, who had nothing to gain and everything to lose by coming forth with the truth. Here is the scientific conclusion:

There is no convincing scientific evidence that human release of carbon dioxide, methane, or other greenhouse gases is causing or will, in the foreseeable future, cause catastrophic heating of the Earth's atmosphere and disruption of the Earth's climate.

Moreover, **there is substantial scientific evidence that increases in atmospheric carbon dioxide produce many beneficial effects upon the natural plant and animal environments of the earth.**

You may also want to read Dr. Robert Zubrin's, *The Assault on Science*, published in the National Review on May 17, 2016. It is an excellent article providing simple factual information "that is both convincing and rarely seen in this debate."⁵

Great Businesses To Buy Right Now

I don't know about you but, I am so tired of newsletters and ads telling me where I should invest in 2017. Every financial advisor thinks they know what will bring you and I gargantuan returns for the coming year. Some may actually guess right. However, I do not want to make a speculation and wait by my phone or computer worrying about when I need to sell to either limit my losses or take my profits.

The only thing I want to do is buy an investment in a great business that consistently pays and raises its dividend payments each and every year regardless of what happens to the market or what is happening throughout the entire world. I am only interested in creating a cash flow that grows each and every year, keeping up with inflation, and building my nest egg for a comfortable future.

How do you find these great companies? They are called "U.S. Dividend Champions" and the last list I printed out contained 107 such companies. It is available at the DRIP Investing Resource Center (<http://www.dripinvesting.org/tools/tools.asp>). From that list, I selected a dozen companies that I believed should be in everyone's portfolio. When I put that list

⁵ Dr. Arthur B.. Robinson, *Access To Energy*, Vol. 43 no. 9, April 2016.

together, the combined dividend yield averaged 2.78% and the average annual increase in the dividends paid by these dozen companies increased annually by 12.24%.

In today's environment, you should select companies that pay at least a 2.5% dividend at the time of purchase and that pay and raise their annual dividends by 10% or more per year. So, the next step is to pick a US Dividend Champion that you like and find out what the current dividend yield is at today's price. I tend to use YAHOO! FINANCE (<http://finance.yahoo.com/>) by entering the company symbol to find out the current dividend yield.

Here are just a few great businesses to buy right now... buy today:

- McDonald's Corp (MCD) - \$123.34, yield 3.07% (average increase 22.1% for 25 yrs.)
- The Coca-Cola Company (KO) - \$41.32, yield 3.37% (average increase 9.4% for 25 yrs.)
- ExxonMobil Corporation (XOM) - \$82.81, yield 3.58% (average increase 8.2% for 25 yrs.)
- Procter & Gamble (PG) - \$87.79, yield 3.09% (average increase 9.8% over 25 yrs.)
- Wal-Mart Stores, Inc. (WMT) - \$66.67, yield 3.00% (average increase 16.5% over 25 yrs.)
- Johnson & Johnson (JNJ) - \$113.61, yield 2.83% (average increase 11.5% over 25 yrs.)

Want to add some seasoned tech stocks, that have realized the benefits of paying and raising their dividends, then add the following two companies to your portfolio, which I also own:

- Intel Corporation (INTC) - \$36.42, yield 2.82% (has paid dividends for 22 years)
- Microsoft (MSFT) - \$63.02, yield 2.83% (has paid dividends for past 12 years)

Why would you buy these businesses, especially if you don't really like them? Let's look at ExxonMobil, the big bad oil company, an undeserved reputation. ExxonMobil has paid dividends for 118 years straight and is one of the world's largest employers creating opportunities for employment worldwide. In addition, this is an energy company, not just an oil company. When alternative energies become efficient and profitable, it is ExxonMobil, Chevron, and Shell that will either develop that technology or purchase it. If you want to be on the forefront of energy technology and get paid while you wait, this is the company to buy right now. Also, if you have any family or friends that want to enter the field of engineering, they should consider opportunities at these three energy companies; with a BS in Engineering, a starting salary in excess of \$120,000 is not unusual.

No company can touch McDonald's; it has over 35,000 restaurants worldwide in 118 countries, with 1.7 million employees, serving 68 million customers daily. When McDonald's adds an

ingredient to its menu, it instantly becomes one of the world's largest purchasers for that ingredient. It took McDonald's two years to coordinate enough cucumbers to launch its McWrap sandwich nationwide. They sell sushi in Japan, angus beef in Sweden, and now kale breakfast bowls in Southern California. Not to mention that McDonald's has paid and raised its dividend by an average of 22.1% per year for 25 straight years. You may not like their food, but, you gotta love their business model!

There is no time for any more stories, just acquire these great businesses while it still makes sense to do so. It doesn't matter that you already may own 100-to-500 shares or more, the price is right to add more shares of each. Remember 100 shares of Coca-Cola for about \$5,000 turned into over \$100,000 20 years later. Why not turn \$10,000 into \$200,000 or \$20,000 into \$400,000?

If You Are A Democrat, You May Be A Socialist

Bernie Sanders ran for President as a democrat; he at least was honest and stated he was a socialist. They tried to pin Hillary Clinton down asking her if she was a socialist. Hillary stated that she was a progressive democrat who just wanted to get things done, i.e., she is a socialist but does not want to use the word. Furthermore, she enjoys pitting people against each other; heavily regulating and taxing their activities to control them; and, taxing unpopular groups and giving that money to her constituents, after skimming some of the funds off-the-top for family and friends. Such policies would be expected in the former Soviet Union; not in the United States, which once stood for freedom.

The democratic party today is not the party of John F. Kennedy; actually, if you went back and listened to many of JFK's speeches, he sounded more like a Republican than today's Democrat, i.e., he was for lower taxes, less regulation, wanted to keep us out of Viet Nam and have Congress print money rather than the Federal Reserve, saving the U.S. taxpayer interest on the debt. He never realized his dreams; Johnson got us into Viet Nam big-time and the Federal Reserve is still printing money and charging U.S. taxpayers interest. But I digress.

The progressive democratic party platform is not "progressive" at all; it harkens back to ancient times. When it comes to human nature, nothing has changed. Democracy came from the ancient Greeks, along with compulsory education (Spartans). If democracy actually worked, we'd all be speaking Greek today, not English. As Dr. Will Durant stated, Democracy is now taking its turn in the misgovernment of mankind. Plato designed the perfect government,

which included socialism, communism, democracy, and compulsory education; in the end, he decided it would not work because of human nature. We are all individuals with free-will and most of us will refuse to do what others think we should do.

In ancient times, superstition and religion were used to control the masses, with the approved Clergy only authorized to read and interpret the bible. Today, Americans should ask themselves, has superstition and religion been replaced with compulsory education and democracy?

With the ratification of the civil war amendments (Thirteenth and Fourteen Amendments), we got rid of chattel slavery; and, replaced it with the enslavement of the entire citizenry of the United States with the ratification of the Sixteenth Amendment in 1913. The Sixteenth Amendment granted Congress the power to lay and collect taxes on incomes from whatever source derived. This Amendment as interpreted and used against all Americans is unconstitutional; at the very least, it violates the Fourth Amendment right to be secure in our papers and effects; and our Fifth Amendment right not to be a witness against ourselves. This is a fraud perpetrated against the American people.

In 1751 baron de Montesquieu's book, *The Spirit of Laws*, was published in English, which set forth his basic principles of taxation: Direct taxes (e.g., taxes on the wages of labor, i.e. income taxes) were dangerous and natural to slavery; while indirect taxes or taxes on the sale of merchandise were more natural to liberty. Because of this belief that an income tax was tantamount to slavery, there was no income tax while the Founders were alive and no peacetime income tax for the first 118 years of America's existence.

It was the passage of the Sixteenth Amendment 137 years after the American revolution that has led to an interventionist government and a complete loss of economic freedom. Government control of the school system has convinced the masses that we are a free people because we live in a democracy and can vote for those who subjugate us.

Dr. Hans-Hermann Hoppe, however, believed that democracy has been a complete failure:

After more than a century of compulsory democracy, the predictable results are before our very eyes. The tax load imposed on property owners and producers makes the economic burden even of slaves and serfs seem moderate in comparison. Government debt has risen to breathtaking heights. Gold has been replaced by government manufactured paper as money, and its value has continually dwindled. Every detail of

private life, property, trade, and contract is regulated by ever higher mountains of paper laws (legislation). In the name of social, public or national security, our caretakers “protect” us from global warming and cooling and the extinction of animals and plants, from husbands and wives, parents and employers, poverty, disease, disaster, ignorance, prejudice, racism, sexism, homophobia, and countless other public enemies and dangers.

However, the only task a government was ever supposed to assume—of protecting our life and property—our caretakers do not perform. To the contrary, the higher the expenditures on social, public, and national security have risen, the more our private property rights have been eroded, the more our property has been expropriated, confiscated, destroyed, and depreciated, and the more we have been deprived of the very foundation of all protection: of personal independence, economic strength, and private wealth. The more paper laws have been produced, the more legal uncertainty and moral hazard has been created, and lawlessness has displaced law and order. And while we have become ever more helpless, impoverished, threatened, and insecure, our rulers have become increasingly more corrupt, dangerously armed, and arrogant.⁶

As the Durant’s discovered through their comprehensive study of human history, “On one point all are agreed: civilizations begin, flourish, decline, and disappear—or linger on as stagnant pools left by once life-giving streams.”

According to Sir John Glubb, “the rise and fall of great nations are due to internal reasons alone,” and, that it takes ten generations (25-years per generation) or 250 years for “human beings to transform the hardy and enterprising pioneer into the captious citizen of the welfare state.” If the United States of America continues its decline like all past empires, the United States government will implode around the year 2026.

As Dr. Durant stated, the great experiment in individual freedom, which began in 1776, “may yet be defeated by the high birth rate of unwilling or indoctrinated ignorance.” Don’t be led astray by party politics, be it democrat or republican.

Thomas Jefferson defined *rightful liberty* as “unobstructed action according to our will within limits drawn around us by the equal rights of others—I do not add ‘within the limits of the law,’ because law is often but the tyrant’s will, and always so when it violates the right of an individual.”

⁶ Hans-Hermann Hoppe, *Democracy, The God That Failed*, 89-90, Transaction Publishers (9th paperback, 2007).

Real human progress would be to just let people do as they please and not try to control them financially, economically, or personally. Anyone who promises to take from one group and give to another group is a crook, a tyrant, whether they call themselves a democrat, a republican or a progressive. Don't fall for their propaganda and succumb to "indoctrinated ignorance."

Dum spiro, spero—While I breath I hope.

Slainte mhath,

Robert G. Beard Jr., C.P.A., C.G.M.A., J.D., LL.M.