

Hello Everyone,

Have you ever been behind 25 cars at a stop light? You can see the light turn green, but you may sit there for two more cycles before you get to move through the intersection.

That's how an economy restarts. I just don't know how many cars are in front of us. My guess is it's a lot.

Today's missive closes out the ***Eight Stages of Crisis*** series. Normally, we think of rebuilding as a good thing. After crisis, however, rebuilding can take either a positive or negative tact. Thankfully, America has a history of tipping positive. :>)

I hope you found this series edifying.

Signed, Your I-Count-One-Second-Per-Car-Ahead-Of-Me-Before-I-Start-Moving Financial Advisor,

Greg

KKOB 05.01.2020 Eight Stages of Crisis Part 5

Bob: So, Greg, let's do a quick recap. We've determined that historically crises have stages. With Covid19, so far we have been through ***The Warning, The Event, Disbelief, and Panic*** stages.

We are now in ***The Hero*** stage.

And, we are trying to avoid the abyss of ***The Cliff*** stage. If, however, we go over ***The Cliff***, we then hit the ***Disillusionment*** phase, which leads us to the final stage which is...what?

Greg: Nice synopsis. The final stage is ***Rebuilding***.

In this stage, the slate has now been wiped clean. The past is past. Everyone is ready to move on. But how? History tells us there are two general ways.

One path is negative. Here "the strongman" steps forward and says something like, "*I will lead you. I have the answers. Just give me the reins of power. I will ensure your safety and security. Our past glory will not only return, but will be surpassed!!!*"

Of course, the nation must cede all power and rights to achieve this strongman-utopia. But often people are so traumatized by the previous crisis, they will embrace the rhetoric.

For example...

In ancient Rome, Caesar came to power when the devaluation of the currency ---coupled with the concentration of wealth in the hands of the corrupt few--- led to constant civil unrest and riots.

Napoleon came to power in a similar way. Scandal, corruption, inflation, high unemployment & taxation made it possible for Napoleon to proclaim himself Emperor of France. The people cheered it.

And, of course, only 100 years ago, we all know about post WW I Germany where a wheelbarrow full of money was needed to buy a loaf of bread. On the heels of that economic debacle, a fellow named Adolph Hitler built support for the Third Reich.

Anyway, Bob, be it a Caesar, Napoleon, or Hitler, if the society rebuilds under the policies of the strongman, the **Rebuilding** stage will end badly.

Bob: I can see the psychology of this. I know Hitler said he would “*make the trains run on time*”. And when he did, the Germans were more than willing to give him even more power.

Greg: Right. But there is another way. This is the good **Rebuilding** path. George Washington is our example here.

After defeating the British, the American Colonies were in total disarray. The economy was dead. The currency—the Continental—was worthless. Some Colonists wanted the British to come back!

Politically, the bickering inside a young American Congress prevented anything of consequence from getting done. Finally, out of frustration, George Washington was offered kingship. He refused...not once, but twice! He said, "I didn't fight George III to become George I."

Amazing. Not many men turn down that kind of power.

Or, let's go way back in history and look at a *retired* Roman general & statesman named Lucius Quintus Cincinnatus. He was working his small farm when an invasion occurred. Out of desperation, Rome recalled him to active duty. He was given complete control over the Roman State. But after achieving a swift victory, he relinquished all his power and authority and went back to his farm. Cincinnati, Ohio is named after him.

For both Washington and Cincinnatus, it was their humility, modesty and dedication-to-something-greater that preserved the Republic---and prevented a dictatorship.

The good news for America is this. If, because of Covid19 (and the disastrous policies that have followed), we go over *The Cliff*, America has a history of rebuilding under the George Washington-Lucius Cincinnatus models.

Every President since Washington has peacefully ceded power once his term was over. And men like Lincoln & Eisenhower were reluctant to take more power when offered. We've been very fortunate.

Bob: You're right. It's in our DNA.

But, let me ask you this. You have been advising our listeners to be in what you call low-tech. I know it's because you see inflation coming. In the *Rebuilding* stage though, would you switch?

Greg: Yes. Absolutely. The new technologies and advancements that are coming will blow your listeners away. The cycle will roll....and I plan on rolling with it.

Bob: That was a good series. Thanks. Let's talk again on Monday. Until then, how do people reach you?

Greg: My number is 250-3754 or go to my website at zanettifinancial.com.

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