

Leftist Governments use COVID Lockdowns for Manipulation and Control of the Masses.



Your vote in approximately 3 weeks has never been more important in our entire adult lives. Voting Republican may be bothersome for many as it is to me, but voting Democrat is far worse for anyone who subscribes to a future that believes in the U.S. Constitution, family, language, borders, culture, individualism, contract rights, private property rights, and a future of capitalism. The alternative is redistribution of income and wealth through taxation, fees and penalties for noncompliance and eventual serfdom for all.

COVID has been a convenient excuse for government leaders and the administrative state to force reactionary and oppressive responsibilities on the public. Failure of the public of individuals to fall in line with the newly mandated requirements including masking and obedience training has negative consequences for everyone including arrest, money fines, social isolation, and personal financial and business destruction.

This process has caused widespread destruction and shutdowns of private businesses, limited

social distancing, social gatherings, and sporting events. It has forced closure of movie theatres, entertainment venues, churches, schools, court systems, workout facilities, and imposed individual isolations of various subsets of the population. Leftist governments do not care about private enterprise.

Never mind that both the Center for Disease Control, a body of the U.S. Government and the World Health Organization, have openly stated that masking and shutting down states and communities have minimal effect on the overall health and wellbeing of the populace. As a matter of fact, both agencies agree that the social damage, including depression, drug and alcohol abuse, suicides, and destruction of the social fabric of society is far worse by shutting down. Social distancing and altered social responsibilities have been carried out for political expediency and for the purpose of gaining power.

COVID related government mandates were planned as a method of forcing complete subservience of individual sovereignty to the administrative state. The pre-planned process was also designed to protect the top economic 10% and the administrative state while dropping a lifestyle bomb on the bottom 90%. It is the top 10% including corporate entities that produce goods and provide services that are essential for society to function. This is the preferred method in which an authoritarian government can control society from the top down, including major corporations down to the individual. Reversal of this process is/will now be near impossible.

Government actions were designed to choose winners and losers. The process has been designed to protect and promote their own political power and economic interests. Yes, most government employees received full compensation during this entire period of shutdown. There has been pushback about going back to work. Why would you work when you get paid to do nothing? Their economic interest is about growing the size of government, otherwise known as the administrative state. Open tyranny and totalitarian actions by government (elites) have replaced voluntary compliance of the general population for mandated distancing and social discourse.

There are an estimated 30-40 million plus renters/lessees including commercial lessees in the U.S. who are in arrears or are having great difficulty coming up with money to pay their monthly obligations. There are also an estimated 30-40 million property owners who are in payment arrears or having difficulty because they are not receiving rental or lease income necessary to pay the debt service on their property loans. There is an estimated separate group of 30-40 million owner occupied homeowners whose jobs were eliminated in the economic meltdown and have limited or no ability to make payments on their loans. Millions

of these folks are not currently paying or just barely starting to pay their arrearages of rents and house payments again.

Millions of businesses across the U.S. which needed to generate cash flow and be profitable do not have adequate resources to keep the doors open. Commercial property owners are stretched out because so many tenants are not making their rent/lease payments. For example, in New York office buildings are only 10% occupied. Current Retail space vacancy has been reported to have as high as 68%. Just think of the continued effect of the mass exodus of people from New York. That coupled with high vacancy, and radical leftist government, the turnaround could take 10 years or longer. So much for \$20 million dollar condominiums!

Microsoft, headquartered in Redmond, Washington has just announced that going forward it will allow most of its 156, 439 employees to telecommute. That means that its workers can leave cesspool high density cities with high taxation, high crime, high levels of homelessness and urban blight and move out into suburban and rural areas. What a welcome lifestyle change for these folks! Many companies are following suit, including Facebook and Twitter.

As expected, by moving out of Silicon Valley to some other desirable lifestyle location for the family comes with a forced reduction in pay is part of the bargain. Boeing employs 72,000 people in Washington State. 27,000 are returning to work and the remainder will continue to telecommute. Boeing has announced that it is moving any additional production out of Seattle to South Carolina. Tesla has announced that it will move its headquarters, future production, and future related innovative programs to Nevada/Texas.

Thousands of companies have announced that they are leaving California because it is the worst state in the U.S. to do business in. California seems to have developed a contempt for private enterprise and has created an intolerable toxic business climate. In 2019 alone, 1,800 companies with \$76.7 billion in capital left California to acquire 133 million square feet elsewhere.

Between 2008-2019 18,000 companies have left California to find more business-friendly states and municipalities. We are now witnessing the largest exodus from large leftist cities and states in 50 years.

This exit avalanche is only beginning. What all these leftist/socialist leaning state and municipal governments refuse to acknowledge is that 50% of their tax base will leave over the next 10 years. Using California as an example:

- The top 10%, those earning over \$145,135, per year of taxpayers pay 70% of income taxes.
- The next 15% who earn between \$83,682 and \$145,135 per year pay about 15% of the taxes.
- The next 25% who earn between \$41,740 and \$83,682 per year pay 12% of the taxes.
- The bottom 50% of wage earners below \$41,740 pay 3% of taxes.
- Watch what happens to California when the top 10% of taxpayers and profitable companies leave the state. They will take tax dollars from the companies and taxes paid by the employees. Revenue will crash down 70%.

There are empty highways everywhere because of the decline in traveling to and from work. About 61 million workers who used to travel to the office now work from home in the Post-COVID world. Computer office equipment, online connectivity and e-commerce transactions have skyrocketed. This will have massive geopolitical, social, and economic effects on our future.

The decline in current gasoline and diesel consumption, limited need for office space square footage, reduced office expenses, and the reduced need for administrative staff will all take years to recover. Things like new blossoming relationships that grow into families which began at work will be lost. New family formations will be significantly reduced. The auto sales business is another victim of the fallout with the estimated 270 billion fewer vehicle miles traveled each year in the US. You better believe that the government is trying to figure out how to replace those lost tax dollars. EV's or electric vehicles will be mandated and provide limited distance trips outside your home.

Millions of small businesses decimated by federal and state (COVID) policies are closing up their doors and not coming back. Federal and state mandates favor large corporations. This is coupled with a surge in automated systems and robots resulting in diminished prospects for low level, gig, and entry-level employees. Factories, offices, warehouses, and restaurants are now retooling to use automated systems and robots to do most of the work.

Overly burdensome state and federal regulations, upward employee related compensation pressure, training, benefits packages, retention, unrealistic employee social demands, and corporate liability have accelerated this going out of business movement. You are forbidden to tell a lady that she has a pretty outfit on or suggest an offsite cup of coffee. Much less welcome, in the current crazy social distancing environment, would be to suggest that he/she joins you for a glass or two of wine at the local pub. Social distancing creates isolation, which

makes it easier for the government to manipulate and control all movements and actions of the people.

Over the next 20 years the size of the disruption which will replace individual labor workers by automated systems and robots may well be 20 to 50 million workers. Not bad for an entire workforce in the U.S. of 160 million plus or minus. The minus part is part of the COVID fallout. You may find that my future articles will be created by an automated bot or robot that has been programmed to skew toward leftist indoctrination.

As we are nearing the end of the 4th quarter of 2020 and heading into 2021 there five things on the mind of the public.

- The first is about the outcome of the election 2020. That will be decided in short order, less than 3 weeks of this writing.
- The second is how to turn around society due to the COVID fallout and the financial devastation due to enforced social distancing disruptions and the resulting inability of millions of folks to deal with financial stresses and arrearages of their obligations.
- The third question is how to handle future government overreach and constant new regulations designed to constrict and/or destroy private enterprise.
- The fourth is how to handle continued growth efforts of the administrative state of public employee labor union members. Unless there is pushback public employees and large corporations will be the only workers allowed in America.
- The small, independent and self-sufficient entrepreneur of the past will become extinct.

On a going forward basis, how do we support property owners, lenders as well as tenants to address the devastating consequences of all these payment defaults, including rent payments arrearages, income property loan payments arrearages, and owner-occupied home loan payments arrearages? Also, how do we assist in restarting failed business enterprises if this is at all possible.

The federal and state governments should take responsibility to navigate a systematic reset of up to 100,000,000 disrupted and affected groups of people. This is going to be painful and take time to implement and stabilize unless we elect to change into a Marxist/Socialist country. Depending upon the outcome of the 2020 election, if a leftist president wins, you can rest assured that all financial problems will be colored over by merely printing 20-50 trillion dollars to solve all problems. Over time, the dollar will become worthless. I also fear the same if Trump wins, only the timing will be much slower. Hyper-inflation will follow as it

did in Venezuela and many other countries such as the Weimar Republic, which was Germany's government between 1919 and 1933 until the rise of Nazi's.

But never fear! On an immediate basis, both the U.S. Federal Government and the California State Government have stepped in to save the day with new mandates and abusive regulations to clamp-down on most free enterprise and capitalist actions. Tenants who do not pay cannot be kicked out. Some property owners who do not pay cannot be foreclosed upon. Open disclosures about one's ability to pay or running a credit report will be outlawed. Never mind that most of these new Draconian regulations conflict with the Constitution of the United States and with contract law.

If you and your chosen political party rules, the government do not worry about the small stuff like violating the constitution or rights of individuals. That can always be overcome with a legislator/decision maker such as the secretary of state being promised a few hundred million dollars by crony capitalist enterprises, or by totalitarian foreign governments into a phony pay-for-play non-profit foundation. Or perhaps a few promised half-hour private and isolated speeches for \$500,000 each in the future. That will certainly get things done your way, pronto? Or the politician can suggest that some foreign government put his kids on a board of directors with massive payouts.

Regardless of who is elected, following are a few things that need immediate attention.

30-40 million people around the U.S. are going to eventually be thrown out of their rental units for lack of timely payments and accumulated arrearages. This 30-40 million people will subsequently attempt to relocate into new rentals. The problem is that when they turn in a rental application for a new prospective property, they will be required to disclose the defaulted rental payments with the prior property owner. They will need to disclose the lack of a job and/or the reason behind losing it such as COVID disruption. Since millions of people filed for unemployment compensation and received regular payments plus an additional \$600. per week they essentially received a pay raise for being unemployed and doing nothing. They will need to disclose to the new property owner or the property management company if a credit report is obtained a very delicate and factual timeline for their misfortune; a very well thought out reason for their circumstance. Or perhaps the government will outlaw full disclosures and reporting about one's credit problems or ability to pay. Property owners may find a Crapshoot chance attempting to locate a new tenant.

Many of these prospective tenants will not have the liquid assets to pay first and last month's rent and security deposit. This could lead to a new class of homelessness. Purchasing a small

inexpensive motorhome or trailer may be an alternative. \$4,000 a month for rent or \$1,000 a month for a portable home on wheels may be an option. Sharing a dwelling unit with multiple kindred parties may be another option. This could be viewed as “The Grapes of Wrath, 2021-2022.”

At the same time, all the chaos that is in the real estate market will accelerate because there will be millions of properties that will come on the market for resale in the second half of the year of 2021, 2022 and in to 2023. This will put downward pressure on values of income-producing properties.

Millions of owners of income property will choose to defer purchasing future rental units as an investment strategy because they will view the strategy as not worth the risk. The government has regulated out any upside potential financial benefits. What they have been successful in is growing the number of government bureaucrats to oversee the decimation process. Ownership of small to moderate income property as an investment vehicle will be left in the dust bowl! this is 100% because of onerous state and federal regulations.

Then will come the millions of defaulted property owners who will have negative tax consequences such as net losses, recaptured depreciation, and loss carryforwards. All that recapture will come back to haunt as ordinary income. The tax man cometh with a hammer and a sickle?

Welcome to the challenges of governance in 2021-2022-2023. Do not count on federal, state, and local governments being able to solve all these problems. They created most of this mess with all their progressive agendas. Their answer is always window dressing by spending some else’s money and diminish personal freedoms to solve all societal problems.

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