THE EPOCH TIMES SPECIAL REPORT

EPOCH INSIGHT



SPECIAL REPORT

THE SHADOW STATE

HOW ESG MERGES STATE AND CORPORATE POWER AND CHANGES OUR LIVES

Editor's Note Vol. 2 | WEEK 46 | 2022

The Shadow State

GOVERNMENT IS ELECTED BY THE PEOPLE

and bound by laws as to what it can do.

Our First Amendment rights protect, for example, our rights to free speech and religious freedom.

All of that is changing now.

Corporate America is becoming an enforcement arm of the government, doing in many cases what federal authorities are unable to do.

This new power structure, fueled by trillions of dollars, is advancing an agenda of climate policy and social justice.

Under the umbrella of environmental, social, and corporate governance (ESG), businesses are now rated on a host of issues, including their carbon emissions and hiring diversity.

Major financial institutions then use these ratings to direct their investments.

For industries such as the fossil fuel sector, this has massive implications, affecting the ability of companies to raise funding.

This special report by Epoch Insight examines this new global movement and whether the combined power of the federal government and private sector is making our lives cleaner, more peaceful, and more equitable, or whether it will lead to shortages, poverty, and political instability.







ON THE COVER

How will corporate America's enforcement of the federal government's agenda influence Americans? ILLUSTRATION BY THE EPOCH TIMES



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6 | ESG Movement

How ESG began and evolved into a global money machine.

EPOCH INSIGHT



An event banner of the World Economic Forum annual meeting in Davos, Switzerland, on May 22. | FABRICE COFFRINI/AFP via Getty Images

Special Report

12 | Climate Activism

The Biden administration is transforming federal agencies into activists.

16 | Private Surveillance

The government can't spy on you, but it can force your bank to.

18 | ESG Backlash

States fight multi-front battle against government, banks, and Big Tech.

22 | Sustainability Report

Company CEOs are cutting back or pausing their ESG efforts.

24 | Legal Risks

How the ESG movement violates U.S. laws.

28 | Energy Transition

Is the transition to wind and solar worth the sacrifices?

36 | ESG Issues

The global war on farming threatens the future of food security.

40 | Agricultural Policies

Sri Lanka's economic collapse is a result of a shift in farming practices.

44 ESG for Kids

Companies and schools teach children to follow U.N. sustainability goals.

48 | ESG Investing

ESG activism promotes corporate cancel culture.

56 | Twitter Takeover

From the wokeplace to the workplace: Elon Musk's Twitter.

57 | China-Taiwan Tensions

Taiwan is prioritizing missiles, drones, and satellites in preparation for war.

58 | Mortgage Giants

Financial risk is rising again because of Fannie Mae and Freddie Mac.

59 | Sustainable Investing

What's really driving the surge in ESG investing?

60 | Debt Crisis

The rise in global interest rates strikes the wall of debt maturity.

61 | Crypto Bubble

The rapid demise of FTX offers lessons for investors.

62 | Big Pharma Web

Money, government, and Big Pharma are intricately intertwined.

66 Be Heard

To be a great leader, you must first be a great communicator.

68 | Sun-Drenched **70** | Celebrate Luxury

This home on an island in the Aegean Sea is a slice of paradise.

Freedom

The Berlin Wall is now a soul-touching. sobering tourist destination.

73 | Italian Cuisine, New York-Style

Marc Forgione's One Fifth is a must for Italian food devotees.



77 | Perfect Shave Essentials

Gear to transform the daily shave into a delightful experience.

80 | Unusual Etiquette

Mingling with people from other cultures requires an expanded knowledge of etiquette.



STAKEHOLDER CAPITALISM

MERGER OF STATE AND CORPORATE POWER

COMPANIES AND THE GOVERNMENT FORM ALLIANCE FOR CLIMATE, SOCIAL ACTIVISM

News Analysis BY KEVIN STOCKLIN

N 2022, IN THE MIDST OF A RECESSION, record inflation, and a tumbling stock market, a corporate ideology known by the acronym ESG emerged from obscurity to become a headline topic. It has been called everything from a risk-management tool and a movement for a cleaner, more just world, to a "con," a "fraud," and even—in an Elon Musk tweet—"the devil incarnate."

The term itself is opaque; ESG brings environmental, social, and governance causes together under one umbrella. The environmental component includes things such as transitioning to wind and solar energy from fossil fuels, and to electric vehicles from gasoline-powered cars.

Davos agenda

> WORLD ECONOMIC FORUM

WØRLD ECONOMIC FORUM

World Economic Forum founder and Executive Chairman Klaus Schwab at the WEF's headquarters in Cologny, Switzerland, on Jan. 17. PHOTO BY FABRICE COFFRINI/AFP VIA GETTY IMAGES



The social component includes racial and gender equity, diversity training for employees, economic equity, and gun control. The governance component focus on how companies are run and includes racial and gender quotas for corporate boards, management, and staff, and—in the case of Exxon putting green energy advocates on the board.

The Origins of ESG Ideology

The ESG movement is a derivative of the United Nations Sustainable Development Goals (SDGs). There are 17 SDGs in all, ranging from "no poverty, zero hunger, and good health" to "responsible consumption and production" and "peaceful and inclusive societies for sustainable development."

In 2019, the World Economic Forum (WEF), an annual gathering of the world's most powerful political and corporate leaders in Davos, Switzerland, signed a strategic partnership with the U.N. to advance the SDGs throughout the corporate sector. Led by founder and Chairman Klaus Schwab, the WEF issued the "Davos Manifesto 2020: The Universal Purpose of a Company in the Fourth Industrial Revolution."

The manifesto declared that "a company is more than an economic unit generating wealth. It fulfills human and societal aspirations as part of the broader social system."

During the annual meeting, Schwab told the gathered corporate executives and world leaders, "Let's be clear, the future is not just happening; the future is built by us, by a powerful community here in this room. We have the means to improve the status of the world."

In a CNBC interview in 2020, Bank of America CEO and WEF International Business Council Chairman Brian Moynihan said, "To solve these huge problems that the world faces—this is U.N. week and the SDGs are the statement to the world of what we'd like to make progress on—you have to bring capitalism to the task."

On Nov. 4, 100 executives from the Alliance of CEO Climate Leaders issued a joint letter to attendees of the U.N. Climate Change Conference (COP27), stating, "We are ready to work side-by-side with governments to deliver bold climate action."

"Accelerating the transition to net zero requires significant collaboration and shared responsibility between the private and public sectors."

Signatories of the letter included Coca-Cola, Dell, Hewlett Packard, Microsoft, Nestle, PepsiCo, Siemens, Sysco, and Unilever.

Speaking at the COP27 conference, former Vice President Al Gore concurred, saying, "We need \$4.5 trillion per year to make this transition, and that can only come by unlocking access to private capital."

Author and political analyst Michael Rectenwald told The Epoch Times, "This is a massive campaign that has already metastasized to almost all of the corporate world. The tentacles of the WEF extend to almost every sector of society."

More than 500 of the world's largest corporations have signed pledges to support ESG goals across industries including banking, insurance, asset management, tech, media, energy, manufacturing, and transportation. These pledges are signed as part of membership in international clubs like Climate Action 100+, the Glasgow Financial Alliance for Net Zero, the Net Zero



(Left) The UNFCCC COP 27 climate conference in Sharm El Sheikh, Egypt, on Nov. 6.

(Above) World Economic Forum founder and Executive Chairman Klaus Schwab delivers a speech at the WEF annual meeting in Davos, Switzerland, on May 23.

Banking Alliance, and the Net Zero Asset Managers Alliance. There's no segment of the U.S. economy that's outside the reach of this movement.

From its origins in U.N. think tanks and WEF conference rooms, ESG is then passed down to the corporate world via Wall Street, marketed as an investment strategy for companies to follow—voluntarily or involuntarily.

Carole Crozat, BlackRock's head of sustainable investing research, explained to investors that "while measuring the alignment of investments to the U.N. SDGs is a complex and evolving task, we believe that their integration in investment decisions can help secure long-term financial performance."

"Redirecting capital toward U.N. SDGs could offer \$12 trillion of market opportunities linked to our long-term social and environmental well-being," Crozat said.

ESG in Practice

In principle, ESG means that companies look beyond making profits and consider higher political and moral issues, such as the welfare of the planet; in practice, it means that corporations become political agents for left-wing causes. This concept is also called "stakeholder capitalism," which has been endorsed by CEOs across the corporate world.

Speaking for Bank of America, Moynihan said, "Our research shows that companies that do well on ESG end up doing better. ... It defines capitalism the way that people want to define it, which is stakeholder capitalism and solving the big problems of the world."

Stakeholder capitalism means that, instead of answering exclusively to shareholders, CEOs will focus on employees, the environment, and society at large. As head of the Business Roundtable, a club of America's largest corporations, JPMorgan Chase CEO Jamie Dimon applauded the organization's announcement in 2019 that corporate executives would henceforth follow stakeholder ideology, stating that the American dream was "fraying" and that "these modernized principles reflect the business community's unwavering commitment to continue to push for an economy that serves all Americans."

In accordance with ESG principles, stakeholder-oriented

banks such as JPMorgan Chase refused to lend to oil drilling companies in Alaska. Delta Air Lines, Coca-Cola, and Major League Baseball fought against voter ID laws in Georgia that they claimed were racist.

The world's largest food companies such as Nestle, Danone, Kellogg's, General Mills, and Unilever encourage—and sometimes pressure—the hundreds of thousands of farmers who supply them to take up a U.N.-approved method of farming called "regenerative agriculture."

As part of the U.N. and ESG goals to reduce shootings, banks including Citibank restricted lending to the firearms industry. Credit card companies Visa, Mastercard, and American Express began tracking purchases from gun shops.

Amalgamated Bank President Priscilla Sims Brown stated in an interview with CBS that "where there may be gun sales that are intended for black markets or we see patterns of gun purchases made in multiple gun shops ... we can provide that information to authorities to investigate." PayPal went a step further and refused to allow its payment services to be used to buy guns or ammunition.

Following ESG social criteria, Disney fought to repeal a Florida law that bans the teaching of sexual topics to schoolchildren in kindergarten through third grade, which Disney said was a human rights violation. Disney executives also announced during a staff meeting they were "adding queerness" and "advancing a not-so-secret gay agenda" in the children's shows they produce.

Corporations across the board began implementing diversity, equity, and inclusion training for employees, with Coca-Cola urging employees to "be less white," and asset manager Vanguard instructing its white male employees to accept "uncomfortable" criticism about their racist biases toward minorities. United Airlines set racial and gender quotas for hiring new pilots, and Bank of America announced that it would provide no-downpayment mortgages for minorities who want to buy a house.

The WEF, Bank of America, Disney, Coca-Cola, and PayPal didn't respond to requests for comment.

A Money Machine That Spans the Globe

ESG isn't just an ideology; it's also an industry. ESG investment funds and other assets have rapidly grown over the past decade to reach a current \$55 trillion worldwide. ESG assets are projected to grow to \$100 trillion by 2025.

To put this in perspective, the gross domestic product ◆



Following ESG social criteria, Disney fought against a Florida *law that bans teaching of sexual topics to schoolchildren.*



A wind turbine near Nufenenpass, Switzerland, on Sept. 2. The environmental component of ESG includes things such as transitioning to wind and solar energy from fossil fuels, and to electric vehicles from gasoline-powered cars.

(GDP) of the entire United States is currently about \$21 trillion. The ESG industry is enormous and pervasive; it's lucrative; and it has created a broad network of vested interests—consultants, rating agencies, accountants, investment managers, and proxy agents—to bring agnostics into the fold. Often, the companies that impose ESG ratings on companies, countries, and even U.S. states, also provide paid consulting services to help them improve their ratings.

The main drivers of the ESG movement are Wall Street banks and investment funds, which control the capital for the world economy. The three largest asset managers, BlackRock, Vanguard, and State Street, together control more than \$20 trillion in assets under management. Because they manage index funds, they own shares in most corporations that are included in market indexes like the S&P 500.

"If you just look at BlackRock by itself, it's the first, second or third largest shareholder in 80 percent of the companies in the S&P 500," Andrew Puzder, the former CEO of CKE Restaurants, told The Epoch Times. "They use that tremendous voting power, not only to advance this economic leftist agenda, but to put it above their obligation to generate returns for their investors."

BlackRock, State Street, and Vanguard didn't respond to requests for comment.

Will Hild, executive director of Consumers' Research, told The Epoch Times that "the way that these fund managers use ESG to push progressive politics is multifaceted. The first and probably the most public way is they get to vote the shares that they're managing."

"The more quiet, sort of less public way is that they have what they call engagement meetings with corporate leadership on these issues," Hild said. "And when they show up, they don't say: hey, we're just representing ourselves, they say we represent ownership of 7.5 to 20 percent of your publicly traded shares. BlackRock, State Street, and Vanguard together would be the largest shareholder in 90 percent of the S&P 500."

Speaking at a New York Times conference in 2017, BlackRock CEO Larry Fink appeared to underscore this point, stating: "Behaviors are going to have to change and this is one thing we're asking companies. You have to force behaviors and here at BlackRock we are forcing behaviors." Fink writes an annual letter to CEOs, setting priorities for the coming year.

"If you read his annual letter to CEOs, Larry Fink actually thinks he needs to tell the world's CEOs every year what BlackRock thinks," Puzder said. "He doesn't have to go to every shareholder meeting, he just tells them what to do in a letter. And the letter the year before last said we need to get to net-zero carbon emissions by 2050, which will require a transformation of the entire economy."

Despite its rhetoric to the contrary and its membership in various global ESG organizations, BlackRock has vehemently denied that it uses its influence to push a political agenda. Responding to a letter from 19 state attorneys general who asserted that "BlackRock used citizens' assets to pressure companies to comply with international agreements such as the Paris Agreement that force the phase-out of fossil fuels," BlackRock countered that its funds were highly rated from a

ESG INVESTMENT FUNDS are projected to reach \$55 trillion worldwide this year and make up half of all professionally managed assets by 2024.

THE THREE LARGEST ASSET MANAGERS, BlackRock, Vanguard, and State Street together control more than \$20 trillion in assets under management. Together, they would be the largest shareholder in 90 percent of the S&P 500, an expert says.

performance perspective and that "our participation in these initiatives is entirely consistent with our fiduciary obligations."

Other financial institutions that have pledged support for the ESG movement include Bank of America, Citibank, Goldman Sachs, JPMorgan Chase, Morgan Stanley, Wells Fargo, HSBC, Deutsche Bank, and UBS. And in pledging fealty to ESG goals, corporations are not only aligned with each other, but with governments, as well.

"It's now becoming increasingly difficult to tell where the private sector ends and the government begins," Alex Newman, CEO of Liberty Sentinel Media, told The Epoch Times. "We're seeing a merger of the two."

JPMorgan Chase, Citibank, Goldman Sachs, and Morgan Stanley also didn't respond to requests for comment.

"In my experience, large Wall Street banks are not charitable institutions," Vivek Ramaswamy, entrepreneur and founder of Strive Asset Management, told The Epoch Times. "You look at which firms are rewarded with government packages, like who gets the COVID-19 stimulus packages; a lot of that flowed through BlackRock."

Tom Jones, president of the American Accountability Foundation, told The Epoch Times: "What we're seeing is a new revolving door in Washington. We're seeing liberal activists, whether they're in the administration or on Capitol Hill, instead of leaving those positions and going to K Street to become lobbyists in Washington, what we're seeing now is they're going to Wall Street. And they're using the enormous influence that these Wall Street firms have to really drive policy at the state and local level in a way they haven't done before."

Brian Deese, for example, who's the current National Economic Council director, was global head of sustainable investing at BlackRock, Hild noted.

"And you have Tom Donilon, who's now been put in charge of a significant portion of our foreign policy, vis-à-vis China. And again, he comes right out of BlackRock and it's going down the line.

"The Biden administration has been heavily staffed by Black-Rock alums, and in some cases, it's even scary some of the issues that they handled when they were at BlackRock. Tom Donilon, for example, recommended to clients while he was there that they tripled their exposure to China, and now he's in charge of a portion of the Biden administration's foreign policy vis a vis China."

A Democratic Deficit

What's most striking about ESG is how, in joining corporations with government under a common cause, it has created a new power structure that often supersedes national laws and overrides the Constitution. Working in collaboration with government agencies, corporations have engaged in enforcement, censorship, and warrantless surveillance, often

doing what the government is legally prohibited from doing.

Some believe that this public-private alliance, which overrides democratic institutions, is necessary because the crises that humanity are facing-including climate change and racism—are so dire.

"The climate crisis is about human security, economic security, environmental security, national security, and the very life of the planet," President Joe Biden said in his speech at the U.N. COP27 summit on Nov. 11.

Calling for a "sustainability revolution" at the COP27 conference, former Vice President Al Gore condemned "the culture of death that surrounds our addiction to fossil fuels by digging up dead life forms and burning them recklessly in ways that create more death."

But others are wary about this concentration of power and authority in so few hands, and the public's loss of a voice or vote in such major decisions about the future.

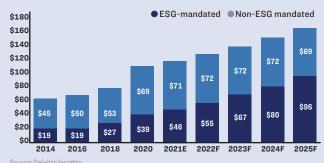
"How you address racial inequity or global climate change, these are important enough questions that we should resolve them through free speech and debate in the public square by putting people into public office who are accountable to the American electorate. Companies are not accountable, BlackRock is not accountable, Larry Fink is not accountable," Ramaswamy said.

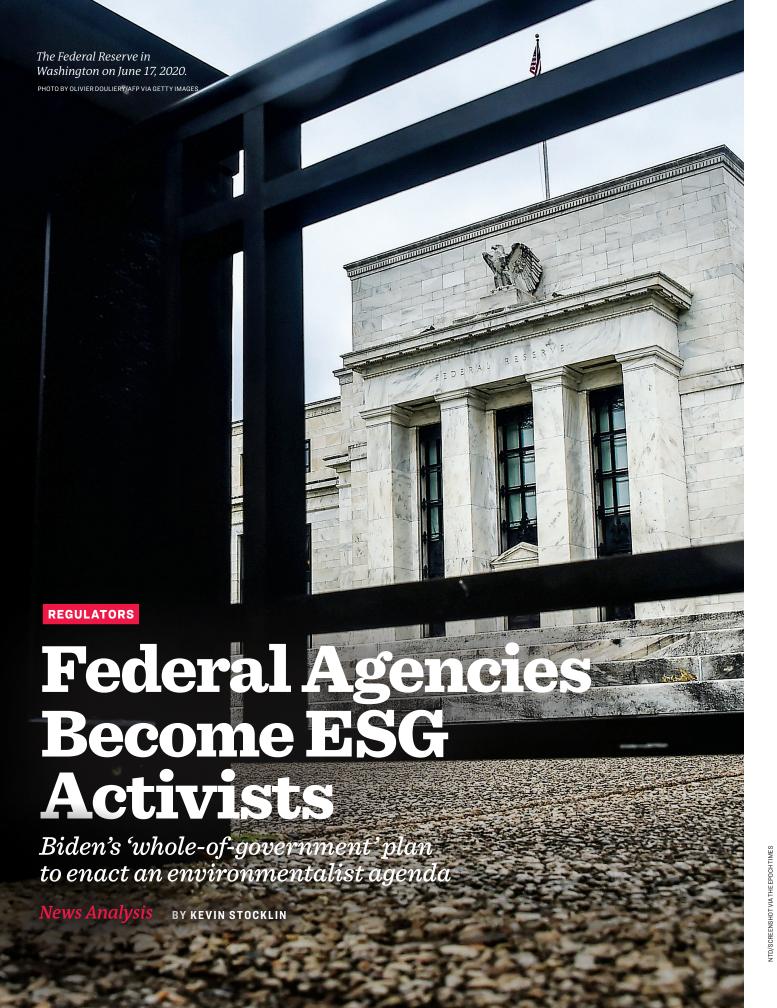
"This is the heart of the question that was an issue in 1776, where we said for better or worse, citizens decide how to settle these common political questions through the political process where everyone's voice and vote counts equally."

New York University Finance Professor Aswath Damodaran told the Prague Finance Institute in November 2021: "Do you really want Larry Fink and Jamie Dimon deciding what's good or bad for the world? You've outsourced what should be your responsibility as a voter, as a citizen, to CEOs of companies. Nothing good has ever come of doing that." ■

ESG-mandated Assets Projected to Reach \$96 Trillion By 2025

Global assets under professional management (\$ Trillion)





OUSE REPUBLICANS produced a 1,000-page report on Nov. 4 that details how the Department of Justice (DOJ) and the FBI have shifted their focus toward targeting conservative Americans who protest at abortion clinics and parents who protest at school board meetings.

But the politicization of federal law enforcement is just the tip of the iceberg.

Since Joe Biden assumed the presidency nearly two years ago, his administration has been relentless in redirecting virtually every federal agency toward activism for "climate and social justice" and aligning the federal government in lockstep with the corporate environmental, social, and governance (ESG) movement.

Among his first actions, in January 2021. Biden issued his "Executive Order on Advancing Racial Equity," which set out "an ambitious whole-of-government equity agenda." He appointed Susan Rice to lead his Domestic Policy Council and to "coordinate efforts to embed equity principles, policies, and approaches across the Federal Government." This effort diverted federal agencies from their designated function and, in some cases, even pushed them to take action outside their legal authority.

Fed, Treasury Prioritize Climate Change, Racial Equity

Under this new regime, even the most technocratic U.S. agencies, such as the Federal Reserve, have taken up the ESG cause. Tasked with the responsibility of fighting inflation and keeping unemployment low, the Fed is also one of America's key bank regulators, with a mandate to ensure that our financial system is secure and robust. However, in the midst of record inflation and a deepening recession, the Fed under the Biden administration has taken on environmental and racial causes.

In November 2021, for example, the Fed declared its support for the Glasgow Network of Central Banks and Supervisors for Greening the Financial System (NGFS), stating that "the Federal Reserve is committed to working within our existing mandates and authorities to address the implications of climate change, particularly the regulation and supervision of financial institutions." In support of racial ideology, the Federal Reserve Bank of San Francisco declared that "racial equity is central to the SF Fed's mission."

That prompted Sen. Pat Toomey (R-Pa.), the ranking Republican on the Senate Banking Committee, to notify Fed officials that their focus on "politically charged social causes" was "wholly unrelated to the Federal Reserve's statutory mandate." Critics of the Fed's effort to promote racial equity charge that this led the Fed to keep money too cheap for too long, leading to rampant inflation that has ultimately hurt the poor the most.



"[The new SEC rule] means there's going to be huge incentive to start tracking the behaviors of consumers by putting literal trackers on the products."

> Will Hild. executive director. Consumers' Research

Following the government mantra that "personnel is policy," Biden nominated activist senior officials to the Fed, such as Sarah Bloom Raskin, who criticized the Fed for not following European governments in their pursuit of environmental goals. Raskin said that America's bank regulators "stand in stark contrast to the financial regulators in other rich countries, where policies and processes are being reimagined to accelerate a rapid, orderly, and just transition to a renewable, biodiverse, and sustainable economy."

Raskin was ultimately rejected when

Sen. Joe Manchin (D-W. Va.) withdrew his support; but another Biden nominee with similar views, Lael Brainard, was subsequently approved as vice chair in May and promoted to the Fed's No. 2 post.

Similarly, the U.S. Department of the Treasury, whose designated role is to "maintain a strong economy," has established a Racial Equity committee, and its new vice chair, Felicia Wong, vowed to make "racial equity central to the Treasury Department's mission."

DOJ to Prioritize 'Environmental Justice'

Under Biden's watch, the DOJ announced in May that it was launching a "comprehensive environmental justice strategy," adding the obligatory racial justification that "communities of color, indigenous communities, and low-income communities often bear the brunt of the harm caused by environmental crime."

It's unclear how "environmental justice" differs from what had heretofore simply been justice; namely, equal treatment under the law. But the DOJ's recent reestablishment of Obama-era "settlement slush funds" may give a clue about at least some of what this entails.

Settlement slush funds became common during the Obama administration and featured the DOJ cutting deals with corporations such as Volkswagen, which was fined for fraudulent emissions testing. In return for the department agreeing to reduce the fines, Volkswagen agreed to invest \$2 billion in zero-emissions technology. In this way, money that should have gone to the U.S. Treasury was diverted to causes that the Obama administration favored.

Wall Street banks that were assessed fines related to the mortgage crisis also participated, donating to organizations such as the National Fish and Wildlife Foundation and the National Community Reinvestment Coalition, and getting charitable tax deductions in return for reduced settlement payments. The Obama administration was thus able to channel money to pet causes and circumvent Congress, which has sole budget authority under the U.S. Constitution and had refused to allocate federal ••

funds according to Obama's wishes.

Settlement slush funds were banned in 2017 under the Trump administration by then-Attorney General Jeff Sessions, who stated that any corporate fines must either be paid directly to victims or go to the U.S. Treasury, and not be diverted to fund the pet causes of federal agencies. However, they were revived under the Biden administration by a January 2021 executive order titled "Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis," in which Biden revoked all Trump administration directives related to climate change or environmental causes.

Stocks Regulator Mandates 'Green Accounting'

Under the DOJ's new "environmental justice" strategy, gathering evidence of environmental crimes will be facilitated by a new directive from the Securities and Exchange Commission (SEC) that requires listed companies to publish audited reports of all CO₂ emissions and climate-related risks, as well as their plans to address them.

Although the SEC was established to protect small investors from securities fraud, its new "green accounting" rule requires that all listed companies report not only their own carbon emissions but also those of their vendors, even if those vendors are small businesses that are not listed.

"Here's what's particularly horrifying about that," Will Hild, executive director of Consumers' Research, told The Epoch Times. "Those companies themselves may not be publicly traded. ... And yet through this rule, they're going to force people to force their vendors to adhere to this."

An additional aspect of this SEC rule applies to the end users of corporate products; in other words, "carbon emissions disclosures around the consumers' use of the product," Hild said.

"[That] means there's going to be a huge incentive to start tracking the behaviors of consumers by putting literal trackers on the products."

There's also the concern that this SEC ruling will give an advantage to large



(Above) President Joe Biden speaks with dignitaries and employees at ViaSat in Carlsbad, Calif., on Nov. 4. (Right) The words "Climate Emergency" are painted on a road by activists in front of the Department of the Interior during a protest for indigenous peoples' rights, in Washington on Aug. 1.

corporations over small businesses that may not be able to afford the cost of compliance. According to a report by The American Farm Bureau, small farmers, though they have nothing to do with Wall Street stock exchanges, are one segment of our economy that could be threatened by this rule.



"This proposal could keep small farmers from doing business with public companies at a time when all farms are needed to ensure food security here and abroad."

Zippy Duvall, president, Farm Bureau

According to Farm Bureau President Zippy Duvall, "Farmers have never [before] been subjected to regulations intended for Wall Street."

"Unlike large corporations currently regulated by the SEC, farmers don't have a team of compliance officers or attorneys dedicated to handling SEC compliance issues," Duvall said. "This proposal could keep small farmers from doing business with public companies at a time when all farms are needed to ensure food security here and abroad."

Bank, Pension Regulators **Allow ESG Policies**

In October 2021, the Department of Labor under the Biden administration instituted a new rule that allows private pension funds to invest on ideological grounds, again revoking a Trump administration rule, which limited pension investing exclusively to maximizing investor returns. Similarly, the Office of the Comptroller of the Currency, a bank regulator, overturned a Trump administration rule that prohibited banks from engaging in blanket discrimination against politically disfavored industries.

This gave a green light to banks to

shun the firearms industry, coal plants, oil drilling in Alaska, and others that are disfavored by ESG ideology. Other activist agencies under Biden include the Department of the Interior, which in September revoked drilling permits on 113 oil and gas leases in Montana, North Dakota, and South Dakota in response to environmental protests.

According to a report by The Heritage Foundation, "To date, Biden is the only president in modern history not to have held a single oil and gas lease sale on federal lands, despite clear direction from Congress to do so quarterly. While the Department of the Interior is being forced by court order to hold a lease sale this quarter, it increased fees by 50 percent and decreased the amount of available acreage for drilling by 80 percent—even as it cuts fees and red tape for renewable 'green' energy production."

Courts Block Biden's **Most Flagrant Violations**

In some cases, the Biden administration's violations of the U.S. Constitution have been so flagrant that federal courts have stepped in to block them. An attempt by the Environmental Protection Agency (EPA) to force electric utilities to switch from fossil fuels to wind and solar, for example, was struck down by the U.S. Supreme Court in the landmark West Virginia vs EPA decision. In a 6–3 ruling, the court stated that only Congress has the power to legislate industrial energy policy; it ruled that an unelected executive agency such as the EPA lacked the constitutional authority to effectively create laws on "major questions" of this magnitude.

This decision set a precedent that will likely be applied to other areas of administrative overreach going forward. Similarly, numerous other Biden administration intrusions into the private sector were also slapped down by court rulings; for example, that federal agencies did not have the right to force companies to fire employees who refused the COVID-19 vaccine, or to ban landlords from evicting tenants who don't pay rent, or to force mask wearing on public transportation.

In June 2021, federal courts ruled that Biden's attempt to use racial equity preferences in paying COVID-relief grants to farmers and restaurant owners, prioritizing minorities and excluding white men, was also illegal. ■



PRIVATE SURVEILLANCE

How Government Makes Your Bank Spy on You

MILLION

approximately 20

million bank reports

of suspicious activity

in 2019, according

to the U.S. Treasury

Enforcement Network

Financial Crimes

There were

The scope of bank surveillance this year received attention and criticism

By Kevin Stocklin

HEN YOU OPEN a bank account. do vou surrender all rights to your privacy and personal data? Today, the answer is yes. The Bank Secrecy Act of 1970 (BSA) and subsequent amendments mandated that your bank must inform the federal government about any customer's transactions that they consider suspicious—however broadly defined that may be—in the form of Suspicious Activity Reports.

How often do banks think their customers are doing something suspicious? According to the U.S. Treasury's Financial Crimes Enforcement Network, there were approximately 20 million bank reports of suspicious activity in 2019.

An August report by the Cato Institute titled "Government Surveillance Doesn't Stop at Your Bank's Door" states that this reporting requirement doesn't just apply to banks but also to currency exchanges, payments companies, broker-dealers, casinos, pawnbrokers, travel agencies, and car dealerships.

All of this would seem to be illegal under the U.S. Constitution; the Fourth

"unreasonable search and seizure" by our government and establishes the requirement for the government to obtain a warrant and show "probable cause" of a crime. But according to Jennifer Schulp, co-author of the Cato report, one reason that government surveillance-by-proxy has been allowed by U.S. courts, including the U.S. Supreme Court, is something called the "third-party doctrine."

Schulp told The Epoch Times that the

third-party doctrine is a legal principle that "essentially removed the expectation of privacy that an individual has from information that they share with a third party, including their banks. So under current Fourth Amendment jurisprudence, the information that you give to your bank is no longer private."

Given that it's nearly impossible to function without a bank account in America today, this effectively blurs the line between public and private surveillance. When the third-party doctrine was adopted in the 1960s and 1970s, the courts began to allow the government to conduct warrantless searches in the interest of preventing crime.

The Cato report points out that "while the government's interest in stopping

> crime is certainly an important one, the Constitution's Fourth Amendment already balances that interest with an individual's interest in privacy by requiring the government to obtain a warrant to access a person's documents and information."

> Another reason the Supreme Court allowed the BSA to stand was that the law as originally written was more narrowly tailored and only required reporting transac-

Amendment, for example, prohibits tions of more than \$10,000. Taking inflation into account, this would be about \$75,000 today. The limits of the BSA were never adjusted up for inflation, casting a much wider net today than when the law was passed.

How Extensive Is Government Surveillance?

Since being signed off on by the Supreme Court, the law has since been expanded to include many more types of transactions and institutions. But the fact that, according to the law, banks don't tell customers that they're being surveilled means that there are few challenges for courts to take up in order to reconsider their verdict.

"Banks are not allowed to let individuals know that this type of report is being filed on them," Schulp said. "So to the extent that individual citizens might have objections to their information being shared with the government in a Suspicious Activity Report, they have no way of knowing that that's happening to them, and thus can't really bring the legal challenge themselves."

Even at the time of the BSA's original passage, some justices expressed concerns that the Constitution was being violated. Justice Thurgood Marshall, for example, said that "by compelling an otherwise unwilling bank to photocopy the checks of its customers, the government has as much of a hand in seizing those checks as if it had forced a private person to break into the cus-

(Above) A customer shops for a handaun in Tinlev Park, Ill., on March 11, 2015. (Right) A New York Post report states that Bank of America had data-mined its customers' accounts to see which customers had made purchases or traveled to Washington around the time of the Jan. 6, 2021, breach at the Capitol.

> tomer's home or office and photocopy the checks there."

This issue is now being raised again today, not only about bank surveillance but also about tech surveillance and even tech censorship. The question is, if the government is barred from warrantless searches, can it get around this simply by getting private corporations to search Americans' data on its behalf? Likewise, if the government is barred

it just get private tech companies to do this instead?

The extent of bank surveillance has made headlines this year, in three cases in particular. The first was a New York Post report that Bank of America had data-mined its customers' accounts to see which customers had made purchases or traveled to Washington around the time of the Jan. 6, 2021, breach at the Capitol. The names of customers who had done from censoring Americans' speech, can so or who had recently bought a firearm,

were handed over to the FBI for investigation. One customer was reportedly questioned by the FBI as a result, but no charges were filed.

The second case regards a decision by credit card companies-Visa, Mastercard, and American Express, in particular—to begin tracking their customers' purchases at gun shops. The CEO of Amalgamated Bank, a progressive bank that had lobbied heavily for the tracking of gun sales, stated that "where there may be gun sales that are intended for black markets or we see patterns of gun purchases made in multiple gun shops ... we can provide that information to authorities to investigate."

Gun rights advocates were quick to criticize this action.

Mark Oliva, public affairs director for the National Shooting Sports Foundation, told The Epoch Times: "They've created this merchant category code that if you go into a gun store and you purchase anything from that gun store, and it looks like it may be something outside the norm, then that information could be turned over to the U.S. Treasury's Financial Crimes Enforcement Network. What we're talking about with this is a heavy-handed approach that's going to put people who are exercising their Second Amendment rights onto a government watchlist simply for exercising that right."

The third case occurred in February. when Canadian banks data-mined the private accounts of truckers protesting pandemic regulations, as well as those who had donated in support of protesters via crowdfunding sites like GoFundMe and GiveSendGo. Under orders from the Canadian government, banks froze the accounts of targeted customers, blocking them from accessing their own money or making credit card payments.

"That third-party doctrine has come under criticism a lot over the years, by current Supreme Court justices from very different schools of thought," Schulp said. "Justice Neil Gorsuch and Justice Sonia Sotomavor have indicated that the third-party doctrine needs to be revisited. So I think it's something that the current court might look at differently than the court did in the 1970s." ■





LOCAL GOVERNMENTS

STATES FIGHT GOVERNMENT, BANKS, BIG TECH

RED STATES WRITE LAWS AND FILE CHARGES

TO STOP PUBLIC-PRIVATE COLLUSION

News Analysis BY KEVIN STOCKLIN

HE YEAR 2022 HAS BEEN one of defiance from red states as they attempt to fight back against what they see as an illicit alliance of the Biden administration, Wall Street, and Big Tech to impose a leftwing agenda on the United States. The conflict appears to be heating up with each passing month.

In October, Louisiana Attorney General Jeff Landry, together with Missouri AG Eric Schmitt, sued the Biden administration, charging that it "threatened, cajoled and colluded" with tech companies Facebook, Google, and Twitter to silence Americans who disagreed with the state narrative. In what the AGs called a "censorship enterprise," more than 50 federal officials across 13 agencies are alleged to have collaborated with Big Tech companies in this effort.

"I believe this may be one of the biggest cases to reach the United States Supreme Court in this century," Landry told The Epoch Times.

Regarding the 164-page legal filing, a federal judge ruled that there was sufficient evidence to allow the case to move to the discovery phase.

"What we found since then is that this reached into the law enforcement arm of the federal government," Landry said.

"They're doing everything they can to scratch and claw and fight to keep us from getting any of this information. The U.S. Department of Justice and the Attorney General claim that there's some sort of privilege to the information we're looking for; I would remind the U.S. Attorney General that there is no privilege for violating Americans' First Amendment rights."

George Mason University law professor Todd Zywicki said the government has used various methods to apply pressure on Big Tech to comply with its censorship demands.

"In these cases where the government has leaned on Twitter and Facebook and these companies to censor speech that the government deems misinformation, it's pretty clear that they're not just suggesting; they've got all kinds of regulatory tools, and they've shown a willingness to use them to force their will on private actors," Zywicki told The Epoch Times.

"I just don't think people realize, or it didn't dawn on them, the degree of ◆

bad behavior by these companies and their collusion with each other, and the degree to which the government has been leaning on them as well."

Zywicki called the state AGs' case "one of the most important lawsuits, maybe of our lifetime."

Courts Step in to Block Biden **Administration Overreach**

According to Landry, there's "plenty of Supreme Court precedent" stating that since the Constitution prohibits the federal government from censoring and conducting warrantless searches. it also prohibits the government from collaborating with private companies to do these things on its behalf.

"We know the government can't compel a private individual to go and do that which the government cannot do," Landry said.

Currently, however, the courts do allow the government to force banks to routinely search through Americans' private account activity under the 1970 Bank Secrecy Act. But this case may ultimately result in a different decision on this subject if the Supreme Court does, in fact, take it up. The current Supreme Court has taken a strong stand in checking the overreach of the Biden administration into the private sector, as well as its attempts at creating industrial policy via federal agencies, often in response to cases brought by red-state officials.

In West Virginia v. EPA, the Supreme Court ruled in July that federal agencies couldn't force utilities to switch from fossil fuels to wind and solar. In reaching this decision, the court considered a principle known as the "major questions doctrine," which states that questions of significant importance and impact on Americans must be decided by elected officials in Congress and not in the federal bureaucracy.

The courts ruled that the Biden administration's racial ideology, which is in line with the social component of environmental, social, and governance (ESG) investing, violated the 1964 Civil Rights Act, which prohibits discrimination by race and gender. Biden's racebased government grants that excluded white farmers and restaurant owners were declared unlawful by federal courts in June. In January, the Supreme



Court ruled that the Biden administration couldn't force private companies to fire employees for refusing the COVID-19 vaccine.

States Ban ESG Investments and Ideological Discrimination

While states pursue legal remedies, they're simultaneously writing laws against investing state pension money for political reasons versus purely for financial returns. To date, 24 states have

IN THE UNITED STATES ARE

writing laws against investing state pension money for political reasons versus purely for financial returns.

taken steps to ban ESG investments in their public pension funds on this basis.

In August, Florida went even further and revoked the right of asset managers to vote for the shares of state pensioners. It also passed a law in April that prohibits political discrimination against employees, which will likely affect diversity, equity, and inclusion and critical race theory programs in companies and schools.

"No one should be instructed to feel as if they are not equal or shamed because of their race." Florida Gov. Ron DeSantis said. "In Florida, we will not let the far-left woke agenda take over our schools and workplaces. There is no place for indoctrination or discrimination in Florida."

Wall Street giants such as JPMorgan Chase, Citibank, Goldman Sachs, Morgan Stanley, BlackRock, State Street, and Vanguard have become targets of state efforts to stop discriminatory lending and ideological investing. West Virginia

has been one of the leading states in this effort.

"If we find a financial institution that is boycotting the fossil fuel industry ... not because of their finances but because of their political views, then they will be placed on the restricted financial institutions list," West Virginia State Treasurer Riley Moore told The Epoch Times.

"Once on that list, their contracts are then canceled, they're terminated, and then they will not be able to bid on any future state contracts here in the state of West Virginia unless they change their tune."

Banks that have made this list include JPMorgan Chase, BlackRock, Morgan Stanley, Goldman Sachs, and Wells Fargo. U.S. Bank was originally on West Virginia's restricted list but reversed its policies regarding fossil fuels and continues to do business with the state.

Other states, including Texas, Louisi-

ana, Arizona, Kentucky, Missouri, Ohio, and South Dakota, introduced legislation this year that prohibits their state from doing business with banks that discriminate against the fossil fuel or firearms industries. Because of this law, Bank of America, Goldman Sachs, and JPMorgan Chase were shut out of state contracts in Texas, the second largest state issuer in the \$4 trillion muni-bond market.



"Nobody wants this, and someone's got to stand up and say enough is enough."

Riley Moore, West Virginia state treasurer

"States need to act now to be able to save our industries and also push back against this crazy ESG nonsense," Moore said. "The fossil fuel industry, in particular, is in a very precarious place, and they're coming from every side to destroy it. We have a duty to protect our jobs, our economy, and also our taxpayers in terms of their utility bills."

BlackRock Becomes the Prime Target

In August, 19 state attorneys general sent a letter to BlackRock, stating that it "has used citizens' assets to pressure companies to comply with international agreements such as the Paris Agreement that force the phase-out of fossil fuels, increase energy prices, drive inflation, and weaken the national security of the United States."

In response, BlackRock denied that it used its influence to hurt oil and gas companies but reiterated its view that "companies that take a forward-looking position with respect to climate risk and its implications for the energy transition will generate better longterm financial outcomes." BlackRock noted that "governments representing over 90% of global GDP [gross domestic product] have committed to move to net-zero in the coming decades."

This argument for ESG investing is what has been called the "bandwagon effect," the idea that if asset managers and government agencies align in support of ESG-compliant companies, this will drive up their shares. Conversely, divesting in fossil fuel and firearms companies, together with punitive government regulation, will hurt the shares of companies in those industries.

"The political risk exists because they're creating the political risks on the other side of the movement," Tom Jones, president of the American Accountability Foundation, told The Epoch Times.

"So you get the Chuck Schumers or Bernie Sanders to adopt a really aggressive anti-oil-and-gas agenda, well then maybe there is a risk. But if you don't create that risk, if you don't try to ban the internal combustion engine, gasoline is a good investment."

In response to state pressure, many banks and asset managers are starting to backpedal, denying that they discriminate against fossil fuels, despite signing pledges to do so with global ESG clubs such as Climate Action 100+, the Glasgow Financial Alliance for Net Zero, the Net Zero Banking Alliance, the Net Zero Asset Managers Alliance.

"We've seen the crack in the dam, we've seen BlackRock start to hedge, we've seen State Street and Vanguard start to hedge," Moore said. "They're all starting to hedge on this because they know they're out of step with the American people. Nobody wants this, and someone's got to stand up and say enough is enough." ■



Louisiana Attorney General Jeff Landry (L) speaks at the U.S. Capitol on Jan. 22, 2020

ESG PRACTICES

CEOs Cutting ESG Efforts

There's a demand for more reporting and transparency on ESG issues

By Andrew Moran

ESPITE U.S. COMPANIES championing their environmental, social, and governance (ESG) investments and results, many others are planning to suspend or reconsider their ESG efforts in the coming months over growing recession fears, according to accounting firm KPMG.

Last month, KPMG published its 2022 U.S. CEO Outlook report, assessing a wide variety of issues businesses are expecting to face over the next 12 months, including economic turbulence, finding and retaining talent, and technological developments. The paper also looked at the ESG trend sweeping the United States and the rest of the world.

The authors of the report noted that a majority (79 percent) of the 1,300 CEOs surveved from around the world think that the public will look to the private sector to address major social challenges rather than to governments, be it climate change or income inequality. But while this form of social investing has become integral in the private marketplace, organizations acknowledged that there's a demand for increased reporting and transparency on ESG issues, particularly as more of the public becomes skeptical over "virtue signaling" and "greenwashing."

The former consists of a business expressing a specific moral viewpoint to communicate an impeccable character. typically one that favors an establishment talking point. The latter is when consumers are deceived into thinking a company's products are environmentally friendly or socially responsible.

But the key finding in the report is that 59 percent of CEOs say they "plan to pause or reconsider their ESG efforts in the next six months" to help prepare for an anticipated recession.



The report suggested that diminishing investment in ESG strategies "may lead to long-term financial risk," as a possible recession tests CEOs' commitment to the latest craze in corporate America. Seventy percent of CEOs said that ESG efforts have improved their firms' financial performance.

"As CEOs take steps to insulate their businesses from an upcoming recession, ESG efforts are coming under increasing financial pressure," said Jane Lawrie, global head of corporate affairs at KPMG.

Eighty percent of CEOs expect a recession within the next 12 months, according to the KPMG survey.

Is ESG Still a Priority?

Central banks worldwide have abandoned their pandemic-era easy-money policies, with market experts warning that these tightening efforts will lead to an economic downturn in either 2023 or 2024. This type of climate will make borrowing more expensive, forcing companies and investors to tighten their belts and be more conservative with their dollars and cents.

Will ESG efforts still remain a top priority for businesses and traders in such a fiscally prudent environment?

While speaking at CNBC's Delivering Alpha Conference in September, Lauren Taylor Wolfe, co-founder and managing partner of Impactive Capital, explained that financial performance is the chief objective for companies.

"We believe that ESG without returns is simply not sustainable," she said. "We are exclusively focused on risk-adjusted returns."

Meanwhile, a broad array of studies point to greater skepticism and less ESG rules.

A recent Capital.com poll, for example, found that investors and traders aren't prioritizing ESG investments. The online brokerage firm's research indicated that

52 percent never picked a stock based on ESG factors. Nearly half (46 percent) reported not knowing how to do so, while 12 percent explained that ESG investments were too expensive.

In a separate survey from global investment manager Ninety One, 55 percent of asset owners surveyed said that the risk and return performance of their holdings remained the chief concern. enthusiasm over everything related to Interestingly enough, 40 percent of asset owners purport that investing in funds related to ESG goals, such as climate change, will cause a reduction in their returns.

Many states across the country, includ-

look to the private sector to address major social challenges rather than to governments, a report shows.

59%

OF U.S. CEOS SAY THEY "PLAN TO

pause or reconsider their ESG efforts in the next six months" to help prepare for the anticipated recession, a report says.

OF U.S. INVESTORS AND TRADERS aren't prioritizing ESG, a poll shows.

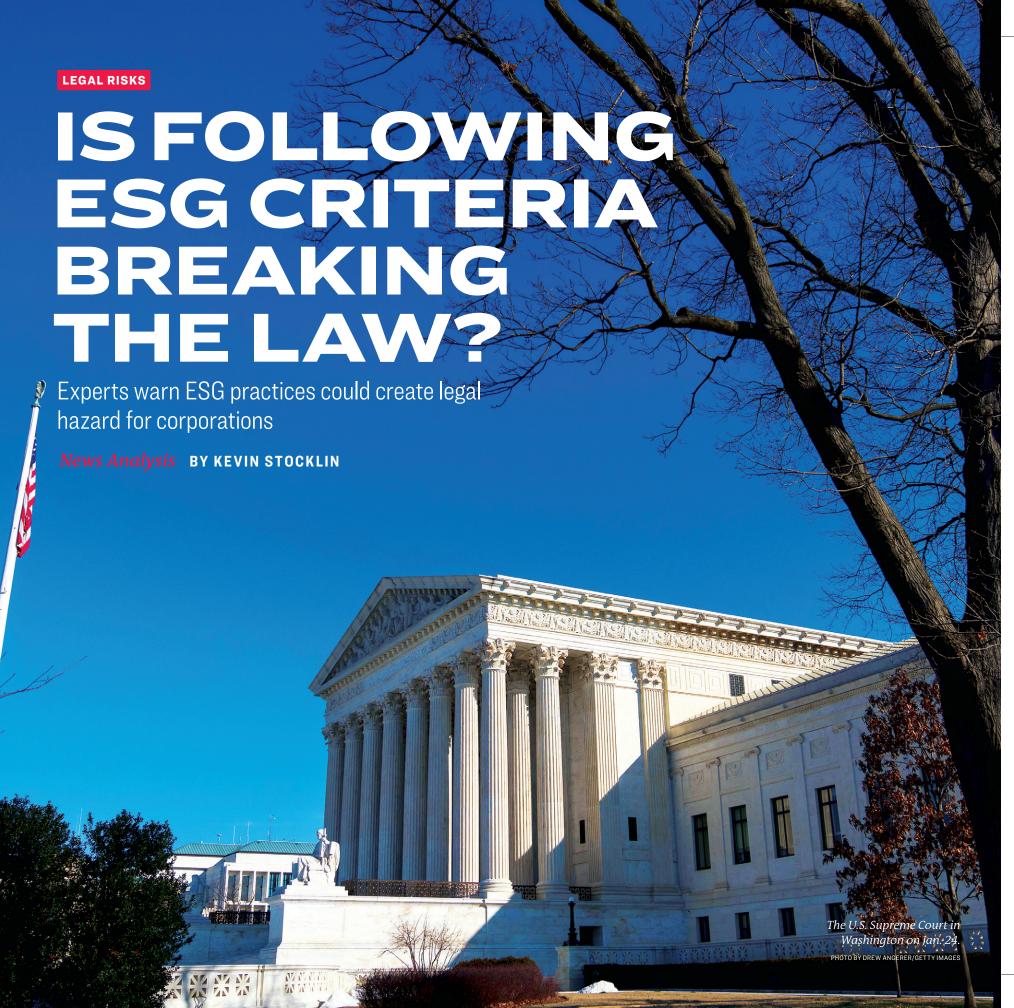
ing Florida, Arizona, North Dakota, West Virginia, and Kentucky, have rejected ESG strategies, divesting billions from financial institutions that make investment decisions based on the system. Wall Street appears mixed on the issue, with 45 percent of CFOs telling a CNBC survey that they supported the moves. Thirty percent stated they were neutral, while 25 percent opposed these decisions.

"I think the criticism is deserved," Wolfe said.

Last month, Strive Asset Management, led by activist investor Vivek Ramaswamy, launched a nationwide campaign that aimed to "promote excellence over ESG priorities." The initiative suggests that some of the world's largest companies, such as Amazon, Citigroup, ExxonMobil, and Home Depot, maintain "untapped potential" that could be unleashed if they weren't beholden to ESG priorities.

"Everyday Americans have extraordinary yet unrealized power at their fingertips," Ramaswamy said in a statement. "They don't just vote as citizens at the polls in two weeks. They vote every day with their investment dollars, which are too often used by other asset managers to inject political agendas into corporate America's boardrooms." ■





NE PROBLEM FOR CEOS who direct their companies to follow the goals of environmental, social, and governance (ESG) criteria is that, in doing so, they may be breaking the law. According to legal experts, ESG initiatives can cause companies to break antitrust, civil rights, and **Employee Retirement Income Security** Agency (ERISA) laws.

"The way ESG is being implemented is completely antidemocratic, which is to say that they are just flouting laws," George Mason University law professor Todd Zywicki told The Epoch Times. "They're flouting democratically elected laws and bringing things about that are often illegal."

Violation of Antitrust Laws

Companies that take part in coordinated actions against other companies or industries could be violating antitrust laws, according to a report titled "Liability Risks for the ESG Agenda" by Washington law firm Boyden Gray & Associates.

"Federal law prohibits companies from

colluding on group boycotts or conspiring to restrain trade, even to advance political or social goals," the report

It cites the Sherman Act of 1890, which prohibits "every contract, combination ... or conspiracy in restraint of trade or commerce."

"Antitrust laws in general, and the Sherman Act in particular, are the Magna Carta of free enterprise," Supreme Court Justice Thurgood Marshall wrote on the subject. "They are as important to the pres-

ervation of economic freedom and our free-enterprise system as the Bill of Rights is to the protection of our fundamental personal freedoms."

Hundreds of the world's largest corporations have signed joint pledges through international clubs such as Climate Action 100+, the Glasgow Financial Alliance for Net Zero (GFANZ), the Net

Zero Banking Alliance, the Net Zero Asset Managers Alliance, and others to reduce the use of fossil fuels.

GFANZ, which includes 550 global corporations as members, states that "all members have independently committed to the goal of net zero by 2050, in addition to setting interim targets for 2030 or earlier and reporting transparently on progress along the way." GFANZ banking members include Bank of America, Citibank, JPMorgan Chase, Wells Fargo, BlackRock, Morgan Stanley, and Goldman Sachs.

Climate Action 100+ includes 700 investment companies representing \$68 trillion in assets; it also includes 166 companies with a combined market capitalization of more than \$10 trillion. Among the hundreds of members of Climate Action 100+ are some of the world's largest and most powerful companies, including Boeing, BP, Caterpillar, Chevron, Dow, Exxon, Ford, Honda, Lockheed Martin, Mercedes, Nestle, Nissan, PepsiCo, Proctor & Gamble, Raytheon, Siemens, Coca Cola, Toyota, United Airlines, American Airlines, Walmart, BlackRock, State Street, Goldman Sachs, Fidelity, PIMCO, and Allianz. It

> also includes America's largest state pension funds, such as CalPERS, CalSTRS, New York City Pension Funds, and New York State Common Retirement Fund.

The Boyden Gray report notes that the argument that ESG advocates make-that companies that follow ESG guidelines are betelected laws and ter investments - "relies heavily on bandwagon effects." In other words, if enough asset managers collaborate to shift their investments toward ESG-compliant companies, the shares

often illegal." Todd Zywicki, professor, George Mason University

"[CEOs]

are flouting

democratically

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about that are

of those companies become more valuable—and even more so if governments subsidize industries like wind and solar while punishing fossil fuel companies.

Violation of Civil Rights Laws

Beyond antitrust, another area where ESG policies may run afoul of America's laws is where the push for racial ◆

and gender equity violates the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, sex, religion, or national origin. In step with ESG social justice goals, United Airlines announced in April 2021 that it would set racial and gender quotas when hiring pilots.

The company stated that "our flight deck should reflect the diverse group of people on board our planes every day. That's why we plan for 50 percent of the 5,000 pilots we train in the next decade to be women or people of color."

A number of recent court rulings have underscored the validity of laws regarding racial discrimination. In June 2021, a federal judge ruled that the Biden administration's farming grants, which gave preference to racial minorities, were illegal. In a separate case, the courts ruled that COVID-relief grants by the Biden administration that excluded white restaurant owners were also illegal.

But America's civil rights laws go beyond government policy to include private industry, as well, opening companies up to lawsuits from employees. In August, for example, American Express became the latest company to face an employee lawsuit for racial discrimination. Brian Netzel, a decade-long employee who was fired in 2020 on what he claims are racial grounds, stated in his class-action lawsuit that American Express "gave preferential treatment to individuals for being black and unambiguously signaled to white employees that their race was an impediment to getting ahead in the company."

In October 2021, David Duvall, a white male, was awarded \$10 million by a jury that agreed with his claim that he was fired as part of a race-based policy by his employer, Novant Health. After five years of positive work reviews, he was fired "without warning or cause as part of an intentional campaign to promote diversity in its management ranks; a campaign [Novant] has boasted about publicly," his suit stated.

"It's been well known for decades that quotas are illegal," Zywicki said. "But when you start looking at things like racial sensitivity training, they're engaging pretty much in rampant stereotyping, negative stereotyping of certain groups, and they are engaging in ram-



In step with ESG social justice goals, United Airlines announced in April 2021 that it would set racial and gender quotas when hiring pilots.

pant preferences for others. All of this runs pretty clearly up against existing civil rights laws."

Diversity, equity, and inclusion (DEI) programs, a component of ESG, are coming under fire, both as mandatory employee training and as hiring criteria.

It was reported on Nov. 2 that the University of North Carolina's School of Medicine "forces applicants, students, and professors to constantly prove their commitment to the tenets of diversity, equity, and inclusion as a prerequisite to advancement, rather than basing such decisions on merit alone." This was based on a report by a nonprofit called Do No Harm, which charged that one of the University of North Carolina's main criteria for hiring and promotion of teachers was "a positive contribution to DEI efforts."

Stanley Goldfarb, the chairman of Do No Harm, stated in a letter to the school that: "It is inappropriate to require that candidates for promotion and tenure demonstrate their commitment to a political ideology. Forcing candidates to declare their support for DEI when many undoubtedly oppose it would compel dishonesty." This report comes amid a case before the U.S. Supreme Court wherein the university was charged with having unconstitutional racebased admission standards.

Violation of Fiduciary Laws

A third area where ESG clashes with the law regards the legal obligation of fund managers and corporate executives to act in good faith and in the best interests of investors and shareholders.

The Employee Retirement Income Security Act, passed in 1974 to address corruption and misuse of pension money, requires that private pension fund managers invest "solely in the interests of participants and beneficiaries." It set what is called a "prudent expert" standard of care for fund managers and allows fund beneficiaries to sue managers for failing to uphold this standard.

While ERISA applies to corporate pension funds, many states have applied similar language to public pension funds. Currently, 24 states forbid ideological investing for their public pension funds, including investing in ESG.

An August letter to BlackRock, signed by 19 state attorneys general, for example, charged that BlackRock had a "duty of loyalty" to state pensioners who invested in its funds and that "[their] actions around promoting net zero, the Paris Agreement, or taking action on climate change indicate rampant violations of this duty, otherwise known as acting with 'mixed motives."

In response, BlackRock wrote that "one of [its] most critical tasks as a fiduciary investor for [its] clients is to identify short- and long-term trends in the global economy that may affect [its] clients' investments." The letter states that "governments representing over 90 percent of global GDP have committed to move to net-zero in the coming decades. We believe investors and companies that STATE AGS

HAVE SIGNED A LETTER TO BlackRock, charging that BlackRock had a "duty of loyalty" to state pensioners who invested in its funds.

IN THE UNITED STATES CURRENTLY forbid ideological investing for their public pension funds, including ESG.

take a forward-looking position with respect to climate risk ... will generate better long-term financial outcomes."

State attorneys general disagreed, stating that despite climate-change rhetoric: "governments are not implementing policies to require net-zero ... In particular, the United States has not implemented net-zero mandates. Despite doing everything in his power at the beginning of his presidency to shut down fossil fuels, even President Biden is appearing to reverse course given the harm his inflationary policies have inflicted on the American people."

In October, Swiss bank UBS downgraded the shares of BlackRock, stating that "as [BlackRock's] performance deteriorates and political risk from ESG has increased, we believe the potential for lost fund mandates and regulatory scrutiny has recently increased."

In addition to the risk that ESG asset managers violate their fiduciary duty to investors, there's also the risk that corporate managers violate their duty to act in the best interest of the shareholders of the company.

"There was a shareholder action against Coca-Cola when they had their 'act less white' campaign," Zywicki said. "Some shareholders filed a lawsuit and basically said when you do that you are risking litigation, you're risking liability for this company. Just pretending like the laws don't apply to this situation isn't going to get you off the hook."

In March, Disney took a political position against Florida's "Parental Rights in Education" law, declaring that a provision of the law that banned teaching of sexual topics to children in kindergarten through third grade was "a challenge to basic human rights." In response, America First Legal (AFL) issued a letter to Disney on behalf of shareholders, accusing the company of "wasting corporate assets and compliance violations."

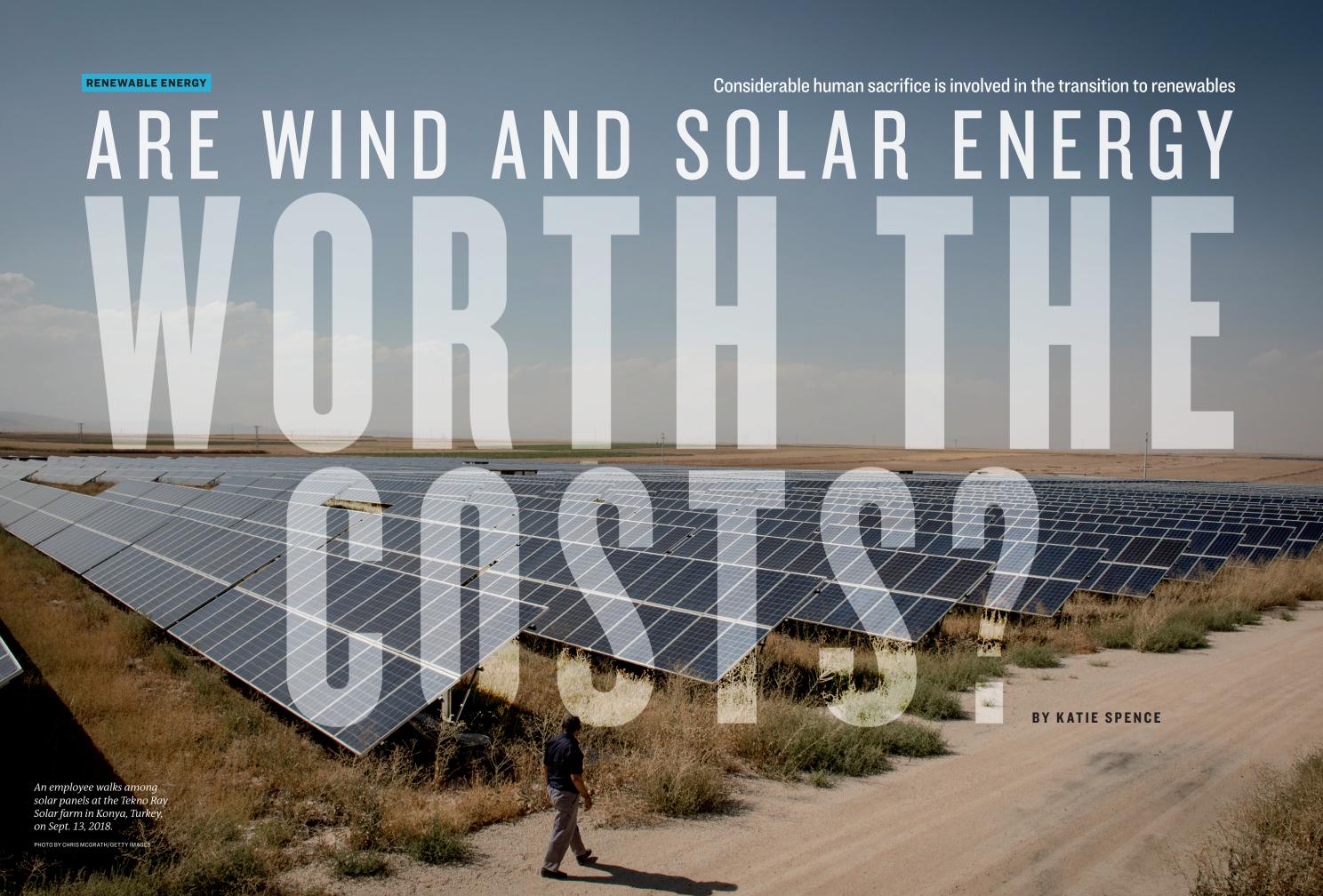
AFL charged that in pursuing a political ideology both externally and internally among its employees, as well as actively putting sexual content into its own movies and shows, Disney's executives "have chosen to discriminate, create a hostile work environment, and drive away creative, loyal, and talented employees; alienate the company's core customers; and violate the law, all for the purpose of advancing a very narrow political and social agenda promoting, inter alia, sexualizing content provided to young children. Accordingly, management has placed the company's assets, including its brand, reputation, and good will, at risk."

The U.S. Department of Labor, which regulates private pension funds, issued a directive following a 2019 executive order by then-President Donald Trump to enforce ERISA rules regarding pension funds and ESG investing. It stated that "providing a secure retirement for American workers is the paramount, and eminently worthy, 'social' goal of ERISA plans; plan assets may not be enlisted in pursuit of other social or environmental objectives."

The Biden administration has since reversed this directive, allowing pension money to be invested in ESG funds.



The Biden administration has reversed a directive issued by the U.S. Department of Labor in 2019, allowing pension money to be invested in ESG funds.



VEN WITH RECENT REPORTS OF A temporary gas surplus, Europeans nevertheless face a harsh winteras analysts warn that a lack of gas could rock the economy in the coming months. Further, even if Europe pulls through this winter relatively unscathed, predictions for next winter paint a bleak future.

Warnings notwithstanding, on Oct. 24, the European Union Environment Council approved new climate mandates that reflect the objectives of the European Green Deal. Mandates are legally binding to EU members.

Further, the council addressed the phasing out of coal and the impact on energy resulting from Russia's invasion of Ukraine.

"Despite the current difficult political, energy, and economic situation, we cannot move away from the climate protection path set out in Glasgow, and the transition away from fossil fuels must continue," the council stated.

Jan Dusik, the Czech Republic's deputy minister for climate protection, says that the EU needs to set an example for the rest of the world to follow.

"We need to send a clear signal: To collectively keep global warming below 1.5 degrees, we need to step up our efforts to reduce emissions, especially at the global level. The EU can lead the way, but we also need the world's economies to get on board," she said.

European citizens are preparing as winter approaches and a lack of energy looms. In the UK, residents are stocking up on candles, electric blankets, and energy-efficient slow cookers as they brace for winter.

In Switzerland, the president of the Federal Electricity Commission advised people to buy firewood and candles in anticipation of blackouts. The Swiss police said to prepare for riots in response. And in Italy, the government is looking to close offices on Fridays and turn off street lights.



A worker with lithium batteries at a factory for Xinwangda Electric Vehicle Battery Co. Ltd. in Nanjing, Jiangsu Province, China, on March 12, 2021.



As Europe braces for an uncertain winter, it begs the question: How much will a renewable energy transition benefit the environment, and will the duress be worth the effort?

That question is especially pertinent given that the United States recently passed the Inflation Reduction Act, which put it on a legal path to reducing greenhouse gas (GHG) emissions.

GHG Emissions of Wind and Solar

A desire to reduce GHG emissions is driving the transition from fossil fuels to renewable energy. To accomplish that, many countries are increasing their reliance on wind and solar. Germany, for example, aims to get 80 percent of its energy from wind and solar by 2030.

That transition to wind and solar is playing out across Europe. From March to September, wind and solar achieved a 24 percent share of the EU's electricity, according to the energy consultancy firm Ember, with countries such as Poland, Spain, and Germany registering increased amounts.

Moreover, governments are transitioning to

Wind turbines behind the Garzweiler lignite open cast mine near Luetzerath, Germany, on Oct. 5.

as mean carbon dioxide equivalent per kilowatt-hour (CO2eq/kWh). To examine total GHG emissions, the Renew-

able Energy Investment Strategies project compiled and compared several studies examining life cycle emissions for renewable and nonrenewable electricity-generation technologies. Life cycle emissions consider GHG production from all technology stages, not just point-ofuse emissions.

wind and solar precisely because wind and solar,

when compared to coal or natural gas, gener-

ate far less GHG emissions, otherwise known

The report found that when it comes to life cycle emissions, coal produced the highest CO2eq/ kWh, natural gas came in second, photovoltaic power (solar panels) came in third, and onshore wind had the least. Nuclear energy, however, produced no GHG emissions during operation and, throughout its life cycle, produced approximately 12 g CO2eq/kWh, according to the World Nuclear Association.

Still, the problem with wind and solar is that

"A typical electric car requires six times the mineral inputs of a conventional car, and an onshore wind plant requires nine times more mineral resources than a gas-fired plant."

International Energy Agency

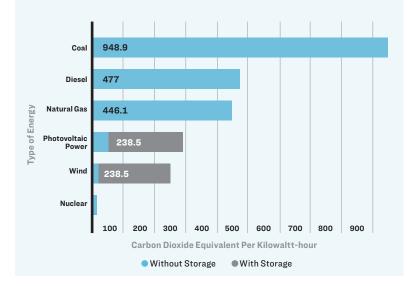
they aren't reliable. The sun isn't always shining, and the wind isn't always blowing. Indeed, National Wind Watch reported that wind turbines typically function at about 15 percent to 35 percent capacity. Consequently, other forms of energy, such as natural gas—a fossil fuel—must, ironically, supplement them.

The working renewable energy solution for mitigating both wind and solar's unreliability is to store the excess energy in utility-scale lithium-ion batteries and deliver it to the grid when needed. But that adds GHG emissions.

According to a report from Elsevier's Renewable and Sustainable Energy Reviews, conducting a life cycle analysis for energy storage systems is complex due to tracing material, energy, and emission streams. But existing metrics can give people an understanding of probable GHG emissions in utility-scale lithium-ion batteries.

For probable GHG emissions, Elsevier's report found that, under optimal conditions, the maximum possible reduction in GHG emissions when utilizing battery storage and comparing emissions from diesel generators to wind and solar was 50 percent. Diesel's emissions vary, but the average of the estimates was 477 g CO2eq/kWh. •

Chart of emissions from different forms of energy with and without storage.





Dividing that average by 50 percent added, in the best-case scenario, a rough average of 238.5 g CO2eq/kWh in GHG emissions from utility-scale batteries.

As a result, when battery storage requirements were added, wind and solar's GHG emission reduction was only considerable compared to coal. Compared to nuclear, they increased GHG emissions.

Increased Mineral Requirements

According to the International Energy Agency (IEA), energy systems powered by "clean energy technologies" typically require more minerals to build than their fossil fuel-based counterparts.

"A typical electric car requires six times the mineral inputs of a conventional car, and an onshore wind plant requires nine times more mineral resources than a gas-fired plant," the IEA reported. "Since 2010, the average amount of minerals needed for a new unit of power generation capacity has increased by 50 percent as the share of renewables in new investment has risen."

Even under "sustainable development scenarios," the IEA reported, lithium demand will increase by 42 percent by 2040 compared to 2020 levels, graphite will increase by 25 percent, cobalt will increase by 21 percent, nickel will increase by 19 percent, manganese will increase by 8 percent, and rare earth elements will increase by 7 percent.

Regarding the sectors contributing the most to the increased mineral demand, the IEA stated: "Wind takes the lead, bolstered by material-intensive offshore wind. Solar PV [photovoltaic follows closely, due to the sheer volume of capacity that is added."

"In climate-driven scenarios, mineral demand for use in EVs [electric vehicles] and battery storage is a major force, growing at least 30 times to 2040," the IEA stated.

Concerning the near-term ability to meet increased demand, the organization reported that "some minerals such as lithium raw material and cobalt are expected to be in surplus in the near term." By contrast, others such as "lithium chemical, battery-grade nickel, and key rare earth elements" will likely face "tight supply" in the future.

Looking further into the future, the IEA stated, "In a scenario consistent with climate goals, expected supply from existing mines and projects under construction is estimated to meet only half of projected lithium and cobalt requirements and

An aerial view of brine ponds and processing areas of the lithium mine of the Chilean company Sociedad Ouimica Minera in the Atacama Desert, Chile, on Sept. 12.

80 percent of copper needs by 2030."

While now there's generally enough material to supply increasing demand, the countries mining the minerals are problematic, according to the IEA.

"For lithium, cobalt, and rare earth elements, the world's top three producing nations control well over three-quarters of global output," the IEA stated. "In some cases, a single country is responsible for around half of worldwide production. The Democratic Republic of the Congo (DRC) and People's Republic of China (China) were responsible for some 70 percent and 60 percent

The EU, the Czech Republic, Italy, and other countries have increased their reliance on Russian gas imports to compensate for their energy shortfalls. As a result, **Europeans are bracing for a** brutal winter.

of global production of cobalt and rare earth elements, respectively, in 2019.

"The level of concentration is even higher for processing operations, where China has a strong presence across the board. China's share of refining is around 35 percent for nickel, 50-70 percent for lithium and cobalt, and nearly 90 percent for rare earth elements. Chinese companies have also made substantial investment in overseas assets in Australia, Chile, the DRC, and Indonesia."

Any country controlling a critical material is problematic when considering foreign relations, and, to many, it's even more concerning when that country is China. On Feb. 22, the Biden administration conceded that the United States increasingly depends on China to refine "cobalt, lithium, rare earth, and other critical minerals" and that such reliance constitutes a "national and economic security" threat.

To combat that threat, President Joe Biden released a statement saying that the United States would expand domestic production and transition away from its reliance on China.

However, the IEA reported, it takes, on average, 16 1/2 years from mining discovery to the first production, and "these long lead times raise questions about the ability of supply to ramp up output if demand were to pick up rapidly."

But a monopoly on mining isn't the only issue A child walks past to consider regarding mineral extraction.

In December 2021, researchers at Northwestern University conducted an environmental life cycle assessment on extracting raw materials needed for lithium-ion batteries and published their paper in the journal One Earth.

They found that cobalt mining was associated with increased violence, physical and mental health challenges, substance abuse, and food ••

a truck carrying rocks extracted from a cobalt mine at a copper quarry and cobalt pit in Lubumbashi, Democratic Republic of the Congo, on May 23, 2016.





A man watches a conveyor belt loaded with chunks of raw cobalt after a first transformation before being exported, mainly to China, to be refined, at a plant in Lubumbashi, Democratic Republic of the Congo, on Feb. 16, 2018.

and water insecurity, among other issues. They also noted that community members have lost communal land, farmland, and homes, which miners have dug up to extract cobalt.

"You might think of mining as just digging something up," said Sera L. Young, an associate professor of anthropology at Northwestern University. "But they are not digging on vacant land. Homelands are dug up. People are literally digging holes in their living room floors. The repercussions of mining can touch almost every aspect of life."

That "every aspect of life" includes children. In the Democratic Republic of the Congo, an estimated 40,000 children are working in the mines under slave labor conditions—some as young as age 6. Initially, there was hope that DRC President Felix Tshisekedi would curb the abuses, but now those hopes are dwindling.

In South America, the Institute for Energy Research reported, mining activities consume 65 percent of the area's limited water resources.

Copiapó, the capital of Chile's Atacama region, is the location of one of the world's largest known lithium reserves.

"We used to have a river before—that now doesn't exist. There isn't a drop of water," Elena Rivera Cardoso, president of the Indigenous Colla community of the Copiapó commune, told the National Resources Defense Council.

She says that all of Chile's water is disappearing because of the local lithium mine.

"In all of Chile, there are rivers and lakes that have disappeared—all because a company has a lot more right to water than we do as human beings or citizens of Chile," Cardoso said.

Energy Crisis in the Making

The European Green Deal and its accompanying Fit for 55 package, which includes a 55 percent reduction in GHG emissions by 2030, was approved in 2020. The overall objective is the make the EU "climate neutral" by 2050.

In 2021, at the 26th U.N. Climate Change Confer-

ence of the Parties (COP26), 153 countries committed to new 2030 net-zero commitments. However, the European Green Deal and COP26 weren't the first times that European countries had committed to net-zero pursuits.

In 2000, Germany enacted the Renewable Energy Sources Act (EEG), which required 6 percent of energy to come from "renewable resources." In 2017, Germany revised the legislation, upping "renewable resources" to 40 percent to 45 percent in 2025. That requirement will increase to 65 percent in 2030, according to the Federal Ministry for Economic Affairs and Climate Action.

In 2018, the Czech Republic committed to at least 13 percent of consumed energy from "renewable sources" by 2020. It also committed to having 18 percent to 25 percent of its electricity production from "renewables" by 2040 and said that it "generally supported" EU targets for decreasing GHG emissions.

Still, despite their claims of increased reliance on renewable energy and the touting of their

reduction in domestically produced fossil fuels, countries such as Germany, Italy, the Czech Republic, and others grew their dependence on Russian natural gas imports to compensate for their energy shortfalls.

Accordingly, Russia is a world-leading natural gas producer—second only to the United States—and is the world's largest natural gas exporter. In 2021, Russia supplied nearly 40 percent of EU natural gas demands, according to the IEA. But when Russia invaded Ukraine, that reliance became an energy anvil around Europe's neck.

Following the Ukrainian invasion, Europe implemented sanctions against Russia in coordination with the United States and its allies. But in retaliation, Russia took measures to cut off Europe from its gas shipments.

Thanks to its early commitment to net zero, Germany has the most significant penetration of renewable energy in its energy mix. However, renewables only account for 19 percent of Germany's energy mix, according to Geopolitical Intelligence Services. Seventy-six percent still comes from fossil fuels, with natural gas making up 26 percent of Germany's energy needs.

Despite that, Germany's domestic gas production is a meager 5 percent. The remaining amount is imported, with 55 percent coming from Russia. According to the International Monetary Fund, the EU, the Czech Republic, Italy, and other countries are in a similar situation, having increased their reliance on Russian gas imports to compensate for their energy shortfalls.

As a result, Europeans are bracing for a brutal winter that could include rolling blackouts and possible food shortages.

In August, Biden signed into law the Inflation Reduction Act. Despite its name, nonpartisan third-party analysts state that the legislation's impact on inflation is "negligible." It is, however, the "most aggressive action ever" toward allowing Biden to meet climate goals.

Hidden deep within the more than 700 pages of the act is a provision that boosts the Environmental Protection Agency's (EPA's) power to regulate greenhouse gas emissions.

Specifically, the Inflation Reduction Act establishes the Methane Emissions Reduction Program under a new section in the Clean Air Act, allowing the EPA to impose a fee on certain "air pollutants."

More importantly, this is the first time that the federal government has ever imposed a fee on GHG emissions and is part of Congress's effort to bolster the EPA's power to address the "climate crisis." It also sets the United States on a legal path of reducing GHG emissions, much like the one Europe has been on for the past few years. ■

MINERALS DEMAND BY 2040 COMPARED TO 2020 UNDER RENEWABLE ENERGY DEVELOPMENT

- Lithium: up 42%
- Graphite: up 25%
- Cobalt: up 21%
- up 19%
- up 8%
 Rare Earth:
 up 7%

40,000 CHILDREN

ARE WORKING in the mines in the DRC under slave labor conditions some as young as 6.

The Biden administration conceded that the

United States increasingly depends on China to refine minerals, and that reliance constitutes a 'national and economic security' threat.



34 EPOCH INSIGHT Week 46, 2022 EPOCH INSIGHT Week 46, 2022 35



Put simply, farmers and ranchers would need to allocate substantial resources and significant time to track environmental data.

"I am pleased to support today's proposal because, if adopted, it would provide investors with consistent, comparable, and decision-useful information for making their investment decisions," SEC Chairman Gary Gensler said in a statement. "I believe the SEC has a role to play when there's this level of demand for consistent and comparable information that may affect financial performance. Today's proposal thus is driven by the needs of investors and issuers."

Critics contend that the recommendation would potentially block farmers from working with public firms since these outfits don't possess compliance resources and departments like large corporations.

More than 100 Republican and Democratic House members sent a letter to Gensler, accusing the SEC of having "overstepped its bounds" and that the proposed rule would result in "devastating effects on our farmers."

"Not only would this proposal add additional red tape and bureaucracy that would be extremely burdensome, if not impossible, for many public companies to fully comply with, but it would also far exceed the authority that Congress explicitly granted the SEC," the lawmakers stated.

The American Farm Bureau Federation also submitted a letter rejecting the SEC's efforts.



"Bureaucrats in Washington, D.C. specifically, unelected SEC staff—who have no jurisdiction over environmental policy and who have never stepped foot on a farm should not have such influence over how farmers take care of their land," the letter said. "The time and energy put into complying with this new regulation will divert American farmers away from their primary goal of producing our nation's food, fuel, and fiber."

Ultimately, lawmakers and groups are

asking that the SEC scrap the proposed rule altogether.

Experts suggest that the SEC may be unable to pass this rule as the courts have previously ruled against government agencies in forcing the disclosure of sensitive personal information. However, the Harvard Law School Forum on Corporate Governance concluded that the proposal falls within the SEC's authority.

"So, instead, like a cuckoo putting its eggs into another's nest, critics have re-





(Top) Securities and Exchange Commission Chair Gary Gensler at a meeting at the U.S. Treasury Department in Washington on Oct. 3.

(Above) European Commissioner for Agriculture Janusz Wojciechowski holds a news conference on the EU's action plan, titled "For the development of organic production: on the way to 2030," in Brussels on March 25, 2021.

sorted to mischaracterizing the proposal, and inventing their own, fictional rule—not actually proposed—to attack premise two, and claim the Commission lacks authority for their fictional new rule," wrote John C. Coates, a professor of law and economics at Harvard Law School.

Regardless, this might not be the last measure employed by the government to advance the ESG cause, says Irina Tsukerman, a geopolitical analyst at the media and strategic advisory firm Scarab Rising.

"ESG standards have been affecting U.S. agriculture for a number of years now," she told The Epoch Times. "The bans on the production and sale of foie gras in New York and other states is but one example."

According to Tsukerman, this type of policy would financially and legally destroy farmers as they would need to maintain environmentally conscious policies, which are "likely to drive them out of the business."

"The ESG movement in the farming industry disproportionally favors Big Farm, stifles competition, and creates a 'woke' corporate agricultural monopoly, which leads to fewer options for the consumers," she added.

The SEC is expected to make a final decision in early 2023.

But imposing socially responsible guidelines on the agriculture sector isn't only happening in the United States. It's transpiring worldwide.

A Global War on Farming?

A growing number of nations across the globe are embracing the green agenda

During an Independence Day speech in August, for example, Indian Prime Minister Narendra Modi pushed for organic and natural farming, calling the adoption of chemical-free farming the nation's "duty."

"Today natural farming is a path to Atma Nirbharta. Natural farming, chemical-free farming can add to the strength of our country. Natural farming can bring down fertilizer costs. Chemical-free farming and organic farming is our duty," Modi said.

In September, the European Commission approved the Common Agricul-





tural Policy (CAP) that aims to bolster green farming, achieve green and biodiversity objectives, and enhance plant protein initiatives. The latest CAP goals are set for 2023 to 2027, and several countries have signed off on the latest packages, including Denmark, France, Portugal, and Spain.

"Farmers are facing a challenging environment, marked by the sharp increase in production costs due to the Russian aggression in Ukraine, as well as the recent summer drought. Farming is a long-term business, and European farmers need to have a clear legal and financial framework for the future," said Agriculture Commissioner Janusz Wojciechowski. "The new CAP will help us to support stable farming livelihoods and long-term food security by fostering a smart, competitive, resilient, and diversified agricultural sector."

Since 2016, the United Nations Conference on Trade and Development (UNCTD) has been pushing for the widespread implementation of green agricultural policies in Africa, arguing that the continent has "rich potential" and only needs funding to move ahead with organic farming.

"In view of the current situation, we strongly advocate for a coordinated effort to improve the data collected about both the domestic and export value of organic products so that a better business case for organic agriculture can be

"The time and energy put into complying with this new regulation will divert American farmers away from their primary goal of producing our nation's food, fuel, and fiber."

American Farm Bureau Federation

made in Africa." the UNCTD wrote in a technical paper.

Last year, the Canadian government announced more than \$500 million in new investments to expand the domestic agriculture industry's campaign for sustainability and climate change solutions. Part of these efforts involves providing farmers with tools, resources, support, and knowledge to increase organic farming production.

"As consumer interest in organic food continues to grow, we need to ensure that our farmers have the knowledge and skills to meet that increasing demand," said Agriculture Minister Marie-Claude Bibeau. "This investment will help grow the Canadian organic agriculture sector and address market demands by providing support to farmers who want to incorporate more organic farming techniques in their operations."

Canada's organic farming sector is presently estimated to be worth \$8 billion, the sixth-largest market in the world. ■



RI LANKA IS NOW ENTRENCHED in an economic collapse and a humanitarian crisis, a little more than one year after the federal government adopted organic agriculture policies that adhered to the global environmental, social, and governance (ESG) trend.

This past summer, President Gotabaya Rajapaksa announced that he would be stepping down, after thousands of citizens stormed his presidential residence. Rajapaksa had been transferred to an undisclosed location, resulting in Parliament Speaker Mahinda Yapa Abeywardana confirming a "peaceful transition."

The political upheaval led Ranil Wickremesinghe, who had served as prime minister on six separate occasions, to become the new president.

Even with a new government, the Southeast Asian state has struggled to halt its economic crisis and political chaos. The annual inflation rate surged to 66 percent in October, while the economy has slipped into a recession. The rupee has lost 73 percent of its value against the U.S. dollar.

"More than 60 percent of families are eating less, and eating cheaper, less nutritious food."

Abdur Rahim Siddiqui, representative, WFP

The country's current financial crisis, which is its worst since the country declared independence from the British in 1948, kicked into overdrive in early 2021, when the Rajapaksa government announced an overhaul of farming practices.

Introduction and Results of Going Green

Colombo instituted a national ban on the use and importation of synthetic fertilizers and pesticides for key export crops, including coconut, rice, rubber, and tea. The government also ordered the nation's 2 million farmers to go organic.

"This is how I will make my country rich again by 2025," Rajapaksa declared at the World Economic Forum.

The government decree also garnered a jubilant response from environmentalists worldwide, including Vandana Shiva, an Indian author and environmental activist.



Protesters wait to enter into then-Sri Lankan Prime Minister Ranil Wickremesinghe's office during a protest demanding his resignation amid the country's economic crisis, in Colombo, Sri Lanka, on July 13.

The World Bank anticipates that poverty in Sri Lanka will spike unless the international community offers billions of dollars in assistance.

"Let us all join hands with Sri Lanka taking steps towards a #PoisonFree #PoisonCartelFree world for our health and the health of the planet," she the collapse in crop yields that led to today's wrote in a tweet in June 2021.

November 2021, when the government was beginning to shift its ESG focus.

able to attract sizable foreign direct investments as well as achieve its sustainability goals when all fall in line and see through the very same strategic lens for defining how value is created, delivered, and measured across all verticals," said Buwanesh Wijesuriya, a partner at Ernst & Young working in its organic farming efforts. In addition, the UKtransaction advisory services.

The policy directive extended Sri Lanka a near-perfect score for its environmental impacts, according to World Economics Research in London.

However, after just several months into the decade-long initiative, officials responded to food inflation rate of 100 percent. In Novem-Wall Street also championed the move as late as ber 2021, Rajapaksa partially lifted the ban on chemical fertilizers and granted the private sector permission to import them to ensure food "Sri Lanka would be in a better position to be production would remain intact. The president also offered \$200 million in direct compensation for 1.1 million farmers and an extra \$149 million in price subsidies.

> The government insisted that the adjustment in policy didn't mean the country was reversing based Soil Association stated in a tweet that there were "lots of lessons to be learned from Sri Lanka, but 'see, organic doesn't work,' isn't one of them."

> Despite very poor economic conditions for years, Sri Lanka's agriculture sector was self-sustaining

and self-sufficient. Before the restrictions were implemented, more than 90 percent of the country's farmers utilized chemical fertilizers. Following the ban, 85 percent of these same farmers suffered immense crop losses, attributed to the reduced application of fertilizers.

In 2022, the country has been forced to import approximately \$450 million worth of rice, as domestic production cratered by 20 percent in the first half of the year. In the first six months of 2022, imported cereals increased by more than 42 percent. The national tea industry has taken a significant hit, with economic losses totaling \$425 million, according to the U.S. Department of Agriculture (USDA).

One year later, inflationary pressures have not improved, with retail prices of kitchen staples skyrocketing. Since the bans were announced, the cost of wheat flour has surged 185 percent, milk powder has climbed 200 percent, chicken meat has increased 90 percent, and rice has climbed 30 percent.

The Human Toll of Organic Farming

According to Chris Rawley, CEO of Harvest Returns, a platform for investing in sustainable agriculture, it's vital to find a balance between increasing food production to respond to a growing global population and minimizing the negative impacts on soil quality and biodiversity.

"As we saw in Sri Lanka, the populations of developing nations are disproportionately hurt by food insecurity driven by well-intentioned do-gooders who don't consider the economic and practical outcomes of their mandates," Rawley told The Epoch Times. "Any regulations that require measurement of carbon emissions in agriculture will cause un-

An employee fills containers with tea samples in Muthurajawela, Sri Lanka, on May 4. The national tea industry lost \$425 million in the first half of 2022.

SRI LANKA'S annual inflation rate surged to

66 percent in

October.

THE RUPEE has lost 73 percent of its value against the U.S. dollar.

INFLATION: RETAIL PRICES OF KITCHEN **STAPLES**

- Rice: +30%

"Near-term food security must be a priority for policymakers over other environmental factors."

Chris Rawlev. CEO. Harvest Returns

due burdens and expenses on small family farms. Near-term food security must be a priority for policymakers over other environmental factors."

Indeed, the situation may not improve heading into 2023. The Food and Agriculture Organization of the United Nations warned that Sri Lanka had been crippled by a poor harvest of cattle feed, fruits, grains, and vegetables for two consecutive seasons.

"The food security situation could deteriorate during the upcoming lean season, between October and February 2023, if the country is unable to import adequate amounts of rice and other food products to cover the existing food deficit and humanitarian assistance is not sufficient," the report stated.

Overall, this has manufactured acute food insecurity for more than 6 million people, as a currency crisis, constrained fiscal resources, and an economic collapse has forced most families to do with less. U.N. experts noted that a quarter of households were employing "emergency livelihood coping strategies," including withdrawing children from school, scaling back on essential healthcare expenses, and selling productive assets.

"More than 60 percent of families are eating less, and eating cheaper, less nutritious food. This comes at a time when financial constraints have forced the government to scale back on nutrition programmes, such as school meals and fortified food to mothers and undernourished children," Abdur Rahim Siddiqui, a U.N. World Food Programme representative and country director in Sri Lanka, said in a report.

The World Bank anticipates that poverty in Sri Lanka will spike unless the international community, including China, India, and Japan, offers billions of dollars in assistance.

While speaking at an event in July, Indian Prime Minister Narendra Modi touted the benefits of natural farming, which he said could eventually serve as a model for the rest of India, and the world.

"This mass movement regarding natural farming will also be widely successful in the coming years. The sooner farmers join the change, the more successful they will be in reaping its benefits," he told the audience. ■

42 EPOCH INSIGHT Week 46, 2022 EPOCH INSIGHT Week 46, 2022 43 **ESG IN SCHOOLS**

ESG Doesn't Just Target **GROWNUPS**

Companies, schools teach kids to follow U.N. sustainability goals

BY KEVIN STOCKLIN

HE UNITED NATIONS wants your children to embrace its Sustainable Development Goals, and Thomas, a cartoon train character beloved by kids and parents alike, is on board with that.

In September, the U.N. and the toy company Mattel Inc. announced a collaboration to "introduce the Sustainable Development Goals (SDGs) to preschool audiences through the animated children's series Thomas & Friends."

"The SDGs proved to be the perfect tool for Thomas & Friends to teach children the importance of taking part in the global efforts to end poverty, providing girls and boys with the same opportunities, and, of course, doing so while protecting our planet," said Maher Nasser, U.N. director of outreach.

The terms of the collaboration stated that "elements from five of the 17 SDGs are incorporated into nine of the 26 episodes of the new season of Thomas & Friends."

Even more dogmatic than a TV show that families can choose to watch or not watch, the U.N. SDGs are now being taught in most public and private schools through a curriculum called Social and Emotional Learning (SEL). SEL is the kids' version of what environmental, social, and governance (ESG) is for companies: a means to indoctrinate them to U.N. SDG ideology.

Overcoming Cognitive Dissonance

In an article titled "SEL for SDGs: Why Social and Emotional Learning (SEL) Is Necessary to Achieve the Sustainable Development Goals," the United Nations Educational, Scientific, and Cultural Organization (UNESCO) stated that this form of psychotherapy is necessary not just for troubled children but for all children, because many of the SDG concepts they are being taught are self-contradictory.

"Eradicating poverty—a societal objective—might entail (at least in the short term) working the self to the point of compromising personal well-being, another SDG," UNESCO states. "At the level of the individual and social collectives, these tradeoffs in SDGs will be quite taxing because the conflicting goals are, in effect, inconsistent cognitions, generally referred to as cognitive dissonance."

SEL therapy is thus necessary to soothe children's minds when they realize that the SDGs aren't only logically inconsistent, but often conflict with the reality that they see around them. According to UNESCO, "dissonance is unpleasant the aversive arousal state is because inconsistent cognitions impede effective and unconflicted actions."

James Lindsay, founder of New Discourses and author of "Cynical Theories," told The Epoch Times: "Social and Emotional Learning is the ideal academic tool for helping children overcome their cognitive dissonance and basically accept what's being told to them. [SEL] teaches them to overcome their dissonance and stay on board.

"You wouldn't want them to get fragile, like white fragility, and throw a fit; you want them to be resilient and absorb the lesson. That's what Social and Emotional Learning is actually designed for."

Another potential source of dissonance that SEL must overcome is when SDGs don't align with the values that parents are teaching to their children.

The CASEL Wheel and **Transformative SEL**

One key channel through which SEL and the SDGs find their way into school curriculums is the Collaborative for Academic, Social and Emotional Learning (CASEL). Founded in 1994, CASEL describes itself as "a multidisciplinary network that includes researchers, educators, practitioners, and child advocates across the country who are passionately committed to SEL for all students."

CASEL has become a gatekeeper for many SEL programs being taught in American schools today. Among its board members are Linda Darling-Hammond, author of "The Flat World and Education: How America's Commitment to Equity Will Determine Our Future." ◆





The U.N. and toy company Mattel Inc. have announced a collaboration to "introduce the Sustainable Development Goals to preschool audiences through the animated children's series Thomas & Friends."

Darling-Hammond led President Barack Obama's education policy transition team in 2008 and President Joe Biden's education transition team in 2020.

CASEL's mission is for all children to "develop healthy identities, manage emotions and achieve personal and collective goals, feel and show empathy for others, establish and maintain supportive relationships, and make responsible and caring decisions." The SEL goals are laid out in a framework called the "CA-SEL Wheel." At the center of the wheel sits the CASEL 5—the five SEL disciplines that are being taught in most schools today: self-awareness, self-management, social awareness, relationship skills, and responsible decision-making.

Under the category of self-awareness, CASEL lists various "concerns" that SEL must fix, among them that "dominant U.S. cultural norms promote materialism or acquisitive individualism, an orientation associated with health problems and unethical behavior."

"These norms are even more problematic when wealth and whiteness are conflated and uncritically accepted as indicators of success." CASEL states. "This fosters a sense of white racial entitlement and dominance."

Underscoring the importance of race in a child's identity, CASEL promotes what they call ethnic-racial identity, stating that "it is necessary to explicitly consider issues of race/ethnicity and class to advance an equity-focused SEL agenda."

What CASEL calls "Transformative SEL" teaches kids to "critically examine root causes of inequity, and to develop collaborative solutions that lead to personal, community, and societal well-being." On the CASEL wheel, teachers and counselors are the central disseminators of Transformative SEL, with "families and caregivers" on an outer circle, given the role of "authentic partners."

Dena Simmons, founder of LiberatED, a collective focused on integrating SEL with racial justice, explained why SEL and racial identity ideology must go hand in hand.

"If we don't apply an anti-racist, abolitionist, anti-oppressive, anti-bias lens

to social-emotional learning, it can very easily turn into white supremacy with a hug," Simmons said.

World Economic Forum and the Rise of Ed-Tech

In 2016, the World Economic Forum (WEF) declared its support for SEL in a report titled, "New Vision for Education: Fostering Social and Emotional Learning Through Technology," which was co-authored by the Boston Consulting Group.

"To thrive in the 21st century, students need more than traditional academic learning," the report states. Children will also need "character qualities," and schools should adopt its "4Rs Program reading, writing, respect, and resolution." The WEF said that technology products for classrooms, including wearable devices, apps, and virtual reality, should be "embedding SEL content into existing academically oriented ed-tech products."

Regarding data collection, the WEF cites the example of Kidaptive, which creates "AI-based algorithms that empower education companies to use the

data they collect to increase learner engagement." Regarding cognitive dissonance, the WEF cites the Embrace watch, made by Empatica, which "can be programmed to vibrate when stress reaches a specified level, giving someone time to switch to a more positive response before stress gets out of control."

Virtual reality programs can "forge stronger links to real life ... without the high cost and time required for travel," the WEF states. Leading companies in the educational VR market include EON Reality, Google Cardboard, and Oculus VR. which is owned by Facebook/Meta.

The WEF warned that one of the impediments to having more of these platforms in schools was "the perception that technology is little more than additional screen time for children that threatens to displace human interaction" and called for "the combined efforts of a group of stakeholders, including policy-makers, educators, parents, researchers, businesses, technology developers and investors, to overcome the challenges facing both SEL and related education technologies."

Along with its support for SEL, the WEF formed a strategic partnership with the U.N. in 2019 to advance the SDGs throughout the corporate community in the form of ESG.

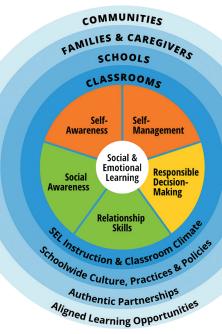
"All of this information they gather on students goes into their learner profile," Lisa Logan, co-founder of Utah Parents United, told The Epoch Times. "It follows them from preschool through age 20. Now, there's people advocating that we make all that information linkable not only to higher ed but also the workforce."

One company that's also involved in surveying schoolchildren is Panorama Education, which has contracts with 25.000 schools covering 15 million students to assess their "social and emotional climate." Panorama recently made headlines when it was reported that one of its founders, Xan Tanner, is the sonin-law of U.S. Attorney General Merrick Garland, who has directed the FBI to investigate parents who protest too vehemently at school board meetings.

"Panorama has all these surveys, and they're all based around the CA- SEL framework," Logan said. These surveys score students according to questions such as, "How often do you hang out with people of a different race than vou?"

"You have to wonder," Logan said, "if they circle 'Almost Never,' does that count against their score in cultural perspective taking?"

"They're actually building out individual



The Social and Emotional Learning goals are laid out in a framework called the "CASEL Wheel."

"[SEL] is the ideal academic tool for helping children overcome their cognitive dissonance and basically accept what's being told to them."

> James Lindsay, founder, New Discourses

profiles of these tens of millions of children so they can contour whatever devices they think those children are using, whether it's for educational algorithms, marketing algorithms, political propaganda algorithms," Lindsay said. In addition, "it can track one person endlessly and can be the basis for a social credit score."

The Role of the **Federal Government**

The federal government is also backing SEL through laws such as the Every Student Succeeds Act, signed by

former President Obama in 2015, and through federal agencies, primarily the Department of Education (DOE).

"The DOE is complicit in this quite directly," Lindsay said. "The advancement of social-emotional learning, which has the data mining attached to it, is being done through their initiatives and through appropriations of their money. ... All the surveying, the relentless surveying of our kids

that has started in schools and has taken off in the past seven, eight years has been done so on the back of meeting the requirements of the Every Student Succeeds Act, which is managed by the Department of Education."

Calls to accelerate the use of SEL in schools have intensified after the pandemic lockdowns and school closures, during which many children were taught online and made to wear masks and "social distance" when schools eventually reopened. A professional teachers organization called LearningForward was one voice among many to advocate for a further expansion of SEL programs to fix the damage done to children.

In an article titled, "The Need for SEL Is Greater Than Ever," LearningForward states that "up to 40 percent of K-12 students and more than 60 percent of young children have experienced negative mental health, emotional, or social impacts during the pandemic. ... The closure of school buildings played a significant if unavoidable role in social and emotional turmoil, but the reopening of schools can and must play a role in healing it." ■



CANCEL CULTURE

BANKER LOSES JOB FOR QUESTIONING

ESG A climate skeptic fund manager faced 'cancel culture' after a speech

BY EMEL AKAN

MANY IN THE FINANCIAL INDUSTRY ARE

holding back from talking about the climate crisis for fear of being stigmatized. In fact, cancel culture has become more common in the banking sector, with a prominent HSBC executive being its latest victim.

Stuart Kirk, a top executive at HSBC, announced his resignation in July after receiving backlash from his colleagues and environmental groups. Kirk, who was the global head of responsible investments at the bank's asset management business, had been suspended after criticizing central banks and regulators for overstating the financial risks of climate change.

The British banker said at a conference in May that central bankers are exaggerating the financial risks of a climate crisis in order to "out-hyperbole the next guy."

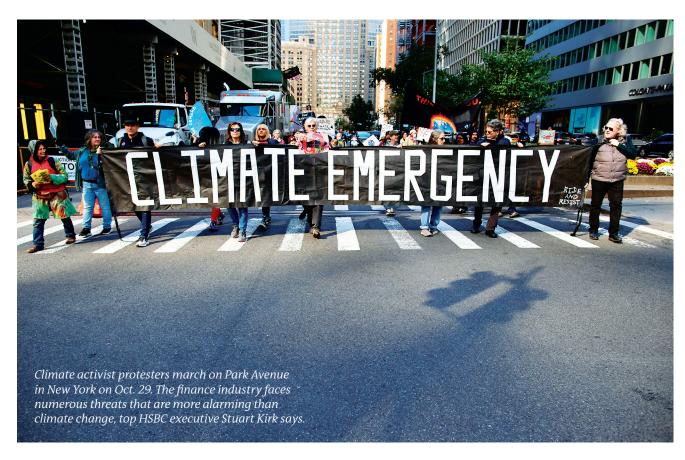
In a presentation titled "Why Investors Need Not Worry About Climate Risk," Kirk remarked that in his 25-year career, "some nut job" was always telling him about the end of the world.

The bank promptly suspended him after his remarks sparked a backlash from climate activists.

"Ironically given my job title, I have concluded that the bank's behaviour towards me since my speech at a Financial Times conference in May has made my position, well, unsustainable," Kirk wrote on the business-oriented social media platform LinkedIn, in announcing his resignation.

"Investing is hard. So is saving our planet. Opinions on both differ. But humanity's best chance of success is open and honest debate. If companies believe in diversity and speaking up, they need to walk the talk. A cancel culture destroys wealth and progress."

Kirk's resignation occurred as banks and fund managers are under growing pressure to promote the transition to renewable energy and stop funding the fossil fuel sector. ❖



The top central banks in the world, including the Federal Reserve, are scrambling to implement models to analyze the financial risks presented by the alleged climate crisis. Because authorities say the financial system is exposed to this risk, they want institutions to undertake climate stress tests. Additionally, they want to "mobilize" more money for green and low-carbon investments.

These pressures, however, have sparked an industry-wide debate over whether climate change really poses a risk to the financial system. Researchers at the New York Fed found that severe weather conditions such as wildfires, hurricanes, floods, and droughts over the past 25 years had almost no effect on banks' performance.

Todd Zywicki, a law professor at George Mason University, believes that the banker's dismissal is part of a larger "progressive mania" for silencing all criticism on issues such as climate change.

"What these examples show us is that financial regulators in much of the world

Banks and fund managers are under increasing pressure to promote the transition to renewable energy and stop funding the fossil fuel sector.

are completely unconstrained by the rule of law," Zywicki told The Epoch Times.

He added that regulators have all kinds of informal powers and "private businesses like banks are basically dancing to the tune of what regulators want them

From an investing standpoint, Kirk disagrees with the premise that climate change will create winners and losers in the financial markets. He believes that renewable stocks won't always outperform coal stocks, since a variety of factors will shift the dynamic.

During his presentation in May, he also argued that valuations of many companies with stranded assets, including those in the technology sector, don't take into consideration anything that happens beyond 20 years.

For example, the typical loan duration at a large bank such as HSBC is six years, Kirk explained.

"What happens to the planet in year seven is actually irrelevant to our loan book." he said.

According to Kirk, the finance industry faces numerous threats that are more alarming than climate change.

People on social media responded to his speech, with some applauding him for his honesty and courage and others criticizing his "outrageous" presentation debunking climate science.

In his resignation announcement, Kirk said he's embarking on a new project with "a crack group of like-minded individuals" to deliver "the greatest sustainable investment idea."

"Meanwhile, I will continue to prod with a sharp stick the nonsense, hypocrisy, sloppy logic and group-think inside the mainstream bubble of sustainable finance." he wrote. ■



Donald Trump Launches 2024 Bid for White House

FORMER PRESIDENT DONALD TRUMP commenced his third campaign for the White House on Nov. 15.

Trump, 76, who had hinted at a 2024 run for more than a year, announced the presidential bid in a prime-time speech at his Mar-a-Lago resort in Florida.

"In order to make America great and glorious again, I am tonight announcing my candidacy for president of the United States," Trump said.

Trump previewed a key campaign policy during the announcement: the death penalty for certain drug dealers.

"We're going to be asking everyone who sells drugs, gets caught selling drugs, to receive the death penalty for their pain," Trump remarked at his Mar-a-Lago residence. He was apparently referring to dealers of the synthetic opioid fentanyl, which has caused hundreds of thousands of overdoses in recent years.

The Week in Short **US**

"We do have national security concerns, at least from the FBI's [perspective], about TikTok"

FBI Director Christopher Wray, who spoke about the Chineseowned video-sharing social media app at a House Homeland Security Committee hearing.

"Depoliticizing the justice system in this country. There's nothing more important than that."

> House Republicans should seek to root out political motivations from the U.S. justice system.

15 **YEARS**

Americans saw their household debt jump by \$351 billion in the third quarter, the largest quarterly increase in 15 years, because of a surge in credit card use and mortgage balances, according to the Federal Reserve Bank of New York.

YEARS

Senate Republicans have reelected **GOP Leader Mitch** McConnell (R-Ky.) as the party's top senator. McConnell has been the Senate GOP leader for 15 years.

former Rep. Devin Nunes (R-Calif.), saying

of Americans aged 18-25 are opting to live with their parents out of economic necessity.

8 MILLION

The world's population hit the 8 billion mark on Nov. 15 with the birth of a baby girl in the Philippines.



\$66 Million—The United States will provide \$66.5 million over the next two years for construction projects at Philippine military bases, a Filipino defense official said.



Philadelphia District Attorney Larry Krasner in Philadelphia on Nov. 7.

Pennsylvania House Votes to Impeach Philadelphia District Attorney

PENNSYLVANIA HOUSE MEMBERS have voted to impeach Philadelphia District Attorney Larry Krasner, saying he violated his oath of office by enforcing policies that have been a direct cause of increasing crime in the city.

The next step is for the state Senate to conduct a trial, in which a two-thirds vote is required to remove Krasner.

Krasner was accused of declining to prosecute many drug, theft, and prostitution charges, and implementing bail policies that soon put violent offenders back on the street, often to offend again. Statistics show gun crimes and homicides are up. Between Jan. 1, 2021, and Oct. 16, 2022, according to a report about Philadelphia crime, 992 people died by homicide in Philadelphia.

HEALTH

Cases Rise of Child Poisonings Linked to Cough Medicine: Report

A RISE IN REPORTS OF CHILD POISONINGS linked to the prescription cough medicine benzonatate has occurred across the United States in recent years, according to a study conducted by the Food and Drug Administration.

Researchers found that reports of pediatric poisonings involving benzonatate, sold under the brand name Tessalon, across the country increased every

year from 2010 through 2018, based on reports from poison control centers.

That coincided with an increase in the number of prescriptions that were filled for the cough medicine during that same period, according to the study.

The study found that reports of child poisonings included those who were unintentionally exposed to the cough medicine as well as those who intentionally abused or misused it.



Cough medicine being poured.

TRANSPORTATION

EVs Less Reliable Than Gas-Powered **Automobiles:** Report

ELECTRIC VEHICLES (EVS) are among some of the least reliable sold in the United States, according to the Consumer Reports 2022 Annual Auto Reliability survey.

Each year, Consumer Reports surveys members to find out if they encountered any problems with their vehicles in the past 12 months in 17 areas and uses that data to predict the reliability ratings for new cars from every major automaker.

EVs and full-sized gas-powered pickup trucks are among the most problematic.

The survey found that owners of EVs reported issues with charging systems, batteries, and electric motors.

CONGRESS

Pelosi Makes Major Announcement **About Political Future**

HOUSE SPEAKER NANCY PELOSI

(D-Calif.) has announced she will step down from leadership of House Democrats after Republicans flipped the lower chamber.

"Scripture teaches us that for everything there is a season, a time for every purpose under heaven," Pelosi said on the House floor in Washington.

"For me, the hour's come for a new generation to lead the Democratic caucus that I so deeply respect, and I am grateful that so many are ready and willing to shoulder this awesome responsibility," she added.

Pelosi, 82, said she will remain in Congress.

Pelosi won reelection in the midterms with 84 percent of the vote, easily defeating Republican John Dennis.

The Week in Short **World**



The Gesher Benot Ya'agov excavation site near the Jordan River in Israel.

ARCHAEOLOGY

Oldest Evidence Found of Controlled Fire for Cooking

AN INTERNATIONAL TEAM of scientists has found the earliest signs of cooking by humans dating from 780,000 years ago, predating available data by about 600,000 years.

The finding, published in Nature, was a close analysis of the remains of a 6 1/2-foot carp-like fish found at the Gesher Benot Ya'aqov (GBY) archaeological site in Israel.

Previously, the earliest evidence of cooking was dated to about 170,000 years ago.

MEXIC

Americans Increasingly Moving South of the Border

MEXICO HAS SEEN A RAPID INCREASE in the number of U.S. citizens choosing to live in the country since the pandemic started a new trend of

remote work.

Nearly 1.6 million U.S. citizens live in Mexico, according to the U.S. State Department. Many of them are digital nomads and have chosen destinations such as Mexico City, Guadalajara, Puerto Vallarta, and Mazatlan to call home. The reason is simple: It's much cheaper to live there than in the United States.

Several Mexico City natives say that rent has skyrocketed since foreigners began to move into desirable neighborhoods such as Roma Norte and La Condessa. UK

UK Inflation Hit 11.1 Percent in October, Highest in 41 Years

GAS AND ELECTRICITY PRICES pushed the UK's inflation rate to 11.1 percent in October, the highest in 41 years, official figures show.

The Office for National Statistics's (ONS) inflation figures showed a 2 percent monthly increase in the Consumer Prices Index (CPI) in October.

The CPI inflation in the 12 months to October rose by 11.1 percent, an increase from 10.1 percent in September.

Inflation including housing costs rose by 9.6 percent in the 12 months to October.

The ONS says gas and electricity prices were the largest factors in pushing up both figures.

WORLD

Global Luxury Goods Sales on Track to Hit Record High: Study

GLOBAL SALES OF LUXURY goods are booming, despite growing inflation rates, according to industry forecasts

Growth appears to be encouraged by a surge in post-pandemic demand by younger consumers for apparel, handbags, jewelry, footwear, and other accessories.

European high-end product firms are making strong gains, amid the rise in prices caused by severe material shortages and rising energy costs, according to the consultancy firm Bain, which was commissioned by Altagamma, the Italian association of luxury item producers.

The report predicted that sales of personal luxury goods would rise 22 percent, to \$367 billion, by the end of the year, from \$300 billion in 2021. That compares to a June estimate of a \$344 billion sales increase for 2022.

HIS PAGE FROM TOP: COURTESY OF TEL AVIV UNI VERSITY, HECTOR VIVAS/GETTY IMAGES

POLITICS, ECONOMY · OPINION THAT MATTERS

Perspectives





Week 46

A photo of Elon Musk on a cellphone placed on a computer monitor with Twitter logos, in Washington on Aug. 5.
PHOTO BY SAMUEL CORUM/AFP VIA GETTY IMAGES

TWITTER UNWOKENED

Twitter is supposedly the

Hyde Park Corner of the

21st century. 56



WHAT'S FUELING THE RISE OF ESG?

Regulators use investor demand as a justification to impose ESG rules. 59

RATE HIKES AND MOUNTING DEBT

The issue isn't rate increases, but excessive debt and complacency. 60

INSIDE

54 EPOCH INSIGHT Week 46, 2022

Anillo Periférico Avenue in Mexico City on

March 31, 2020.

EPOCH INSIGHT Week 46, 2022 55

THOMAS MCARDLE was a

White House speechwriter for President George W. Bush and writes for IssuesInsights.com.

Thomas McArdle

Twitter Unwokened

Twitter is supposedly the Hyde Park Corner of the 21st century



YDE PARK CORNER in London has been a mecca of free speech for centuries, dating back to the 12th century when it was the site of Tyburn Gallows and the condemned were allowed to criticize the government with their last words.

Close to every conceivable viewpoint or ideology has been represented.

What you won't find at London's famed Speakers' Corner are fact checkers protecting the audience from disinformation, handymen on call to repair any rickety soapboxes, or investigators handing out blue check marks to confirm identities and prevent speakers from impersonating others.

Twitter is the 21st century's Hyde Park Corner, or at least it's supposed to be. Yet free speech's move beyond the limitations of physical matter and into the realm of cyberspace has somehow vastly expanded its regulation and maintenance.

According to Elon Musk, the company he just purchased for \$44 billion was losing more than \$4 million per day. Among the exorbitant expenses was the opening last year of an office of 20 employees in Ghana with jobs that include "product, design, engineering, marketing, and communications," purportedly because "to truly serve the public conversation, we must be more immersed in the rich and vibrant communities that drive the conversations taking place every day across the African continent," according to Twitter's blog.

Musk is apparently laying them all off, perhaps because he believes that "to truly serve the public conversation" everywhere across the globe, all that Twitter must do amounts to little more than giving everyone access to Twitter, comparable to the British Parliament in 1872 setting aside Speakers' Corner for universal access. In total, nearly

3,700 Twitter employees are getting pink slips. Musk obviously wants employees whose job is to make a hightech company with 330 million users run smoothly, not engage in political activism behind the scenes via suspending disagreeable Twitter accounts.

Using tweets to engage in criminal activity or impersonating another user are activities that warrant monitoring, but when the thought police go further, they become Big Brother-even when the government isn't directly involved.

Many who have for years used the platform as a free public relations tool to feather their own nests are departing in a huff, infuriated that voices they disagree with that had been banished from the social media giant will be restored and prove persuasive, translating into votes for Republicans. They're also leaving because Musk is charging \$8 per month for the coveted blue check mark authenticating celebrity accounts or those with sizable followings. The emigres include Whoopi Goldberg, who remarked, "If it settles down and I feel more comfortable, maybe I'll come back"; and TV crime series producer David Simon, whose parting words were, "Not for eight dollars or eight cents," charging that Twitter is now "being tailored for organized disinformation and anti-Semitic/racist provocation. To stay is unethical. ... The technobrat can choke on his new toy."

But they recognize that what Musk is doing is making Twitter into the true online Hyde Park Corner it has only pretended to be for so many years.

President Joe Biden even warned that the federal government might investigate the billions of dollars that Musk secured from Prince Alwaleed bin Talal of Saudi Arabia and Oatar Holding to help close the deal as a possible threat to national security. But if political speech can really be so destructive, why not investigate the First Amendment of the U.S. Constitution while they're at it?

The liberal Brookings Institution pointed out that 7 percent of the outside financing comes from the cryptocurrency exchange firm Binance, founded in 2017 in China but now based in the Cayman Islands, and Brookings argues that "President Biden would have strong grounds for blocking Musk's Twitter acquisition or at the very least compelling the minority foreign investors to sell their equity to parties that would not pose a national security threat."

Odd the way the left is so quick to scoff at how in the 1950s the House Committee on Un-American Activities and Sen. Joseph McCarthy's investigative subcommittee were so interested in Hollywood films being used by subversives within the industry to influence the opinions of Americans, but they insist that two or three sentences and a link to an article or two on people's phone screens threaten the foundations of the republic.

Why does an online worldwide opinion exchange need a "curation team" that enforces "wokeness" in viewpoints, an "ethical AI" staff, a human rights division, or even a board of directors for the now-private company, all departments on which Musk's budget knife has landed?

Using tweets to engage in criminal activity or impersonating another user are activities that warrant monitoring, but when the thought police go further, they become Big Brother—even when the government isn't directly involved.

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Anders Corr

Taiwan the Porcupine Prepares for War

Local industry prioritizes missiles, drones, and satellites



HINESE LEADER XI Jinping is talking about war again. On Nov. 9, he called on his military to train for a "new era" and prepare for military conflict over "increased instability and uncertainty." That brave new world could come sooner than most realize and at the point of a People's Liberation Army (PLA) bayonet. Since Hong Kong and chunks of India and the South China Sea have already fallen, the most likely next target is Taiwan.

U.S. Under Secretary of Defense for Policy Colin Kahl said an attack on the democratically ruled island could come anytime.

"I don't think in the next couple of years they're likely to invade Taiwan. But you never know," he said on Nov. 4. "[Xi] has certainly given his military the charge to have that capability by the end of this decade and probably by 2027."

The government in Taipei isn't waiting to find out. Defense preparations are underway now, with a strategic shift from purchases of large prestige systems, such as fighter jets and naval vessels, to smaller but just as lethal anti-ship and surface-to-air missiles.

Known as the porcupine strategy, Taiwan's shift takes advantage of China's chief weakness, moving soldiers by ship and plane across 110 miles of water called the Taiwan Strait. Taipei has an asymmetric advantage as the missiles required to hit Chinese planes and ships are much cheaper than their targets.

The United States and Japan would most likely assist Taiwan with not only weapons systems but direct intervention as well. China's expansion poses a bigger threat to both countries than Russia's because China's economic power is about 10 times greater. Allowing China to

take Taiwan would also make Japan's southernmost islands vulnerable and would break the first-island chain that contains China's navy.

President Joe Biden has increased the level of commitment to Taiwan by saving on four occasions that the United States would defend Taiwan with military force. This hasn't changed U.S. policy on Taiwan because it was always, arguably, going to defend the country. It also hasn't drastically changed strategic ambiguity because the White House usually followed up on Biden's threats with more circumspection. What Biden has done is dialed up the military commitment to Taiwan, which helps deter China.

Taiwan is also developing its own indigenous industry in case the PLA navy succeeds in blockading the island.

But after watching the Philippines, Ukraine, and India lose territory to China and Russia. Taiwan can't rely entirely on U.S. intervention. In addition to missiles, Taiwan is prioritizing armed drone production and cyber defense.

Ukraine's military has proven the effectiveness of drones, whether of the type that fires missiles and returns to base or of the smaller kamikaze variety. Taiwan has purchased numerous armed drones from the United States but is also developing its own indigenous industry in case the PLA navy succeeds in blockading the island.

Taiwan's ability to use the internet to inform the world about an ongoing attack will also be important to garnering global public support. If China attempts to cut Taiwan's access

to the internet, for example, by severing underwater cables, Taipei's two-month-old Ministry for Digital Affairs is developing a backup service that doesn't rely on foreign governments or corporations. The ministry plans to connect 5G mobile towers to 700 satellite receivers in mid- or lowearth orbit.

"Beijing has used its information warfare machine to undermine Taiwanese people's confidence in their government's handling of the coronavirus pandemic," Josh Rogin wrote in The Washington Post.

"Chinese influence campaigns promote pro-Beijing candidates in Taiwanese elections ... [and focus] on convincing Taiwanese people that their democracy is a facade and that their leaders are controlled by the CIA."

Speaker of the House Nancy Pelosi's trip to Taiwan in August was a dress rehearsal. Afterward, Chinese cyberattacks disabled Taiwan government websites and projected disinformation. Regular Taiwanese citizens organized against disinformation through fact-checking campaigns.

While Taiwan is taking concrete steps to defend itself, the Biden administration and Australia's leftist government are asking for an audience with Xi and doing little on Taiwan's soil to demonstrate their commitment and deter war. Too much rhetoric and flashy diplomacy without American and Australian boots on the ground to back it up could actually increase the risk of conflict.

Biden and Australia's prime minister, Anthony Albanese, appear to think "jaw-jaw is better than war-war," as a British prime minister once said. That may not be true with Xi, in which case meeting him just appeases his ego, obscures the danger from the public, and kicks the can of war down an increasingly precipitous road.

56 EPOCH INSIGHT Week 46, 2022 EPOCH INSIGHT Week 46, 2022 57

MILTON EZRATI is chief economist for Vested, a contributing editor at The National Interest, and author of "Thirty Tomorrows" and "Bite-Sized Investing."

Milton Ezrati

A Financial Vulnerability

Again, Fannie Mae and Freddie Mac raise financial risk levels



INANCIAL FEARS HAVE grown as interest rates have risen and the shadow of recession has lengthened. Most worrying is what might be termed undefined risks. Declines in stock and bond market values, although troubling, are nonetheless quantifiable and well-defined.

In contrast are the kinds of vague risks introduced by Washington's mortgage giants, the Federal National Mortgage Association, or Fannie Mae, and the Federal Home Loan Mortgage Corporation, or Freddie Mac-epicenters of much of the trouble in the 2008-09 financial crisis.

These government-backed enterprises almost went bankrupt during the crisis of 2008-09. They've, in fact, operated under a federal conservatorship since. Back then, the problem was the proportion of questionable credits in the mortgages they acquired from banks and other mortgage lenders. They were subsequently packaged into bonds for sale to the investing public.

These were the so-called subprime mortgages that politicians encouraged lenders to extend. Because the conservatorship is doing its job and insisting on better credit quality, subprime isn't much of a problem today. Instead, this new problem concerns the guarantees used by these giants to promote the sale of their mortgage packages.

Because people remember and fear the problems that arose in 2008–09, Fannie and Freddie have frequently attached to their bonds a promise to repay investors should the mortgages behind them fail. It's a kind of insurance, but these arrangements aren't subject to the usual safeguards offered by insurance protocols.

Instead, Fannie and Freddie have outsourced the default risk to private investors through "credit-risk

transfers" (CRTs). In return for a fee, a sort of insurance premium, these private firms promise to pay should the mortgages default. But without normal insurance protocols, there are no assurances that these investors can pay should the mortgages fail. The CRTs are, in other words, much like the credit default swaps (CDSs) that caused so much trouble during the 2008-09 crisis.

Fannie and Freddie have outsourced the default risk to private investors through "credit-risk transfers."

Such risks are anything but well-defined. Much like the CDSs of 2008-09, the CRTs constitute an undefined financial risk. No one can assess whether those masking the assurances can pay, so no one can tell where failure might spread. In 2008 and 2009, vague uncertainties about who could meet their obligations stymied the trading and contracting on which finance depends. That shortfall in normal financial flows deepened the economic downturn of that time and delayed the economy's ultimate recovery.

Some today fear the same with the CRTs—that the impending recession will go deeper than it otherwise might and last longer. The fear of defaults has prompted some who had entered CRT arrangements with Fannie and Freddie to sell out of the deal. Others have avoided them altogether. The premiums offered to cover losses have risen accordingly and rapidly. They're now verging on almost 10 percent of the underlying amount of the mortgage package, about 6.75 percentage points above treasuries of comparable maturity.

That spread is almost twice what it was earlier in the year.

The risk, to be sure, may be overstated. Those close to the market suggest that premiums of this size implicitly anticipate a rerun of the 2008–09 crisis. But matters today are hardly as precarious as they were then. Credit qualities are far superior to what they were before that crisis, and all financial institutions are better capitalized than they were then.

Although they acknowledge the risk implicit in CRTs, Fannie and Freddie report that they involve only about \$60 billion of the mortgage debt they've packaged and sold. That may seem like a large number, but it's a contained proportion of the \$4.5 trillion in mortgages that the two giants have outstanding.

Indeed, some bold investors claim that the now high premiums more than justify taking the risk and have begun actively entering the CRT market. However, many others are staying away, a fact to which the rise in premiums testifies.

It's unfortunate and a little surprising that regulators have neglected this area. After the 2008-09 crisis, Washington showed such desperation to guard against a recurrence of the experience that Congress passed the massive Dodd-Frank financial reform act. It intruded into just about every aspect of finance.

It would have been easy then to simply insist that insurance-like instruments, such as CDSs and CRTs, should be governed by some version of insurance rules. But for all the flurry of activity in the aftermath of that crisis, nothing was done about these sorts of instruments. Now, even if, on balance, there's less to worry about than in 2008-09, they present the nation and its financial markets with one more risk as they fight inflation and stand on the brink of recession.

EMEL AKAN is a senior reporter for The **Epoch Times in Washington. Previously,** she worked in the financial sector as an investment banker at JPMorgan.

Emel Akan

What's Fueling the Rise of ESG?

Regulators use investor demand as a justification to impose ESG rules



NVIRONMENTAL, SOCIAL, and corporate governance (ESG) investing has not only become a popular investment trend, but also a new front in the culture wars. Market predictions show that global ESG-mandated assets will reach \$55 trillion in 2022 and close to \$100 trillion in 2025.

But has the recent spike in ESG investing been driven by market demand or something else?

According to a survey by Consumers' Research, 76 percent of retail investors say that they use their investment income mainly to save for retirement or long-term financial stability and to supplement their income. Only 3 percent of retail investors use their investment income to promote sustainability, and only 2 percent use it to make social change.

Lawrence Cunningham, a corporate law professor at George Washington University, stated in a recent report that individual investors place less importance on climate change than institutional investors.

"It is well known that institutional investors vote for environmental shareholder proposals at about twice the rate of individual investors," Cunningham wrote.

Advocates of ESG investing assert that they are empowering investors to align their investments with their values. Jonathan Berry, partner at law firm Boyden Gray & Associates and a regulatory litigator, challenges that argument

"It's fair to call ESG investing an elite preference, not a majority sentiment," he says.

Speaking at this year's Federalist Society convention on Nov. 10, Berry said "the administrative state" is the reason why the ESG has gained so much momentum recently.

"The administrative state encodes elite preferences like ESG because it stands outside of our constitutional sys-



Only 3 percent of retail investors use their investment income to promote sustainability, and 2 percent use it to make social change, according to a survey.

tem of democratic accountability. This is the core problem with a delegation of legislative power to the executive branch," he said during a panel discussion at the convention.

There's a steady progression of rules that reflect the priorities of the elite, he added.

Meanwhile, regulators around the world continue to push for the adoption of ESG investing standards. And the Securities and Exchange Commission (SEC) has often used investor demand as a justification for requiring certain ESG disclosures from public firms.

But this investor demand isn't coming from "mom and pop" investors, Berry says. It's BlackRock, State Street, Vanguard, and many other large institutional investors and asset managers that speak on behalf of investors who have money invested with them.

Investors can only pick from the options presented to them by proxy advisors, such as Institutional Shareholder Services (ISS) and Glass Lewis. For example, shareholder proposals related to racial equity saw significant growth in the first half of this year.

While speaking at the panel, Dalia Blass, head of external affairs at BlackRock and former director of the investment management division at the SEC, noted that there were a "tremendous amount of misperceptions" concerning ESG.

"We are capitalists, and we really believe in the power of the capital markets," Blass said. "Anything that we have done, from our voting to our views on the transition to a low-carbon economy, we do that as a fiduciary with the goal of driving value returns to our clients."

Blass cited workplace diversity as an example, and stated that studies have demonstrated a correlation between diversity and a company's performance. She explained that as a long-term investor, BlackRock seeks diversity because it drives value.

Investor funds are "not captive money," she noted. "Our investors, if they don't like what we do, they can redeem their funds."

Recent studies found that the companies in the ESG portfolios had poor compliance records for both labor and environmental rules. In addition, they underperformed their non-ESG counterparts.

These and many other issues have raised concerns about the objective and value of ESG, as well as stakeholder capitalism in general.

Judge Andrew Oldham of the U.S. Court of Appeals for the 5th Circuit, who moderated the panel discussion, said evaluating a company's success 20 years ago was simple math.

Now, with stakeholder capitalism, companies are required to focus on the triple bottom line—people, planet, and profit—which makes accounting more complicated, he said.

DANIEL LACALLE is chief economist at hedge fund Tressis and author of "Freedom or Equality," "Escape from the Central Bank Trap," and "Life in the Financial Markets."

Daniel Lacalle

Rate Hikes and Mounting Debt

The issue isn't rate increases, but excessive debt and complacency



ORE THAN 90 central banks worldwide are increasing interest rates. Bloomberg predicts that by mid-2023, the global policy rate, calculated as the average of major central banks' reference rates weighted by GDP, will reach 5.4 percent. Next year, the federal funds rate is projected to reach 5.15 percent.

Raising interest rates is a necessary but insufficient measure to combat inflation. To reduce inflation to 2 percent, central banks must significantly reduce their balance sheets, which hasn't vet occurred in local currency, and governments must reduce spending, which is highly unlikely.

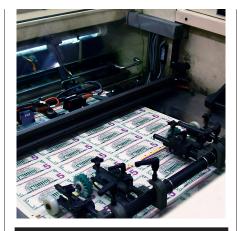
The most challenging obstacle is also the accumulation of debt.

The so-called "expansionary policies" haven't been an instrument for reducing debt, but rather for increasing it. In the second quarter of 2022, according to the Institute of International Finance (IIF), the global debt-to-GDP ratio will approach 350 percent of GDP.

Global issuances of high-yield debt have slowed but remain elevated. All of the risky debt accumulated over the past few years will need to be refinanced between 2023 and 2025, requiring the refinancing of over \$10 trillion of the riskiest debt at much higher interest rates and with less liquidity.

The United States has \$31 trillion in outstanding debt with a fiveyear average maturity, resulting in \$5 trillion in refinancing needs during fiscal 2023 and a \$2 trillion budget deficit. Knowing that the federal debt of the United States will be refinanced increases the risk of crowding out and liquidity stress on the debt market.

According to The Economist, the cumulative interest bill for the



All of the excess unproductive debt issued during a period of complacency will exacerbate the problem in 2023 and 2024.

United States between 2023 and 2027 should be less than 3 percent of GDP, which appears manageable. However, as a result of the current path of rate increases, this number has increased, which exacerbates an already unsustainable fiscal problem.

If you think the problem in the United States is significant, the situation in the eurozone is even worse. The majority of the European economies have issued negative-yielding debt over the past three years and must now refinance at significantly higher rates.

The magnitude of the monetary insanity since 2008 is enormous, but the glut of 2020 was unprecedented. Between 2009 and 2018, we were repeatedly informed that there was no inflation, despite the massive asset inflation and the unjustified rise in financial sector valuations.

In 2020-21, the annual increase in the U.S. money supply (M2) was 27 percent, more than 2.5 times higher than the quantitative easing peak of 2009 and the highest level since 1960. Negative-yielding bonds, an economic anomaly that should have set off alarm bells as an example of a bubble worse than the "subprime" bubble, amounted to over \$12 trillion.

In the eurozone, the increase in the money supply was the greatest in its history, nearly three times the Draghi-era peak. Today, the annualized rate is greater than 6 percent, remaining above Mario Draghi's "bazooka." All of this unprecedented monetary excess during an economic shutdown was used to stimulate public spending, which continued after the economy reopened. And inflation skyrocketed. However, according to European Central Bank President Christine Lagarde, inflation appeared "out of nowhere."

No, inflation isn't caused by commodities, war, or "disruptions in the supply chain." Wars are deflationary if the money supply remains constant. Several times between 2008 and 2018, the value of commodities rose sharply, but it didn't cause all prices to rise simultaneously. If the amount of currency issued remains unchanged, supply chain issues don't affect all prices. If the money supply remains the same, core inflation doesn't rise to levels not seen in 30 years.

All of the excess unproductive debt issued during a period of complacency will exacerbate the problem in 2023 and 2024. Even if refinancing occurs smoothly but at higher costs, the impact on new credit and innovation will be enormous, and the crowding out effect of government debt absorbing the majority of liquidity and the zombification of the already indebted will result in weaker growth and decreased productivity in the future.

FAN YU is an expert in finance and economics and has contributed analyses on China's economy since 2015.

Fan Yu

FTX Collapse Offers Lessons

Investors should only put their money into things they understand

HE CRYPTOCURRENCY industry is imploding at a shocking rate. FTX, which a few weeks ago was considered a "lender of last resort" and a crypto industry stalwart, filed for bankruptcy. Its charismatic founder and (former) CEO, Sam Bankman-Fried, lost a \$16 billion fortune in a matter of days. Bankman-Fried, who a few months ago was compared to John Piermont Morgan and Warren Buffett, is turning out to be an inexperienced operator at best, and a fraud at worst.

We won't rehash the events that led up to FTX's bankruptcy and collapse. Suffice it to say, the speed of its demise has caught industry leaders, regulators, and investors off guard. FTX's customers are bracing for the worst. Customers of other crypto platforms that FTX previously bailed out—such as Voyager—also are bracing for the worst.

There are several important lessons for investors here, regardless of whether one owns any crypto.

We have to ascribe some indirect blame to the Federal Reserve and the U.S. monetary policy of the past decade. The artificially low interest rate policy in the United States and other nations created excess liquidity—in other words, people had too much money. This created huge asset bubbles that boosted all sorts of asset classes. When everything is going up, and going up fast, very little due diligence is done. This begets more risk-taking, since there's no incentive to build proper governance and controls when assets are appreciating and nobody is asking questions.

The first lesson is that having bluechip backers doesn't guarantee success. FTX and Bankman-Fried's trading firm, Alameda Research, certainly has an A-list of venture capital backers on its cap table. Sequoia Capital, Tiger Global Management, Iconiq Capital, SoftBank, Lightspeed Venture Partners, "Shark



We have to ascribe some indirect blame to the Federal Reserve and the U.S. monetary policy of the past decade.

Tank" personality and investor Kevin O'Leary, and Singapore's sovereign wealth fund Temasek Holdings were just a few of the reputable venture capitalists who invested more than \$2 billion into Bankman-Fried's company.

While venture capitalists have funded many success stories, for each Google there are hundreds of failures. FTXwhich was valued at more than \$30 billion at its peak—is a huge one, of course. But it won't be the last. Webvan, Jawbone, Houseparty, and Beequick were just a few failed startups funded by Sequoia. Katerra and WeWork were once high-flying SoftBank-backed startups.

FTX's marketing and partnership efforts made it a household name. But a huge marketing budget also doesn't correlate with success. FTX ambassadors include NFL quarterback Tom Brady, NBA star Stephen Curry, and tennis star Naomi Osaka. It sponsors Major League Baseball and the Mercedes-AMG Petronas Formula 1 team. The company also had been the naming sponsor of FTX Arena, the home of the NBA's Miami

Heat, although Miami-Dade County and the team have terminated their business relationship with FTX and are seeking a new naming-rights partner.

The firm's ubiquity could lull customers and prospective customers into a false sense of security. But in investing. there's no "safety in numbers." It just means there are more victims.

Speaking of numbers, investors should limit speculation to less than 10 percent of one's investable assets. There are news reports that some investors had put their "life savings" into crypto and fintech platforms such as FTX, Celsius, and Voyager. There's no reason that should be the case. Even if an investment doesn't work out—and many do fail—keeping speculative assets to a trivial amount is good risk management.

Another lesson is investors should only invest in what they can understand. If one cannot explain how a product works or a company operates, be very careful before investing. There are a lot of crypto tokens that sound interesting and are promoted by celebrities or social media influencers but have very shaky business models or utility. Be vigilant.

This brings us to regulation. Overregulation stifles innovation and investment, but a minimum level of regulation is desired for any industry. Not everyone can fully explain and understand the intricacies of an investment or company, and that's where regulatory agencies can play a key role in establishing reasonable boundaries and frameworks for businesses to operate. Individual investors can't always perform the level of due diligence to suss out unethical business practices or uncover intercompany conflicts of interest. That's a role regulators should play.

Coinbase founder and CEO Brian Armstrong put it succinctly in an op-ed on CNBC: "Crypto markets need regulation to avoid more washouts like FTX."

THOUGHT LEADERS

How Government and Big Pharma Are Intricately **Intertwined**

Consumer safety is often sidelined, says FDA consumer rep Kim Witczak

here's a

systemic problem with our whole drug safety system," Kim Witczak says. "I like to call it a spider web. That's the premise I start from. It's a big business full of conflicts of interest."

"Truthfully, we

never questioned

we? It was given to

him by his doctor."

Kim Witzcak, drug safety advocate

the drug. Why would

In a recent episode of "American Thought Leaders," host Jan Jekielek spoke with Witczak, whose beloved husband died from suicide after being prescribed an off-label anti-depressant for insomnia. For the 20 years since then, Witczak has been an advocate for pharmaceutical drug safety and reform, most recently taking up the fight for transparency and accountability surrounding COVID-19 vaccines.

JAN JEKIELEK: You have a difficult story of how you became a drug safety advocate.

KIM WITCZAK: I was married to Woody for almost 10 years. We were just starting to think about

having kids. And on August 6, 2003, I got a call from my dad who told me, "Woody's dead." They said he'd hung himself. The whole thing made no sense.

Woody had no history of depression or any other mental illness. He had just started his dream job with a startup company and was having trouble sleeping. So, he went to his doctor, who sent him home with a prescription for Zoloft. an antidepressant, and told him it would help him sleep. And Woody did what most people do: He trusted his doctor.

When I got that call, I was out of town. The coroner asked me if Woody was taking any medication, and I said yes, but I didn't know what it was. She found a bottle of Zoloft on the kitchen counter, and I said, "Yes, that's it." She said. "We're going to take it with us. It might have something to do with his death." Ironically, that same day, our newspaper had an article saying the UK had found a link between antidepressants and suicide in teens.

My brother-in-law Googled Zoloft and suicide, and we were shocked by what he found. We had no idea. Truthfully, we never questioned the drug. Why would we? It was given to him by his doctor. It was sold and advertised as safe

and effective, and was FDA approved. But I knew there was no way that Woody, this guy who loved life, would take his own life. And that

was the start of it.

I like to call it the



19 vaccine in Los Angeles on Jan. 28, 2021.

battle for Woody. We did a lot of media, told Woody's story. We had a lawsuit against Pfizer, a wrongful death failure to warn. I met with members of Congress and the FDA. Eventually, there were FDA hearings to get black box suicide warnings, as well as congressional hearings to find out what the drug companies knew about the link between suicide and antidepressants.

MR. JEKIELEK: Explain the meaning of black box warnings.

MS. WITCZAK: Black box warnings are the most serious FDA warning. If you look at the inserts that come with your prescriptions, it is literally in a black box on the top of your prescription. It alerts you and your provider of a serious risk with this medication. At the time of Woody's death, there was no warning.

I remember one situation with Woody. He came walking through our

back door wearing a blue shirt completely sweated through and dropped to the floor with his hands around his head like a vise. He said. "Kim, I don't know what's happening to me. It's like my head's outside my body looking in." He's just rocking back and forth bawling. It turned out he was having an adverse reaction, one of the side effects the company kept from the public and the doctors.

MR. JEKIELEK: You played an important role in getting these warnings more publicized and available. Give me a picture of how you viewed the health industry prior to COVID.

MS. WITCZAK: There's a systemic problem with our whole drug safety system. I like to call it a spider web where you start seeing how the industry is really a business. And I think that's the premise I start from. It's a big business full of conflicts of interest. It's set up to sell products. Even during the FDA approval process,

there's so much focus on getting things to market and not so much looking at the harms of medication.

MR. JEKIELEK: Over the past 20 years, you've worked on safety related to psychiatric drugs. With COVID, what happened to the journalists who had been helping you expose this?

MS. WITCZAK: I've worked with major news outlets for a long time, and I would've loved to have seen safety reported on. After December 2020, we had The New York Times reporting the vaccines as 100 percent effective, 99 percent effective, but that gives a very different picture than "but we don't know about the safety." You're getting the side that's coming from pharma and the government, but you're not getting the full story.

MR. JEKIELEK: Right from the beginning, the CDC was collecting safety data and adverse effects. Eight hundred thousand is a pretty large number of adverse effects reported. Given the v-safe data now coming out, what should have been done?

MS. WITCZAK: A true journalist should have been asking, "Where's the safety?" When there are different views or data coming out of Israel or the UK, why aren't you curious to find out what they're seeing?

I'm thankful for The Epoch Times, because they are doing investigative

"A true journalist should have been asking, 'Where's the safety?' When there are different views or data coming out of Israel or the UK, why aren't you curious?"

journalism, asking the tough questions about safety. And the alternative media's doing it. But the average person doesn't learn those things.

There was no debate. It was, "This is the science."
But how can it be settled when it was so new and we're still in the process and still learning? How is it settled, especially when all these different studies are coming from around the world? We should hear from other scientists, not just Dr. Anthony Fauci and the NIH.

More injuries and deaths have been reported with this vaccine than any of the other ones. That should be a signal to tell the public, "We're looking at the data, and here are some things we're seeing."

MR. JEKIELEK: You serve on an FDA board. What does that mean?

MS. WITCZAK: I'm the consumer rep, so I represent the public on the FDA's Psychopharmacologic Drugs Advisory Committee. It's an advisory board like the ones that were reviewing the vaccine. This one is for psychiatric drugs.

It's an eye-opening experience to see drugs coming to market, how they're using fast tracking mechanisms, which is kind of what the emergency use authorization was. A whole slew of new drugs are using accelerated approval, which you think is an innovation breakthrough. What it really means is less rigorous clinical trials and less focus on safety.

MR. JEKIELEK: What is the level, based on your experience, of the pharmaceutical industry's capture of these institutions?

MS. WITCZAK: I go back to "follow the money." For example, there's the user fee program. With every application, the drug company pays a fee. So now I think more than 50 percent of the FDA budget actually comes from the pharmaceutical industry. Pharma says, "We're paying you, FDA, so here are our demands." And the consumer perspective doesn't really get a say in that.

MR. JEKIELEK: The consumer interest doesn't have a say?

MS. WITCZAK: The initial negotiations happen behind closed doors. The people that represent the public interest should be a part of these meetings, but everything is always about privacy. I've heard that privacy thing forever. But we need to have a seat at the adults' table and not the kids' table, like at a Thanksgiving dinner.

MR. JEKIELEK: We've gotten your feedback in the paper about things like the government's refusal to provide key COVID-19 vaccine safety analyses. We have White House health officials clearly making false claims about COVID-19 vaccines and safety. This withholding of information seems to happen again and again, especially when it relates to safety.

MS. WITCZAK: I sound like a broken record, but safety signals belong to the public. If somebody sends reports into the VAERS [Vaccine Adverse Event Reporting System] or MedWatch, which monitors

prescription drugs, that they want a safety incident investigated, that's a signal. They want it looked at. This information could be the difference between life and death for somebody else.

I will never understand why a public health agency would withhold safety data from the public. Are we going to trust our public health officials? Our regulatory agencies? Will people trust who's in charge?

MR. JEKIELEK: Well, Kim, I love seeing you referenced as an expert in our articles and some of our investigative work. Any thoughts as we finish up?

MS. WITCZAK: I do this work because I don't want any other family to have to learn the hard way like I did. So, don't be afraid to ask questions. Do research. Listen to programs like this one. Educate yourself, because it could mean the difference between life and death. ■

This interview has been edited for clarity and brevity.



(L-R) Bottles of antidepressant pills Wellbutrin, Paxil, Lexapro, Effexor, Zoloft, and Fluoxetine, in this file photo.

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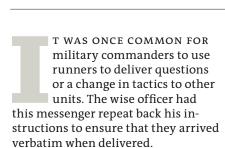


AN EPOCH TIMES DOCUMENTARY

What Did You Say?

Clarity and civility should be the goals of all communication

By Jeff Minick



On my bookshelves are two collections of Civil War correspondence between commanders and their subordinates. Though written in that era's more formal language, most of these dispatches clearly communicate their orders and suggestions. To issue garbled instructions, as sometimes happened, was to endanger the lives of thousands of soldiers and risk losing a battle.

The damage done by such failures extends far beyond any battlefield, then or now. Most of us have received texts or emails that have befuddled us, confusing rather than clarifying some particular situation.

Here's just a minor example: The manager of a widget company in New York texts a distributor of widgets in Idaho, asking to talk at 11 a.m. The problem? Idaho has two time zones—Mountain and Pacific—and New York is on Eastern time. The recipient must either waste a few minutes clarifying the time or, if she assumes her supplier means 11 a.m. Pacific time, she may miss the appointment altogether.

In addition to costing U.S. businesses several hundred billion dollars a



year, poorly expressed office memos and verbal instructions can cause mistrust between workers and supervisors, lower office morale, and even damage the company's operations and reputation.

Most of us have received texts or emails that befuddled us.

Here are some tips that can dramatically improve office performance and, for that matter, friendships, marriages, and other relationships.

Take the "Poll Parrot" approach. Supervisors can repeat orders to their subordinates. The man who directs his staff to have a project completed by Jan. 1 can, at the end of the conversation, say, "Remember—no later than the first of the year." Employees can gain clarity by repeating back instructions: "Got it. January 1st."

Address inadequate writing skills. Grammar and spelling count. Avoid using jargon, duded-up language, and academese intended to make yourself appear intelligent, but which are, in reality, often incomprehensible. Managers and workers who work at their keyboards don't need to be Shakespeare or Hemingway. Instead, they should aim at expressing themselves clearly and succinctly.

As our schools and universities continue to graduate students who are

poor writers, this problem will only become worse. American businesses already spend enormous amounts of money teaching basic composition skills to employees. Organizations with this problem can hire an outsider to conduct writing workshops or offer workshops of their own. Loads of writing guides are readily available from bookstores and libraries.

Because you may not know the educational background or the literacy skills of those with whom you communicate, you might consider using the Flesch-Kincaid calculator to assess the reading level of your memos, emails, and other written materials. I don't resort to this device, but I used it to evaluate the first two paragraphs of this article. It scored my writing at a college level, with a score of 34.9 out of 100. A higher score would mean my writing is more approachable. (If you're a reader of Epoch Insight, I expect you're following me just fine.)

Finally, have another person proofread an important document before sending it. That extra effort can help the writer correct mistakes, avoid unintentional offense, and deliver the message on target.

Clarity plus a dose of civility is the

Jeff Minick lives and writes in Front Royal, Va. He is the author of two novels, "Amanda Bell" and "Dust on Their Wings," and two works of nonfiction, "Learning as I Go" and "Movies Make the Man."





The Most Infamous Wall 70

INNYC'S ART DECO district,

Chef Marc Forgione imparts his unique touch to Italian cuisine at One Fifth, his newest dining sensation. 73

TRAVELING FOR VACATIONS

with the entire family can be a memorable experience. To make sure those memories are all good, a bit of pre-planning is required. 74

THE SECRET TO A SMOOTH

shave is having the right tools; this collection of facial grooming gear can make shaving a fun experience. 77

INSIDE

66 EPOCH INSIGHT Week 46, 2022 EPOCH INSIGHT Week 46, 2022 67 main residence sland Set on the beautiful island of Tikos, this very unique residence is ideal for large families or entertaining By Phil Butler

HIS ALLURING ESTATE IS LOCATED on the Greek island of Tinos in the South Aegean Sea. Comprised of a main house and two separate guest accommodations, all crafted of native stone, this 5,305-square-foot property is ideal for large families or owners who enjoy entertaining.

The two-story main residence features three bedrooms and baths, two sitting rooms on the main floor and a third on the mezzanine level, and a formal dining area served by a well-equipped kitchen. The interior is resplendent owing to exposed stone and wood ceiling beams, illuminated by large windows providing captivating views of the grounds and the sea beyond.

The adjacent guest accommodation features two self-contained one-bedroom, onebath quarters, each with a sitting room and kitchenette, both situated to enjoy privacy and mesmerizing views of the property and its surroundings.

Set on a lot that's just under half an acre in size and home to an impressively large mulberry tree, the exterior features include a truly huge swimming pool complete with

a bridge at its midpoint, further accented by exquisite arcades and more of the amazing stonework seen throughout the property, and a traditional stone oven and barbeque. Several teak pergolas and an outdoor fireplace in the upper garden area allow unobstructed views of the pristine nature surrounding the estate, as well as the Aegean Sea and the nearby, tiny village of Ktikados.

Tinos is home to approximately 10,000 residents, with more making the trek to enjoy the island's wild beauty, food, culture, and outdoor activities such as hiking and surfing. The island also has significant historic and religious significance. Each year, tens of thousands pay homage to the "Chare Tes" ("Her Grace") icon of the Virgin Mary at the Church of Panagia Evangelistria, overlooking Tinos town.

This estate has the unique ability to combine history, stunning natural landscapes, inviting beaches, great people, and food in a fairytalelike setting. ■

Phil Butler is a publisher, editor, author, and analyst who is a widely cited expert on subjects ranging from digital and social media to travel technology.



TINOS ISLAND RESIDENCE KTIKADOS, MISTICO TINOS. CYCLADES, GREECE \$1,600,000

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- GUEST QUARTERS
- EXQUISITE DESIGN

AGENTS

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(Above) The buildings on the property were handcrafted by artisans using native stone, and fit perfectly in a setting that embraces nature. (Top Right) Stone arcades surround the oversized, partially covered pool, creating a grotto-like effect. (Right) The main residence is laid out on a ground floor and a mezzanine level, all accented by impressive stonework and exposed ceiling beams





Walking the Wall

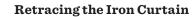
Once an unforgiving barrier, the wall is now a testament to hope and renewal

■ Bu Tim Johnson



WAS HARD TO PICTURE WHAT THIS place looked like just three decades ago. Now, it's vibrant and teeming with tourists. On this sunny afternoon, I saw ■ few reminders of what once divided this area. Nobody would think twice about crossing the street at Zimmerstrasse—except to be sure to look both ways, as the traffic on this busy street builds steadily toward rush hour.

But striding along the eastern edge of the street, informative signs make clear that this, right here, was the kill zone. Over the years, the East German government (officially the German Democratic Republic, or GDR) expanded its original wall to a roughly 18-foot "security strip." On the other side, ordinary Germans could come up and touch the wall but to approach it from the east would mean big trouble, even death, for those who dared.



I was in Germany's capital of Berlin, which was once the most divided city in the world. Built hastily in 1961 and reinforced over the years. the Berlin Wall once encircled all of West Berlin. I was there to learn more of its history and see how different it is today.

The Berlin Wall stood for decades as the ultimate symbol of the Iron Curtain, which divided the Eastern Bloc from Western Europe and the NATO powers. Following World War II, the victors—the Soviet Union, Great Britain, and the United States—carved up the map of Europe. In Germany, the political spheres of influence met, and Berlin is where they got too close for comfort.

My starting point was Checkpoint Charlie. One of the few openings in the wall where you could pass from east to west, it was the site where Soviet and American tanks once faced off in 1961. Spies and defectors attempted hair-raising escapes here, and it was made famous in fiction, too, having been featured in a number of James Bond films.

Today, the guard shack and sandbags have been reconstructed. All around, a modern, glassy office complex rises, and souvenir outlets and fast food joints line the street. On a typical day, a general roar rises from the hundreds who come to snap a selfie here.

A City Divided

I walked to a small museum nearby and learned a lot more. Large photos exhibited the evolution of Checkpoint Charlie, from that humble shack to a massive 10-lane, covered mega-structure in the 1980s.

Big maps displayed the sectors of the city, the western portion divided

MORE **THAN** 70 secret tunnels were built to help escapees. BERLIN East Only 27 of the wall's 96 miles separated East

> One piece of the wall now stands in the men's bathroom of a Las Vegas casino.

and West Berlin.

This painting of a trabant car is one of the many graffiti paintings lining the East Side Gallery of the Berlin Wall.



(Above) Tourists take a photo at Checkpoint Charlie, the best-known Berlin Wall crossing point between East Berlin and West Berlin during the Cold War, on July 3, 2021. (Right) German President Frank-Walter Steinmeier lays a wreath at a memorial to victims of the Berlin Wall on the 60th anniversary of the construction of the wall, in Berlin on Aug. 13, 2021.

between France, Britain, and America. Film clips showed the shocked and frenzied reactions that accompanied the wall's rapid construction.

While the GDR painted the construction as necessary to protect its socialist state from fascist elements, the simple fact was that, in the years between World War II and the 1960s, some 2.7 million Germans had already fled from East to West.

On Aug. 13, 1961, Soviet troops and workers tore up roadways and erected barbed wire. And then, brick by brick, they started building the wall. People fled, carrying everything they owned, even leaping from windows in the East—sometimes literally into the arms of those waiting to help in the West.

Pieces of Stories

Along Zimmerstrasse, a number of plaques and monuments mark where the wall once stood, commemorating those who tried to escape over it—hundreds of whom died trying. They also tell lesser-known stories, like that of the "ghost stations," underground metro stations that were abandoned in 1961.

And then, somewhat incongruously, there's TrabiWorld, a fun, gaudy testament to an unforgettably terrible automobile. While West Germany had the Mercedes-Benz, Volkswagen, Porsche, and BMW, the East had the Trabant. Infamously unreliable and clunky, the car was nonetheless almost impossible to buy, given



the many problems with its production.

Here, at this sort of amusement park right in the heart of the city, dozens of these little cars have been stacked, lined up, and painted in fun colors. Inside the gift shop are all sorts of Trabant memorabilia, as well as an old Russian army hat and even a piece of the wall. There's also the opportunity to sign up for a tour around the city in a Trabant.

I continued along, walking some of the wall's longest remaining stretches. Soon afterward, I arrived at Potsdamer Platz. Once one of the busiest intersections in Europe, it became a wasteland during the Cold War when the barriers ran straight through it.

With the sun now set, the square flashed with light. Streets bustled and the sidewalks were busy as teenagers and 20-somethings too young to remember any of the complicated history walked excitedly along to restaurants and bars. It was a testament to the power of time, the possibilities of regeneration. A place once responsible for death and division now brims with life and hope, and looks to the future. ■

Tim Johnson is based in Toronto. He has visited 140 countries across all seven continents.

If You Go

Fly: Berlin Brandenburg Airport (BER) mostly serves European capitals, although a few routes fly

Getting Around:

Berlin has one of the fastest, cleanest, most efficient public transit systems in the world.

Stay: Built in Bauhaus style, the Berlin Marriott sits iust steps from Potsdamer Platz.

Take Note:

One of the longest remaining sections of the wall, the East Side Gallery stretches almost a mile and includes some 100 paintings It's the longest open-air gallery in the world.



The Berlin Wall path at Potsdamer Platz marks where the wall once stood

NEW YORK REVIVAL: IRON CHEF MARC FORGIONE CELEBRATES OLD NEW YORK WITH HIS DISTINCT FLAIR

The prolific restaurateur and chef knows what it takes to make it in the city—and is making moves to preserve its legacu

By Crystal Shi

EING A CHEF, SAYS MARC Forgione, is kind of like living in New York. "You either love it or hate it; it's a tough city that forces you to earn the right to enjoy it, it sort of forces you to become tough."

Forgione loves both—and has certainly done the work to enjoy them.

Born in Manhattan and raised in Long Island, Forgione worked his first kitchen job at 16 at his father Larry Forgione's famed restaurant. An American Place. After college and working in New York and France, a 29-yearold Forgione opened his own place, Restaurant Marc Forgione, in downtown Manhattan in 2008.

Then the recession hit. Broke and down to a bare-bones staff. Forgione and his business partner, Christopher Blumlo, "had to do everything," he said, from 9 a.m. prep work to washing the dishes. "The first two years, it was like I was on a train moving at 100 miles an hour and I never got off."

But pushing through paid off. In 2010, Forgione became the voungest chef-owner in the city to earn a Michelin star and then the youngest winner of "The Next Iron Chef" show on the Food Network. Consecutive Michelin stars followed in 2011 and 2012.

From the recession, to Hurricane Sandy, to the pandemic, "there's no rulebook" for overcoming crises, Forgione said. "You just gotta keep rolling; you have to be a leader and try your best to be vourself."

That attitude has carried him to his latest projects. In 2020, he took over Peasant, a beloved

The new One Fifth space

combines classic New York art deco design elements, rustic Italian antiques, and mementos from the building's past.

Forgione's

ingredientdriven Italian cooking makes the most of seasonal, local produce.

The Romanstyle pinsa

bakes up with extra-crunchy bottoms and airy, honeycombed interiors.

re in the city's dining scene Forgione has become a since opening his first eponymous restaurant in 2008.

MARC **FORGIONE**

Born and Lives: New York

Age: 43

Comfort Food: Lucky's

cheeseburger **Go-To Drink:** This time of year, bourbon

Best Hidden Gem New York Restaurant:

Shukette, with all their different breads and dips

Best Advice He's Ever Received:

Only become a chef if you love everything about this business.

wood-fired Italian restaurant that opened in 1999. It was Forgione's neighborhood favorite, and the retiring chef asked him to take the reins.

His newest venture. One Fifth. is named after the iconic Fifth Avenue address that houses it, an art deco co-op building dating back to 1927. The space has housed several restaurants over the years, including an original One Fifth in the 1970s, and most recently, Mario Batali's Otto, which closed during the pandemic.

Now, guests dine among artifacts from the building's past and restored 1970s terrazzo floors—on food that's uniquely Forgione's. There are antipasti and cicchetti, Italian small bites inspired by how he eats with his family; Roman-style pinsa, an ancient-grain flatbread he perfected with his father; and fresh

pasta, made in an open kitchen. Other than specialty ingredients from Italy, everything is from the Union Square farmers market five blocks away.

That both restaurants are rescues of historic New York spaces was not planned, Forgione said, but his role preserving these storied pieces of the city seems a fitting one—and one he's embraced.

"I love the fact that I'm keeping these iconic restaurant spaces going," he said, "because if it gets in the wrong hands, it's gonna turn into an Apple store or a bank. And I just think some spaces are too special for that."

The nightly thank-yous he hears from locals happy to have their neighborhood spot open again are a testament to that. "It means something to people," Forgione said. "I hope we're here forever—and so far, so good." ■



RAVEL THAT'S family-oriented, rather than for business, is supposed to be an enjoyable, exciting adventure. The good news is that, with careful preplanning, vacation travel can be a stress-free way to make great memories and possibly take a few epic selfies, too.

Pick a Time and Place

As with so many things in life, planning is critical to the success of family travel. And it can actually be fun.

The first and easiest thing to do is to choose a destination, a decision that impacts all subsequent steps. With a destination in mind, the next task is to determine how you will get your family there. For nearby destinations, the family car may be the best option, but for trips further afield, commercial air travel is most likely the clear choice.

However, to keep this process moving forward, you need to decide when you'll be traveling, because a number of factors can cause everything to become more complicated. As expected, airliners are often packed around holidays, such as on the days prior to and after Thanksgiving, and on the Fourth

Smart travelers carry medications and a change of clothes in a carry-on in case their luggage gets lost.

of July, but it may be surprising to learn that Aug. 9 sees the most airline traffic, according to research conducted by analytics firm Cirium in 2019.

In order to lessen the chances of delayed flights and the related possibility of missed connections, do some research to find travel dates on which flights are easier to secure, and quite possibly at lower rates than those charged for traditionally busy travel dates.

Details to Consider

The next question to answer involves the degree of difficulty in getting to the destination. Direct flights make this a nonissue, but if you'll need to make connections, how tight are they? Are they on the same airline? Allow no less than an hour to make a connecting flight. When it's time to travel, if you'll be checking in luggage, add a brightly colored ribbon on the handle to make it easy to identify at the luggage carousel.

Weather is another concern. Research typical weather during your preferred travel dates; if it has snowed heavily at your destination for the past five years, you might want to consider choosing another time to go.

Another often unconsidered factor involves seasonal events taking place in or near your destination. For example, a road trip vacation exploring the western United States that takes you through Chevenne, Wyoming, can be made even more memorable by scheduling your visit to take place in late July to attend the spectacular Cheyenne Frontier Days event. It's ◆



capture those memorable moments that always seem to occur when there's no one around to take your photo.



For vacations

that are close to home, keep it simple and drive, adding the fun of a road trip.



If you have to check luggage for a flight, add a colorful ribbon to make finding it at the luggage carousel much easier.



Bring plenty of activities to keep all members of the party quietly entertained, especially for any long bouts on public transport.



If you need to rent a vehicle, make sure ahead of time that it will have plenty of room for all the luggage and travelers in the group.

disheartening to arrive at a destination, only to realize an event you'd enjoy seeing either happened a week ago or will start a few days after you depart.

On the other hand, if you want to leisurely explore the Black Hills region of South Dakota, taking in Mount Rushmore and other scenic spots, avoid dates that coincide with the annual Sturgis Motorcycle rally in early August, when the roads are full of motorcycles. These same concerns also apply to your preferred lodging: Hotels will be more expensive, with fewer rooms available, at peak travel times or on holiday and special event dates.

After Arriving

Once you arrive at your destination, how will you get around? If a friend or relative will loan you a vehicle, move on to the next step, but if not, you'll need wheels. Public transportation isn't always practical, so you'll want to consider a rental vehicle or a ride-shar-



Dress the kids in comfortable clothes and bring snacks to make long flights go smoothly.

ing service. The number of folks in your group and the amount of luggage will determine the size of vehicle you need to rent or request from a ride service.

Check with auto rental companies to make sure they have the right size car or van, and that it will be available for your travel dates. Book it as soon as possible after doing some shopping for the best rates; assuming it will be available when you arrive is a sure way to be disappointed. Download maps to make getting around easier and to find all the places you want to see in advance, while leaving time to explore unexpected delights.

Bring Along

With the where, how, and when questions answered, you can next focus on the who and what-to-bring issues. If you're traveling with young children, be sure to pack a few favorite toys and nonperishable snacks to keep them happy. Planning to launder clothes while traveling means you can pack only what you really need; traveling light is always best.

When you fly, dress for comfort, skipping the T-shirts and shorts, as airline cabins can get cold. Wear comfy shoes, but not flip-flops—nobody wants to see your feet! Savvy travelers carry medications and change of clothes in a carry-on in case their luggage gets lost.

Last of all, be flexible; things happen, so don't get upset if plans run afoul of reality. You're on vacation, so make it an adventure.



LIFESTYLE

MAKING GREAT

How to Preplan Family Vacations



Give Yourself Plenty of Time

Make reservations for airline flights. rental cars, and hotel rooms as far in advance as possible. This way, prices are locked in and the panic of finding no available flights or rooms is avoided.



Be Flexible

Be ready to revise your travel plans to take advantage of last-minute deals to an entirely different destination, or to avoid weather issues such as snow or storms.



Check the Calendar

As you consider travel dates, research to see if there are upcoming events you don't want to miss; arriving a week before or after an event you would have loved can be a big disappointment.

Thank the Badger

ADAM SHAVING

BRUSH \$110

Yes, this brush is pricey, but considering the fact it can be handed down to future generations, it might be considered guite reasonable. The benefits of using a badger-hair brush, in addition to its longevity, is the manner in which it exfoliates and massages skin as the lathered soap is applied. The perfectly weighted ironwood handle is as pleasant to look at as it is to use.



By Bill Lindsey

CLOSE SHAVES:

TOP GEAR TO MAKE

GROOMING FUN

Getting into a lather doesn't have to be a chore; use these tools to make shaving enjoyable





The Cure for Basic **TRUEFITT & HILL** WELLINGTON **RAZOR: MACH III**

The Mach III disposable blade system, while extremely popular and used by millions of people, lacks any semblance of panache. However, this alternative utilizes the same replaceable blades and transforms a basic grooming implement into a bold family heirloom. Hand-crafted in the United Kingdom, the ergonomic handle is carefully balanced for optimal comfort and control, and can be specified in faux ivory, faux horn, faux porcelain, faux blue opal, or faux ebony.



Get Lathered Up **LATHER & WOOD LUXURY SHAVING SOAP**

Soap is the key to a smooth, close shave, serving as a lubricant for whatever blade type you prefer. But this example takes it a step further by adding a soothing, relaxing scent such as sandalwood, bay rum, tobacco rose, or several others. To make it even better, soap pucks typically last for months, making them extremely economical to use compared to shave foams or creams.



NAKED ARMOR SOLOMON 7/8" STRAIGHT RAZOR KIT

\$214.95

This kit makes it easy to get started using a straight razor, as it comes with almost everything you need to get close, smooth, barbershop-quality shaves at home or while traveling, Packaged in a handcrafted wooden box, the kit includes a straight razor with a travel case, a sharpening strop, and sharpening paste, plus a synthetic shaving brush and organic shave soap. Add a shaving soap bowl and you're ready to groom.



A Hot Mug of Soap **MÜHLE WHITE PORCELAIN SHAVING**

MUG WITH HANDLE

Using this sturdy, easy-to-hold traditional porcelain shaving mug allows you to quickly create a thick, enveloping lather that makes sure the blade slides smoothly across the skin without nicks. Made to provide many years of service, this is the ideal item to partner with a boarbristle brush to create a coating of hot lather that will soften the beard and relax the skin for a clean shave.

EPOCH INSIGHT Week 46, 2022 77 76 EPOCH INSIGHT Week 46, 2022

Are there books you'd recommend?

We'd love to hear from you. Let us know at features@epochtimes.com

RECOMMENDED READING

This week, we feature a Pulitzer-winning novel unveiling the insanity of **North Korea** and a grim exploration of the covert spread of CCP espionage.

FICTION

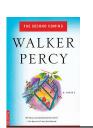


'THE ORPHAN MASTER'S SON' By Adam Johnson

Love and **Insanity in** North Korea

Basing his novel on his months of experience in North Korea and his knowledge of the Kim dynasty's obsession with film, Adam Johnson created an unforgettable and Pulitzer Prizewinning tale about love and sacrifice within the cruel and insane world that is North Korea.

RANDOM HOUSE, 2012, 443 PAGES



'THE SECOND COMING' By Walker Percy

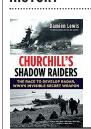
Looking for Love and Proof of God

Told with Percy's unique take on our modern absurdities, this novel features Will Barrett. a widower living in North Carolina, who's so depressed that he no longer wants to live. After a long night of the

soul spent in a cave. Will is rescued by Allison, a fugitive from a mental hospital who has recently come into his life. The two soon find that they can help each other. There's more here than a love story: Themes of alienation, mental illness, and theology are delivered with a great, goofy sense of humor.

PICADOR, 1999, 368 PAGES

HISTORY



'CHURCHILL'S SHADOW RAIDERS' **Bv** Damien Lewis

Pioneering Allied Airborne **Operations**

The British developed

airborne forces in 1940.

Lewis offers an exciting tale about the first two combat operations by British paratroopers. It combines these stories with a look at the "Wizard War." the battle between Britain and Germany for electronics superiority. The first operation attempted to destroy an aqueduct in Italy. The other destroyed a German radar station

CITADEL, 2020, 416 PAGES

and secretly carried off

the radar for intelligence

analysis, a mission that

certainly changed the

course of the war.

SCIENCE



'FALLING FELINES AND FUNDAMENTAL PHYSICS'

By Gregory J. Gbur

Landing on Their Feet

Do cats always land on their feet? While not universally true, this saying proves generally so. But why? The cat-owner/scientist answers the question. He blends whimsy with the history of technology, the development of physics, and cat curiosities to explain why cats land on their feet. This is a fun book, as much about scientific research and the multitudinous implications of the cat-righting reflex as it is about falling cats.

YALF UNIVERSITY PRESS. 2019, 352 PAGES

ESPIONAGE



'SPIES AND LIES' By Alex Joske

Unmasking China's Secret Intent

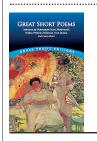
Decades ago, Western governments were lulled into a false sense of

security when it came to China. China appeared open to reform, eager to explore economic opportunities, exchange cultural ideas, and encourage business collaborations. Patiently, China has been cleverly changing attitudes and becoming a master at

HARDIE GRANT, 2022, 304 PAGES

the influence game.

CLASSICS



'GREAT SHORT POEMS' Edited by Paul Negri

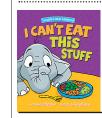
Great Things. **Small Packages**

For a bargain basement price, Negri gives us more than 150 masterpieces of English and American verse, all of them 24 lines or less, and most much shorter. These poems by the likes of Shakespeare, Richard Lovelace, Robert and Elizabeth Browning. and Langston Hughes have appeared in countless anthologies, but here they are gathered into a single, short collection. This is the perfect little book to keep in the den for a quick burst of inspiration, or give to a lit-smitten teenager for a stocking-stuffer or grad-

DOVER PUBLICATIONS, 2000,

uation gift.

FOR KIDS



'I CAN'T EAT THIS

By Liz Fletcher

Helping Your Child **Eat Veggies**

Louie is a little elephant who's not a fan of vegetables. But when the vegetables explain that they're the fuel of superheroes, he tries them out and feels their superpowers working on him. Illustrated by Greg Bishop. Grades K-2.

BRAVEKIDS PRESS, 2019. 28 PAGES



'McBroom's WONDERFUL ONE-ACRE FARM' By Sid Fleischman

Charming Tall Tales

Josh McBroom thinks his 80-acre farm was a bargain until he discovers each acre is stacked atop one another at the bottom of a pond. When the soil's richness reveals itself, a fantastical story sprouts, leaving readers in stitches.

GREENWILLOW BOOKS, 1997,



is a U.S. Army veteran, filmmaker, and author.

He enjoys the great outdoors and volunteering.

'Lamborghini' (2022)

Frank Grillo stars as Ferruccio Lamborghini in this dramatic biopic about the famous Italian car designer. It shows his humble beginnings in Italy, his introduction to the automobile market, and how he eventually went up against motor racing legend Enzo Ferrari (Gabriel Byrne).

Ian Kane

MOVIE REVIEWS

Grillo does a fantastic job of conveying Lamborghini's single-minded pursuit of designing the perfect car and besting his more established rival. With well-paced drama and outstanding direction, this film will appeal to more than just auto enthusiasts.

BIOGRAPHY | DRAMA |

Release Date: Nov. 18, 2022 Director:

Bobby Moresco Starring: Frank Grillo. Mira Sorvino. Fliana Jones

Running Time: 1 hour, 37 minutes

MPAA Rating: R Where to Watch:

Theaters

A CLASSIC WESTERN RETOLD



True Grit' (2010)

Mattie Ross (Hailee Steinfeld) wants justice and needs the assistance of Rooster Cogburn (Jeff Bridges); a Texas Ranger (Matt Damon)

soon joins them. Their pursuit of the bad guys transforms each as they make things right.

With painterly sets, costumes, and lighting, and with dialogue that's faithful

to the rhythm and diction of the time. this Western may bring you to tears.

WESTERN | DRAMA

Release Date: Dec. 22, 2010 Directors:

Joel and Ethan Coen

Starring: Hailee Steinfeld Jeff Bridges, Matt Damon

Running Time: 1 hour, 50 minutes MPAA Rating:

PG-13

Where to Watch: DirecTV, Redbox, Vudu

The London

This week, we feature a dramatic biography of a famous car designer

and a compelling remake of a teenage girl seeking justice in the Wild West.



Epoch Watchlist

Director:

John Boorman Starring:

Sebastian Rice Edwards Sarah Miles, Ian Banner

Running Time: 1 hour, 53 minutes MPAA Rating: PG-13

Where to Watch: Prime Video, Tubi



A CHILLING THRILLER

Miles, Ian Bannen) try

to maintain a normal

and cake on the patio,

family life, with tea

cricket on the lawn,

or an afternoon out

This dramedy,

shows that amid the

death and destruction

fishing.

'The Manchurian Candidate' (1962)

War can sometimes destroy a soldier's hold on reality. Brainwashed by the communists after capture, returning soldier Raymond Shaw (Laurence Harvey) can be programmed to do whatever he's told. His mother (Angela Lansbury) plays a key role in the deadly actions

that take place. At the time, this film made viewers aware of the mind-control techniques of the enemy during the Korean War. Today, it's relevant to watch characters vehemently rail



against "communists" while being secretly complicit.

DRAMA | CRIME | THRILLER ISATIRE

Release Date: Oct. 24, 1962

Director: John Frankenheimer

Starring: Laurence Harvey, Frank Sinatra, Angela Lansbury

Run Time: 1 hour, 51 minutes MPAA Rating: PG-13

Where to Watch: Apple TV. Kanopy. Amazon Video

78 EPOCH INSIGHT Week 46, 2022 EPOCH INSIGHT Week 46, 2022 79



Handling Unexpected Circumstances

It's important to learn what are considered good manners around the globe

> The era of easy worldwide travel brought with it a mingling of cultures, making it important to know what is expected in order to help avoid inadvertent faux pas.

> > By Bill Lindsey

Shake Hands, **But Not Yet**

The act of shaking hands was first recorded by the ancient Sumerians and is said to have developed as a way for strangers to show they weren't a threat. It's now simply a gesture of friendliness when meeting someone new or an old friend. However, if you find yourself meeting someone new in Russia, it's considered bad luck to shake hands in a doorway—wait until you're either inside the home or office or outside.



Know When to be Helpful

the right thing to do, but there are those scenarios in which it's best to not get involved. If you're at a friend's dinner party and see your host struggling with a stack of plates, it's OK to step in and help, but for the same scenario in a restaurant, stay seated. Most servers know the trick to carrying heavy or awkward loads-your offer of assistance might inadvertently cause them to drop the items.

Master the **Aisle Pass**

At the movies, opera, or a baseball game, unless you're in the end seat, you'll need to squeeze past others to get to or from your seat. It's best to stay seated, but sometimes you simply have to take a bathroom break. Instead of passing the others in often very tight aisles with your back to them, pass them as you face them, politely saying, "I'm so sorry, please excuse me." This method also makes it a bit easier to maneuver around overly large people.



Be Gracious

Grace under pressure isn't just a saying but an actual way of life. Things occasionally go wrong, such as if an Uber driver makes a wrong turn or a waiter drops a plate of food on you. How we deal with these scenarios tells the world a lot about us. Brusquely berating someone who's simply doing their job is never acceptable. Take a deep breath and find a way to correct the situation without making the offending party feel even worse. They'll be eternally grateful, and observers will be impressed.

Burping is Encouraged, **Sometimes**

OK, maybe burps aren't quite acceptable when eating at Grandma's house during the holidays, or at any other time of year, but some cultures actively encourage a healthy, rattle-thebookshelves burp after eating. It's the equivalent of yelling "Bravo" to the chef, letting him or her know that they prepared a very enjoyable meal. On a related note, in Japan, slurping your soup assures the chef that you're really enjoying it. But don't try this with Grandma!

Courageous Reporting

We believe that investigating and exposing the truth is the only way that we can remain safe and free



CROSSFIRE HURRICANE

ON MAY 25, 2017, The Epoch Times published an article headlined "Despite Allegations, No Evidence of Trump-Russia Collusion Found." The article detailed that—despite a media frenzy at the time—no actual evidence had been uncovered that President Donald Trump or anyone associated with his campaign had colluded with Russia to influence the 2016 presidential election.

OUR REPORTING was proven accurate with the conclusion of the investigation by special counsel Robert Mueller.



NOT ONLY DID WE NOT BUY INTO the false narrative that Trump colluded with Russia, but we have also been a leader in reporting on the irregular and apparently politicized nature of the FBI's investigation of the Trump campaign. During the past five years, we have published dozens of articles on the topic, many of them exclusive.

ELECTION INTEGRITY

FOLLOWING THE 2020 ELECTION, The Epoch Times was at the forefront of investigating and reporting on the questions surrounding the integrity of the election. Through our fact-based and independent reporting, we were able to uncover multiple irregularities.



ORIGINS OF COVID-19

15, 2020, The Epoch Times published its documentary "Tracking

Down the

ON APRIL



Origin of Wuhan Coronavirus." The film. which received over 100 million views, explored the origins of the virus, including the possibility of a lab leak. It presents scientific data and interviews with top scientists and national security experts.

YEARS AFTER THE RELEASE of this groundbreaking documentary, the possibility of a lab leak is considered by government officials and experts as the most likely explanation for the virus's spread.

CHINA THREAT

2000, The Epoch Times has been at the forefront of reporting on the infiltration of the United States by the Chinese Communist Party. Numerous times over the years, we've broken major China-related stories ahead of other news organizations. In 2003, The Epoch Times was the first media outlet to systematically and continuously report on the spread of SARS, well ahead of most other Western media. We were also the first to report on state-sponsored forced organ harvesting in

China-one of the most underre-

ported atrocities of our time—in

SINCE ITS INCEPTION in the year

which prisoners of conscience are killed for their organs. which are then sold for profit on a large scale.

THE EPOCH TIMES also pub-

lished the editorial series "Nine Commentaries on the Communist Party," revealing the true nature and history of the Communist Party and inspir-

ing a movement that so far has seen more than 400 million Chinese people quit the Party and its affiliated organizations. Another of our series, "How the Specter of Communism Is Ruling Our World," systematically exposes the evil nature of communism, as well as the harm it has brought and continues to inflict on the United States and the world.

A message and a story you do not want to miss

ear future subscriber,

If you are sick of the bias, lies, and fake outrage that's business-as-usual in the media today, I believe that you will love our weekly magazine, Epoch Insight.

My name is Kirk Wang, and I am the senior vice president of the Subscription Department at The Epoch Times—the fastest-growing independent news outlet in America.

When The Epoch Times was founded in 2000, I was the first to join the production team in Atlanta. Together, we made our first edition, in Chinese. Thus began our commitment to reporting the truth and exposing the Chinese Communist Party and its infiltration in the United States and around the world.

In today's desert of shameless media dishonesty, The Epoch Times has become an oasis for those thirsting for truthful, fact-based coverage of current events. Now, our news magazine Epoch Insight provides an even more refreshing shelter for you to explore.

Produced by our award-winning newsroom, Epoch Insight is a weekly publication that provides big-picture news coverage and in-depth analysis of today's most challenging issues.

Epoch Insight will keep you up to date on the most significant developments in the United States, world, as well as economic news, with exclusive content in the timeless format of a real American news magazine.

You can trust us to provide you with this indepth coverage because we're committed to honoring Truth and Tradition—and treating our readers with the respect they deserve.

Let me offer you three reasons why honest reporting is absolutely central to every line you read in The Epoch Times and Epoch Insight. Later on, you can assess the truth of my claims for yourself.



Kirk Wang, SVP of Subscription

1. The Epoch Times rejects politically motivated journalism.

Our commitment to tradition is so strong that we believe YOU ought to be able to judge facts for yourself and decide what to make of them.

Many other media corporations want to tightly control what you're allowed to see or read, so that you don't arrive at the "wrong" views.

Not us. When we search for new hires, every single job description emphasizes that the candidate must practice ethical journalism: "Seek the truth and report it." This used to be standard in American newsrooms ... but lately it's been sacrificed by activists who emphasize ideology over facts.

Is it hard to find reporters who qualify? You bet. A lot of journalism schools have taught students to forsake traditional journalistic ethics for newsroom activism.

While this hiring process is laborious, it has proven successful: The Epoch Times has built a team of reporters who are dedicated to seeking and reporting the truth, regardless of whether what they find conflicts with their personal biases.

The Epoch Times takes this principle so seriously that it has never endorsed a political candidate for office. Can you imagine?

2. The Epoch Times is indebted to no one.

Let's face it: If you are beholden to a corporation or conglomerate, you aren't really free to report the facts. That's the problem we see with many news outlets today—they know where their bread is buttered, and their "factual" reporting shows it!

What's more, if your business model depends on getting a ton of "clicks," you aren't really free to report the news honestly. Every single headline is an advertisement looking to manipulate the consumer. (Remember the saying, "If a product is 'free,' there's a good chance that YOU are the product.")

But The Epoch Times is totally independent. We are funded by loyal subscribers like you and generous donors who are proud to support high-quality, trustworthy journalism.

(By becoming a subscriber today, YOU will become part of this movement to restore truth to our country.)

3. The Epoch Times has seen firsthand where ideological manipulation leads.

I have to warn you, this part of the letter gets a little heavy, and I write it with a somber heart.

You see, the founders of The Epoch Times are Chinese Americans who witnessed persecution in communist China.

We started a newspaper that would counteract the total censorship of the press inside China and the world's reporting about China, and let people see the truth, not just the official government narrative.

And for their courageous commitment to the

truth, many Epoch Times journalists paid a very heavy price.

In 2000, China's state security agents arrested the manager of the newspaper's China bureau and 10 journalists. Editor-in-chief Zhang Yuhui received a prison sentence of 10 years, while Epoch Times staff member Huang Kui received five.

Both men were interrogated, tortured, forced into slave labor, and subjected to brainwashing classes. Huang was released in 2004 and Zhang in 2010. However, several other Epoch Times staff members were never heard from again. We fear they paid the ultimate price for their commitment to telling the truth.

So, for us, it's personal. When you have colleagues tortured and killed for honest reporting, you're not going to forsake those principles just because it's convenient. We would dishonor their sacrifice if we gave you anything less than the honest truth.

I'd like to invite you to take a look at this Epoch Insight magazine and decide for yourself if it's the kind of in-depth news you've been looking for.

So please, right now, act on our special offer: only \$1 for your first four issues of Epoch Insight. Just go to **ReadEpochInsight.com** You'll also enjoy a savings of 45 percent off our regular rate on the next 12 months of superior journalism ... plus other big extras, including complete access to the exceptional content on The Epoch Times' acclaimed website, **TheEpochTimes.com**

In Truth and Tradition,

Kirk Wang SVP of Subscription The Epoch Times

What Our Readers Say

"It's a magazine that's FOR the American people, not against."

Vanessa Morrison, medical records clerk

"[Insight] reminds me that there are still a LOT of wonderful, good, and dedicated people in this country."

Creed Haymond, surgeon

"Well thought out material, thoroughly investigated, and I trust [the] sources."

Gail F. Sauve, homemaker

"Unbiased reporting. Short, impactful articles."

Mark Naumann, photographer

"It is straightforward, rather than a lot of speculation or pontificating."

Jan Hamilton, retired professional

"I can trust what I read and make up my own mind how I feel about the subject."

Jim Edwards, retired

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