

## Ray's Ramblings

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### What Happened?

Now that we have a new president elect ... with all the glazed over eyes and zombie stares, the far right is asking, "What Happened?"

Just one man's view as to *What Happened?* is that the far right, and the liberals in general, kept talking about the great 'ground game' with over a hundred thousand loyal door-knocking/telephone-calling troops that the DNC had in place. Certainly, wouldn't that be the deciding factor? The short answer turned out to be no. The long answer is a little more obscure. By comparison, the liberal press kept the story going that the Trump and the RNC campaigns had virtually no ground game, and that would be their undoing. Far from that being the truth, Trump had a giant ground game, but the implementation required very few people, as compared to a throng of hundreds of thousands. Trump had a New York staff of about sixty-five to run his national campaign, while Clinton's paid staff varied between two hundred and three hundred. Early in the campaign, Trump had one office in the important swing state of Florida. Clinton had 26 offices with a large paid staff for the entire campaign. This was repeated in many states. The door-to-door knocking by the Clinton campaign became repetitive and boring to voters. This happened in a lot of swing states. People got tired of the constant barrage, and many simply took to hiding behind curtains to avoid yet another 'encyclopedia' salesman. Trump, with a lot of help from the RNC, mounted a big effort late in the campaign, and with a fresh message and at a much lower net cost.

But the real coup de grâce was a result of Trump's large rallies. Every time Trump gave a speech, thousands ... sometimes even tens of thousands who

had been ignored by the elites of both parties for years ... came. And came in large numbers. Routinely showing up six or more hours in advance, just to get a ticket. About as many were turned away because of fire codes or made up regulations by contrarian officials. Even people who could not get in stayed, listening over the fence or on loud speakers that were hurriedly set up for their convenience. By comparison, Clinton events were fewer in number and small in attendance, with most being in the range of a few hundred to a thousand. For the most part, her large events were a result of employing well-known popular entertainment and sports celebrities as shills. Exit polls showed that many in the audience were there strictly for the entertainment, as evidenced by the discarding of nearly all the voter handouts and flyers, and probably did not vote in the numbers that were projected. As it turned out, a significant percentage of the audiences for these concerts were below voting age. The foul language from the entertainers was a big turnoff amongst conservatives and liberals alike, especially with mothers and religious citizens. One well-known Hollywood entertainment reporter, who was in the audience, later said of the Philadelphia concert that it was a great night for Trump, and could have turned the tide against Clinton, resulting in her narrow loss in Pennsylvania.

Trump had conversations with people. Clinton was shrill and lectured her constituents, rather than converse with them. Trump made himself available to the press while Clinton, by comparison, was almost a recluse. Engaging Elizabeth Warren for support was a turnoff for all conservatives and many liberals. Clinton gave no press conferences for over a year, setting a record for any candidate since I voted for Eisenhower. She simply was not available to the voters as compared to Trump.

The press and the DNC routinely maintained that big crowds don't necessarily turn into big voter turnout. I think that very quietly, the planners within the Trump campaign had logically concluded that any person who would brave the wet and cold, up to ten hours of standing in line, the slings and arrows of the press and violent physical threats from dissidents and protestors, would certainly be willing to stand in line for an hour to vote. What an absurd concept on the part of the naysayers, and the Trump folks knew it. This was one of the best-kept secrets of the Trump campaign, and the strategy was closely held as confidential amongst Trump campaign officials. Additionally, while these thousands of people were standing in line, what were they doing? Well, mostly

they were on the social networks telling all their friends about the experience ... usually very positive ... who in turn were socializing on line with their friends. Other than talk to each other, there was nothing else to do for hours on end.

Given the fact that Trump held hundreds of these events, sometimes up to five per day over a two-year period, this process resulted in contacts with tens of millions of both franchised and disenfranchised voters across the nation, all without the expense of TV ads or knocking on one door. The RNC did have a shorter aggressive door-to-door campaign late in the game ... when it really counted and was fresh in the minds of voters. Many attendees left their phone lines open so the person on the other end could hear the speech. Voters who had been ignored for years finally had someone talking to them in a language they understood and with a message they liked. I talked to a lot of people on both sides of party lines who were being canvassed by the pollsters. Large numbers of Trump supporters refused to be interviewed, not trusting nor having little faith in the pollsters' intentions. People in the Clinton camp would talk their heads off and were easily steered to answer the slanted questions asked. This happened to me personally more time than I can count. In addition to the above, the polls got it wrong for at least two other reasons. Many pollsters were lazy and incompetent and for the most part, were repeating what other lazy incompetent pollsters were saying. Secondly, in many of the 'big reliable' polls, Democrats were oversampled compared to Republicans! And even more startlingly, they admitted it, as in the case of the venerable New York Times. One pollster was asked why he did this. His answer was that he knew there would be more 'real' voters on the Democrat side. Think of that logic. So much for scientific polling.

As it turned out, I estimate that the Clinton campaign and the DNC paid about \$9.75 for every successful vote, while Trump and the RNC paid about \$2.75 to attract each vote. Trump and the RNC did it in a much more efficient manner financially, and with better focused messaging as well. Is this perhaps a sign of a future Trump presidency? Cheaper and better.

Both candidates were almost fatally flawed by any historical standard in the last century. The difference in flaws was both perception and real. My personal belief is that many voters roughly equated as being equal the Clinton sex scandals, and Hillary's involvement in the cover up of them, to Trump's crude utterances and socially unacceptable comments. Score: Bad Boy 1, Liar 1. In the minds of voters ... tied. The real difference in the minds of voters came down to

the obvious and blatant lies and obfuscations by Clinton, aided by the liberal press, of the email scandals and security breaches. Her own public words indicted her. Throw in Benghazi, USSR Uranium deal, her early involvement in the Iran issue, the Clinton Foundation, and over thirty years of 'stuff', the underhanded ugly treatment of Sanders ... it was just too much for many voters and perhaps they just wanted to rid themselves of the long tiresome affair with the Clintons.

The vote was razor thin, and Clinton clearly gave the store away by not being forthright with the public about the email and the cover-up of Bill's sex scandal issues. If she had just come clean with the American public, and apologized early in the cycle, the results could have been much different. The 'what does it matter now' Benghazi comment lost her almost all the active duty rank and file military vote. Her strident, dictatorial air, along with the 'I'm entitled to it, and I'm a woman' air, was certainly not her friend, and probably cost her a lot of votes, if not the election. But for these miscalculations, she would be the new president elect. Of that I'm sure. There have only been five times in our history when a presidential candidate received the most popular vote and went on to lose the election. Quite a feat on which to end your political career.

One interesting point that could have contributed to Clinton's loss was that, although blacks went to the polls in reduced numbers, those who did go, voted at a higher rate for Trump than voted for Romney in the 2012 election! In fact, nearly 20% more. This is also true of Hispanics. While not translating into large numbers of votes this time, beware of exponential functions. Surprisingly this fact has not been widely acknowledged by either party. To me this is very significant. In my opinion, the black vote, although smaller in numbers, came from precincts with people who were better off financially and better educated. This should send off alarm bells to the DNC. Maybe it has, but they are not talking about it. As educational and financial gains get better in these communities, and if the trend continues under a Trump presidency, it could result in a large future benefit towards the conservative side of the equation, but he might only have two years to make gains in this arena.

In any case, Act 1 of this ridiculous drama-comedy is over. Act two will be much harder and involve much less comedy and much more drama. For either candidate, the road ahead was always rather gloomy from a financial perspective. It's because the road ahead looks rough, independently of who *thinks* that they are in charge. The exponential rise in both government, corporate and consumer

debt is a major financial earthquake waiting to happen. It could easily happen on Trump's watch, and mostly will. Whether it is six months or three years, there simply is no way to correct the problem without a major 'realignment' in world currencies and balance sheets. Many US and foreign corporations have debts that exceed their stated book value by up to ten times, and countries routinely find their indebtedness more than their annual GDP, or are rapidly approaching it. Some large international banks are holding second grade or junk paper that exceeds their net worth by as much as twenty to one! There isn't enough money in the world to bail them out. Corporations have maintained dividends through the pernicious buyback of their own stock at near-zero interest rates to maintain their dividend distributions and *perceived* profits. (A company's treasury stock does not get dividends) At some point, lenders will have had enough. It would take Ford about 125 years to pay off its debt given their current financial situation and profit margins, and that is assuming they don't borrow any more money ... and they will. I don't mean to pick on Ford, quite the contrary, as they are not alone. Many Fortune 500 companies and hundreds of other corporations are in the same boat, and the Federal government is even worse off.

The 'official' stated indebtedness of the US government is about \$20 trillion ... yes, with a 'T' and has **doubled** in the last eight years! The real long term liabilities of the US, depending on which economist you talk to, is in the range of \$200-250 trillion when including unfunded liabilities! For reference, the US GDP is about \$18 trillion ... so we are already upside down compared to the \$20 trillion acknowledged 'official' debt. The average interest rate over the last hundred or so years for the ten-year note is about 5%. It has been hovering at 1.5% for some time, the lowest since 1900. It recently popped up to 2.1%. Doesn't sound like much, well that is an increase of 40% in less than a month. If imputed interest rates increase by even 2-3% points, the bond market will come crashing to its knees, the stock market crash will make 1929 look like a sunny Sunday afternoon picnic, and personal worth, along with real estate values, will fall dramatically. It is of significance that in the 1980's, the ten-year note rose to 16%!!! Although that is not likely to happen, that would make a current Ford bond worth about 5 cents on the dollar.

Republican or Democrat, liberal or conservative, or any other political stripe ... you better fasten your seat belt for the next two or three years. It will take nothing short of a magical financial potion to resolve the problem.

That's my view ... for better or worse. Hopefully I have made a big mistake, and will be the first to gladly admit it and happily apologize for having cried wolf.

Ray Winn

Hanging out in Las Vegas

Happy Holidays