

Autocrats

On Christmas Day, 1991 the Soviet hammer and sickle flag was lowered for the last time over the Kremlin marking the collapse of the USSR. Mikhail Gorbachev, President of the Soviet Union, resigned saying, "We're now living in a new world. An end has been put to the Cold War and to the arms race, as well as to the mad militarization of the country, which has crippled our economy, public attitudes and morals." The dismantling of the Soviet Union and the fall of Berlin Wall marked both an end of Russian communism and the establishment of 14 independent countries in Eastern and Central Europe who embraced freedom and democracy.

Even Russia itself conducted a democratic election. On June 12, 1991, Boris Yeltsin won the popular vote and became the first president of the Russian Federation. Yeltsin promoted privatization by selling valuable state assets to tycoons in finance, industry, energy and media giving rise the Russian **oligarchs**. Supported by the oligarchs, Yeltsin could no longer be regarded as the democratic hero, but had regressed to become an old-style communist boss. Yeltsin resigned on December 31, 1999 and was succeeded by **Vladimir Putin**.

Putin's iron-fisted rule dismantled democratic ideology and injected himself as the sole authoritarian leader—jailing political dissidents, suppressing independent media, and ending free and fair elections. Putin's dream is to resurrect the Soviet Union to regain the "glory days" of the USSR superpower. Russia's enormous natural resource reserves have funded his military aggressions.

Xi Jinping, China's President, enjoys near absolute public loyalty and dreams of spreading Chinese socialism worldwide. China has lifted Xi to the same godlike, exalted status previously reserved for the great Mao Zedong. The Communist Party crowned him supreme ruler of China **for life**. His doctrine, **Xi Jinping Thought**, proclaims a "great rejuvenation" to restore China's ancient prominence and glory. Xi dreams of a new "single nation-state" owing to Chinese political and cultural supremacy. He demands complete obedience, monitors his people with hi-tech surveillance and employs mass "re-education" internment of minority groups to assimilate them into the Chinese way.

On the opening day of the Winter Olympics, Putin and Xi, the two most powerful autocrats in the world with aspirations of grandeur, joined forces ratifying a "**no limits**" partnership devised to displace the US led

Western influence. They envision the "transformation of the global governance architecture and world order" claiming that Western Alliances support Ukraine and seek to "undermine the international security order" while confirming that China "...opposes any form of independence of Taiwan." Thus granting themselves the right of autocratic aggression.

30 years ago, America's victory in the Cold War imagined a new "rules-based world order" in which diplomacy, not guns, would win; but on February 24th, Putin invaded Ukraine. Jewish President Volodymyr Zelensky unified his forces and implored the free world for help. Global leaders were quick to condemn Putin and called for a decisive response. "David" crippled "Goliathan" Russian troops. Without the certainty of conquering Ukraine, Putin resorted to the destruction of Ukraine's cities and the indiscriminate, inhumane slaughter of civilians. Putin, with blood stained hands, has been purged from the world stage and Russia branded a pariah state.

The brutality of the war, along with China's "no limits" Putin partnership, has similarly stained Xi Jinping. The world order will be forever changed, but not as Putin and Xi envisioned. They have created a new economic Cold War. They have united democratic countries. Globalization will decline. The democratic world will begin a persistent process to economically isolate corrupt autocratic regimes.

Record gas prices hit here at home as the oil industry shunned Russian crude. This quarter's negative returns in bonds reflects rising interest rates. Coming off of three years of substantial gains, stocks had an overdue correction, but since the war, have recovered more than half their losses. Looking forward, Fed increases to fight rising inflation, along with deglobalization, will push up interest rates and create headwinds for stocks, but even more so for bonds. However, the American economy is strong and will stay strong, as Russian imports are negligible.

The pandemic has eased, driving the unemployment rate down and stimulating wages. Home values skyrocketed driving record household wealth while corporate profits also continued their record setting pace. America is now stronger as the free world has been unified against a common enemy.

Ukraine is battling for freedom of all people. Democratic nations are indebted for their valiant fight against a tyrannical, corrupt autocrat.

