

A Life Well Lived - Part I

60 Years of Memories of the Mad Hedge Fund Trader
by John Thomas



INTRODUCTION: 1

I am constantly asked why I do what I do, what motivates me, and why I keep taking such insane risks.

I have thought about this topic quite a lot over the years while piloting planes on long flights, crossing oceans, and sitting on mountain tops.

From a very early age, I have had an immense sense of curiosity, wanted to know what was over the next hill, and what the next country and people were like.

When I was five, my parents gave me an old-fashioned alarm clock. I immediately smashed it on the floor to see how it worked and spent a month putting it back together. I had to know what made it tick.

When I was eight, the local public library held a contest to see who could read the most books over the summer vacation. By the time September rolled along, the number three contestant had read 5, number two had read 10, and I had finished 365. I had read the entire travel section of the library.

I vowed to visit every one of those countries and I almost did. So far, I have been to 135, and they keep inventing new ones all the time.

It helped a lot that I won the lottery with my parents. Dad was a tough Marine Corps sergeant who never withdrew from a fight and endlessly tinkered with every kind of machine. He was a heavyweight boxer with hands the size of hams. Dad went to the University of Southern California on the GI Bill to study business.

When I was 15, I bought a green 1957 Volkswagen Bug for \$200 that consumed a quart of oil every 20 miles. I tore the engine apart trying to fix it but couldn't put it back together. So, I brought in dad. He got about half the engine done and hit a wall. He wasn't used to working in metric.

So, we piled all the parts into a cardboard box and towed the bug down to a local garage run by a man who had been a mechanic for the German Army during the war, was taken prisoner, and opted to stay in the US when WWII ended. Even he was left with four leftover parts that he couldn't quite place, but the car ran.

Mom was brilliant, earned a 4.0 average in high school, and a full scholarship to USC. They met in 1949 on the fraternity steps when she was selling tickets to a dance. She eventually worked her way up to a senior level at the CIA as a Russian translator of technical journals. I was called often to explain what these were about. For years that gave me access to one of the CIA's primary sources. When the Cold War ended the first place my parents went was Moscow. Their marriage lasted 52 years.

I was very fortunate that some of the world's greatest organizations accepted me as a member. The Boy Scouts taught me self-sufficiency and survival skills. At the karate dojo in Tokyo, I learned self-confidence, utter fearlessness, and the ability to defend myself.

The Economist magazine is where I learned how to write and perform deep economic research. That got me into the White House where I observed politics and how governments worked up close. The US Marine Corps taught me how to fly, leadership, and the value of courage.

Morgan Stanley instructed me on the art of making money in the stock market, the concept of risk versus reward, and how to manage a division of a Fortune 500 company made up entirely of ***prima donnas***.

Being such a risk taker, it was inevitable that I ended up in the stock market. A math degree from UCLA gave me an edge over all my competitors when it counted. This was back when the Black-Scholes option pricing model was a closely guarded secret and was understood by only a handful of traders.

In the early eighties, I took a tip on a technology stock from a broker at Merrill Lynch and lost my wife's entire salary for a year on a single options trade. I'll never make that mistake again. After that, I spent a month sleeping on the sofa.

I figured out that if you do a lot of research and preparation big risks are worth taking and usually pay off. The only people who diversify are those who don't know what is going on, so they have no choice. I put all my money into Tesla (TSLA) at \$2.45, then diversified into NVIDIA (NVDA) at \$15.

I have met a lot of enormously successful, famous, and wealthy people over the years. They are incredibly hard workers, inveterate networkers, and opportunists.

But they will all agree on one thing, luck has played a major part in their success. Being in the right place at the right time is crucial. So is recognizing opportunity when it is staring you in the face, grabbing it by both lapels and shaking it for all it's worth.

If I hadn't worked my ass off in college and graduated ***Magna Cum Laude*** I never would have gotten into Mensa Japan. If I hadn't joined Mensa, I never would have delivered a lecture in Tokyo on the psychoactive effects of tetrahydrocannabinol (THC), which the Tokyo police department and the famous Australian journalist Murray Sayle found immensely interesting.

Without Murray, I never would have made it into the Foreign Correspondents Club of Japan and journalism. If a 50-caliber bullet had veered an inch to the right, I never would have made it out of Cambodia.

You know the rest of the story.

I am an incredibly competitive person. Maybe it's the result of being the oldest of seven children. Maybe it's because I spent a lifetime around highly competitive people. That also means being the funniest person in the room, something of immense value in the fonts of all humor, the Marine Corps, ***The Economist***, and a Morgan Stanley trading floor. If you can't laugh in the face of enormous challenges, you haven't a chance.

I have also learned that retirement means death and has befallen many dear old friends. It is the true Grim Reaper. Most people slow down when they hit my age. I am speeding up. I just have to climb one more mountain, fly one more airplane, write one more story, fight one more war, and send out one more trade alert before time runs out.

So, you're going to have to pry my cold dead fingers off this keyboard before I give up on ***the Mad Hedge Fund Trader***.

I'll see you in Kyiv.

I hope this helps.



The Matterhorn

INTRODUCTION: 2

I'm not supposed to be alive right now.

In fact, the betting in my extended family is that I would never make it past 30. But here I am 40 years after my "sell by" date and I'm having the last laugh.

There were times when it was a close-run thing.

Breaking my neck in a 70-mile-per-hour head-on collision in Sweden in 1968 didn't exactly help my odds. Nor did watching a land mine blow up the guy in front of me in Cambodia in 1975, showering me head to toe with shrapnel and bone fragments, some of which I still carry.

After crashing three airplanes in Italy, Austria, and France, the European Union Aviation Safety Agency certainly wishes I died at a much earlier age. So, no doubt did the tourists at the top of the Eiffel Tower one day in 1987, who I just missed hitting by 100 feet (yes, I **was** the Black Baron).

When I was in high school, the same group of four boys met every day at recess. We were all in the same Boy Scout Troop and became lifelong friends. Since I had been to over 50 countries by the age of 16, I was considered the wild man of the bunch, the risk taker, always willing to roll the dice. The rest lived vicariously through me. But I was also the lucky one.

For a start, I was not among the 22 from my school who died in Vietnam, 11 officers and 11 draftees. Their names are all on the Vietnam Memorial Wall in Washington DC. My work for the Atomic Energy Commission at the Nuclear Test Site gave me a lifetime draft exception on national security grounds.

But I went anyway, on my own dime, to see who was telling the truth about Vietnam. It turned out no one was.

The other three boys in my group played it safe, pursuing conventional careers, and never taking any risks.

David Wilson was the first to go. He managed a hotel in Park City, Utah for a

national chain. When he was hiking in the Rocky Mountains one day, a storm blew in and he went over a cliff. They didn't find his body for a week.

Paul Blaine went on to USC and law school. In his mid-fifties, he lost a crucial case and shot himself at his desk at his Newport Bay office. I later learned he had been fighting a lifetime battle against depression. We never knew.

Robert Sandiford spent his entire career working as a computer programmer for the city of Los Angeles. By the time he retired at 65, he was managing 40 people. He pursued his dream to buy a large RV, drive it to Alaska, and play his banjo in a series of bluegrass festivals.

Robert was unfamiliar with driving such a large vehicle. Around midnight he was driving north on Interstate 5 near Modesto, CA when he passed a semi. When he pulled back into the slow lane, he clipped the front of the truck on cruise control with the driver half asleep. The truck pierced a propane tank on the RV, blowing up both vehicles. Robert, his wife Elise, and the truck driver were all burned to death.

At least, this was the speculation by the California Highway Patrol. Robert and Elise went missing for months. We thought that maybe his RV had broken down somewhere on the Alaskan Highway and family members went there to look for him. It was only after the Los Angeles County Coroner discovered some dental records that we learned the truth.

When the bones were returned, the family had them cremated and we scattered the ashes in the Pacific Ocean off Catalina Island where we used to go to summer camp as Boy Scouts.

I have been rewarded for risk-taking for my entire life, so I keep at it. Similarly, I have seen others punished for risk avoidance, as happened to all my friends. The same applies to my trading as well. The price of doing nothing is far greater than doing something, and being aggressive offers the greatest reward of all.

Last summer, I flew an 83-year-old Supermarine Spitfire fighter aircraft over the white cliffs of Dover, of Battle of Britain fame. I am spending my evenings memorizing the 1940 operations manual just to be safe, as I always do with new

aircraft.

A 70-year-old flying an 83-year-old plane, what could go wrong with that? I am great at emergency landing, but not when the wings fall off.

Oh, and I am learning the banjo too.

I'll send you the videos.



My High School Clique



AIR MINISTRY

SPITFIRE MANUAL 1940



'As a reminder of times as a fighter pilot in WWII
this book is a must' AIRCREW ASSOCIATION

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CHAPTER 1: The 1866 Kansas Massacre and 23 and me

When Anne Wojcicki founded **23andMe** in 2007, I was not surprised. As a DNA sequencing pioneer at UCLA, I had been expecting it for 35 years. It just came 70 years sooner than I expected.

For a mere \$99 back then they could analyze your DNA, learn your family history, and be apprised of your genetic medical risks. But there were also risks. Some early customers learned that their father wasn't their real father, learned of unknown brothers and sisters, that they had over 100 brothers and sisters (gotta love that Berkeley water polo team!) and other dark family secrets.

So, when someone finally gave me a kit as a birthday present, I proceeded with some foreboding. My mother spent 40 years tracing our family back 1,000 years all the way back to the 1086 English Domesday Book (click here at https://en.wikipedia.org/wiki/Domesday_Book).

I thought it would be interesting to learn how much was actually fact and how much fiction. Suffice it to say that while many questions were answered, alarming new ones were raised.

It turns out that I am descended from a man who lived in Africa 275,000 years ago. I have 311 genes that came from a Neanderthal. I am descended from a woman who lived in the Caucasus 30,000 year ago, which became the foundation of the European race.

I am 13.7% French and German, 13.4% British and Irish, and 1.4% North African (the Moors occupied Sicily for 200 years). Oh, and I am 50% less likely to be a vegetarian (I grew up on a cattle ranch).

I am related to King Louis XVI of France, who was beheaded during the French Revolution, thus explaining my love of Bordeaux wines, Chanel dresses, and *pate foie gras*.

Although both my grandparents were Italian, making me 50% Italian, I learned there is no such thing as a pure Italian. I come it at only 40.7% Italian. That's because a DNA test captures not only my Italian roots, plus everyone who has

invaded Italy over the past 250,000 years, which is pretty much everyone.

The real question arose over my native American roots. I am one sixteenth Cherokee Indian according to family lore, so my DNA reading should have come in at 6.25%. Instead. It showed only 3.25% and that launched a prolonged and determined search.

I discovered that my French ancestors in Carondelet, MO, now a suburb of Saint Louis, learned of rich farmland and easy pickings of gold in California and joined a wagon train headed there in 1866. The train was massacred in Kansas. The adults were massacred, and all the young children adopted into the tribe, including my great X 5 Grandfather Alf Carlat and his brother, then aged four and five.

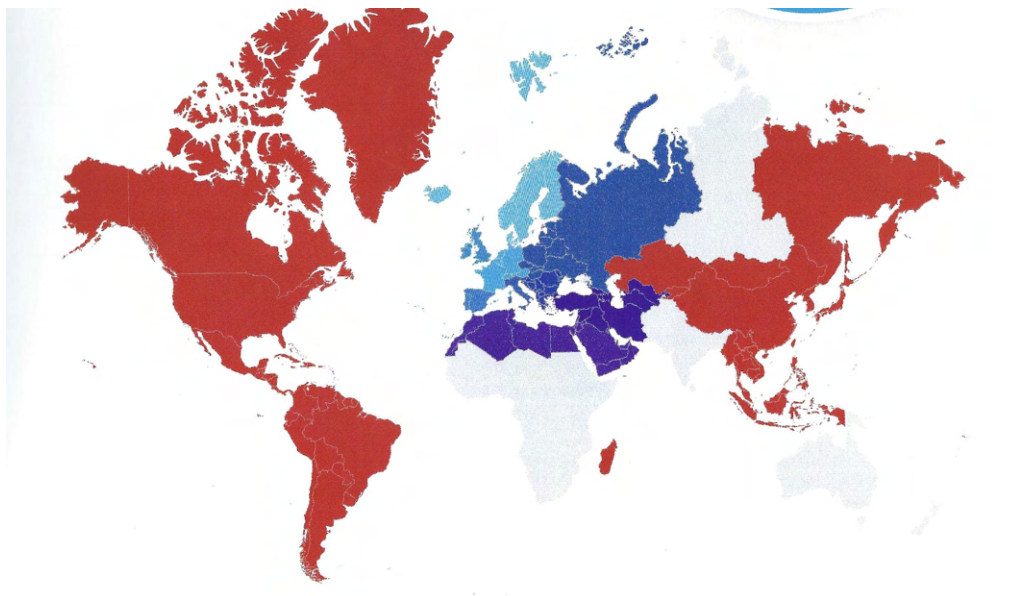
When the Indian Wars ended in the 1870's, all captives were returned. Alf was taken in by a missionary and sent to an eastern seminary to become a minister. He then returned to the Cherokees to convert them to Christianity. By then Alf was in his late twenties so he married a Cherokee woman, baptized her, and gave her the name of Minto, as was the practice of the day.

After a great effort, my mother found a picture of Alf & Minto Carlat taken shortly after. You can see that Alf is wearing a tie pin with the letter "C" for his last name of Carlat. We puzzled over the picture for decades. Was Minto French or Cherokee? You can decide yourself.

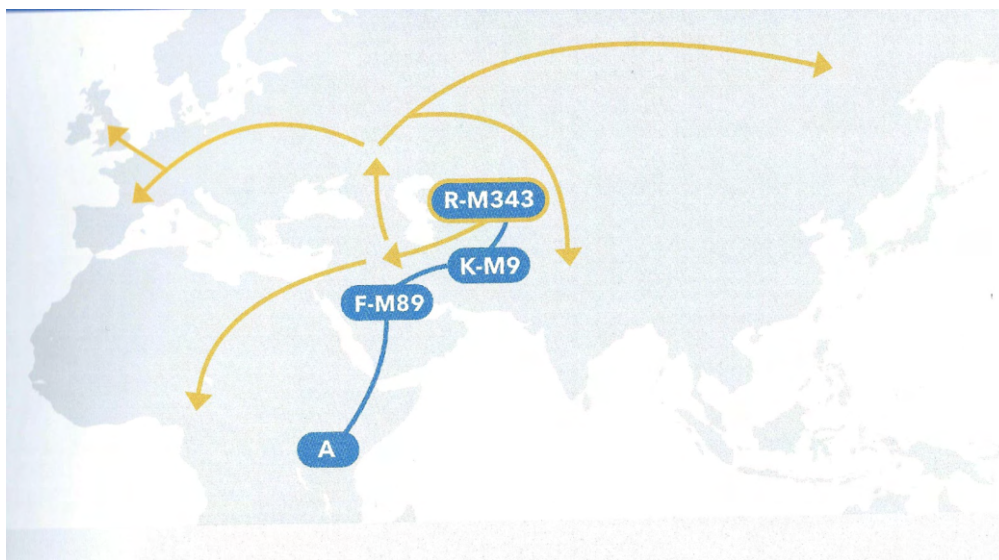
Then **23andMe** delivered the answer. Aha! She was both French **and** Cherokee, descended from a mountain man who roamed the western wilderness in the 1840's. That is what diluted my own Cherokee DNA from 6.50% to 3.25%. And thus, the mystery was solved.

The story has a happy ending. During the 1904 World's Fair in St. Louis (of **Meet me in St. Louis** fame), Alf, then 46 placed an ad in the newspaper looking for anyone missing a brother from the 1866 Kansas massacre. He ran the ad for three months and **on the very last day** his brother answered and the two were reunited, both families in tow.

Today, it costs \$169 to get you DNA analyzed, but with a much larger data base it is far more thorough. To do so click here at <https://www.23andme.com>



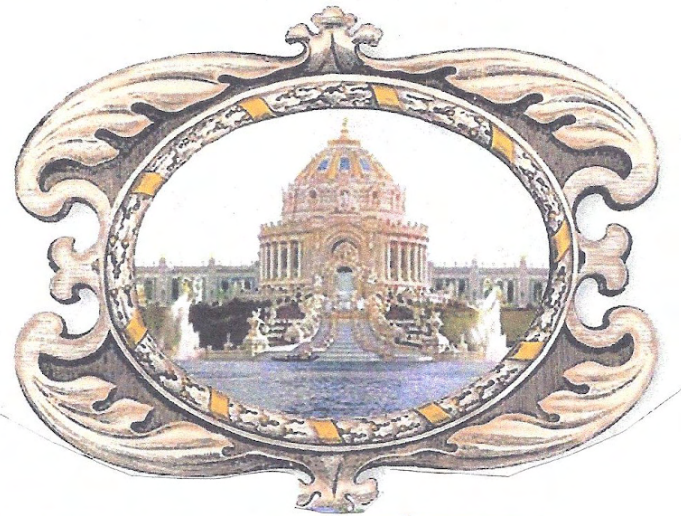
My DNA has Gotten Around



It All Started in East Africa



1880 Alf & Minto Carlat, Great X 5 Grandparents



1904 WORLD'S FAIR

The Long Lost Brother

CHAPTER 2: 1962 Meeting President Eisenhower

The telephone call went out amongst the family with lightning speed, and this was back in 1962 when long-distance cost a fortune. President Dwight D. Eisenhower was going to visit my grandfather's cactus garden in Indio the next day, said to be the largest in the country, and family members were invited.

I spent much of my childhood in the 1950's and 1960s helping grandpa look for rare cactus in California's lower Colorado Desert, where General Patton trained before invading Africa. That involved a lot of digging out a GM pickup truck from deep sand in the remorseless heat. SUV's hadn't been invented yet, and a Willys Jeep (click here <https://www.jeep.com/history/1950s.html>) was the only four wheel drive then available in the US.

I have met nine of the last 13 presidents, but Eisenhower was my favorite. He certainly made an impression on me as a ten-year-old boy, who I remember as a kindly old man.

I walked with Eisenhower and my grandfather plant by plant, me giving him the Latin name for its genus and species, and citing unique characteristics and uses by the Indians. The former president showed great interest and in two hours we covered the entire garden. I still make my kids learn the Latin names of plants.

Eisenhower lived on a remote farm at the famous Gettysburg, PA battlefield given to him by a grateful nation. But the winters there were harsh so he often visited the Palm Springs mansion of TV Guide publisher Walter Annenberg, a major campaign doner.

Eisenhower was one of the kind of brilliant men that America always comes up with when it needs them the most. He learned the ropes serving as Douglas MacArthur's Chief of Staff during the 1930's. Franklin Roosevelt picked him out of 100 possible generals to head allied invasion of Europe, even though he had no combat experience.

After the war, both the Democratic and Republican parties recruited him as a candidate for the 1952 election. The later prevailed, and "Ike" served two terms, defeating governor of Illinois Adlai Stevenson twice. During his time, he ended the Korean War, started the battle over civil rights at Little Rock, began the Interstate

Highway System, and admitted Hawaii as the 50th state.

As my dad was very senior in the Republican Party in Southern California during the 1950's, I got to meet many of the big wigs of the day. New York prosecutor Thomas Dewey ran for president twice, against Roosevelt and Truman, and was a cold fish and aloof. Barry Goldwater was friends with everyone and a decorated bomber pilot during the war.

Richard Nixon would do anything to get ahead, and it was said that even his friends despised him. He let the Vietnam War drag out five years too long when it was clear we were leaving. Some 21 guys I went to high school with died in Vietnam during this time. I missed Kennedy and Johnson. Wrong party and they died too soon. Ford was a decent man and I even went to church with him once, but the Nixon pardon ended his political future.

Peanut farmer Carter was characterized as an idealistic wimp. But the last time I checked, the Navy didn't hire wimps as nuclear submarine commanders. He did offer to appoint me Deputy Assistant Secretary of the Treasury for International Affairs, but I turned him down because I thought the \$15,000 salary was too low. There were not a lot of Japanese speaking experts on the Japanese steel industry around in those days. Biggest mistake I ever made.

Ronald Reagan's economic policies drove me nuts and led to today's giant deficits, which was a big deal if you worked for **The Economist**. But he always had a clever dirty joke at hand which he delivered to great effect....always off camera. The tough guy Reagan you saw on TV was all acting. His big accomplishment was to not drop the ball when it was handed to him to end the Cold War.

I saw quite a lot of George Bush, Sr. who I met with my Medal of Honor Uncle Mitch Paige at WWII anniversaries, who was a gentleman and fellow pilot. Clinton was definitely a "good old boy" from Arkansas, a glad hander, and an incredible campaigner, but was also a Rhodes Scholar. His networking skills were incredible. George Bush, Jr. I missed as he never came to California. And 22 years later we are still fighting in the Middle East.

Obama was a very smart man and his wife Michelle even smarter. Stocks went up 400% on his watch and **Mad Hedge Fund Trader** prospered mightily. But I thought

a black president of the United States was 50 years early. How wrong was I. Trump I already knew too much about from when I was a New York banker.

As for Biden, I have no opinion. I never met the man. He lives on the other side of the country. When I covered the Senate for ***The Economist***, he was a junior member.

Still, it's pretty amazing that I met 9 out of the last 13 presidents. That's 20% of all the presidents since George Washington. I bet only a handful of people have done that and the rest all live in Washington DC. And I'm a nobody, just an ordinary guy. It just makes you think about the possibilities.

Really.



It's Been a Long Road

CHAPTER 3: 1965 Reading for Kent Colors and Searching for Aliens

I am often told that I am the most interesting man people ever met, sometimes daily. I had the good fortune to know someone far more interesting than myself.

When I was 14 I decided to start earning merit badges if I was ever going to become an Eagle Scout. I decided to begin with an easy one, Reading Merit Badge, where you only had to read four books and write one review. I loved reading, so “Piece of cake”, I thought.

I was directed to Kent Cullers, a high school kid who had been blind since birth. During the late 1940’s the medical community thought it would be a great idea to give newborns pure oxygen. It was months before it was discovered that the procedure caused the clouding of corneas and total blindness in infants.

Kent was one of these kids.

It turned out that everyone in the troop already had Reading Merit Badge and that Kent had exhausted our supply of readers. Fresh meat was needed.

So, I rode my bicycle over to Kent’s house and started reading. It was all science fiction. America’s Space Program had ignited a science fiction boom and writers like Isaac Asimov, Jules Verne, Arthur C. Clark, and H.G. Wells were in huge demand. ***Star Trek*** came out the following year, in 1966. That was the year I became an Eagle Scout.

It only took a week for me to blow through the first four books. In the end, I read hundreds to Kent. Kent didn’t just listen to me read. He explained the implications of what I was reading (got to watch out for those non carbon based life forms).

Having listened to thousands of books on the subject Kent gave me a first class education and I credit him with moving me towards a career in science. Kent is also the reason why I got an 800 SAT score in math.

When we got tired of reading we played around with Kent’s radio. His dad was a physicist and had bought him a state of the art high powered short wave radio. I always found Kent’s house from the 50 foot tall radio antenna.

That led to another merit badge, one for Radio, where I had to transmit in Morse Code at five words a minute. Kent could do 50. On the badge below the Morse Code says “BSA.” In those days, when you made a new contact you traded addresses and sent each other postcards.

Kent had postcards with colorful call signs from more than 100 countries plastered all over his wall. One of our regular correspondents was the president of the Palo Alto High School Radio Club, Steve Wozniak, who later went on to co-found Apple (AAPL) with Steve Jobs.

It was a sad day in 1999 when the US Navy retired Morse Code and replaced it with satellites and digital communication far faster than any human could send. However, it is still used as beacon identifiers at US airfields.

Kent’s great ambition was to become an astronomer. I asked how he would become an astronomer when he couldn’t see anything. He responded that Galileo, inventor of the telescope, was blind in his later years.

I replied, “good point”.

Kent went on to get a PhD in Physics from UC Berkely, no mean accomplishment. He lobbied heavily for the creation of SETI, or the Search for Extra Terrestrial Intelligence, once an arm of NASA. He became its first director in 1985 and worked there for 20 years.

In the 1987 movie **Contact**, written by Carl Sagan and starring Jodie Foster, Kent’s character is played by Matthew McConaughey. The movie was filmed at the Very Large Array in western New Mexico. The algorithms Kent developed there are still in widespread use today.

Out here in the west aliens are a big deal, ever since that weather balloon crashed in Roswell, New Mexico in 1947. In fact it was a spy balloon meant to overfly and photograph Russia, but it blew back on the US, thus its top secret status.

When people learn I used to work at Area 51 I am constantly asked if I have seen any space ships. The road there, Nevada State Route 375, is called the Extra

Terrestrial Highway. Who says we don't have a sense of humor in Nevada?

After devoting his entire life to searching, Kent gave me the inside story on searching for aliens. We will never meet them but we will talk to them. That's because the acceleration needed to get to a high enough speed to reach outer space would tear apart a human body. On the other hand, radio waves travel effortlessly at the speed of light.

Sadly, Kent passed away in 2021 at the age of 72. Kent, ever the optimist, had his body cryogenically frozen in Hawaii where he will remain until the technology evolves to wake him up. Minor planet [35056 Cullers](#) is named in his honor.

There are no movies being made about my life.... yet. But there are a couple of scripts out there under development.

Watch this space.



Dr. Kent Cullers



SETI INSTITUTE





New Mexico Very Large Array



Reading Merit Badge



Radio Merit Badge

CHAPTER 4: 1966 Growing Up in Old Montana

I've found a new series on Amazon Prime called **1883**. It is definitely **NOT** PG rated, nor is it for the faint of heart. But it does remind me of my own cowboy days.

When General Custer was slaughtered during his last stand at the Little Big Horn in 1876 in Montana, my ancestors spotted a great buying opportunity. They used the ensuing panic to pick up 50,000 acres near the Wyoming border for ten cents an acre.

Growing up as the oldest of seven kids, my parents never missed an opportunity to farm me out with relatives. That's how I ended up with my cousins near Broadus, Montana for the summer of 1966.

When I got off the Greyhound bus in nearby Sheridan, I went into a bar to call my uncle. The bartender asked his name and when I told him "Carlat" he gave me a strange look.

It turned out that my uncle had killed someone in a gunfight in the street out front a few months earlier, which was later ruled self-defence. It was the last public gunfight seen in the state, and my uncle hasn't been seen in town since.

I was later picked up in a beat up Ford truck and driven for two hours down a dirt road to a log cabin. There was no electricity, just kerosene lanterns and a propane powered refrigerator.

Welcome to the 19th century!

I was hired as a cowboy, lived in a bunk house with the rest of the ranch hands, and was paid the princely sum of a dollar an hour. I became popular by reading the other cowboys newspapers and their mail, since they were all illiterate. Every three days we slaughtered a cow to feed everyone on the ranch. I ate steak for breakfast, lunch, and dinner.

On weekends, my cousins and I searched for Indian arrowheads on horseback, which we found by the shoe box full. Occasionally we got lucky finding an old

rusted Winchester or Colt revolver just lying out on the range, a remnant of the famous battle 90 years before. I carried my own six shooter to help reduce the local rattlesnake population.

I really learned the meaning of work and developed callouses on my hands in no time. I had to rescue cows trapped in the mud (stick a burr under their tail and make them mad), round up lost ones, and sawed miles of fence posts. When it came time to artificially inseminating the cows with superior semen imported from Scotland, it was my job to hold them still. It was all heady stuff for a 15 year old.

The highlight of the summer was participating in the Sheridan Rodeo. With my uncle being one of the largest cattle owners in the area, I had my pick of events. So, I ended up racing a chariot made from an old oil drum, team roping (I had to pull the cow down to the ground), and riding a brahman bull. I still have a scar on my left elbow from where a bull slashed me, the horn pigment clearly visible.

I hated to leave when I had to go home and back to school. But I did hear that the winters in Montana are pretty tough.

It was later discovered that the entire 50,000 acres was sitting on a giant coal seam 50 feet thick. You just knocked off the topsoil and backed up the truck. My cousins became millionaires. They built a modern four bedroom house closer to town with every amenity, even a big screen TV. My cousin also built a massive vintage car collection.

During the 2000's, their well water was poisoned by a neighbor's fracking for natural gas, and water had to be hauled in by truck at great expense. In the end my cousin was killed when the engine of the classic car he was restoring fell on top of him when the rafter above him snapped.

It all gave me a window into a life style that was then fading fast. It's an experience I'll never forget.

CHAPTER 5: 1967 Hitchhiking to EXPO in Montreal Canada

I am reminded of my own summer of 1967, back when I was 15, which may be the subject of a future book and movie.

My family's summer vacation that year was on the slopes of Mount Rainer in Washington state. Since it was raining every day, the other kids wanted to go home early. So my parents left me and my younger brother in the hands of Mount Everest veteran Jim Whitaker to summit the 14,411 peak (click here for his story at <https://www.madhedgefundtrader.com/the-market-outlook-for-the-week-ahead-or-entering-terra-incognita/>). The deal was for us to hitch hike back to Los Angeles when we got off the mountain.

In those days, it wasn't such an unreasonable plan. The Vietnam war was on, and a lot of soldiers were thumbing their way to report to duty. My parents figured that since I was an Eagle Scout, I could take care of myself.

When we got off the mountain, I looked at the map and saw there was this fascinating country called "Canada" just to the north. So, it was off to Vancouver. Once there I learned there was a world's fair going on in Montreal some 2,843 away, so we hit the TransCanada Highway going east.

Crossing the Rockies the road was closed by a giant forest fire. The Mounties were desperate and were pulling all abled bodied men out of the cars to fight the fire. Since we looked 18, we were drafted, given an ax and a shovel, and sent to the front line for a week, meals included.

We ran out of money in Alberta, so we took jobs as ranch hands. There we learned the joys of running down lost cattle on horseback, working all day at a buzz saw, inseminating cows with a giant hypodermic, and eating steak three times a day.

I made friends with the cowboys by reading them their mail, which they were unable to do. There were lots of bills due, child support owed, and alimony demands. Now I know where all those country western lyrics come from.

In Saskatchewan the roads ran out of cars, so we hopped on a freight train in Manitoba, narrowly missing getting mugged in the rail yard in the middle of the

night. We camped out in a box car occupied by other rough sorts for three days. There's nothing like opening the doors and watching the scenery go by with no billboards and the wind blowing through your hair!

When the engineer spotted us on a curve, he stopped the train and invited us to up to the engine room. There, we slept on the floor, and he even let us take turns driving! That's how we made it to Ontario, the most mosquito infested place on the face of the earth.

Our last ride into Montreal offered to let us stay in his boat house as long as we wanted, so there we stayed. Thank you, WWII RAF bomber pilot Group Captain John Chenier!

Broke again, we landed jobs at a hamburger stand at Expo 67 in front of the imposing Russian pavilion. The pay was \$1 an hour and all we could eat. At the end of the month, Madame Desjardin couldn't balance her inventory, so she asked how many burgers I was eating a day. I answered 20, and my brother answered 21. "Well, there's my inventory problem" she replied.

And then there was Suzanne Baribeau, the love of my life. I wonder whatever happened to her?

I had to allow two weeks to hitch hike home in time for school. When we crossed the border at Niagara Falls, we were arrested as draft dodgers as we were too young to have driver's licenses. It took a long conversation between US Immigration and my dad to convince them we weren't.

Then they asked Dad if we should be arrested and sent back on the next plane. He replied "No, they can make it on their own."

We developed a clever system where my parents could keep track of us. Long distance calls were then enormously expensive. So, I called home collect and when my dad answered he asked what city the call was coming from. When the operator gave him the answer, he said he would **not** accept the call. I remember lots of surprised operators. But the calls were free, and dad always knew where we were.

We had to divert around Detroit to avoid the race riots there. We got robbed in North Dakota, where we were in the only car for 50 miles. We made it as far as Seattle with only three days left until school started.

Finally, my parents had a nervous breakdown. They bought us our first air tickets ever to get back to LA, then quite an investment.

I haven't stopped traveling since, my tally now topping all 50 states and 135 countries.

And I learned an amazing thing about the United States. Almost everyone in the country is honest, kind, and generous. Virtually every night our last ride of the day took us home and provided us with an extra bedroom or a garage to sleep in. The next morning, they fed us a big breakfast and dropped us off at a good spot to catch the next ride.

It was the adventure of a lifetime and am a better man for it.



Summit of Mt. Rainier 1967



McKinnon Ranch Bassano Alberta 1967



American Pavilion Expo 67



Hamburger Stand at Expo 67



Picking Cherries in Michigan 1967

CHAPTER 6: 1967 Meeting John Wayne

When you're 6'4" and 190 pounds there is not a lot of things that can seriously toss you around. One is a horse, and another is a wave.

It was the latter that took me down to Newport Beach, CA to a beachfront house to my annual foray into body surfing. Newport Beach has some of the best waves in California.

This is the beach that made John Wayne a movie star.

John, whose real name was Marion Morrison, grew up in a Los Angeles suburb and won a football scholarship to the University of Southern California. While still a freshman in 1925, he went bodysurfing at Newport Beach with a carload of buddies. A big wave picked him up and smashed him down on the sand, breaking his right shoulder.

At football practice, there was no way a big lineman could block and tackle with a broken shoulder, so he was kicked off the team and lost his scholarship.

He still had to eat, so he resorted to the famed student USC jobs bulletin board, which I have taken advantage of myself (it's where I got my LA coroner's job).

The 6'4" Wayne was hired as a stagehand by up-and-coming movie director John Ford, himself also a former college football star. In 14 years, Wayne worked himself up from gopher, to extra, to a leading man in 1930, and then his breakout 1939 film ***Stagecoach***.

During WWII, Wayne, too old, was confined to entertainment for the USO shows and making propaganda films while the rest of his generation was at the front. He never recovered from that humiliation and spent the rest of his life as a super patriot.

I saw John Wayne twice. My uncle Charles, who was the CFO of the Penn Central Railroad in the 1960s, made a fortune selling short the stock right before it went bankrupt (maybe that was legal then?). He bought a big beach house on California Balboa's Island right next door to John Wayne's.

One day, the family was cruising by Wayne's house, and he was sitting on his front patio in a beach chair. Then one of our younger kids shouted out "he's bald" which he was. Wayne laughed and waved.

The second time was in the early 1970's. I was walking across the lobby of the Beverly Hills Hotel with the movie star and Miss America runner-up Cybil Shephard on my arm. He walked right up to us and with a big smile said, "Hello gorgeous". He wasn't talking to me.

I learned a lot about Wayne from my uncle, Medal of Honor winner Mitchell Paige, who was hired as the technical consultant for the 1949 film *Sands of Iwo Jima* and spent several months working closely with him. The lead character, Marine Sergeant John Striker, was based on Mitch.

Film critics complained that Wayne couldn't act, that he was just himself all the time. But I knew my uncle Mitch well, a humble, modest, self-effacing man, and Wayne absolutely nailed him to a tee.

The Searchers, made in 1958, and directed by John Ford, is considered one of the finest movies ever made. I show it to my kids every Christmas to remind them where they came from because we have an ancestor who was kidnapped in Texas by the Comanches and survived.

John Wayne was a relentless chain smoker, common for the day, and lung cancer finally caught up with him. His first bout was in 1965 when he was making *In Harm's Way*, the worst war movie he ever made. His last film, *The Shootist*, made in 1978, was ironically about an old gunslinger dying of prostate cancer.

John Wayne hosted the 1979 Academy Awards rail thin, racked by chemotherapy and radiation treatments. He died a few months later after making an incredible 169 movies in 50 years.

John Wayne was one of those people you're lucky to run into in life. He was a nice guy when he didn't have to be.

As for those waves at Newport Beach I can vouch they are just as tough as they were 100 years ago.



CHAPTER 7: 1968 Hitchhiking Across the Sahara Desert

Occasionally I tell close friends that I hitchhiked across the Sahara Desert alone when I was 16 and am met with looks that are amazed, befuddled, and disbelieving, but I actually did it in the summer of 1968.

I had spent two months hitchhiking from a hospital in Sweden all the way to my ancestral roots in Monreale, Sicily, the home of my Italian grandfather. My next goal was to visit my Uncle Charles, who was stationed at the Torreon Air Force base outside of Madrid, Spain.

I looked at my Michelin map of the Mediterranean and quickly realized that it would be much quicker to cut across North Africa than hitching all the way back up the length of Italy, cutting across the Cote d'Azur, where no one ever picked up hitchhikers, then all the way down to Madrid, where the people were too poor to own cars.

So one fine morning found myself taking deck passage on a ferry from Palermo to Tunis. From here on my memory is hazy and I remember only a few flashbacks.

Ever the historian, even at age 16, I made straight for the Carthaginian ruins where the Romans allegedly salted the earth to prevent any recovery of a country they had just wasted. Some 2,000 years later it worked as there was nothing left but an endless sea of scattered rocks.

At night, I laid out my sleeping bag to catch some shut-eye. But at 2:00 AM someone tried to bash my head in with a rock. I scared them off but haven't had a decent night of sleep since.

The next day, I made for the spectacular Roman ruins at Leptus Magna on the Libyan coast. But Muamar Khadafi pulled off a coup d'état earlier and closed the border to all Americans. My visa obtained in Rome from King Idris was useless.

I used to opportunity to hitchhike over Kasserine Pass into Algeria, where my uncle served under General Patton in WWII. US forces suffered an ignominious defeat until General Patton took over the army in 1943. Some 25 years later, the scenery was still littered with blown-up tanks, destroyed trucks, and crashed

Messerschmitt's.

Approaching the coastal road, I started jumping trains headed west. While officially the Algerian Civil War ended in 1962, in fact, it was still going on in 1968. We passed derailed trains and smashed bridges. The cattle were starving. There was no food anywhere.

At night, Arab families invited me to stay over in their mud brick homes as I always traveled with a big American Flag on my pack. Their hospitality was endless, and they shared what little food they had.

As a train pulled into Algiers, a conductor caught me without a ticket. So, the railway police arrested me and on arrival took me to the central Algiers prison, not a very nice place. After the police left, the head of the prison took me to a back door, opened it, smiled, and said "*Si vous plaise*". That was all the French I ever needed to know. I quickly disappeared into the Algiers souk.

As we approached the Moroccan border I saw trains of camels 1,000 animals long, rhythmically swaying back and forth with their cargoes of spices from central Africa. These don't exist anymore, replaced by modern trucks.

Out in the middle of nowhere bullets started flying through the passenger cars splintering wood. I poked my Kodak Instamatic out the window in between volleys of shots and snapped a few pictures.

The train juddered to a halt and robbers boarded. They shook down the passengers, seizing whatever silver jewelry and bolts of cloth they could find.

When they came to me, they just laughed and moved on. As a ragged backpacker, I had nothing of interest for them.

The train ended up in Marrakesh on the edge of the Sahara and the final destination of the camel trains. It was like visiting the Arabian nights. The main **Jemaa el-Fna** square was amazing, with masses of crafts for sale, magicians, snake charmers, and men breathing fire.

Next stop was Tangiers, site of the oldest foreign American embassy, which is now

open to tourists. For 50 cents a night, you could sleep on a rooftop under the stars and pass the pipe with fellow travelers which contained something called hashish.

One more ferry ride and I was at the British naval base at the Rock of Gibraltar and then on a train for Madrid. I made it to the Torreon base main gate where a very surprised master sergeant picked up my half-starved, rail-thin, filthy nephew and took me home. Later, Uncle Charles said I slept for three days straight. Since I had lice, Charles shaved my head when I was asleep. I fit right in with the other airmen.

I woke up with a fever, so Charles took me to the base clinic. They never figured out what I had. Maybe it was exhaustion, maybe it was prolonged starvation. Perhaps it was something African. Possibly, it was all one long dream.

Afterwards, my uncle took for to the base commissary where I enjoyed my first cheeseburger, French fries, and chocolate shake in many months. It was the best meal of my life and the only cure I really needed.

I have pictures of all this which are sitting in a box somewhere in my basement. The Michelin map sits in a giant case of old, used maps that I have been collecting for 60 years.



Mediterranean in 1968

CHAPTER 8: 1968 Living with the Nazis and the Value of German Movie Tickets

I had the good fortune to live with a Nazi family in West Berlin during the 1960s. While working at the Sarotti chocolate factory in Templehof, my boss took pity on me and invited me to move in with his family. I jumped at the chance of free rent and all the German food I could eat.

What I learned was amazing.

Even though the Germans had lost WWII 20 years earlier, they still believed in the core Nazi beliefs. However, they loved Americans as we had saved them from the Bolsheviks, especially in Berlin. President Kennedy had delivered his famous “Ich bin ein Berliner” speech only seven years earlier.

There have been thousands of books written about wartime Germany, but almost none about what happened afterward. I absorbed dozens of stories from my adopted German family, and I’ll tell you one of the most unbelievable ones.

In the weeks after the German surrender on May 7, 1945, Berlin was shattered. The city had been the subject of countless 1,000 bomber raids and the population had shrunk from 5 million to only 1.5 million. Most of the military-aged men were absent. Survivors were living under the rubble.

What’s worse, everyone knew that the allies would soon declare the German currency, the Reichsmark, worthless and replace it with a new one, wiping out everyone’s life savings. So, they had to spend as fast as they could. But with the economy in ruins, there was nothing to buy. In any case, the only thing they really wanted was food, which they could get on a thriving black market.

It turned out that there was only one thing they could buy in unlimited quantities:

Movie tickets.

When Hitler came to power in 1933, one of the first things he did was ban American movies. The industry was taken over by propaganda minister Joseph Goebbels who only permitted propaganda films promoting Nazi values for

domestic consumption.

The only American film permitted in Germany during the 1930s was ***Grapes of Wrath*** because it highlighted U.S. weaknesses. Movie production was shut down completely in 1943 because of the war's demands on supplies.

When the war ended, suddenly, the iconic movies of the Great Depression became available, such as the works of the Marx Brothers, Shirley Temple, ***The Wizard of Oz***, ***Gone with the Wind***, and ***King Kong***.

Impromptu movie theaters were thrown up against standing walls of destroyed buildings. Within two weeks of the surrender, half of Berlin's prewar 550 theaters had reopened. Of a population of 1.5 million, 850,000 movie tickets were sold every weekend. The summer of 1945 became one long film festival. The Germans laughed, cried, and were enthralled.

Every weekend was a sellout. The only movie that bombed that summer was a U.S. Army documentary about the concentration camps. But even that one sold 400,000 tickets.

The movies had a therapeutic effect on the German people. It distracted them from their daily privations, starvation, and suffering. It also allowed them to reconnect with Western civilization. Ask any Berliner about what they did after the war and all they will talk about are the movies.

The Allies finally withdrew the Reichsmark in 1948. Individuals were only permitted to convert \$40 out of the old currency into the new Deutschmark, which was then worth 25 cents. Only those who had title to land maintained their wealth, and most of those were farmers in the new West Germany.

I hope you enjoyed this little fragment of unwritten history, which I find amazing. But then, I find everything amazing.



Berlin in 1945



Berlin in 1968

CHAPTER 9: 1968 Losing my Front Teeth in Paris

Dentists find my mouth fascinating as it is like a tour of the world. I have gold inlays from Japan, cheap ceramic fillings from Britain's National Health, and loads of American silver amalgam.

But my front teeth are the most interesting as they were knocked out in a riot in Paris in 1968.

France was on fire that year. Riots on the city's South Bank near Sorbonne University were a daily occurrence. A dozen blue police buses packed with riot police were permanently parked in front of the Notre Dame Cathedral ready for a rapid response across the river.

President Charles de Gaulle was in hiding at a French air base in Germany. Many compared the chaos to the modern-day equivalent of the French Revolution.

So, of course, I had to go.

This was back when there were five French francs to the US dollar and you could live on a loaf of bread, a hunk of cheese, and a bottle of wine for a dollar a day. I was 16.

The Paris Metro cost one franc. To save money I camped out every night in the Parc des Buttes Chaumont, which had nice bridges to sleep under. When it rained, I visited the Louvre, taking advantage of my free student access. I got to know every corner. The French are great at castles....and museums.

To wash I would jump in the Seine River every once in a while. But in those days not many people in France took baths anyway.

I joined a massive protest one night which originally began over the right of men to visit the women's dorms at night. Then the police attacked. Demonstrators came equipped with crowbars and shovels to dig up heavy cobblestones dating to the 17th century to throw at the police, who then threw them back.

I got hit squarely in the mouth with an airborne projectile. My front teeth went

flying and I never found them. I managed to get temporary crowns which lasted me until I got home. I carry a scar across my mouth to this day.

I visited the Left Bank just before the pandemic hit in 2019. The streets were all paved with asphalt to make the cobblestones underneath inaccessible. I showed my kids the bridges I used to sleep under, but they were unimpressed.

But when I showed them the Mona Lisa at the Louvre, she was as enigmatic as ever.

Everyone should have at least one Paris in 1968 in their lifetime. I've had many and am richer for it.



1968



2019

CHAPTER 10: 1968 My First Russian Invasion

This is not my first Russian invasion.

Early in the morning of August 20, 1968, I was dead asleep at my budget hotel off of Prague's Wenceslas Square when I was suddenly awoken by a burst of machine gun fire. I looked out the window and found the square filled with T-54 Russian tanks, trucks, and troops.

The Soviet Union was not happy with the liberal, pro-western leaning of the Alexander Dubcek government so they invaded Czechoslovakia with 500,000 troops and overthrew the government.

I ran downstairs and joined a protest demonstration that was rapidly forming in front of Radio Prague trying to prevent the Russians from seizing the national broadcast radio station. At one point I was interviewed by a reporter from the BBC carrying this hulking great tape recorder over his shoulder, as I was the only one who spoke English.

It seemed wise to hightail it out of the country, *post haste*, as it was just a matter of time before I would be arrested. The US ambassador to Czechoslovakia, Shirley Temple Black (yes, **THE** Shirley Temple), organized a train to get all of the Americans out of the country.

I heard about it too late and missed the train.

All borders with the west were closed and domestic trains shut down, so the only way to get out of the country was to hitchhike to Hungary where the border was still open.

This proved amazingly easy as I placed a small American flag on my backpack. I was in Bratislava just across the Danube from Austria in no time. I figured worst case, I could always swim it, as I had earned both, the Boy Scout Swimming, and Lifesaving merit badges.

Then I was picked up by a guy driving a 1949 Plymouth who loved Americans because he had a brother living in New York City. He insisted on taking me out to

dinner. As we dined, he introduced me to an old Czech custom, drinking an entire bottle of vodka before an important event, like crossing an international border.

Being 16 years old, I was not used to this amount of high-octane 40-proof rocket fuel and I was shortly drunk out of my mind. After that, my memory is somewhat hazy.

My driver, also wildly drunk, raced up to the border and screeched to a halt. I staggered through Czech passport control which duly stamped my passport. I then lurched another 50 yards to Hungary, which amazingly, let me in. Apparently, there is no restriction on entering the country drunk out of your mind. Such is Eastern Europe.

I walked another 100 yards into Hungary and started to feel woozy. So, I stumbled into a wheat field and passed out.

Sometime in the middle of the night, I felt someone kicking me. Two Hungarian border guards had discovered me. They demanded my documents. I said I had no idea what they were talking about. Finally, after their third demand, they loaded their machine guns, pointed them at my forehead, and demanded my documents for the third time.

I said, "Oh, you want my documents!"

I produced my passport, When they got to the page that showed my age they both started laughing.

They picked me and my backpack up and dragged me back to the road. While crossing some railroad tracks, they dropped me, and my knee hit a rail. But since I was numb, I didn't feel a thing.

When we got to the road, I saw an endless stream of Russian army trucks pouring into Czechoslovakia. They flagged down one of them. I was grabbed by two Russian soldiers and hauled into the truck with my pack thrown on top of me. The truck made a U-turn and drove back into Hungary.

I contemplated my surroundings. There were 16 Russian Army soldiers in full

battle dress holding AK-47s between their legs and two German Shepherds all looking at me quizzically. Then I suddenly felt the urge to throw up. As I assessed that this was a life-and-death situation, I made every effort to restrain myself.

We drove five miles into the country and then stopped at a small church. They carried me out of the truck and dumped me and my pack behind the building. Then they drove off.

The next morning, I woke up with the worst headache of my life. My knee bled throughout the night and hurt like hell. I still have the scar. Even so, in my enfeebled condition, I realized that I had just had one close call.

I hitchhiked on to Budapest, then to Romania, where I heard that the beaches were filled with beautiful women. My Italian let me get by passably in the local language.

It all turned out to be true.

CHAPTER 11: 1968 Swedish Car Crash

I am sitting in the Centurion Lounge at San Francisco Airport waiting for a United flight to Las Vegas where I have to speak at an investment conference. I have time to kill so I will reach back into the deep dark year of 1968 in Sweden.

My trip to Europe was supposed to limit me to staying with a family friend, Pat, in Brighton, England for the summer. His family lived in impoverished council housing.

I remember that you had to put a ten-pence coin into the hot water heater for a shower, which inevitably ran out when you were fully soaped up. The trick was to insert another ten-pence without getting soap in your eyes.

After a week there, we decided the gravel beach and the games arcade on Brighton Pier were pretty boring, so we decided to hitchhike to Paris.

Once there, Pat met a beautiful English girl named Sandy, and they both took off for some obscure Greek island, the ultimate destination if you lived in a cold, foggy country.

That left me stranded in Paris.

So, I hitchhiked to Sweden to meet up with a girl I had run into while she was studying English in Brighton. It was a long trip north of Stockholm, but I eventually made it.

When I finally arrived, I was met at the front door by her boyfriend, a 6'6" Swedish weightlifter. That night found me bedding down in a birch forest in my sleeping bag to ward off the mosquitoes that hovered in clouds.

I started hitchhiking to Berlin, Germany the next day. I was picked up by Ronny Carlson in a beat-up white Volkswagen bug to make the all-night drive to Goteborg where I could catch the ferry to Denmark.

1968 was the year that Sweden switched from driving English style on the left to the right. There were signs every few miles with a big letter "H", which stood for

“hunger”, or right. The problem was that after 11:00 PM, everyone in the country was drunk and forgot what side of the road to drive on.

Two guys on a motorcycle driving at least 80 pulled out to pass a semi-truck on a curve and slammed head-on into us, then were thrown under the wheels of the semi. The driver was killed instantly, and his passenger had both legs cut off at the knees.

As for me, our front left wheel was sheared off and we shot off the mountain road, rolled a few times, and were stopped by this enormous pine tree.

The motorcycle riders got the two spots in the only ambulance. A police car took me to a hospital in Goteborg and whenever we hit a bump in the road bolts of pain shot across my chest and neck.

I woke up in the hospital the next day, with a compound fracture of my neck, a dislocated collar bone, and paralyzed from the waist down. The hospital called my mom after booking the call 16 hours in advance and told me I might never walk again. She later told me it was the worst day of her life.

Tall blonde Swedish nurses gave me sponge baths and delighted in teaching me to say Swedish swear words and then laughed uproariously when I made the attempt.

Sweden had a National Health care system then called Scandia, so it was all free.

Decades later a Marine Corps post-traumatic stress psychiatrist told me that this is where I obtained my obsession with tall, blond women with foreign accents.

I thought everyone had that problem.

I ended up spending a month there. The TV was only in Swedish, and after an extensive search, they turned up only one book in English, ***Madame Bovary***. I read it four times but still don't get the ending.

The only problem was sleeping because I had to share my room with the guy who lost his legs in the accident. He screamed all night because they wouldn't give him

any morphine.

When I was released, Ronny picked me up and I ended up spending another week at his home, sailing off the Swedish west coast. Then I took off for Berlin to get a job since I was broke.

I ended up recovering completely. But to this day whenever I buy a new Brioni suit in Milan they have to measure me twice because the numbers come out so odd. My bones never returned to their pre-accident position and my right arm is an inch longer than my left. The compound fracture still shows up on X-rays.

And I still have this obsession with tall, blond women with foreign accents.

Go figure.



Brighton 1968



Ronny Carlson in Sweden

CHAPTER 12: 1969 Dating the Wham-O Heiress Melody Knerr

I have dated a lot of interesting women in my lifetime, but one who really stands out is Melody Knerr, the daughter of Richard Knerr, the founder of the famed novelty toy company [Wham-O](#). I dated her during my senior year in high school.

At six feet, she was the tallest girl in the school, and at 6'4" I was an obvious choice. After the senior prom and wearing my cheap rented tux, I took her to the Los Angeles opening night of the new musical *Hair*.

In the second act, the entire cast dropped their clothes onto the stage and stood there stark naked. The audience was stunned, shocked, embarrassed, and even gob-smacked. Fortunately, Melody never revealed the content of the play to her parents, or I would have been lynched.

In a recurring theme of my life, while Melody liked me, her mother liked me even more. That enabled me to learn the inside story of Wham-O, one of the great untold business stories of all time.

Richard Knerr started Wham-O in a South Pasadena garage in 1948. His first product was a slingshot, hence the company name, the sound you make when firing at a target. Business grew slowly, with Knerr trying and discarding several different toys.

Then in 1957, he borrowed an idea from an Australian bamboo exercise hoop, converted it to plastic, and called it the "Hula Hoop." It instantly became the biggest toy fad of the 20th century, with Wham-O selling an eye-popping 25 million in just four months. By 1959 they had sold a staggering 100 million.

The Hula Hoop was an extremely simple toy to manufacture. You took a yard of cheap plastic tubing and stapled it together with an oak plug, and you were done. The markup was 1,000%. Knerr made tens of millions and bought a mansion in a Los Angeles suburb with a stuffed lion guarding his front door which he had shot in Africa.

The company made the decision to build another 50 million Hula Hoops. Then the bottom absolutely fell out of the Hula Hoop market. Midwestern ministers perceived a sexual connotation in the suggestive undulating motion to use it and

decried it the work of the devil. Orders were canceled en masse.

Whamo-O tried to stop their order for 50 million oak plugs, which were made in England, but to no avail. They had already shipped. So, to cut their losses Whamo-O ordered the entire shipment dumped overboard in the North Atlantic, where they still bob today. The company almost went bankrupt.

Knerr saved the company with another breakout toy, the Frisbee, a runaway success that is still sold today. Even Incline Village, Nevada has a Frisbee golf course. The US Army tested it as a potential flying hand grenade. That was followed by other monster hits like the Super Ball, the Slip-N-Slide, and the Slinky.

Richard Knerr sold his company to toy giant Mattel (MAT) for \$80 million in 1994. He passed away in 2008 at the age of 82.

As for Melody, we lost touch over the years. The last I heard she was working at a dive bar in rural California. Apparently, I was the high point of her life. The last time I saw her I learned the harshest of all lessons, never go back and visit your old high school girlfriend. They never look that good again.



Hula Hoop Inventor Chuck Knerr

CHAPTER 13: 1970 Hitchhiking to Alaska

Upon graduation from high school in 1970, I received a plethora of scholarships, one of which was for the then astronomical sum of \$300 in cash from the Arc Foundation.

By age 18, I had hitchhiked in every country in Europe and North Africa, more than 50. The frozen wasteland of the North and the Land of Jack London beckoned.

After all, it was only 4,000 miles away. How hard could it be? Besides, oil had just been discovered on the North Slope and there were stories of abundant high-paying jobs.

I started hitching to the Northwest, using my grandfather's 1892 30-40 Krag & Jorgenson rifle to prop up my pack and keeping a Smith & Wesson .38 revolver in my coat pocket. Hitchhikers with firearms were common in those days and they always got rides. Drivers wanted the extra protection.

No trouble crossing the Canadian border either. I was just another hunter.

The Alcan Highway started in Dawson Creek, British Columbia, and was built by an all-black construction crew during the summer of 1942 to prevent the Japanese from invading Alaska. It had not yet been paved and was considered the great driving challenge in North America.

The rain started almost immediately. The legendary size of the mosquitoes turned out to be true. Sometimes, it took a day to catch a ride. But the scenery was magnificent and pristine.

At one point a Grizzly bear approached me. I let loose a shot over his head at 100 yards and he just turned around and lumbered away. It was too beautiful to kill.

I passed through historic Dawson City in the Yukon, the terminus of the 1898 Gold Rush. There, abandoned steamboats lie rotting away on the banks, being reclaimed by nature. The movie theater was closed but years later was found to have hundreds of rare turn-of-the-century nitrate movie prints frozen in the basement, a true gold mine.

Eventually, I got a ride with a family returning to Anchorage hauling a big RV. I started out in the back of the truck in the rain, but when I came down with pneumonia, they were kind enough to let me move inside. Their kids sang “Raindrops keep falling on my head” the entire way, driving me nuts. In Anchorage they allowed me to camp out in their garage.

Once in Alaska, there were no jobs. The permits to start the big pipeline project wouldn’t be granted for four more years. There were 10,000 unemployed.

The big event that year was the opening of the first McDonald’s in Alaska. The company said they would drop dollar bills from a helicopter to promote the event. Thousands of homesick showed up and a riot broke out, causing the stand to burn down. It was rumored their burgers were made of moose meat anyway.

I made it all the way to Fairbanks to catch my first sighting of the wispy green contrails of the northern lights, impressive indeed. Then began the long trip back.

I lucked out by catching an Alaska Airlines promotional truck headed for Seattle. That got me free ferry rides through the inside passage. The driver wanted the extra protection as well. The gaudy, polished tourist destinations of today were back then pretty rough ports inhabited by tough, deeply tanned commercial fishermen and loggers who were heavy drinkers always short of money. Alcohol features large in the history of Alaska.

From Seattle, it was just a quick 24-hour hop down to LA. I still treasure this trip. The Alaska of 1970 no longer exists, as it is now overrun with summer tourists. It now has more than one McDonald’s. And with runaway global warming the climate is starting to resemble that of California than the polar experience it once was.



The Alcan Highway Midpoint



The Alaska-Yukon Border in 1970

CHAPTER 14: 1970 My Life with Arctic Plankton and a Visit to the North Pole

The University of Southern California has a student jobs board that is positively legendary. It is where the actor John Wayne picked up a gig working as a stagehand for John Ford which eventually made him a movie star.

As a beneficiary of a federal work/study program in 1970, I was entitled to pick any job I wanted for the princely sum of \$1.00 an hour, then the minimum wage. I noticed that the Biology Department was looking for a lab assistant to identify and sort Arctic plankton.

I thought, “What the heck is Arctic plankton?” I decided to apply to find out.

I was hired by a Japanese woman professor whose name I long ago forgot. She had figured out that Russians were far ahead of the US in Arctic plankton research, thus creating a “plankton gap.” “Gaps” were a big deal during the Cold War, so that made her a layup to obtain a generous grant from the Defense Department to close the “plankton gap.”

It turns out that I was the only one who applied for the job, as postwar anti-Japanese sentiment was still high on the West Coast. I was given my own lab bench and a microscope and told to get to work.

It turns out that there is a vast ecosystem of plankton under 20 feet of ice in the Arctic consisting of thousands of animal and plant varieties. The whole system is powered by sunlight that filters through the ice. The thinner the ice, such as at the edge of the Arctic ice sheet, the more plankton. In no time, I became adept at identifying copepods, euphasia, and calanus hyperboreaus, which all feed on diatoms.

We discovered that there was enough plankton in the Arctic to feed the entire human race if a food shortage ever arose, then a major concern. There was plenty of plant material and protein there. Just add a little flavoring and you have an endless food supply.

The high point of the job came when my professor traveled to the North Pole, the

first woman ever to do so. She was a guest of the US Navy, which was overseeing the collection hole in the ice. We were thinking the hole might be a foot wide. When she got there, she discovered it was in fact 50 feet wide. I thought this might be to keep it from freezing over, but thought nothing of it.

My freshman year passed. The following year, the USC jobs board delivered up a far more interesting job, picking up dead bodies for the Los Angeles County Coroner, Thomas Noguchi, the “Coroner to the Stars.” This was not long after Charles Manson was locked up, and his bodies were everywhere. The pay was better too, and I got to know the LA freeway system like the back of my hand.

It wasn’t until years later, when I had obtained a high security clearance from the Defense Department that I learned of the true military interest in plankton by both the US **and** the Soviet Union.

It turns out that the hole was not really for collecting plankton. Plankton was just the cover. It was there so a US submarine could surface, fire nuclear missiles at the Soviet Union, and then submerge again under the protection of the ice.

So, not only have you been reading the work of a stock market wizard these many years, but you have also been in touch with one of the world’s leading experts on Arctic plankton.

Live and learn.

CHAPTER 15: 1970 The Great Caltech Card Trick

When I went to college in Los Angeles the local rivalries between universities were intense.

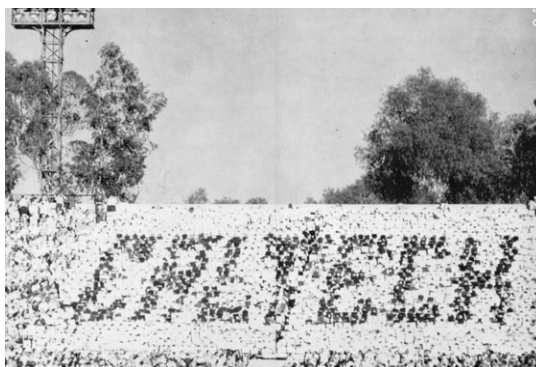
UCLA and USC had a particularly intense rivalry, and I went to both. It was traditional to steal Tommy Trojan's sword prior to each homecoming game and then paint the statue blue. USC had a mascot, a mixed-breed dog called "Old Tire Biter." Prior to one game, UCLA kidnapped the dog.

At halftime, the kidnappers appeared midfield, tied the dog to a helium-filled weather balloon, and let him waft away somewhere over the city. Enraged USC fans stormed the field only to find that the real dog was hidden in a nearby truck. The dog headed for the stratosphere was actually a stuffed one.

Of course, the greatest prank of all time was carried out by the California Institute of Technology in the 1961 Rose Bowl, which didn't have a football team, on the Washington Huskies. Washington was famous for its elaborate card tricks, which spelled out team names and various corporate sponsors and images.

On the night before a game imaginative mathematically oriented Caltech students snuck into to the stadium and changed the instructions on the back of each card packet sitting in the seats. When it came time to spell out an enormous "WASHINGTON", "CALTECH" displayed instead. The incident was broadcast live on national TV ON NBC.

At Caltech, where I studied math, they are still talking about it today.



CHAPTER 16: 1971 Working for the Los Angeles County Coroner and Looking for Charles Manson

I was recently in Los Angeles visiting old friends, and I am reminded of one of the weirdest chapters of my life.

There were not a lot of jobs in the summer of 1971, but Thomas Noguchi, the LA County Coroner, was hiring. The famed USC student jobs board had delivered! Better, yet, the job included hours at night and free housing at the coroners' department.

I got the graveyard shift, from midnight to 8:00 AM. All I had to do was buy a black suit from Robert Halls, for \$25.

Noguchi was known as the “coroner to the stars” having famously done the autopsies on Marilyn Monroe and Jane Mansfield. He did not disappoint.

For three months, whenever there was a death from unnatural causes, I was there to pick up the bodies. If there was a suicide, gangland shooting, or horrific car accident, I was your man.

Charles Manson had recently been arrested and I was tasked with digging up the victims. One, cowboy stuntman Shorty Shay, had his head cut off and neatly placed in between his ankles.

The first time I ever saw a full set of women’s underclothing, a girdle and pantyhose, was when I excavated a desert roadside grave that the coyotes had dug up. She was pretty far gone.

Once, me and another driver were sent to pick up a teenage boy who had committed suicide in Beverly Hills. The father came out and asked us to take the mattress as well. I regretted that we were not allowed to do favors on city time. He then said, “Can you take it for \$200”, then an astronomical sum.

A few minutes later found a hearse driving down the Santa Monica Freeway on the way to the dump with a double mattress expertly tied on the roof with Boy Scout knots with a giant blood spot in the middle.

Once, I was sent to a cheap motel where a drug deal gone wrong had produced several shootings. I found \$10,000 in a brown paper bag under the bed. The other driver found another ten grand and a bag of drugs and kept them. He went to jail. I didn't.

The worst pick-up of the summer was also the most disgusting and even made the old veterans sick. A 300-pound man had died of a heart attack and was not discovered for a month. We decided to each grab an arm or leg and all tug on the count of three. One, two, three, and all four limbs came off!

Eventually, I figured out that handling dead bodies could be hazardous to your health, so I asked for rubber gloves. I was fired.

Still, I ended up with some of the best summer job stories ever.



CHAPTER 17: 1974 A Lifetime of Flight Training

In the seventies, Air America was not too choosy about who flew their airplanes at the end of the Vietnam War. If you were willing to get behind the stick and didn't ask too many questions, you were hired.

They didn't bother with niceties like pilot licenses, medicals, or passports. On some of their missions, the survival rate was less than 50% and there was no retirement plan. The only way to ignore the ratatat of bullets stitching your aluminum airframe was to turn the volume up on your headphones.

Felix (no last name) taught me to fly straight and level so he could find out where we were on the map. We went out and got drunk on cheap Mekong Whiskey after every mission just to settle our nerves. I still remember the hangovers.

When I moved to London to set up Morgan Stanley's international trading desk in the eighties, the English had other ideas about who was allowed to fly airplanes. Julie Fisher at the London School of Flying got me my basic British pilot's license.

If my radio went out, I learned to land by flare gun and navigate by sextant. She also taught me to land at night on a grass field guided by a single red-lensed flashlight. For fun, we used to fly across the channel and land at Le Touquet, taxiing over the rails for the old V-1 launching pads.

A retired Battle of Britain Spitfire pilot named Captain John Schooling taught me advanced flying techniques and aerobatics in an old 1949 RAF Chipmunk. I learned barrel rolls, loops, chandelles, whip stalls, wingovers, and Immelmann turns, everything a WWII fighter pilot needed to know.

John was a famed RAF fighter ace. Once he got shot down by a Messerschmitt 109, parachuted to safety, took a taxi back to his field, jumped into his friend's Spit, and shot down another German. Every lesson ended with a pint of beer at the pub at the end of the runway. John paid me the ultimate compliment, calling me "a natural stick and rudder man," no pun intended.

John believed in tirelessly practicing engine off-landings. His favorite trick was to reach down and shut off the fuel, telling me that a Messerschmitt had just shot

out my engine and to land the plane. When we got within 200 feet of a good landing, he turned the fuel back on and the engine coughed back to life. We practiced this more than 200 times.

When I moved back to the US in the early nineties it was time to go full instrument in order to get my commercial and military certifications. Emmy Michaelson nursed me through that ordeal. After 50 hours flying blindfolded in a cockpit, you get very close with someone.

Then came flight test day. Emmy gave me the grim news that I had been assigned to “One Engine Larry” the most notorious FAA examiner in Northern California. Like many military flight instructors, Larry believed that no one should be allowed to fly unless they were perfect.

We headed out to the Marin County coast in an old twin-engine Beechcraft Duchess, me under my hood. Suddenly, Larry shut the fuel off, told me my engines failed, and that I had to land the plane. I found a cow pasture aligned with the wind and made a perfect approach. Then he asked, “How did you do that?” I told him. He said, “Do it again” and I did. Then he ordered me back to base. He signed me off on my multi-engine **and** instrument ratings as soon as we landed. Emmy was thrilled.

I now have to keep my many licenses valid by completing three takeoffs and landings every three months. I usually take my kids and make a day of it, letting them take turns flying the plane straight and level.

On my fourth landing, I warn my girls that I’m shutting the engine off at 2,000 feet. They cry “No dad, don’t.” I do it anyway, coasting in bang on the numbers every time.

A lifetime of flight instruction teaches you not only how to fly, but how to live as well. It makes you who you are. Thus, my insistence on absolute accuracy, precision, risk management, and probability analysis. I live my life by endless checklists, both short and long-term. I am the ultimate planner and I have a never-ending obsession with the weather.

It passes down to your kids as well.

Julie became one of the first female British Airways pilots, got married, and had kids. John passed on to his greater reward many years ago. I don't think there are any surviving Battle of Britain pilots left. Emmy was an early female hire as a United pilot. She married another United pilot and was eventually promoted to full captain. I know because I ran into them in an elevator at San Francisco airport ten years ago, four captain's bars adorning her uniform.

Flying is in my blood now and I'll keep flying for life. I can now fly anything anywhere and am the backup pilot on several WWII aircraft including the B-17, B-24, and B-25 bombers and the P-51 Mustang fighter.

Over the years, I have also contributed to the restoration of a true Battle of Britain Spitfire, and this summer I'll be taking the controls at the Red Hill Aerodrome for the first time.

Captain John Schooling would be proud.



Captain John Schooling and His RAF 1949 Chipmunk



A Mitchell B-25 Bomber



A 1932 De Havilland Tiger Moth



Flying a P-51 Mustang



The Next Generation

CHAPTER 18: 1974 Flying with Zaki Yamani

It was with great sadness that I learned of the passing of my old friend, Sheikh Zaki Yamani, the great Saudi Oil Minister. Yamani was a true genius, a self-taught attorney, and one of the most brilliant men of his generation.

It was Yamani who triggered the first oil crisis in 1973, raising the price from \$3 to \$12 a barrel in a matter of weeks. Until then, cheap Saudi oil had been powering the global economy for decades.

During the crisis, I relentlessly pestered the Saudi embassy in London for an interview for ***The Economist*** magazine. Then, out of the blue, I received a call and was told to report to a nearby Royal Air Force base....and to bring my passport.

There on the tarmac was a brand-new Boeing 747 with “Kingdom of Saudi Arabia” emblazoned on the side in bold green lettering. Yamani was the sole passenger, and I was the other. He then gave me an interview that lasted the entire seven-hour flight to Riyadh.

We covered every conceivable economic, business, and political subject. It led to me capturing one of the blockbuster scoops of the decade for ***The Economist***.

When Yamani debarked from the plane, I asked him “Why me.” He said he saw a lot of me in himself and wanted to give me a good push along my career. The plane then turned around and flew me back to London. I was the only passenger on the plane.

When the pilot heard I’d recently been flying Pilatus Porters for Air America, he even let me fly it for a few minutes while he slept on the cockpit floor.

Yamani later became the head of OPEC. At one point, he was kidnapped by Carlos the Jackal and held for ransom, which the king readily paid.

And if you wonder where I acquired my deep knowledge of the oil and energy markets, this is where it started. Today, the Saudis are among the biggest investors in alternative energy in California.

We stayed in touch ever since.

CHAPTER 19: 1974 Happiest people in the world

I'm often kept awake at night by painful arthritis and a collection of combat injuries and I usually spend this time thinking up new trade alerts.

However, the other night I saw a war movie just before I went to bed, so of course, I thought about the war. This prompted me to remember the two happiest people I have met in my life.

My first job out of college was to go to Hiroshima Japan for the **Atomic Energy Commission** and interview survivors of the first atomic bomb 29 years after the event. There I met Kimie Yamashita, a woman in her fifties who was attending college in Fresno, California in 1941 and spoke a quaint form of English from the period. Her parents saw the war and the internment coming, so they brought her back to Hiroshima to be safe.

Her entire family was gazing skyward when a sole B-29 bomber flew overhead. One second before the bomb exploded, a dog barked and Kazuko looked to the right. Her family was permanently blinded, and Kazuko suffered severe burns on the left side of her neck, face, and forearms. A white summer yukata protected the rest of her, reflecting the nuclear flash. Despite the horrible scarring, she was the most cheerful person I had ever met, and even asked me how things were getting on in Fresno.

Then there was Frenchie, a man I played cards with at lunch at the **Foreign Correspondents Club of Japan** every day for ten years. A French Jew, he had been rounded up by the Gestapo and sent to the Bergen-Belson concentration camp late in the war. A faded serial number was still tattooed on his left forearm. Frenchie never won at cards. Usually, I did because I was working the probabilities in my mind all the time, but he never ceased to be cheerful no matter how much it cost him.

The happiest people I ever met were atomic bomb and holocaust survivors. I guess if those things can't kill you nothing can, and you'll never have a reason to be afraid again. That is immensely liberating.



Kimie Yamashita in Hiroshima 1974

CHAPTER 20: 1974 Hiro Onoda and The Last Japanese to Surrender

I have met many interesting people over a half-century of interviews, but it is tough to beat Corporal Hiroshi Onoda of the Japanese Army, the last man to surrender in WWII.

I had heard of Onoda while working as a foreign correspondent in Tokyo. So, I convinced my boss at ***The Economist*** magazine in London that it was time to do a special report on the Philippines and interview President Ferdinand Marcos. That accomplished, I headed for Lubang island where Onoda was said to be hiding, taking a launch from the main island of Luzon.

I hiked to the top of the island in the blazing heat, consuming two full army canteens of water (plastic bottles hadn't been invented yet). No luck. But I had a strange feeling that someone was watching me.

When the Philippines fell in 1945, Onoda's commanding officer ordered the remaining men to fight on to the last man. Four stayed behind, continuing a 30-year war.

As a massive American military presence and growing international trade raised Philippine standards of living, the locals eventually were able to buy their own guns and kill off Onoda's companions one by one. By 1972 he was alone, but he kept fighting.

The Japanese government knew about Onoda from the 1950s onward and made every effort to bring him back. They hired search crews, tracking dogs, and even helicopters with loudspeakers, but to no avail. Frustrated, they left a one-year supply of the main Tokyo newspaper and a stockpile of food and returned to Japan. This continued for 20 years.

Onoda read the papers with great interest, believing some parts but distrusting others. His worldview became increasingly bizarre. He learned of the enormous exports of Japanese automobiles to the US, so he concluded that while still at war, the two countries were conducting trade.

But when he came to the classified ads, he found the salaries wildly out of touch

with reality. Lowly secretaries were earning an incredible 50,000 yen a year, while a salesman could earn an obscene 200,000 yen.

Before the war, there was one Japanese yen to the US dollar. In the hyperinflation that followed the yen fell to 800, and then only recovered to 360. Onoda took this as proof that all the newspapers were faked by the clueless Americans who had no idea of true Japanese salary levels.

So he kept fighting. By 1974 he had killed 17 Philippino civilians.

After I left **Lubang** island, a Japanese hippy named Norio Suzuki with long hair, beads, and sandals followed me, also looking for Onoda. Onoda tracked him as he had me but was so shocked by his appearance that he decided not to kill him. The hippy spent two days with Onoda explaining the modern world.

Then Suzuki finally asked the obvious question: what would it take to get Onoda to surrender? Onoda said it was very simple, a direct order from his commanding officer. Suzuki made a beeline straight for the Japanese embassy in Manila and the wheels started turning.

A nationwide search was conducted to find Onoda's last commanding officer and a doddering 80-year-old was turned up working in an obscure bookstore. Then the government custom-tailored a prewar Imperial Japanese Army uniform and flew him down to the Philippines.

The man gave the order and Onoda handed over his samurai sword and rifle, or at least what was left of it. Rats had eaten most of the wooden parts. You can watch the surrender ceremony by clicking here on YouTube at <https://www.youtube.com/watch?v=N3FHeBnTnVs> .

When Onoda returned to Japan, he was a sensation. He displayed prewar mannerisms and values like filial piety and emperor worship that had been long forgotten. Emperor Hirohito was still alive.

When I finally interviewed him, Onoda was sympathetic. I had by then been trained in Bushido at karate school and displayed the appropriate level of humility, deference, mannerisms, and reference.

I asked why he didn't shoot me. He said that after fighting for 30 years he only had a few shells left and wanted to save them for someone more important.

Onoda didn't last long in modern Japan, as he could no longer tolerate modern materialism and cold winters. He moved to Brazil to start a school to teach prewar values and survival skills where the weather was similar to that of the Philippines. Onoda died in 2014 at the age of 91. A diet of coconuts and rats had extended his life beyond that of most individuals.

Onoda wasn't actually the last Japanese to surrender in WWII. I discovered an entire Japanese division in 1975 that had retreated from China into Laos and just blended in with the population. They were prized for their education and hard work and married well.

During the 1990's a Japanese was discovered in Siberia. He was released locally at the end of the war, got a job, married a Russian woman, and forgot how to speak Japanese. But Onoda was the last to stop fighting.

The Onoda story reminds me of a fact that journalists very early in their careers. You can provide all the facts in the world to someone. But if they conflict with deeply held beliefs, they won't buy them for a second. The debate over the 2020 election outcome is a perfect example. There is no cure for this disease.



Hiro Onoda Surrenders



Budding Journalist John Thomas

CHAPTER 21: 1974 How I became a Journalist

I made the most unlikely of entries into journalism 50 years ago, thanks to basketball, Mensa, and the kindness of complete strangers.

Struggling as a part-time English teacher in Tokyo for Toyota, Sony, and Meiji Shipping, I noticed one day in the *Japan Times* an ad for a Mensa meeting, the organization for geniuses.

I joined and after a few meetings was invited to give a presentation on the subject of my choice at the next meeting. Since I had just obtained a degree in Biochemistry from UCLA, I spoke on the effects of THC (tetrahydrocannabinol) on the human brain. The meeting was exceptionally well attended by detectives from the Tokyo Police Department, as THC was then highly illegal.

At the end of the meeting, famed Australian journalist Murray Sayle approached me and said he could get me into the Foreign Correspondents Club of Japan. The big attraction was access to the Club's substantial English language library.

Except for a few well-worn *Playboy* magazines coming out of the local US Air Force bases, there were almost no English language publications in Japan in those days.

So I joined as a corporate member, at 22 the youngest of the 2,000-man club, eating lunch daily with the foreign correspondents on the 20th floor of the Yurakucho Denki Building in central Tokyo. It was just across the street from General Douglas MacArthur's WWII occupation headquarters.

Many correspondents were holdovers from WWII and had fought their way to Japan on the long island-hopping campaign. Once in Tokyo, they never left, were treated like visiting royalty, paid well, and besieged by beautiful women.

At 6'4" it was only weeks before I was recruited for the club's basketball team. We played the team from the US Embassy Marine Corps guard, which regularly kicked our butts every week. After all, they had nothing to do all day but play basketball. But they also gave us access to the Tokyo PX where you could get a bottle of Johnny Walker Red for \$3.00, versus the local retail price of \$100.00.

I managed to eventually get a job at Dai Nana Securities to teach the sales staff there English. The first oil shock had just taken place and the sole buyers of shares in the world were all in the Middle East.

After two weeks of trying, I met with the president of the company, Mr. Saito, and told him his staff would never learn English. They just lacked the language gene. But if he taught me the stock business, I would sell the shares for him.

He said OK.

Thus, I ensued on a crash course on securities analysis, relying heavily on the firm's only copies of the 1934 book, ***Securities Analysis*** by Benjamin Graham, and his 1949 tome, ***The Intelligent Investor***. I still have a copy of my first research report I wrote on the electric tool maker Makita.

It wasn't long before I became the top salesman at Dai Nana, eventually selling up to 5% holdings in the top 200 Japanese companies to the Saudi Arabia Monetary Authority, the Kuwait Investment Authority, and the Abu Dhabi Investment Authority.

Then the stock market crashed. I lost my job. So, I started asking around the Press Club if anyone had any work. I was broke and nearly homeless.

At the time, most of the correspondents had just returned from covering the Vietnam War. In Japan, they wanted to cover politics, geisha girls, and Emperor Hirohito. Business was at the very bottom of the list. Besides, no one cared what happened in Japan anyway.

It turned out that all the members of the Press Club basketball team were business journalists. There was Mike Tharpe from the Wall Street Journal, Tracy Dalby from the New York Times, and Richard Hanson from the Associated Press, all NCAA college athletes.

Then one team member, ***The Economist*** correspondent, Doug Ramsey, asked me if I could write a story about the Japanese steel industry, which was then aggressively dumping product in the US, killing American jobs and creating a political firestorm. Using my stock market contacts I spent a week diligently

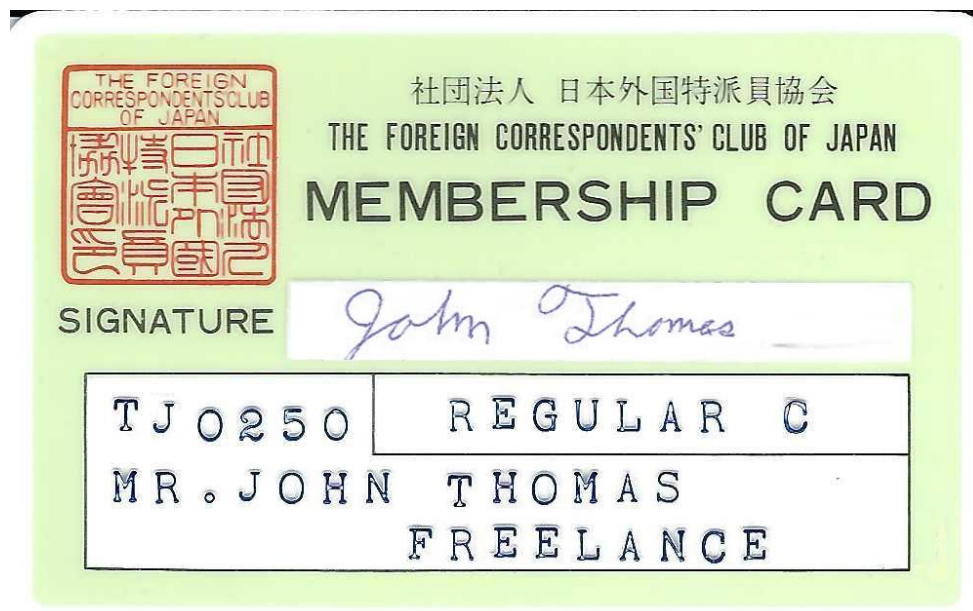
researching the subject.

The editors in London loved the story and said they'd take two a week at \$75 each. Then the **Financial Times** heard about me and said they'd also take two a week. All of a sudden, I had a full-time job paying the princely sum of \$1,200 a month!

I eventually built up a global syndicate of 40 business publications in ten countries. By 26, I was earning \$100,000 a year and published several books. At my peak, I accounted for about half of all business news coming out of Japan, along with stringer jobs with the British Broadcasting Corp. in London and NBC in New York.

This was all from a person whose only "C" in college was in English. Officially, I didn't know how to write back then.

Officially, I still don't.



CHAPTER 22: 1974 Karate School in Tokyo

When I landed in Tokyo in 1974 there were very few foreigners in the country. The WWII occupation forces had left, but the international business community had yet to arrive. You met a lot of guys who used to work for Douglas MacArthur.

There was only one way to stay more than 90 days on the standard tourist visa. That was to get another visa to study “Japanese culture.” There were only two choices: flower arranging or *karate*.

Since this was at the height of Bruce Lee’s career, I went for *karate*.

It was not an easy choice.

World War II was not that distant, and there were still hundreds of army veterans missing limbs begging for money under railroad overpasses. Some back then were still fighting on remote Pacific islands.

There were many in the karate community who believed that the art was a national secret and should never be taught to foreigners. So those who entered this tight-knit community paid the price and had the daylight hours beaten out of them. I was one of those.

To this day, I am missing five of my original teeth. There is nothing like taking a kick to the mouth and watching your front teeth fly across the *dojo*, skittering on the teak floor.

We trained three hours a day, five days a week. It involved punching a bloody hardwood *makiwara* at least 200 times. The beginners were paired with black belts who thoroughly worked us over. Then the entire class met up at a nearby public bath to soak in a piping hot *ofuro*. You always hurt.

During the dead of winter, we ran five miles around the Imperial Palace in our karate *gi’s* barefoot in freezing temperatures daily. Then we were hosed down with cold water and trained for three hours.

During this time, I was infused with the spirit of *bushido*, the thousand-year-old

Japanese warrior code. I learned self-discipline, stamina, and concentration. In the end, **karate** is actually a form of meditation.

Knowing you're indestructible and unassailable is not such a bad thing, especially when you're traveling in some of the harsher parts of the world. When muggers in bad neighborhoods see me late at night, they cross the street to avoid me. I am not a guy to mess with. Utter fearlessness is a great asset to possess.

The highlight of the annual training schedule was the **All-Japan Karate Championship** held in the prestigious **Budokan**, headquarters of all Japanese martial arts near the ghostly **Yasukuni Jinja**, Japan's National Cemetery. By my last year in Japan, I had my black belt, and my instructor, Higaonna **Sensei**, urged me to enter.

Because I had such a long reach, incredibly, I made it to the finals. I was matched with a very tough looking six footer who was fighting for Japan's national prestige, as no foreigner had ever won the contest.

I punched, he kicked, fist met foot, and foot won. My left wrist was broken. My opponent knew what happened and graciously let me fight on one-handed for another minute to save face. Then he knocked me out on points.

The crowds roared.

It's all part of a full life.



Losing the All-Japan National Karate Championship

CHAPTER 23: 1975 Checking Out a Story in Cambodia

Someone commented that I walked kind of funny the other day, and the memories flooded back.

In 1975, *The Economist* magazine in London heard rumors that a large part of the population was getting slaughtered in Cambodia. We expected this to happen after the fall of Vietnam, but not in the Land of the Khmers, historically a kind and gentle people. So my editor, Peter Martin, sent me to check it out.

Hooking up with a right-wing guerrilla group financed by the CIA was the easy part. Humping 100 miles in 100 degree heat wasn't. Carrying 20 pound cans of ammo only made the work harder.

We eventually came to a large village made of palm fronds that was completely deserted. Then my guide said, "Over here." He took me to a nearby cave. Inside were the bodies of over 1,000 women, children, and old men contorted in tortured shapes that had been there for months.

I'll never forget that smell.

With the evidence and plenty of pictures in hand, we started the trek back. Suddenly, there was a large explosion and the man 20 yards in front of me vaporized. He had stepped on a landmine. Then the machine gun fire opened up.

It was an ambush.

I picked up an M-16 to return fire, but it was bent, bloody, and unusable. I picked up a second assault rifle and fired until it was empty. Then everything suddenly went black. A mortar shell had landed nearby.

I woke up days chained to a palm tree, covered in shrapnel wounds, a prisoner of the Khmer Rouge. Maggots infested my wounds, but I remembered from my Tropical Diseases class at UCLA that I should leave them alone because they only ate dead flesh and would prevent gangrene. That class saved my life. Good thing I got an "A".

I was given a bowl of rice a day to eat, which I had to gum because it was full of small pebbles and might break my teeth. Farmers loaded their crops with these so the greater weight could increase their income. I spent my time pulling shrapnel out of my legs with a crude pair of pliers.

Two weeks later the American who set up the trip for me showed up with cases of claymore mines, rifles, ammunition, and antibiotics. My chains were cut and I began the long walk back to Thailand.

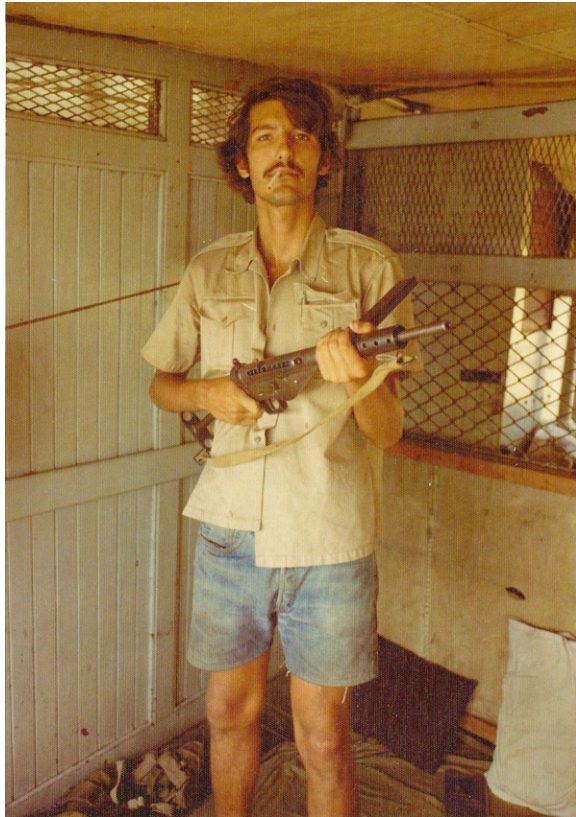
It's nice to learn your true value.

Back in Bangkok, I saw a doctor who attended to the 50 caliber bullet that grazed my right hip. One inch to the right and I wouldn't be writing this today. It was too old to sew up so he decided to clean it instead. "This won't hurt a bit," he said as he poured in hydrogen peroxide and scrubbed it with a stiff plastic brush.

It was the greatest pain of my life. Tears rolled down my face.

But you know what? The Economist got their story and the world found out about the Great Cambodian Genocide, where 3 million died. There is a museum in Phnom Penh devoted to it today.

So, if you want to know why I walk funny, be prepared for a long story. I still set off metal detectors.



Doing Research in Asia

CHAPTER 24: 1975 Coaching Toshiro Mifune

With all the hiking I have been doing during the pandemic I have been listening to a lot of WWII audiobooks lately. That reminds me of an old friendship I had with Toshiro Mifune, then the most famous movie star in Japan.

Mifune was drafted into the Japanese army during WWII where he served as an aerial reconnaissance photographer. After the war that led him to work as a cameraman at Toho Productions, then the largest movie company in Japan.

A friend submitted his photo with an application for a casting call without his knowledge, and Toshiro, a good-looking guy, was one of 48 picked out of 4,000. He then met the legendary director, Akira Kurosawa, and the two launched the golden age of Japanese cinema in the late 1940s.

In just a couple of years, they produced blockbuster classic films like *The Seven Samurai*, *Rashomon*, and *Throne of Blood*, all of which are today required viewing by every American film school, and where Mifune demonstrated his impressive skills with a sword he picked up in the army.

I met Toshiro late in his career when he was cast as Admiral Isoroku Yamamoto for the 1976 Universal movie *Midway*. The problem was that Mifune couldn't speak a word of English. I was brought in to bring Toshiro up to par in a crash course held at his West Tokyo mansion every afternoon seven days a week. We became good friends.

After a heroic effort, Mifune's English was still awful, so the producers brought in a voice actor to dub Mifune's part in *Midway*. That was Paul Frees, who provided the voice for Disneyland's *Haunted House* and *Pirates of the Caribbean* rides, as well as the cartoon *Boris Badenov*. His voice is still attached to those rides today, and I recognize it every time I take the kids.

Midway was a huge success and Mifune's next big role was to play Commander Mitamura in Stephen Spielberg's *1941*. He followed that up with a role as Toranaga in James Clavell's 1980 miniseries, *Shogun*, another old friend. (Clavell is a story for another day). My tutoring skills came back into demand once again, with better results.

Mifune died in 1997 at 77 and I miss him still.



CHAPTER 25: 1976 Bridge Over the River Kwai

Few Americans know that 80% of all US air strikes during the Vietnam War originated in Thailand. At their peak in 1969, there were more US troops serving in Thailand than in South Vietnam itself.

I was one of those troops.

When I reported to my handlers at the Ubon Air Base in northern Thailand for my next mission they had nothing for me. They were waiting for the enemy to make their next move before launching a counteroffensive. They told me to take a week off.

The entertainment options in northern Thailand in those days were somewhat limited. Phuket and the pristine beaches of southern Thailand where people vacation today were then overrun by cutthroat pirates preying on boat people who would kill you for your boots.

Life was cheap in Asia in those days, especially your life. Any trip there would be a one-way ticket.

There were the fleshpots of Bangkok and Chang Mai. But I would likely contract some dreadful disease there. I wasn't really into drugs, figuring whatever my future was, it required a brain. Besides, some people's idea of a good time there was throwing a hand grenade into a crowded disco. So, me, ever the history buff, decided to go look for ***The Bridge Over the River Kwai***.

Men of my generation knew the movie well, about a company of British soldiers who were the prisoners of bestial Japanese. At the end of the movie all the key characters die as the bridge is blown up.

I wasn't expecting much, maybe some interesting wreckage. I knew that the truth in Hollywood was just a starting point. After that, they did whatever they had to do to make a buck.

The fall of Singapore was one of the great Allied disasters at the beginning of WWII. Japanese on bicycles chased Rolls Royce armored cars and tanks the length

of the Thai Peninsula. Two British battleships, the ***Repulse*** and the ***Price of Wales***, were sunk due to the lack of air cover with a great loss of life. When the Japanese arrived at Singapore, the defending heavy guns were useless as they pointed out to sea.

Some 130,000 men surrendered, including those captured in Malaysia. There were also 686 American POWs, the survivors of US Navy ships sunk early in the war. Most were shipped north by train to work as slave labor on the Burma Railway.

The Japanese considered the line strategically essential for their invasion of Burma. By building a 258-mile railway connecting Bangkok and Rangoon they could skip a sea voyage of 2,000 miles in waters increasingly dominated by American submarines.

Some 12,000 Allied troops died of malaria, beriberi, cholera, dysentery, or starvation, along with 90,000 impressed Southeast Asian workers. That earned the line the fitting name: “Death Railway.”

The Burma Railway was one of the greatest engineering accomplishments in human history, ranking alongside the Pyramids of Egypt. It required the construction of 600 bridges and viaducts. It crossed countless rivers and climbed steep mountain ranges. The work was all done in 100-degree temperatures with high humidity in clouds of mosquitoes. And it was all done in 18 months.

One of those captured was my good friend James Clavell, who spent the war at Changi Prison, now the location of Singapore International Airport. Every time I land there, it gives me the creeps.

Clavell wrote up his experiences in the best-selling book and movie ***King Rat***. He followed up with the ***Taipan*** series set in 19th century Hong Kong. We lunched daily at the **Foreign Correspondents Club of Japan** when he researched another book, ***Shogun***, which became a top TV series for NBC.

So I navigated the Thai railway system to find remote Kanchanaburi Province where the famous bridge was said to be located.

My initial surprise was that the bridge was still standing, not destroyed as it was in the film. It was not a bridge made of wood but concrete and steel trestles. Still, you could see the scars of Allied bombing on the foundations, who tried many times to destroy the bridge from the air.

That day, the Bridge Over the River Kwai was a quiet, tranquil, peaceful place. Farmers wearing traditional conical hats made of palm leaves and bamboo strips, called “*ngob’s*,” crossed to bring topical fruits and vegetables to market. A few water buffalo loped across the narrow tracks. The river Kwai gurgled below.

Once a day, a train drove north towards remote locations near the Burmese border where a bloody rebellion by the indigenous Shan people was underway.

The wars seemed so far away.

The only memorial to the war was a decrepit turn of the century English steam engine badly in need of repair. There were no tourists anywhere.

So I started walking.

After I crossed the bridge it wasn’t long before I was deep in the jungle. The ghosts of the past were ever present, and I swear I heard voices. I walked a few hundred yards off the line and the detritus of the war was everywhere: abandoned tools, rusted-out helmets, and yes, human bones. I didn’t linger because the snakes here didn’t just bite and poison you, they swallowed you whole.

After the war, the Allies used Japanese prisoners to remove the dead for burial in a nearby cemetery, only identified by their dog tags. Most of the “coolies” or Southeast Asian workers were left where they fell.

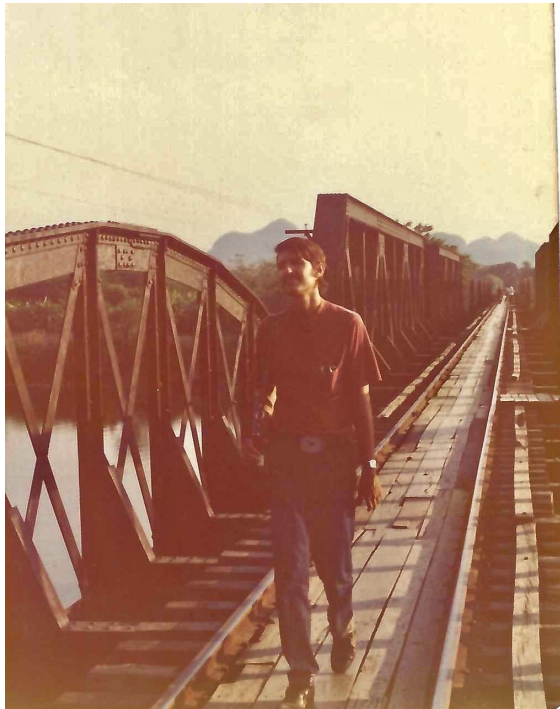
Today, only 50 miles of the original Death Railway remain in use. The rest proved impossible to maintain, because of shoddy construction, and the encroaching jungle.

There has been talk over the years of rebuilding the Burma Railway and connecting the rest of Southeast Asia to India and Europe. But with Burma, today

known as Myanmar, a pariah state, any progress is unlikely.

Maybe the Chinese will undertake it someday.

Every Christmas vacation, when my family has lots of free time, I sit the kids down to watch ***The Bridge Over the River Kwai***. I just wanted to pass on some of my experiences, teach them a little history, and remember my old friend Cavell.



Walking the Bridge Over the River Kwai in 1976



The Bridge Over the River Kwai Today



1976 Death Railway Steam Engine



A Thai Farmer

CHAPTER 26: 1976 Climbing Mount Everest

I have been doing a lot of high-altitude winter mountain climbing lately, and with the warm spring weather the risk of avalanches is ever-present. It takes me back to the American Bicentennial Everest Expedition, which I joined in 1976.

It was led by my old friend, instructor, and climbing mentor Jim Whitaker, who pulled an ice ax out of my nose on Mt. Rainer in 1967 (you can still see the scar). Jim was the first American to summit the world's highest mountain. I tried to break a high-speed fall and an ice ax kicked back and hit me square in the face. If I hadn't been wearing goggles I would have been blinded.

I made it up to 22,000 feet on Everest, to Base Camp II without oxygen because there were only a limited number of canisters reserved for those planning to summit. At that altitude, you take two steps and then break to catch your breath.

There is a surreal thing about that trip that I remember. One day, a block of ice the size of a skyscraper shifted on the Khumbu IceFall, and out of the bottom popped a body. It was a man who went missing on the 1962 American expedition. Everyone recognized him as he hadn't aged a day in 15 years, since he was frozen solid.

I boiled my drinking water, but at that altitude, water can't get hot enough to purify it. So I walked 100 miles back to Kathmandu with amoebic dysentery. By the time I got there, I'd lost 50 pounds, taking my weight to 120 pounds.

Jim was an Eagle Scout, the first full-time employee of Recreational Equipment Inc. (REI), and last climbed Everest when he was 61. Today, he is 92 and lives in Seattle, WA.

Jim reaffirms my belief that daily mountain climbing is a great life extension strategy, if not an aphrodisiac.



Mount Everest 1976

CHAPTER 27: 1976 Missing Afghanistan

Given the losses in Afghanistan this week, I am reminded of my several attempts to get into this troubled country.

During the 1970s, Afghanistan was the place to go for hippies, adventurers, and world travelers, so of course, I made a beeline straight for it.

It was the poorest country in the world, their only exports being heroin and the blue semi precious stone lapis lazuli, and illegal export of lapis carried a death penalty.

Towns like Herat and Kandahar had colonies of Westerners who spent their days high on hash and living life in the 14th century. The one cultural goal was to visit the giant 6th-century stone Buddhas of Bamiyan 80 miles northwest of Kabul.

I made it as far as New Delhi in 1976 and was booked on the bus for Islamabad and Kabul going over the Khyber Pass (\$25 one-way). Before I could leave, I was hit with amoebic dysentery.

Instead of Afghanistan, I flew to Sydney, Australia where I had friends and knew Medicare would take care of me for free. I spent two months in the Royal North Shore Hospital where I dropped 50 pounds, ending up at 125 pounds.

I tried to go to Afghanistan again in 2010 when I had a large number of followers of the ***Mad Hedge Fund Trader*** stationed there, thanks to the generous military high-speed broadband. The CIA waved me off, saying I wouldn't last a day as I was such an obvious target.

So, alas, given the recent regime change, it looks like I'll never make it to Afghanistan. I won't live long enough to make it to the next regime change. It's just one more concession I'll have to make to my age. I'll just have to content myself reading ***A One Thousand and One Nights*** at home instead. The Taliban blew up the stone Buddhas of Bamiyan in 2001.

In the meantime, I am on call for grief counseling for the Marine Corps for widows and survivors. Business has been thankfully slow for the last several years. But I'll

be staying close to the phone this weekend just in case.



India in 1976

CHAPTER 28: 1976 Searching for Smallpox in Nepal

As this pandemic winds down, I am reminded of a previous one in which I played a role in ending.

After a 30-year effort, the World Health Organization was on the verge of wiping out smallpox, a scourge that had been ravaging the human race since its beginning. I have seen Egyptian mummies at the Museum of Cairo that showed the scarring that is the telltale evidence of smallpox, which is fatal in 50% of cases.

By the early 1970's the dread disease was almost gone, but still remained in some of the most remote parts of the world. So, they offered a reward to anyone who could find live cases.

To join the American Bicentennial Mt. Everest Expedition in 1976, I took a bus to the eastern edge of Katmandu and started walking. That was the furthest roads went in those days. It was only 150 miles to base camp and a climb of 14,000 feet.

Some 100 miles in, I was hiking through a remote village, which was a page out of the 14th century, back when families threw buckets of sewage into the street. The trail was lined with mud brick two-story homes with wood shingle roofs, with the second story overhanging the first.

As I entered the town, every child ran to their windows to wave, as visitors were so rare. Every smiling face was covered with healing but still bleeding smallpox sores. I was immune, since I received my childhood vaccination, but I kept walking.

Two months later, I returned to Kathmandu and wrote to the WHO headquarters in Geneva about the location of the outbreak. A year later I received a letter of thanks at my California address and a check for \$100 telling me they had sent in a team to my valley in Nepal and vaccinated the entire population.

Some 15 years later, while on customer calls in Geneva for Morgan Stanley, I stopped by the WHO to visit the scientist I went to school with. It turned out I had become quite famous, as my smallpox cases in Nepal were the last ever discovered.

The WHO certified the world free of smallpox in 1980. The US stopped vaccinating children for smallpox in 1972, as the risks outweigh the reward.

Today, smallpox samples only exist at the CDC in Atlanta frozen in liquid nitrogen at minus 346 degrees Fahrenheit in a high security level 5 biohazard storage facility. China and Russia probably have the same.

That is because scientists fear that terrorists might dig up the bodies of some British sailors who were known to have died of smallpox in the 19th century and were buried on the north coast of Greenland remaining frozen ever since. If you need a new smallpox vaccine, you have to start from somewhere.

As for me, I am now part of the 34% of Americans who remain immune to the disease. I'm glad I could play my own small part in ending it.

CHAPTER 29: 1976 Shuttle Diplomacy with Henry Kissinger

Egypt and I have a long history together. However, when I first visited there in 1974, they tried to kill me.

I was accompanying US Secretary of State Henry Kissinger on Air Force One as part of his “shuttle diplomacy” between Tel Aviv and Cairo. Every Arab terrorist organization had vowed to shoot our plane down.

When we hit the runway in Cairo, I looked out the window and saw a dozen armored personnel carriers chasing us just down the runway. All on board suddenly got that queasy, gut churning feeling, except for Henry.

When the plane stopped, they surrounded us, then turned around, pointing their guns outward. They were there to protect us.

The sighs of relief were audible. In a lifetime of heart rending landings, this was certainly one of the most interesting ones. Those State Department people are such wimps! Henry was nonplussed, as usual.

As a result of the talks Israel eventually handed back Sinai in return for an American guarantee of peace which has held to this day. Egyptian president Anwar Sadat was assassinated by his own bodyguard for his efforts shortly afterward.

Israel was so opposed to the talks that when I traveled to Tel Aviv, El Al Airline security made sure my luggage got lost. So the Israeli airline gave me \$25 to buy replacement clothes until my suitcase was delivered. On that budget, all I could afford were the surplus Israeli army fatigues at the Jerusalem flea market.

A week later, my clothes still had not caught up with me when I boarded the plane with Henry. That meant walking the streets of Cairo in my Israeli army uniform. It would be an understatement to say that I attracted a lot of attention.

I was besieged with offers to buy my clothes. Egypt had lost four wars against Israel in the previous 30 years, and war souvenirs were definitely in short supply.

By the time I left the country, I was stripped bare of all Israeli artifacts, down to my

towels from the Tel Aviv Hilton, and boarded the British Airways flight to London wearing a cheap pair of Russian blue jeans I had taken in trade.

Levi Strauss never had a thing to worry about.

The bewitching North African country today is still a prisoner of a medieval religion that has left its people stranded in the Middle Ages. While its GDP has doubled in the last 70 years, so has its population, to 110 million, meaning there has been no improvement per capital income at all in a half century. That is a staggering number for a country that is mostly desert.

In 2019, I took my two teenage daughters to Egypt to visit the pyramids and ride camels as part of an impromptu trip around the world. My logic then was that at the current rate of climate change, this trip might not be possible in five years.

As it turns out, it was not possible in six months when the pandemic started.

We were immediately picked up by Egyptian Intelligence right at the gate who remembered exactly who I was. It seems they never throw anything out in Egypt.

After a brief interrogation which I disclosed my innocent intentions, they released us. No, I wasn't working for ***The Economist*** anymore. Yes, I was just a retired old man with his children. They even gave us a free ride to the Nile Hilton where I spent my first honeymoon in 1977.

Some people will believe anything! And I never did get that suitcase back.



Without Luggage in Tel Aviv in 1974







2019 Over Sinai

CHAPTER 30: 1977 Interviewing the Terrorist Yasir Arafat

With all the recent violence in the Middle East, I am reminded of my own stint in that troubled part of the world. I have been emptying sand out of my pockets since 1968, when I hitchhiked across the Sahara Desert, from Tunisia to Morocco.

During the mid 1970's, I was invited to a press conference given by Yasser Arafat, founder of the Al Fatah terrorist organization and leader of the Palestine Liberation Organization, at the Foreign Correspondents Club of Japan. His organization then rampaged throughout Europe, attacking Jewish targets everywhere.

Japan recognized the PLO to secure their oil supplies from the Persian Gulf, on which they were utterly dependent.

It was a packed room on the 20th floor of the Yurakucho Denki Building, and much of the world's major press was represented, as the PLO had few contacts with the West.

Many placed cassette recorders on Arafat's table in case he said anything quotable. Then Arafat ranted and raved about Israel in broken English.

Mid-sentence, one machine started beeping. A journalist jumped up to turn his tape over. Suddenly, four bodyguards pulled out Uzi machine guns and pointed them directly at us.

The room froze.

Then a bodyguard deftly set his Uzi down on the table, flipped over the offending cassette, and the remaining men stowed their weapons. Everyone sighed in relief. I thought it was interesting that the PLO was using Israeli firearms.

The PLO was later kicked out of Jordan for undermining the government there. They fled Lebanon for Tunisia after an Israeli invasion. Arafat was always on the losing side, ever the martyr.

He later shared a Nobel Prize for cutting a deal with Israel engineered by Bill

Clinton in 1993, recognizing its right to exist. He died in 2004.

Many speculated that he had been poisoned by the Israelis. My theory is that the Israelis deliberately kept Arafat alive because he was so incompetent. That is the only reason he made it until 75.



CHAPTER 31: 1977 The Only Big Mac in Colombo Ceylon

One of the many benefits of being married to a British Airways senior stewardess is that you get to visit some pretty obscure parts of the world. In the 1970's that meant going first class for free with an open bar, and sometimes in the cockpit jump seat.

To extend our 1977 honeymoon, Kyoko agreed to an extra round trip for BA from Hong Kong to Colombo in Sri Lanka. That left me on my own for a week in the former British crown colony of Ceylon.

I rented an antiquated left-hand drive stick shift Vauxhall and drove around the island nation counterclockwise. I only drove during the day in army convoys to avoid terrorist attacks from the Tamil Tigers. The scenery included endless verdant tea fields, pristine beaches, and wild elephants and monkeys.

My eventual destination was the 1,500-year-old Sigiriya Rock Fort in the middle of the island which stood 600 feet above the surrounding jungle. I was nearly at the top when I thought I found a shortcut. I jumped over a wall and suddenly found myself up to my armpits in fresh bat shit.

That cut my visit short, and I headed for a nearby river to wash off. But the smell stayed with me for weeks.

Before Kyoko took off for Hong Kong in her Vickers Viscount, she asked me if she should bring anything back. I heard that MacDonald's had just opened a stand there, so I asked her to bring back two Big Macs.

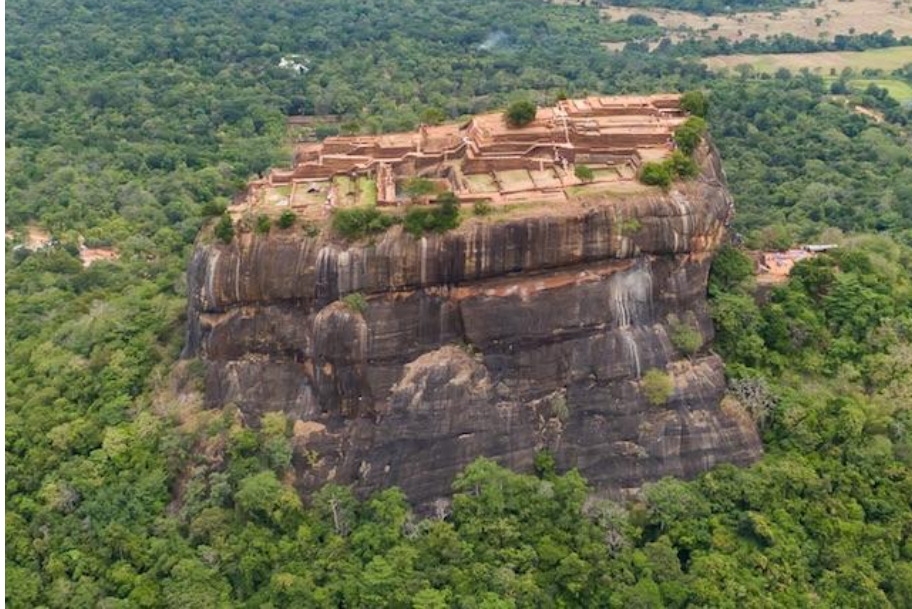
She dutifully showed up in the hotel restaurant the following week with the telltale paper paperback in hand. I gave them to the waiter and asked him to heat them up. He returned shortly with the burgers on plates surrounded by some elaborate garnish. It was a real work of art.

Suddenly, every hand in the restaurant shot up. They all wanted to order the same thing, even though the nearest stand was 2,494 miles away.

We continued our round the world honeymoon to a beach vacation in the Seychelles where we just missed a coup d'état, a safari in Kenya, apartheid South

Africa, London, San Francisco, and finally back to Tokyo. It was the honeymoon of a lifetime.

Kyoko passed away in 2002 from breast cancer at the age of 50, well before her time.



Sigiriya Rock Fort



Kyoko

CHAPTER 32: 1977 Working for the Economist Magazine in London

When I first met Andrew Knight, the editor of *The Economist* magazine in London 45 years ago, he almost fell off his feet. Andrew was well known in the financial community because his father was a famous WWII Battle of Britain Spitfire pilot from New Zealand.

At 34, he had just been appointed the second youngest editor in the magazine's 150-year history. I had been reporting from Tokyo for years, filing two stories a week about Japanese banking, finance, and politics.

The Economist shared an office in Tokyo with the *Financial Times*, and to pay the rent I had to file an additional two stories a week for them as well. That's where I saw my first fax machine, which then was as large as a washing machine even though the actual electronics would fit in a notebook. It cost \$5,000.

The Economist was the greatest calling card to the establishment one could ever have. Any president, prime minister, CEO, central banker, or war criminal were suddenly available for a one hour chat about the important affairs of the world.

Some of my biggest catches? Presidents Gerald Ford, Jimmy Carter, Ronald Reagan, George Bush, and Bill Clinton, China's Zhou Enlai and Deng Xiaoping, Japan's Emperor Hirohito, terrorist Yasir Arafat, and Teddy Roosevelt's oldest daughter, Alice Roosevelt Longworth, the first woman to smoke cigarettes in the White House in 1905.

Andrew thought that the quality of my posts was so good that I had to be a retired banker at least 55 years old. We didn't meet in person until I was invited to work the summer out of the magazine's St. James Street office tower, just down the street from the palace of then Prince Charles.

When he was introduced to a gangly 25-year-old instead, he thought it was a practical joke, which *The Economist* was famous for. As for me, I was impressed with Andrew's ironed and creased blue jeans, an unheard of concept in the Wild West where I came from.

The first unusual thing I noticed working in the office was that we were each

handed a bottle of whisky, gin, and wine every Friday. That was to keep us in the office working and out of the pub next door, the former embassy of the Republic of Texas from pre-1845. There is still a big white star on the front door.

Andrew told me I had just saved the magazine.

After the first oil shock in 1973, a global recession ensued, and all magazine advertising was canceled. But because of the shock, it was assumed that heavily oil dependent Japan would go bankrupt. As a result, the country's banks were forced to pay a ruinous 2% premium on all international borrowing. These were known as "Japan rates."

To restore Japan's reputation and credit rating, the government and the banks launched an advertising campaign unprecedented in modern times. At one point, Japan accounted for 80% of all business advertising worldwide. To attract these ads the global media was screaming for more Japanese banking stories, and I was the only person in the world writing them.

Not only did I bail out ***The Economist***, I ended up writing for over 50 business and finance publications around the world in every English speaking country. I was knocking out 60 stories a month, or about two a day. By 26, I became the highest-paid journalist in the Foreign Correspondents' Club of Japan and a familiar figure in every bank head office in Tokyo.

The Economist was notorious for running practical jokes as real news every April Fool's Day. In the late 1970s, an April 1 issue once did a full-page survey on a country off the west coast of India called ***San Serif***.

It warned that if the West coast kept eroding, and the East coast continued silting up, the country would eventually run into India, creating serious geopolitical problems.

It wasn't until someone figured out that the country, the prime minister, and every town on the map was named after a type font that the hoax was uncovered.

This was way back, in the pre-Microsoft Word era, when no one outside the London Typesetter's Union knew what ***Times Roman, Calibri, or Mangal*** meant.

Andrew is now 84 and I haven't seen him in yonks. My business editor, the brilliant Peter Martin, died of cancer in 2002 at a very young 54, and the magazine still awards an annual journalism scholarship in his name.

My boss at ***The Economist Intelligence Unit***, which was modeled on Britain's MI5 spy service, was Marjorie Deane, who was one of the first women to work in business journalism. She passed away in 2008 at 94. Today, her foundation awards an annual internship at the magazine.

When I stopped by the London office a few years ago I asked if they still handed out the free alcohol on Fridays. A young writer ruefully told me, "No, they don't do that anymore."

Sometimes, change is for the worse, not the better.



CHAPTER 33: 1978 Arrested as a Spy in Nauru

I have been going down memory lane looking at my old travel photos looking for new story ideas and I hit the jackpot.

Most people collect postcards from their foreign travels. I collect lifetime bans from whole countries.

During the 1970s, *The Economist* magazine of London sent me to investigate the remote country of Nauru, one half degree south of the equator in the middle of the Pacific Ocean.

At the time they had the world's highest *per capita* income at the time due to the fact that the island was entirely composed of valuable bird guano essential for agriculture. Before the Haber-Bosch Process to convert nitrogen into ammonia was discovered, guano was the world's sole source of high-grade fertilizer.

So I packed my camera, extra sunglasses, and a couple of pairs of shorts and headed for the most obscure part of the world. That involved catching Japan Airlines from Tokyo to Hawaii, Air Micronesia to Majuro in the Marshall Islands, and Air Nauru to the island nation in question.

There was a problem in Nauru. Calculating the market value of the bird crap leaving the island, I realized it in no way matched the national budget. It should have since the government owned the guano mines.

Whenever numbers don't match up, I get interested.

I managed to wrangle an interview with the president of the country in the capital city of Denigomodu. It turns out that was no big deal as visitors were so rare in the least visited country in the world that he met with everyone!

When the president ducked out to take a call, I managed to steal a top-secret copy of the national budget. I took it back to my hotel and read it with great interest.

I discovered that the president's wife had been commandeering Boeing 727s from Air Nauru to go on lavish shopping expeditions to Sydney, Australia where she was

blowing \$200,000 a day on jewelry, designer clothes, and purses, all at government expense. Just when I finished reading, there was a heavy knock on the door. The police had come to arrest me.

It didn't take long for the missing budget to be found. I was put on trial, sentenced to death for espionage, and locked up to await my fate. The trial took 20 minutes.

Then one morning I was awoken by the rattling of keys. My editor at ***The Economist***, the late Peter Martin, had made a call and threatened the intervention of the British government. Visions of Her Majesty's Navy loomed on the horizon.

I was put in handcuffs and placed on the next plane out of the country, a non-stop for Brisbane Australia. When I was seated next to an Australian passenger he asked "Jees, what did you do mate, kill someone?" On arrival, I sent the story to the Australian papers.

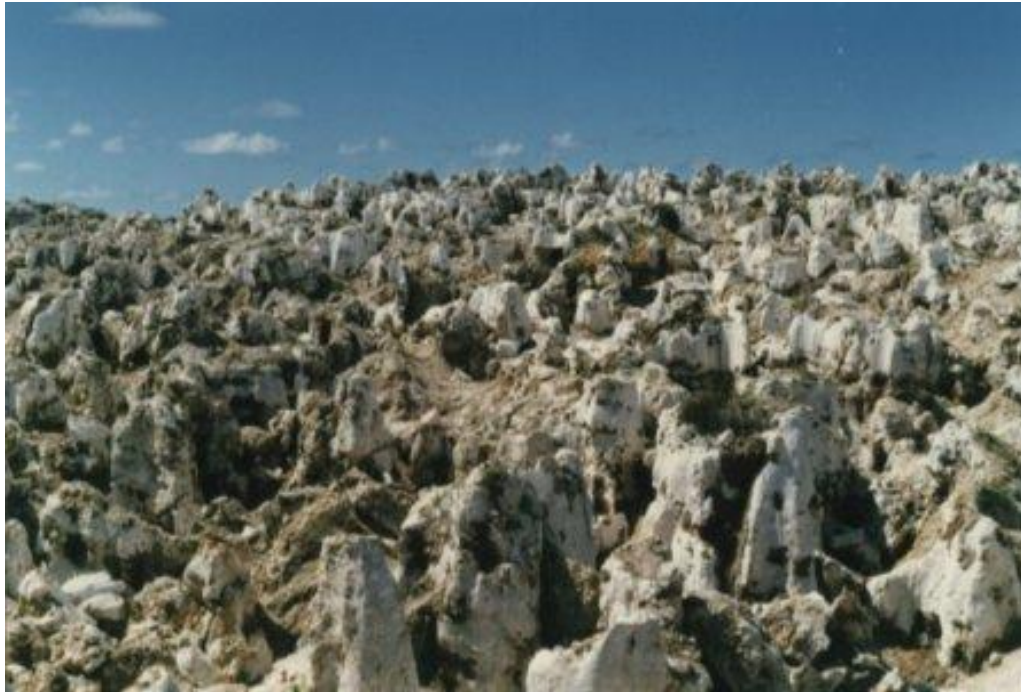
I dined out on that story for years.

Alas, things have not gone well for Nauru in the intervening 50 years. The guano is all gone, mined to exhaustion. It is often cited as an environmental disaster. The population has rocketed from 4,000 to 10,000. Per capita incomes have plunged from \$60,000 a year to \$10,000. The country is now a ward of the Australian government to keep the Chinese from taking it over.

If you want to learn more about Nauru, which many believe to be a fictitious country, please visit: <https://www.nauruair.com/destinations/nauru>

As for me, I think I'll pass. I don't ever plan to visit Nauru again. Once lucky, twice forewarned.





Nauru Without the Guano

CHAPTER 34: 1978 CIA Head William Colby and Rescuing Kyoko from a Russian Jail

When I was shopping for a Norwegian Fjord cruise a few years ago, each stop was familiar to me because a close friend had blown up bridges in every one of them.

During the 1970's at the height of the Cold War, my late wife Kyoko flew a monthly round trip from Moscow to Tokyo as a British Airways stewardess. As she was checking out of her Moscow hotel, someone rushed up to her and threw a bundled typed manuscript that hit her in the chest.

Seconds later a half dozen KGB agents dog-piled on top of Kyoko. It turned out that a dissident was trying to get her to smuggle a banned book to the West. She was arrested as a co-conspirator and bundled away to the notorious Lubyanka Prison.

I learned of this when the senior KGB agent for Japan contacted me, who had attended my wedding the year before and filmed it. He said he could get her released, but only if I turned over a top-secret CIA analysis of the Russian oil industry.

At a loss for what to do, I went to the US Embassy to meet with Ambassador Mike Mansfield, who as ***The Economist*** correspondent in Tokyo I knew well. He said he couldn't help me as Kyoko was a Japanese national, but he knew someone who could.

Then I walked William Colby, head of the CIA.

Colby was a legend in intelligence circles. After leading the French resistance with the OSS, he was parachuted into Norway with orders to disable the railway system. Hiding in the mountains during the day, he led a team of Norwegian freedom fighters who laid waste to the entire rail system from Tromsø all the way down to Oslo. He thus bottled up 300,000 German troops, preventing them from retreating home to defend from an Allied invasion.

During Vietnam, Colby became known for running the Phoenix assassination program. It was wildly successful.

I asked Colby what to do about the Soviet request. He replied, "Give it to them." Taken aback, I asked how. He replied, "I'll give you a copy." Mansfield was my witness so I could never be arrested for being a turncoat.

Copy in hand, I turned it over to my KGB friend and Kyoko was released the next day and put on a flight out of the country. She never took a Moscow flight again.

I learned that the report predicted that the Russian oil industry, its largest source of foreign exchange, was on the verge of collapse. Only massive investment in modern western drilling technology could save it. This prompted Russia to sign deals with American oil service companies worth hundreds of millions of dollars.

Ten years later, I ran into Colby at a Washington event, and I reminded him of the incident. He confided in me "You know that report was completely fake, don't you?" I was stunned. The goal was to drive the Soviet Union to the bargaining table to dial down the Cold War. I was the unwitting middleman. It worked.

That was Bill, always playing the long game.

After Colby retired, he campaigned for nuclear disarmament and gun control. He died in a canoe accident in the lake in front of his Maryland home in 1996.

Nobody believed it for a second.



William Colby



Kyoko

CHAPTER 35: 1978 Doing a TV Commercial for Koike Potato Chips

Those of you who have followed me for a long time will not be surprised to learn that I once made a living as a male model in Japan.

I took fairly conservative gigs, a TV commercial for Mazda Motors, a testimonial for Mitsubishi television sets, and print ads for Toyota. The X-rated requests I passed on to my friends at the karate school who lapped them right up.

Then the casting call went out for the tallest, meanest looking foreigner in Japan.

They picked me.

Koikei Potato Chips were unique among competing brands in Tokyo in that they were sprinkled with seaweed flakes. I couldn't stand them.

The script set me in a boxing ring beating the daylights out of a small Japanese competitor. I knocked him flat. Then a Japanese girl rushed up to the ring and fed the downed man Koikei Potato Chips. Instantly, he jumped up and won the fight.

In the last scene, the Japanese man is seen sitting on top of me with two black eyes eating more potato chips. Oh, and the whole thing was set in a 19th century format, so I was wearing tights the entire time.

I took my 10,000 yen home and considered it a good day's work.

Ten years later, I was touring Japan as a director of Morgan Stanley with some of the firm's largest clients. We stopped for lunch at a rural restaurant with a TV on the wall. Suddenly, one of the clients asked, "Hey John, isn't that you on the TV?"

It was my Koike Potato Chip commercial. After ten years, they were still running it. Who knew? I was never so embarrassed. When the final scene came everyone burst into laughter. I feebly explained my need for spare cash a decade earlier, but no one paid attention.

I continued with my tour of Japan but somehow the customer reaction was just not the same.



CHAPTER 36: 1978 Remembering Tarawa

In 1978, the former Continental Airlines was looking to promote its Air Micronesia subsidiary, so they hired me to write a series of magazine articles about their incredibly distant, remote, and unknown destinations.

This was the only place in the world where jet engines landed on packed coral runways, which had the effect of reducing engines' lives by half. Many had not been visited by Westerners since they were invaded, first by the Japanese, then by the Americans, during WWII.

That's what brought me to Tarawa Atoll in the Gilbert Islands, an island group some 2,500 miles southwest of Hawaii in the middle of the Pacific Ocean. Tarawa is legendary in the US Marine Corps because it is the location of one of the worst military disasters in American history.

In 1942, the US began a two-pronged strategy to defeat Japan. One assault started at Guadalcanal, expanded to New Guinea and Bougainville, and moved on to Peleliu and the Philippines.

The second began at Tarawa, carried on to Guam, Saipan, and Iwo Jima. Both attacks converged on Okinawa, the climactic battle of the war. It was crucial that the invasion of Tarawa succeeded, the first step in the Mid-Pacific campaign.

US intelligence managed to find an Australian planter who had purchased coconuts from the Japanese on Tarawa before the war. He warned of treacherous tides and coral reefs that extended 600 yards out to sea.

The Navy completely ignored his advice and in November 1943 sent in the Second Marine Division at low tide. Their landing craft quickly became hung up on the reefs and the men had to wade ashore 600 yards in shoulder-high water facing withering machine gun fire. Heavy guns from our battleships saved the day but casualties were heavy.

The Marines lost 1,000 men over three days, while 4,800 Japanese who vowed to keep it at all costs, fought to the last man.

Some 35 years later, it was with a sense of foreboding that I was the only passenger to debark from the plane. I headed for the landing beaches.

The entire island seemed to be deserted, only inhabited by ghosts, which I proceeded to inspect alone. The rusted remains of destroyed Marine landing craft were still there with their twin V-12 engines, black and white name plates from “General Motors Detroit Michigan” still plainly legible.

Particularly impressive was the 8-inch Vickers cannon the Japanese had purchased from England, broken in half by direct hits from US Navy fire. Other artillery bore Russian markings, prizes from the 1905 Russo-Japanese War transported from China.

There were no war graves, but if you kicked at the sand human bones quickly came to the surface, most likely Japanese. There was a skull fragment here, some finger bones there, it was all very chilling. The bigger Japanese bunkers were simply bulldozed shut by the Marines. The Japanese are still there. I was later told that if you go over the area with a metal detector it goes wild.

I spent a day picking up the odd shell casings and other war relics. Then I gave thanks that I was born in my generation. This was one tough fight.

For all the history buffs out there, one Marine named Eddie Albert fought in the battle, before the war, played “The Tin Man” in the ***Wizard of Oz***. Tarawa proved an expensive learning experience for the Marine Corps, which later made many opposed landings in the Pacific far more efficiently and with far fewer casualties. And they paid much attention to the tides and reefs, developing Underwater Demolition Teams, which later evolved into the Navy Seals.

The true cost of Tarawa was kept secret for many years, lest it speak ill of our war planners, and was only disclosed just before my trip. That is unless you were there. Tarawa veterans were still in the Marine Corps when I got involved during the Vietnam War and I heard all the stories.

As much as the public loved my articles, Continental Airlines didn’t make it and was taken over by United Airlines (UAL) in 2008 as part of the Great Recession airline consolidation.

Tarawa is still visited today by volunteer civilian searchers looking for soldiers missing in action. Using modern DNA technology, they are able to match up a few MIAs with surviving family members every year. I did the same on Guadalcanal.

As much as I love walking in the footsteps of history, sometimes the emotional price is high, especially if you knew people who were there.



Tarawa November 1943



Broken Japanese Cannon



Armstrong 8 Inch Canon 1900



US Landing Craft on the Killer Reef



How to Get to Tarawa



Roving Foreign Correspondent on Tarawa in 1978



Second Marine Division WWII Patch

CHAPTER 37: 1979 Exploring Yap Island in the Pacific

I didn't know what to expect when I landed on the remote South Pacific Island of Yap in 1979, one of the Caroline Islands, but I was more than pleasantly surprised.

Barely out of the Stone Age, Yap lies some 3,000 miles west of Hawaii. It was famed for the ancient lichen-covered stone money that dotted the island which had no actual intrinsic value.

The value was in the effort that went into transporting them. With some cylindrical pieces larger than cars, geologists later discovered that they had been transported some 280 miles by outrigger canoe from the point of origin sometime in the distant past. Since Yap had no written language there are no records about them, only folktales.

I often use the stone money of Yap as an example of the arbitrariness of fiat money. Who's to say which is more valuable; a 500-pound piece of rock or a freshly printed \$100 Benjamin from the US Treasury?

You decide.

The natives were gentle and friendly people. They wore grass skirts purely for the benefit of Western visitors. They preferred to walk around as nature made them.

There was no hotel on the island at the time, so I was invited to stay with a local chief (picture below).

One of my hosts asked if I was interested in seeing a Japanese zero fighter. Yap wasn't invaded by the US during WWII because it was bypassed by MacArthur on his way to the Philippines. The Japanese troops were repatriated after the war, but most of their equipment was left behind. It was still there.

So it was with some anticipation that I was led to a former Japanese airfield that had been abandoned for 35 years. There, still in perfect formation, was a squadron of zeroes. The jungle had reclaimed the field and several planes had trees growing up through their wings.

The natives had long ago stripped them of anything of value, the machine guns, nameplates, and Japanese language instruments. But the airframes were still there exposed to the elements and too fragile to move.

During my stay, I came across an American Peace Corps volunteer desperate for contact with home. A Jewish woman in her thirties, she had been sent there from New York City to teach English and seemed to have been forgotten by the agency.

I volunteered for the Peace Corps. myself out of college, but it turned out they had no need of biochemists in Fiji, so I was interested in learning about her experience. She confided in me that she had tried wearing a grass skirt to blend in but got ants on the second day. We ended up spending a lot of time together and I got a first-class tour of the island.

Suffice it to say that she was thrilled to run into a red-blooded American male. I wish I had taken a picture of her, but the nearest color film processing was back in Honolulu, and I had to be judicious in my use of film.

The highlight of the trip was a tribal stick dance put on in my honor around an evening bond fire among much yelping and whooping. It was actually a war dance performed with real war clubs and their furiousness was impressive.

I had the fleeting thought that I might be on the menu. Cannibalism had been practiced here earlier in the century. During the war when starvation was rampant, several of the least popular Japanese soldiers went missing, their bodies never found. When men come screaming at you with a club in the night your imagination runs wild.

Alas, I could only spend a week on this idyllic island. I was on a tight schedule courtesy of Air Micronesia, and deadlines beckoned. Besides, there was only one plane a week off the island.

It was on to the next adventure.



A Few New Friends



Large Denomination Stone Money



My Accommodation



A Neglected Japanese Zero

CHAPTER 38: 1979 Sneaking into Soweto South Africa

One of the benefits of being married to a British Airways stewardess in the 1970s was unlimited free travel around the world. Ceylon, the Seychelles, and Kenya were no problem.

Usually, you rode in first class, which was half empty, as the British Empire was then rapidly fading. Or you could fly in the cockpit where on long flights the pilot usually puts the plane on autopilot and then goes to sleep on the floor, asking me to watch the controls.

That's how I got to fly a range of larger commercial aircraft, from a Vickers Viscount VC-10 to a Boeing 747. Nothing beats flying a jumbo jet over the North Pole on a clear day, where the unlimited view ahead is nothing less than stunning.

When gold peaked in 1979 at \$900 an ounce, up from \$34, *The Economist* magazine asked me to fly from Japan to South Africa and write about the barbarous relic. That I did with great enthusiasm, bringing along my new wife, Kyoko.

Sure enough, as soon as I arrived, I noticed long lines of South Africans cashing in their Krugerrands, which they had been saving up for years in the event of a black takeover.

There was only one problem. My wife was Japanese.

While under the complicated apartheid system Chinese were relegated to second-class status along with Indians, Japanese were treated as "honorary whites" as Japan did an immense amount of trade with the country.

The confusion came when nobody could tell the difference between Chinese and Japanese, not even me. As a result, we were treated as outcasts everywhere he went. There was only one hotel in the country that would take us, the Carlton in Johannesburg, where John and Yoko Lennon stayed earlier that year.

That meant we could only take day trips from Joburg. We traveled up to Pretoria, the national capital, to take in the sights there. For lunch, we went to the best

restaurant in town. Not knowing what to do, they placed us in an empty corner and ignored us for 45 minutes. Finally, we were brought some menus.

The Economist asked me to check out the townships where blacks were confined behind high barbed wire fences in communities of 50,000. I was given a contact in the African National Conference, then a terrorist organization. Its leader, Nelson Mandela, had spent decades rotting away in an island prison.

My contact agreed to smuggle us in. While blacks were allowed to leave the townships for work, whites were not permitted under any circumstances.

So, we were somewhat nonplussed. Kyoko and I were asked to climb into the trunk of an old Mercedes. Really? We made it through the gates and into the center of the compound. On getting out of the trunk we both burst into nervous laughter.

Some honeymoon!

After meeting the leadership, we were assigned no less than 11 bodyguards as whites in the townships were killed on sight. The favored method was to take a bicycle spoke and sever your spinal cord.

We drove the compound inspecting plywood shanties with corrugated iron roofs, brightly painted and packed shoulder to shoulder. The earth was dry and dusty. People were friendly, waving as we drove past. I interviewed several. Then we were smuggled out the same way we came in and hastily dropped on a corner in the city.

Apartheid ended in 1990 when the ANC took control of the country, electing Nelson Mandela as president. A massive white flight ensued which brought people like Elon Musk's family to Canada and then to Silicon Valley.

Everyone feared the blacks would rise up and slaughter the white population.

It never happened.

Today, South Africa offers one of the more interesting investment opportunities on

the continent. The end of apartheid took a great weight off the shoulders of the country's economy. Check out the (EZA), which nearly tripled off of the 2020 bottom.

Kyoko passed away in 2002 at age 50.



CHAPTER 39: 1980 Mom and the Moby Dick Model The Essex

By the 1980's my mother was getting on in years. Fluent in Russian, she managed the CIA's academic journal library from Silicon Valley, putting everything on microfilm.

That meant managing a team that translated over 1,000 monthly publications on topics as obscure as Arctic plankton, deep space phenomenon, and advanced mathematics. She often called me to ascertain the value of some of her findings.

But her arthritis was getting to her, and all those trips to Washington DC were wearing her out. So I offered Mom a job. Write the Thomas family history, no matter how long it took. She worked on it for the rest of her life.

Dad's side of the family was easy. He was traced to a small village called Monreale above the Sicilian port city of Palermo famed for its Byzantine church. Employing a local priest, she traced birth and death certificates going all the way back to an orphanage in 1820. It is likely he was a direct illegitimate descendant of Lord Nelson of Trafalgar.

Grandpa fled to the United States when his brother joined the Mafia in 1915. The most interesting thing she learned was that his first job in New York was working for Orville Wright at Wright Aero Engines (click here at https://www.enginehistory.org/Piston/Wright/wright_aero.shtml). That explains my family's century-long fascination with aviation.

Grandpa became a tail gunner on a biplane in WWI. My dad was a tail gunner on a B-17 flying out of Guadalcanal in WWII. As for me, you've all heard of plenty of my own flying stories, and there are many more to come.

My Mom's side of the family was an entirely different story.

Her ancestors first arrived to found Boston, Massachusetts in 1630 during the second Pilgrim wave on a ship called the ***Pied Cow***, steered by a Captain Ashley (click here for the link at <https://www.packrat-pro.com/ships/shiplist.htm>).

I am a direct descendant of two of the Pilgrims executed for witchcraft in the

Salem Witch Trials of 1692, Sarah Good and Sarah Osborne, where children's dreams were accepted as evidence (click here at <https://www.smithsonianmag.com/history/a-brief-history-of-the-salem-witch-trials-175162489/>). They were later acquitted.

When the Revolutionary War broke out in 1776, the original Captain John Thomas, whom I am named after, served as George Washington's quartermaster at Valley Forge responsible for supplying food to the Continental Army during the winter.

By the time Mom completed her research she discovered 17 ancestors who fought in the War for Independence and she became the West Coast head of the Daughters of the American Revolution. It seems the government still owes us money from that event.

Fast forward to 1820 with the sailing of the whaling ship **Essex** from Nantucket, Massachusetts, the basis for Herman Melville's 1851 novel **Moby Dick**. Our ancestor, a young sailor named Owen Coffin signed on for the two-year voyage, and his name "Coffin" appears in **Moby Dick** seven times.

In the South Pacific 2,000 miles west of South America they harpooned a gigantic sperm whale. Enraged, the whale turned around and rammed the ship, sinking it. The men escaped to whaleboats. And here is where they made the fatal navigational errors that are taught in many survival courses today.

Captain Pollard could easily have just ridden the westward currents where they would have ended up in the Marquesas' Islands in a few weeks. But these islands were known to be inhabited by cannibals, which the crew greatly feared. They also might have landed in the Pitcairn islands, where the mutineers from Captain Bligh's **HMS Bounty** still lived. So the boats rowed east, exhausting the men.

On day 88, the men were starving and on the edge of death, so they drew lots to see who should live. Owen Coffin drew the black lot and was immediately shot and devoured. The next day, the men were rescued by the **HMS Indian** within sight of the coast of Chile and returned to Nantucket by the **USS Constellation**.

Another Thomas ancestor, Lawson Thomas, was on the second whaleboat that was never seen again and presumed lost at sea. For more details about this

incredible story, please click here at
[https://en.wikipedia.org/wiki/Essex_\(whaleship\)](https://en.wikipedia.org/wiki/Essex_(whaleship)) .

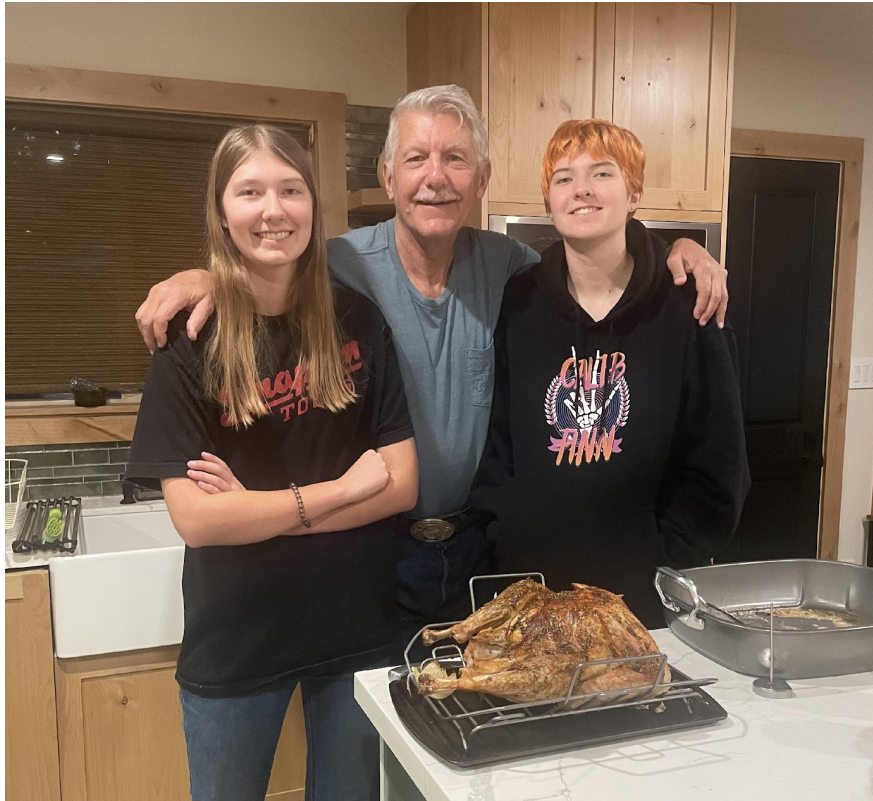
When Captain Pollard died in 1870, the neighbors discovered a vast cache of stockpiled food in the attic. He had never recovered from his extended starvation.

Mom eventually traced the family to a French weaver 1,000 years ago. Our name is mentioned in England's Domesday Book, a listing of all the land ownership in the country published in 1086 (click here for the link at https://en.wikipedia.org/wiki/Domesday_Book). Mom died in 2018 at the age of 88, a very well educated person.

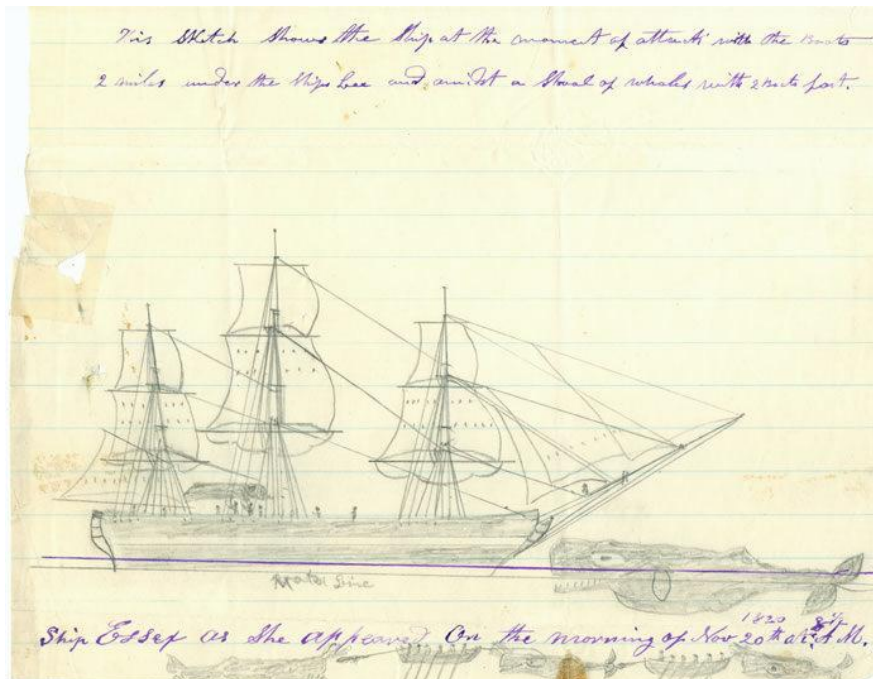
There are many more stories to tell about my family's storied past, and I will in future chapters. This week, being Thanksgiving, I thought it appropriate to mention our Pilgrim connection.

I have learned over the years that most Americans have history making swashbuckling ancestors, but few bother to look.

I did.



Happy Thanksgiving from the Thomas Family



USS Essex

CHAPTER 40: 1981 Diving on the Prince Oigen German Battleship

Not a lot of people get a chance to board a WWII battleship these days. So when I got the chance I jumped at it.

As part of my grand tour of the South Pacific for Continental Airlines in 1981, I stopped at the US missile test site at Kwajalein Atoll in the Marshall Islands, a mere 2,000 miles west southwest of Hawaii and just north of the equator.

Of course, **TOP SECRET** clearance was required and no civilians are allowed.

No problem there, as clearance from my days at the Nuclear Test Site in Nevada was still valid. Still, the FBI visited my parents in California just to be sure that I hadn't adopted any inconvenient ideologies in the intervening years.

I met with the admiral in charge to get an update on the current strategic state of the Pacific. China was nowhere back then, so there wasn't much to talk about in the wake of the Vietnam War.

As our meeting wound down, the admiral asked me if I had been on a German battleship. "It's a bit before my time," I replied. "How would you like to board the *Prinz Eugen*?" *he responded.*

The *Prinz Eugen* was a heavy cruiser, otherwise known as a pocket battleship built by Nazi Germany. It launched in 1938 at 16,000 tons and with eight 8-inch guns. Its sister ship was the *Admiral Graf Spee*, which was scuttled in the famous Battle of the River Platte in South America in 1939.

Early in the war, it helped sink the British battleship *HMS Hood* and damaged the *HMS Prince of Wales*. The *Prinz Eugen* spent much of the war holed up in a Norwegian fjord and later provided artillery support for the retreating German Army on the eastern front. At the end of the war, the ship was handed over to the US Navy as a war prize.

The US postwar atomic testing was just beginning so the *Prinz Eugen* was towed through the Panama Canal to be used as a target. Some 200 ships were assembled, including those from Germany, Japan, Britain, and even some

American ships deemed no longer seaworthy like the USS Saratoga. One of the first hydrogen bombs was dropped in the middle of the fleet.

The **Prinz Eugen** was the only ship to remain afloat. In the Navy film of the explosion, you can see the **Prinz Eugen** jump 200 feet into the air and come down upright. The ship was then towed back to Kwajalein Atoll and put at anchor. A typhoon came later in 1946, capsizing and sinking it.

It was a bright sunny day when I pulled up to the **Prinz Eugen** in a small boat with some Navy divers. There was no way the Navy was going to let me visit the ship alone.

The ship was upside-down, with the stern beached to the bow in 300 feet of pristine turquoise water. The propellers had recently been sent off to a war memorial in Germany. The ship's eight cannons lay scattered on the bottom, falling out of their turrets when the ship tipped over.

The small part of the **Prinz Eugen** above water had already started to rust through. But once underwater it was like entering a live aquarium.

A lot of coral, seaweed, starfish, and sea urchins can accumulate in 36 years and every inch of the ship was covered. Brightly tropical fish swam in schools. A six-foot mako shark with a hungry look warily swam by.

My diver friends knew the ship well and showed me the highlights to a depth of 50 feet. The controls in the engine room were labeled in German Fraktur, the preferred pre-war script. Broken dishes displayed the Nazi swastika. Anti-aircraft guns frozen in time pointed towards the bottom. No one had been allowed to remove anything from the ship since the war and in the Navy, most men followed orders.

It was amazing what was still intact on a ship that had been blown up by a hydrogen bomb. You can't beat "Made in Germany." Our time on the ship was limited as the hull was still radioactive, and in any case, I was running low on oxygen.

A few years later the Navy banned all diving on the **Prinz Eugen**. Three divers had

gotten lost in the dark, tangled in cables, and downed. I was one of the last to visit the historic ship.

I checked with my friends in the Navy and the ***Prinz Eugen*** is still there, but in deteriorating condition. When the ship started leaking oil in 2018 and staining the immaculate beaches nearby the Navy launched a major effort to drain what was left from the 80-year-old tanks. No doubt a future typhoon will claim what is left.

So if someone asks if you know anybody who's been on a German battleship you can say "Yes," you know me. And yes, my German is still pretty good these days.

Vielen dank!



The Prinz Eugen in 1940



The Prinz Eugen Today

CHAPTER 41: 1981 Reaching the Bottom of the Grand Canyon

I have been known to occasionally overreach myself, and a trip to the bottom of the Grand Canyon a few years ago was a classic example.

I have done this trip many times before. Hike down the Kaibab Trail, follow the Colorado River for two miles, and then climb 5,000 feet back up the Bright Angel Trail for a total day trip of 27 miles.

I started early, carrying 36 pounds of water for myself and a companion. Near the bottom there was a National Park sign stating that **“Being Tired is Not a Reason to Call 911.”** But I wasn’t worried.

The scenery was magnificent, the colors were brilliant, and each 1,000-foot descent revealed a new geologic age. I began the long slog back to the south rim.

As the sun set, it was clear that we weren’t going to make it to the top. I was passed by a couple who **RAN** the entire route who told me “better hurry up.” I realized that I had erred in calculating the sunset, it taking place an hour earlier in Arizona than in California.

By 8:00 PM it was pitch dark, the trail had completely iced up, and it was 500 feet straight down over the side. I only had 500 feet to go but the batteries on my flashlight died. I resigned myself to spending the night on the cliff face in freezing temperatures.

Then I saw three flashlights in the distance. Some 30 minutes later, I was approached by three Austrian Boy Scouts in full dress uniform. I mentioned I was a Scoutmaster and they offered to help us up.

I grabbed the belt of the last one, my companion grabbed my belt, and they hauled us up in the darkness. We made it to the top and I said, “thank you”, giving them the international scout secret handshake.

It turned out that I wasn’t in as great shape as I thought. In fact, I hadn’t done the hike since I was a scout myself 30 years earlier. I couldn’t walk for three days.

CHAPTER 42: 1982 A weekend with Lockheed's Kelley Johnson

While working for *The Economist* magazine in London, I was invited to interview some pretty amazing people: Margaret Thatcher, Ronald Reagan, Yasir Arafat, Zhou Enlai.

But one stands out as an all time favorite.

In 1982, I was working out of the magazine's New York Bureau off on Third Avenue and 47th Street, just seven blocks from my home on Sutton Place, when a surprise call came in from the editor in London, Andrew Knight. International calls were very expensive then, so it had to be important.

Did anyone in the company happen to have a US top secret clearance?

I answer that it just so happened that I did, a holdover from my days at the Nuclear Test Site in Nevada. "What's the deal," I asked?

A person they had been pursuing for decades had just retired and finally agreed to an interview, but only with someone who had clearance. Who was it? He couldn't say now. I was ordered to fly to Los Angeles and await further instructions.

Intrigued, I boarded the next flight to LA wondering what this was all about. What I remember about that flight is that sitting next to me in first class was the Hollywood director Oliver Stone, a Vietnam veteran who made the movie *Platoon*. When Stone learned I was from *The Economist*, he spent the entire six hours grilling me on every conspiracy theory under the sun, which I shot down one right after the other.

Once in LA, I checked into my favorite haunt, the Beverly Hills Hotel, requesting the suite that Marilyn Monroe used to live in. The call came in the middle of the night. Rent a four-wheel drive ASAP and head out to a remote ranch in the mountains 20 miles east of Santa Barbara. And who was I interviewing?

Kelly Johnson from Lockheed Aircraft (LMT).

Suddenly, everything became clear.

Kelly Johnson was a legend in the aviation community. He grew up on a farm in Michigan and obtained one of the first master's degrees in Aeronautical Engineering in 1933 at the University of Michigan.

He cold-called Lockheed Aircraft in Los Angeles begging for a job, then on the verge of bankruptcy in the depths of the Great Depression. Lockheed hired him for \$80 a month. What was one of his early projects? Assisting Amelia Earhart with customization of her Lockheed Electra for her coming round-the-world trip, from which she never returned.

Impressed with his performance, Lockheed assigned him to the company's most secret project, the twin-engine P-38 Lightning, the first American fighter to top 400 miles per hour. With counter-rotating props, the plane was so advanced that it killed a quarter of the pilots who trained on it. But it allowed the US to dominate the air war in the Pacific early on.

Kelley's next big job was the Lockheed Constellation (the "Connie" to we veterans), the plane that entered civil aviation after WWII. It was the first pressurized civilian plane that could fly over the weather and carried an astonishing 44 passengers. Howard Hughes bought 50 just off of the plans to found Trans World Airlines. Every airline eventually had to fly Connie's or go out of business.

The Cold War was a golden age for Lockheed. Johnson created the famed "Skunkworks" at Edwards Air Force base in the Mojave Desert where America's most secret aircraft were developed. He launched the C-130 Hercules, which I flew in Desert Storm, the F-104 Starfighter, and the high altitude U-2 spy plane.

The highlight of his career was the SR-71 Blackbird spy plane where every known technology was pushed to the limit. It could fly at Mach 3.0 at 100,000 feet. The Russians hated it because they couldn't shoot it down. It was eventually put out of business by low earth satellites. The closest I ever got to the SR-71 was the National Air & Space Museum in Washington DC at Dulles Airport where I spent an hour grilling a retired Blackbird pilot.

Johnson greeted me warmly and complimented me on my ability to find the place.

I replied, "I'm an Eagle Scout." He didn't mind chatting as long as I accompanied him on his morning chores. No problem. We moved a herd of cattle from one field to another, milked a few cows, and fertilized the vegetables.

When I confessed to growing up on a ranch, he really opened up. It didn't hurt that I was also an engineer and a scientist, so we spoke the same language. He proudly showed off his barn, probably the most technologically advanced one ever built. It looked like a Lockheed R&D lab with every imageable power tool. Clearly, Kelley took work home on weekends.

Johnson recited one amazing story after the other. In 1943 the British had managed to construct two Whittle jet engines and asked Kelly to build the first jet fighter. The country that could build jet fighters first would win the war. It was the world's most valuable machine.

Johnson clamped the engine down to a test bench and fired it up surrounded by fascinated engineers. The engine immediately sucked in a lab coat and blew up. Johnson got on the phone to England and said "Send the other one."

The Royal Air Force placed their sole remaining jet engine on a plane that flew directly to Burbank airport. It arrived on a Sunday, so the scientist charged with the delivery took the day off and rode a taxi into Hollywood to sightsee.

There the Los Angeles police arrested him for jaywalking. In the middle of WWII with no passport, no ID, a foreign accent, and no uniform, they hauled him straight off to jail.

It took two days for Lockheed to find him. Johnson eventually attached the jet engine to a P-51 Mustang, creating the P-80, and eventually the F-80 Shooting Star (Lockheed always uses astronomical names). Only four made it to England before the war ended. They were only allowed to fly over England because the Allies were afraid the Germans would shoot one down and gain the technology.

But the Germans did have one thing on their side. The Los Angeles Police Department delayed the development of America's first jet fighter by two days.

Germany did eventually build 1,000 Messerschmitt Me 262 jet fighters, but too

late. Over half were destroyed on the ground and the engines, made of steel and not the necessary titanium, only had a ten-hour life.

That evening, I enjoyed a fabulous steak dinner from a freshly slaughtered steer before I made my way home. I even helped Kelly slaughter the animal, just like I used to do on our ranch in Montana. Steaks are always better when the meat is fresh and we pick the best cuts. I went back to the hotel and wrote a story for the ages.

It was never published.

One of the preconditions of the interview was to obtain prior clearance from the National Security Agency. They were horrified by what Johnson had told me. He had gotten so old he couldn't remember what was declassified and what was still secret.

The NSC already knew me well from our previous encounters, but MI-6 showed up at ***The Economist*** office in London and seized all papers related to the interview. That certainly amused my editor.

Johnson died at age 80 in 1990. As for me, it was just another day in my unbelievable life.



SR-71 Blackbird

CHAPTER 43: 1982 Cruising with General Adolph Galland and the ME262

During the 1980's my late wife and I embarked on a National Geographic Expedition to the remote Greek islands, including Santorini, which in those days didn't have an airport.

At dinner, we sat at our assigned table and I noticed that the elderly gentleman next to me spoke the same unique form of High German as I. I asked his name and he replied "Adolph."

And what did Adolph do for a living? He was a pilot. And what kind of plane did he fly?

A Messerschmitt 262, the world's first combat jet fighter.

What was his last name? Galland. Adolph Galland.

I couldn't believe my luck. Adolph Galland was the most senior Luftwaffe general to survive WWII. He was one of Germany's top aces and is credited with 109 kills. He only survived the war because he was shot down during the final weeks and ended up in a military hospital.

And that was the end of the cruise for the rest of the rest of the guests at the table, as Galland and I spent the rest of the week dominating the conversation with the finer points of aviation history.

It was made especially interesting by the fact that I had already flown most of the allied planes that Galland went up against, including the P51 Mustang and the Spitfire.

Galland started life as a Versailles Treaty glider pilot and joined the civilian airline **Lufthansa** in 1932. He transferred to the Luftwaffe in 1937 to fight with Franco in the Spanish Civil War and participated in the invasion of Poland in 1939.

He flew a Messerschmitt 109 as cover for German bombers during the Battle of Britain. In 1941 he was promoted to the general in charge of Germany's fighter

force until 1945, when he was sidelined due to his opposition to Goring and Hitler.

It was a fascinating opportunity for me to learn many undisclosed historical anecdotes. Germany actually had a functioning jet fighter in 1939. But Hitler, with a WWI mindset, diverted development money to twin engine bombers and artillery.

Krupp A.G. eventually produced the Heavy Gustav, a canon 150 long that weighed 1,500 tons that fired a monster 31-wide, 12-foot-long shell. It was so heavy that it needed double railroad tracks to move anywhere. It required several hundred men to operate. The canon was virtually useless in a modern war and was a colossal waste of money. Galland believed the decision cost Germany the war.

The ME 262 was a fabulous plane. But it was too little too late. Of the 1,000 produced, 500 were destroyed on the ground and most of the rest during takeoff and landing.

A big problem with the plane was that its jet engines were made out of steel and would only last ten hours. Turkish titanium needed for longer lived engines was embargoed by the Allies.

Today, a beautiful example hangs from the ceiling of the Deutsches Museum in Munich.

Galland negotiated the handover of his jet fighter wing to the Americans from a hospital bed so they could be used in what he believed was an imminent war against the Russians. The atomic bomb ended that idea.

Galland was one of the few German generals never subjected to a war crimes trial. Pilots on both sides saw themselves as modern knights of the air with their own code of conduct. Parachuting pilots were never attacked and lowering your landing gear in combat was a respected sign of surrender.

After the war, Galland emigrated to Argentina to train Juan Peron's Air Force. He also taught the Royal Air Force how to fly their new Gloster Meteor jets. He participated in the 1972 film, ***The Battle of Britain*** and many WWII memorials. By

the time I met him, his eyesight was failing. He died in 1996 at 84 of natural causes.

I give thanks to the good luck I had in meeting him, and that I had the history behind me to understand the historical figure I was sitting next to. It isn't everyone that gets six dinners with Germany's top fighter ace.

A year later saw me on a top-secret mission flying from Cyprus back to the American air base at Ramstein in Germany. I plotted my course directly over Santorini.

When I approached the volcanic island, I put my Cessna 340 into a steep descent, dove straight into the mouth of the volcano, and leveled out at 50 feet above the water, no doubt terrifying the many yachts at anchor.

Greek Military Air Control gave me hell, but it was my own private way of honoring my memory of Adolph Galland.



A Messerschmitt 262



General Adolph Galland

CHAPTER 44: 1982 Escorting Jean MacArthur

Back in the early 1980s, when I was starting up Morgan Stanley's international equity trading desk, my wife Kyoko was still a driven Japanese career woman.

Taking advantage of her near perfect English, she landed a prestigious job as the head of sales at New York's Waldorf Astoria Hotel.

Every morning we set off on our different ways, me to Morgan Stanley's HQ in the old General Motors Building on Avenue of the Americas and 47th street and she to the Waldorf at Park and 34th.

One day she came home and told me there was this little old lady living in the Waldorf Towers who needed an escort to walk her dog in the evenings once a week. Back in those days, the crime rate in New York was sky high and only the brave or the reckless ventured outside after dark.

I said "Sure" "What was her name?"

Jean MacArthur.

I said **THE** Jean MacArthur?

She answered "Yes."

Jean MacArthur was the widow of General Douglas MacArthur, the WWII legend. He fought off the Japanese in the Philippines in 1941 and retreated to Australia in a night PT Boat escape.

He then led a brilliant island-hopping campaign, turning the Japanese at Guadalcanal and New Guinea. My dad was part of that operation, as were the fathers of many of my Australian clients. That led all the way to Tokyo Bay where MacArthur accepted the Japanese in 1945 on the deck of the battleship Missouri.

The MacArthur's then moved into the Tokyo embassy where the general ran Japan as a personal fiefdom for seven years, a residence I know well. That's when Jean, who was 18 years the general's junior, developed a fondness for the Japanese

people.

When the Korean War began in 1950, MacArthur took charge. His landing at Inchon harbor broke the back of the invasion and was one of the most brilliant tactical moves in military history. When MacArthur was recalled by President Truman in 1952, he had not been home for 13 years.

So it was with some trepidation that I was introduced by my wife to Mrs. MacArthur in the lobby of the Waldorf Astoria. On the way out we passed a large portrait of the general who seemed to disapprovingly stare down at me taking out his wife, so I was on my best behavior.

To some extent, I had spent my entire life preparing for this job.

I had stayed at the MacArthur Suite at the Manila Hotel where they had lived before the war. I knew Australia well. And I had just spent a decade living in Japan. By chance, I had also read the brilliant biography of MacArthur by William Manchester, ***American Caesar***, which had only just come out.

I also competed in karate at the national level in Japan for ten years, which qualified me as a bodyguard. In other words, I was the perfect after dark escort for Midtown Manhattan in the early eighties.

She insisted I call her “Jean”; she was one of the most gregarious women I have ever run into. She was gray haired, petite, and made you feel like you were the most important person she had ever run into.

She talked a lot about “Doug” and I learned several personal anecdotes that never made it into the history books.

“Doug” was a staunch conservative who was nominated for president by the Republican party in 1944. But he pushed policies in Japan that would have qualified him as a raging liberal.

It was the Japanese that begged MacArthur to ban the army and the navy in the new constitution for they feared a return of the military after MacArthur left. Women gained the right to vote on the insistence of the English tutor for Emperor

Hirohito's children, an American Quaker woman. He was very pro-union in Japan. He also pushed through land reform that broke up the big estates and handed out land to the small farmers.

It was a vast understatement to say that I got more out of these walks than she did. While making our rounds, we ran into other celebrities who lived in the neighborhood who all knew Jean, such as Henry Kissinger, Ginger Rogers, and the UN Secretary General.

Morgan Stanley eventually promoted me and transferred me to London to run the trading operations there, so my prolonged free history lesson came to an end.

Jean MacArthur stayed in the public eye and was a frequent commencement speaker at West Point where "Doug" had been a student and later the superintendent. Jean died in 2000 at the age of 101.

I sent a bouquet of lilies to the funeral.



CHAPTER 45: 1982 Trading the Kennedy Assassination

Passing through Dallas, Texas, on the way to a *previous Mad Hedge Strategy Luncheon* a few years ago, I couldn't help but remember the assassination of President John F. Kennedy, on November 22, 1963, some 59 years ago last week.

The tragedy offers valuable lessons for today's traders, although we have to travel a somewhat circuitous route to get there.

It was one of those epochal events, where people remember exactly what they were doing when they heard the news, such as the December 7, 1941 Japanese attack on Pearl Harbor, and the 9/11 attacks on the World Trade Center in 2001.

During the middle of my 5th grade class there was a schoolwide announcement that the president had been shot while campaigning in Dallas, Texas, but was still alive. Hours later, we were informed he was dead. The teachers started crying, and we were all sent home.

For the rest of the week, we were transfixed by the tumultuous events on our black and white, rabbit-eared television sets. Lyndon Johnson was sworn in as president on Air Force One. Lee Harvey Oswald was arrested. Then nightclub owner Jack Ruby shot him in a Dallas jail on live TV.

It was all so surreal, witnessing history unfold before you. I remember that my dad told me this all might be a prelude to a military *coup d'état*, or a Soviet nuclear attack, and that we should be prepared for the worst.

Our stockpile of canned food to feed our family of nine from the previous year's Cuban Missile Crisis was still in its cases. So were the boxes of ammunition. Those were scary times.

It seemed like the country went to pieces after that. The Vietnam War ramped up, igniting huge national demonstrations. Some 60,000 of our guys died, including 22 from my high school alone.

Race riots followed, setting cities on fire. I got caught in the ones in Los Angeles and Detroit. Then came the Oil Crisis, Watergate, and the Iran Hostage Crisis.

Things didn't get back to normal until the 1980s, and guess what? The stock market started going up, and I got into the hedge fund business.

The Kennedy assassination sparked an entire industry of conspiracy theorists, armchair historians, and assorted fruitcakes and nut jobs, whose mission was to debunk the conclusions of the Warren Commission Report.

Thousands of books were published, and even more lectures were delivered. It inspired us all to distrust our government.

After all, we were told that Oswald made an impossible shot, and only a "magic bullet" could achieve what the report claimed. Witnesses died like flies, against all actuarial probability. The 1938 Italian Mannlicher-Carcano rifle he used to commit the crime was impossibly flawed.

I tended to believe the version that was taught in California state textbooks as late as the 1990s, that Kennedy was the victim of either a CIA, Mafia, or Cuban plot. The Hollywood director, Oliver Stone, fanned the flames with his 1991 film, *JFK*.

Then one day during the late 80s, while visiting big oil clients for Morgan Stanley, I found myself with a couple of free hours to kill in Dallas. I took a taxi to the Texas School Book Depository on Elm Street, now a museum.

It was a weekday, and I was the only visitor. So, I took the elevator up to the sixth floor. There, at a corner window, cases of books were set up exactly as Oswald had placed them on that fateful day.

I looked around, saw no one else, and then deftly stepped over the rope that barred public access.

It turned out that I shared some personal history with Lee Harvey Oswald. We had both been in the Marine Corps and obtained a marksman's rating, which earned you a few extra dollars a month.

He had also been stationed in Japan a few years before I, at a base I knew well. So, I had always been curious about Oswald's incredible shot.

I sat down in the exact spot that Oswald had and watched the traffic below. At 62

feet away, the cars were moving at 8 miles per hour, the same speed as the Kennedy motorcade. Elm Street is always busy. Then it hit me.

This was not an impossible shot. This was not even a hard shot. **I** could make this shot. In fact, any Marine who went through basic training at Camp Pendleton could have made this shot on a bad day with a stiff wind.

It was a revelation.

It meant that the Warren Report was right. Oswald **was** the single shooter. It meant that all of the Kennedy conspiracy theories I had heard about over the decades were lies.

Not only that, I also realized then that **all** conspiracy theories about everything were untrue, usually manufactured by people with ulterior motives, almost always driven by the desire to sell more books and videos and make more money. The level of cooperation required between large numbers of people is far too improbable.

After that, theories about the Kennedy assassination started to unravel. During the 1990s, the investigative TV program, **60 minutes**, got several professional marksmen to easily replicate Oswald's feat of getting off three shots with the same antiquated bolt action rifle in less than three seconds.

After a deal with Congress in 1992, the government released 5 million pages of evidence on which the Warren Report conclusion was based, which had previously been secret (click here for the National Archives link at <http://www.archives.gov/research/jfk/>).

We obtained hours of classified testimony from Marina Oswald, Lee Harvey's Russian wife, about how troubled the man was.

We discovered that a dozen people saw a man with a rifle in the window of the Book Depository minutes before Kennedy was due to pass by. They screamed at the police to intervene, but none could hear them over the noise.

The fourth shot from the "grassy knoll" recorded over a police radio with a broken

microphone button turned out to be an echo off a building as discerned by modern advanced audio applications.

The FBI was aware that Oswald had taken a shot at the home of an army general only months before. A memo warning the Secret Service of the threat was found crumpled up in a Dallas agent's desk drawer days after the assassination.

The Kennedy assassination has become a favorite topic of modern risk analysts who advise hedge funds. The Secret Service was well aware of many assassination risks for the liberal, Democratic president from Boston from a wide assortment of right-wing fanatics in the Deep South, and they chased down many of them.

No one imagined that the actual attempt would come from the left, and they were blindsided. It is a valuable lesson that we trade and invest by today.

Finally, it was all put together in a 2007 book by the late Vincent Bugliosi, ***Reclaiming History: The Assassination of President John F. Kennedy***.

I had the misfortune of working with Bugliosi while he was prosecuting cult mass murderer Charles Manson (while working for the Los Angeles County Coroner, I had dug up some of his victims in the California desert, one with a missing head). I always found him a show boater and a tireless self-promoter.

However, in the book, Bugliosi does a masterful job of weaving together declassified evidence, testimony from missing witnesses, and the contribution of modern technology.

His conclusion: The Warren Report was dead right. As deranged as Oswald was, there was one thing he could do well, and that was to shoot straight. He then proceeds to expertly demolish every conspiracy theory out there and uncover their promoters as the profit driven charlatans that they are.

Oliver Stone was a better storyteller than a historian.

It turns out that being perennially disbelieving of conspiracy theories is quite a useful philosophy to have as a trader. We are often asked by the media to believe in the conspiracies that underpin certain investment theses. Bet against them, and

you'll win every time.

If we don't fight them in El Salvador, then we'll be fighting them in the streets of Los Angeles. Russia wants to take over the world, and when they finish their work in the Ukraine, we are next.

We had to invade Iraq because Saddam Hussein was imminently going to use his weapons of mass destruction against us. And don't get me started on the Ebola Virus.

When gold hit \$1,927 an ounce some years ago, I heard that the bars inside Fort Knox were made of lead and painted gold. When this was discovered, the price of the barbarous relic was supposed to soar to \$50,000 an ounce. I sold gold short.

After Barack Obama was elected president in 2008, the Internet abounded with assumptions of a vast left-wing conspiracy that pegged our new president as a socialist, was born in Kenya, was going to destroy corporate America, and take away all of our guns.

Those who bought the story sold all their stocks because the market bottom, unloaded their homes, and bought a dozen guns. They also ditched all their bonds because the U.S. government was going to default on its debt, ignite hyperinflation, and collapse the dollar. The advice was to put all your money into gold.

I didn't believe any of this for a second and did the exact opposite of what the Armageddon crowd was urging on to followers.

I bought stocks, ultra-high yielding junk bonds, MLPs, REITS, and every other risk asset out there while avoiding gold like the plague. I sold short the Japanese yen and the Euro against the U.S. dollar. So did my subscribers. You know the rest of the story. Some of my picks rose tenfold.

By the way, the newsletters that propagated those ridiculous and ruinous theories a decade ago are still prospering today.

I met Senator Ted Kennedy when he was running for president in 1982 and kept

in touch with his staff for many years. They told me he hit the deck whenever he heard a loud noise, be it a firecracker, a backfiring car, or even a slammed door. He lived a lifetime in constant fear of assassination.

Some scars never heal.

On my last trip to Tokyo I spent some time at the magnificent, white stucco edifice that has been the residence of U.S. ambassadors there for nearly 100 years. There, I gave a briefing to then ambassador Caroline Kennedy, the daughter of the late president.

The National Archives will release the last of its files on the assassination 70 years after the event, on November 22, 2033.

I hope to live that long, for by then I'll be nearly 82. Then for me, the Kennedy story will come full circle.



The Dallas School Book Depository



The Fateful Day



Taking the Story Full Circle with Caroline Kennedy

CHAPTER 46: 1983 Meeting Nobel Prize Winner John Nash

I am sitting here in front of the fire at my place in the Berkeley Hills and it is freezing cold and pouring rain outside. Heaven knows we need it.

I'm going into San Francisco later today to do some Christmas shopping. It's not the ideal time but in my hopelessly busy schedule this was the only day this year allocated for this chore.

For some reason, last night I recalled my days as an Ivy League Princeton professor, which I hadn't thought about for decades.

When Morgan Stanley was a private partnership, before it went public in 1987, the firm represented the cream of the US establishment. There wasn't anyone in business, industry, or politics you couldn't reach through one of the company's endless contacts. We referred to it as the "golden rolodex."

One day in the early 1980's, a managing director asked me a favor. Since he had landed me my job there, I couldn't exactly say no. He had committed to teaching a graduate night class in International Economics at his *alma mater*, Princeton University, but a scheduling conflict had prevented him from doing so.

Since I was then the only Asian expert in the firm, could I take it over for him? If I had extra time to kill, I could always spend it in the Faculty Club.

I said "sure."

So, the following Wednesday found me at Penn Station boarding a train for the leafy suburb about an hour away. On the way down I passed the locations of several Revolutionary War battles. When we pulled into Princeton, I realized why they called these places "piles". The gray stone ivy covered structures looked like they had been there a thousand years.

My students were whip smart, spoke several Asian languages, and asked a ton of questions. Many came from the elite families who owned and ran Asia. I understood why my boss took the gig.

I turned out to be pretty popular at the faculty Club, with several profs angling for jobs at Morgan Stanley. Rumors of the vast fortunes being made there had leaked out.

Princeton was weak in my field, DNA research. But as the last home of Albert Einstein, it was famously strong in math and physics. Many of the older guys had worked with the famed Berkeley professor, Robert Oppenheimer, on the Manhattan Project.

I was still a mathematician of some note those days, so someone asked me if I'd like to meet John Nash, the inventor of Game Theory, which won him a Nobel Prize in Economics in 1994. Nash's work on partial differential equations became the basis for modern cryptography. I was then working on a model using Game Theory to predict the future of stock markets. It still works today and is the basis the ***Mad Hedge Market Timing Algorithm***.

Weeks later found me driven to a remote converted farmhouse in the New Jersey countryside. On the way I was warned that Nash was a bit "odd," occasionally heard voices speaking to him, and rarely came to the university.

I later learned that his work in cryptography had driven him insane, given all the paranoia of the 1950s. Having worked in that area myself that was easy to understand. His friends hoped that by arguing against his core theories he would engage.

When I was introduced to him over a cup of tea he just sat there passively. I realized that I was going to have to take the initiative so as a stock market participant I immediately started attacking Game Theory. That woke him up and started the wheels spinning. It hadn't occurred to him that game theory could be used to forecast stock prices.

His friends were thrilled.

I later went on to meet many Nobel Prize winners, as the Nobel Foundation was an early investor in my hedge fund. Whenever a member of the Swedish royal family comes to California, I get an invitation to lunch for the Golden State's living Nobel laureates. It turns out that 20% of all the Nobel Prizes awarded since its

inception live here. Last time, I sat next to Milton Friedman, and I argued against **HIS** theories.

The other thing I remembered about my Princeton days was my discovery of the “professor's dilemma.” Sometimes a drop-dead gorgeous grad student would offer to go home with me after class. I was happily married in those days with two kids on the way, so I respectfully declined, despite my low sales resistance.

No away games for me.



The Nobel Prize



John Nash

CHAPTER 47: 1984 The Normandy D-Day 40th anniversary

One of my fondest memories takes me back to England in 1984 for the 40th anniversary of the D-Day invasion of France. On June 6, 160,000 Americans stormed Utah and Omaha beaches, paving the way for the end of WWII.

My own Uncle Al was a participant and used to thrill me with his hair-raising D-Day experiences. When he passed away, I inherited the P-38 Walther he captured from a German officer that day.

The British government wanted to go all out to make this celebration a big one as this was expected to be the last when most veterans, now in their late fifties and sixties, were in reasonable health. President Ronald Reagan and Prime Minister Margaret Thatcher were to be the keynote speakers.

The Royal Air Force was planning a flypast of their entire fleet that started over Buckingham Palace, went on to the debarkation ports at Southampton and Portsmouth, and then over the invasion beaches. It was to be led by a WWII Lancaster bomber, two Supermarine Spitfire and two Hawker Hurricane fighters.

The only thing missing were American aircraft. The Naval and Military Club in London, where I am still a member, wondered if I am willing to participate with my own US registered twin engine plane?

“Hell yes,” was my response.

Of course, the big concern was the weather, as it was in 1944. Our prayers were answered with a crystal clear day and a gentle westerly wind. The entire RAF was in the air, and I found myself at the tail end of Charlie following 175 planes. I was joined by my uncle, Medal of Honor winner Colonel Mitchell Paige.

We flew 500 feet right over the Palace. I could clearly see the Queen, a WWII veteran herself, Prince Philip, Lady Diana, and her family waving from the front balcony. Massive shoulder to shoulder crowds packed St. James Park in front.

As I passed over the coast, much of the Royal Navy were out letting their horns go full blast. Then it was southeast to the beaches. I flew over Pont du Hoc, which 40

years still looked like a green moonscape, after a very heavy bombardment.

In one of the most courageous acts in American history a company of Army Rangers battled their way up 100-foot sheer cliffs. After losing a third of their men they discovered that the heavy guns they were supposed to disable turned out to be telephone poles. The real guns had been moved inland 400 yards.

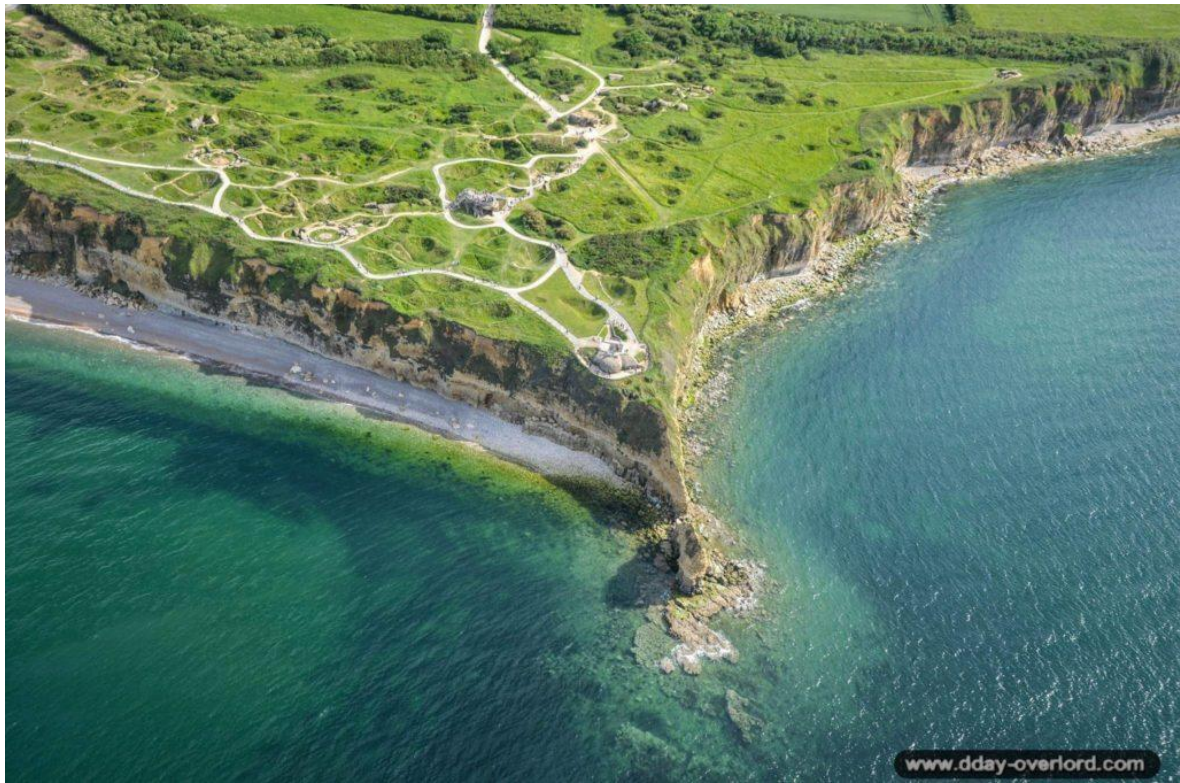
We peeled off from the air armada and landed at Caen Aerodrome. Taxiing to my parking space I drove over the rails for a German V2 launching pad. I took a car to the Normandy American Cemetery at Colleville-sur-Mer where Reagan and Thatcher were making their speeches in front of 9,400 neatly manicured graves.

There were thousands of veterans present from all the participating countries, some wearing period uniforms, most wearing ribbons. At one point, men from the 101st Airborne Division parachuted overhead from vintage DC-3's and landed near the cemetery.

Even though some men were in their sixties and seventies they still made successful jumps, landing with big grins on their faces. The task was made far easier without the 100 pounds of gear they carried in 1944.

The 80th anniversary of the D-Day invasion is coming up shortly. I won't be attending this time but will remember my own fine day there so many years ago.





Pont du Hoc

CHAPTER 48: 1984 Trading Japanese Equity Warrants

During the late 1980s, the demand for Japanese bonds with attached equity warrants was absolutely exploding.

Japan was Number One, the engine of technological innovation. Everyone in the world owned a **Sony Walkman**. They were trouncing the United States with 45% of its car market.

The **most** conservative estimate for the Nikkei Average for the end of 1990 was 50,000, or up 27%. The high end was at 100,000. Why not? After all, the Nikkei had just risen tenfold in ten years and the Japanese yen had tripled in value.

In 1989, my last full year at Morgan Stanley, the Japanese warrant trading desk accounted for 80% of the firm's total equity division profits.

The deals were coming hot and heavy. Since Morgan Stanley had the largest Japanese warrant trading operation in London, a creation of my own, we were invited to join so many deals that the firm ran out of staff to attend the signings.

Since I was the head of trading, I thought it odd that the head of investment banking wanted to speak to me. It turned out that Morgan Stanley was co-managing two monster \$3 billion bond deals **on the same day**. Could I handle the second one? Our commission for the underwritings was **\$10 million for each deal!**

I thought, why not, better to see how the other half lived. So, I said "yes."

The attorneys showed up minutes later. I was given a power of attorney to sign on behalf of the entire firm and commit our capital to the underwriting \$3 billion five-year bond issue for the Industrial Bank of Japan. The deal was especially attractive as the bonds carried attached put options on the Nikkei which institutional investors could buy to hedge their Japanese stock portfolios.

Since the Industrial Bank of Japan thought the stock market would never see a substantial fall, they happily sold short the put options. Only the Industrial Bank of Japan could have pulled this off as it was one of the largest and highest rated

banks in Japan. I knew the CEO well.

It turned out that there was a lot more to a deal signing than I thought, as it was done in the traditional British style. We met at the lead manager's office in the City of London in an elegant wood paneled private dining room filled with classic 18th century furniture.

First, there was a strong gin and tonic which you could have lit with a match. A five-course meal accompanied with a 1977 deep Pouilly Fuse white and a 1952 Bordeaux red with authority. I had my choice of elegant deserts. Sherry and a 50-year-old port followed, along with Cuban cigars, which was a problem since I had just quit smoking (my wife recently bore twins).

The British were used to these practices. Any American banker would have been left staggering, as drinking during business hours back then was illegal in New York.

Then out came the paperwork. I signed with my usual flourish and the rest of the managers followed. The Industrial Bank of Japan provided the ***Dom Perignon*** as they were about to receive \$3 billion in cash the following week.

Then an unpleasant thought arose in the back of my mind. Morgan Stanley assumed the complete liability for their share of the deal. But did I just incur a massive personal liability as well?

Then I thought, naw, why pee on someone's parade. Morgan Stanley's been doing this for 50 years. Certainly, they knew what they were doing.

Besides, the Japanese stock market is going up forever, right? No harm, no foul. In any case, I left Morgan Stanley to start my own hedge fund a few months later.

Some seven months later one of the greatest stock market crashes of all time began. The Nikkei fell 50% in six months and 85% in 20 years. Some 32 years later the Nikkei still hasn't recovered its old high.

For a few years, that little voice in the back of my mind recurred. The bonds issued by the Industrial Bank of Japan fell by half in months on rocketing credit concerns.

The IBI's naked short position in the Nikkei puts completely blew up, costing the bank \$10 billion. The Bank almost went bankrupt. It was one of the worst timed deals in the history of finance. The investors were burned bigtime.

Did I ever hear about the deal I signed on again? Did process servers show up and my front door in London with a giant lawsuit? Did Scotland Yard chase me down with an arrest warrant?

Nope, nothing, *nada*, bupkis. I never heard a peep from anyone. It turns out you **CAN** lose \$12 billion worth of other people's money and face absolutely no consequences whatsoever.

Welcome to Wall Street.

Still, when the five-year maturity of the bonds passed, I breathed a sigh of relieve.

My hedge fund got involved in buying Japanese equity warrants, selling short the underlying stock, this creating massive short positions with a risk free 40% guaranteed return. My investors loved the 1,000% profit I eventually brought in doing this.

Unlike most managers, I insisted on physical delivery of the warrant certificates, as the credit worthiness of anyone still left in the business was highly suspect. Others who took delivery used warrants to wallpaper their bathrooms (really).

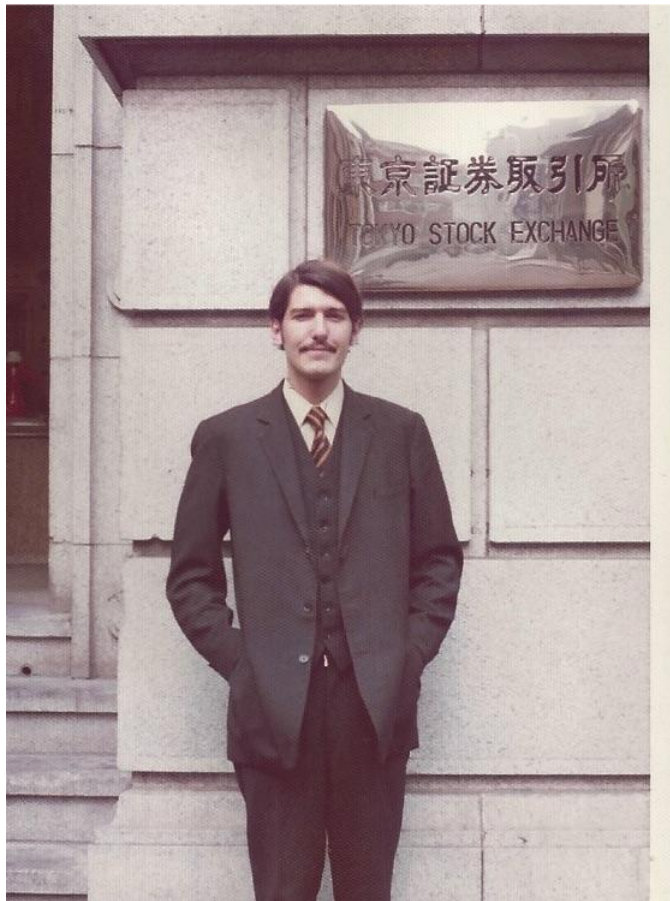
They all expired worthless, I made fortunes on the short positions, and still have them by the thousands (see below).

In September 2000, the Industrial Bank of Japan, its shares down 90%, merged with the Dai-Ichi Kangyō Bank and Fuji Bank to form the Mizuho Financial Group. It was a last ditch effort to save the Japanese financial system after ten years of recession engineered by the government.

Morgan Stanley shut down their world-wide Japanese equity warrant trading desk, losing about \$20 million and laying off 200. Some staff were outright abandoned as far away as Hong Kong. Morgan Stanley was not a good firm for running large losses, as I expected.

I learned a valuable trading lesson. The greater the certainty that people have that an investment will succeed, the more likely its failure. Think of it as Chaos Theory with a turbocharger.

But we sure had a good time while the Japanese equity warrant boom lasted.



Denomination

ISIN

Series - Certif. Number

<0636500+GB0043554491+00+004606>

¥636,500



WARRANT

to subscribe for shares of common stock of

FUJI PHOTO FILM CO., LTD.

FUJI PHOTO FILM CO., LTD. (the "Company") HEREBY CERTIFIES that the bearer of this Warrant is entitled, upon and subject to the conditions set out below and on the reverse hereof, at any time on or after 11th July, 1988 until the expiry of the Subscription Period (as defined below, being in any event no later than 17th June, 1992), to subscribe ¥636,500 for shares of common stock of the Company.

The Warrants (as defined below and including this Warrant) are issued subject to and with the benefit of an Instrument (the "Instrument") by way of deed poll dated 27th June, 1988 and executed by the Company which is enforceable severally by each Warrantholder (as defined below) against the Company insofar as each such Warrantholder's Warrants are concerned. The Instrument is and will be held by or to the order of the Disbursement Agent (referred to below) and copies thereof and of the Trust Deed containing the form of the Bonds (as defined below) and under which the Bonds are constituted (the "Trust Deed") are and will be available for inspection, and copies thereof may be obtained, by Warrantholders at the registered head office for the time being of the Company and at the specified offices of the Disbursement Agent and each of the Warrant Agents (referred to below), in each case for so long as any Warrant remains unexercised and for so long thereafter as any claim made against the Company by any Warrantholder in relation to the Warrants or the Instrument shall not have been finally adjudicated, settled or discharged. The Company hereby acknowledges the right of every Warrantholder to the production of the Instrument. Warrantholders will be deemed to have notice of all the provisions contained in the Instrument, the Trust Deed and the Bonds (which shall be binding on the Warrantholders insofar as they affect the rights or interests of the Warrantholders).

This Warrant forms one of an issue of 80,000 Warrants to subscribe in aggregate up to ¥50,920,000,000 for shares of common stock of the Company (the "Warrants"), issued pursuant to resolutions of the Board of Directors of the Company passed on 10th and 21st June, 1988 in conjunction with an issue by the Company of U.S.\$400,000,000 3 1/4 per cent. Bonds 1992 (the "Bonds") pursuant to Articles 341-8 *et seq.* of the Commercial Code of Japan.

This Warrant shall not be duly issued or become valid or binding for any purpose unless and until authenticated by a duly authorised officer of Morgan Guaranty Trust Company of New York, Brussels office.

IN WITNESS whereof the Company has caused this Warrant to be signed in facsimile on its behalf by its President and Representative Director.

ISSUED as of 27th June, 1988.

Certificate of Authentication

This Warrant is authenticated by:-


 Authorised Officer
 Morgan Guaranty Trust Company of New York, Brussels office

FUJI PHOTO FILM CO., LTD.

By


 President and Representative Director

Neither this Warrant nor any share of common stock of the Company to be issued upon exercise of this Warrant has been or will be registered under the Securities Act of 1933 of the United States of America. Any offer or sale of this Warrant or any such share in the United States of America (including its territories and possessions) or to or for the account of nationals or residents thereof (including any corporation, partnership or other entity created or organised in or under the laws thereof or any political sub-division thereof) may constitute a violation of United States laws unless such offer or sale is exempt from registration under that Act and under applicable State blue sky laws. In this connection, attention is drawn to Condition 3(A)(i) endorsed hereon, concerning the certificate as to non-U.S. beneficial ownership which will be required if this Warrant is deposited for exercise.

CHAPTER 49: 1985 A Plane Crash in Sicily

After telling you why I walked so funny, let me tell you the other reason.

In 1987, to celebrate obtaining my British commercial pilot's license, I decided to fly a tiny single engine Grumman Tiger from London to Malta and back.

It turned out to be a one-way trip.

Flying over the many French medieval castles was divine. Flying the length of the Italian coast at 500 feet was fabulous, except for the engine failure over the American air base at Naples.

But I was a US citizen, wore a New York Yankees baseball cap, and seemed an alright guy, so the Air Force fixed me up for free and sent me on my way. Fortunately, I spotted the heavy cable connecting Sicily with the mainland well in advance.

I had trouble finding Malta and was running low on fuel. So I tuned into a local radio station and homed in on that.

It was on the way home that the trouble started.

I stopped by Palermo in Sicily to see where my grandfather came from and to search for the caves where my great grandmother lived during the waning days of WWII. Little did I know that Palermo had the worst windshear airport in Europe.

My next leg home took me over 200 miles of the Mediterranean to Sardinia.

I got about 50 feet into the air when a 70 knot gust of wind flipped me on my side perpendicular to the runway and aimed me right at an Alitalia passenger jet with 100 passengers awaiting takeoff. I managed to level the plane right before I hit the ground.

I heard the British pilot of the Alitalia jet say on the air "Well, that was interesting."

Giant fire engines descended upon me, but I was fine, sitting on my cockpit, admiring the tree that had suddenly sprouted through my port wing.

Then the Carabinieri arrested me for endangering the lives of 100 tourists. Two days later the ***Ente Nazionale per l'Aviazione Civile*** held a hearing and found me innocent, as the windshear could not be foreseen. I think they really liked my hat, as most probably had distant relatives in New York City.

As for the plane, the wreckage was sent back to England by insurance syndicate Lloyds of London, where it was disassembled. Inside the starboard wing tank they found a rag which the American mechanics in Naples had left by accident.

If I had continued my flight, the rag would have settled over my fuel intake valve, cut off my gas supply, and I would have crashed into the sea and disappeared forever. Ironically, it would have been close to where French author Antoine de St.-Exupery (The Little Prince) crashed his Lockheed P-38 Lightning in 1944.

In the end, The crash only cost me a disk in my back, which I had removed in London and led to my funny walk.

Sometimes, it is better to be lucky than smart.



Antoine de St.-Exupery on the Old 50 Franc Note





CHAPTER 50: 1985 My London Wine Syndicate

The 1980s found me heading the Japanese equity warrant trading department for Morgan Stanley in London, a unit which eventually produced 80% of the company's equity division profits. It was like running a printing press for \$100 bills.

My east end kids in their twenties were catapulted from earning \$10,000 a year to a half million. After buying West End condos, the latest Ferrari or Jaguar, and picking up fashion model girlfriends, they ran out of ideas on how to spend the money.

Maybe it was time to upgrade from pints of Fosters at the local pub to fine French wines?

The problem was that no one knew what to buy. Bordeaux alone produced 5,000 labels, and Burgundy a further 7,000. France had 360 appellations in 11 major wine growing regions. Worse yet, all the names were in French!

Following a firmwide search, it was decided that I should become the in-house wine connoisseur. After all, I was from a wine growing region in California, spoke French, and was part French. How could they lose?

As with everything I do, I intensively threw myself into research. It turns out that the insurance exchange, Lloyds of London, was suffering the first of its claims in its history. US asbestos related insurance claims were exploding. Then, a giant offshore natural gas rig, Piper Alpha, blew up. Suddenly Lloyd's syndicates were getting their first ever cash calls.

These syndicates were sold to members as guaranteed risk-free cash flow. Suddenly many members had to come up with \$250,000 each in months. No one was ready. How did many meet their cash calls? By selling off 100-year-old wine cellars through auctions at Sotheby's in London.

Now let me tell you about the international wine auction business. Single cases of the first growth wines, like the 1983 Chateaux Laffite Rothchild, are traded on open markets like any other investment. They appreciate in value like bonds, about 5% a year. However, mixed cases filled with odds and ends from different

wineries and different years, have no investment value and traded at enormous discounts.

I found my market!

In short order, I put together a syndicate of 20 new wine consumers and went to work.

To separate out the sheep from the goats I relied on a wine guide that ***The Economist*** magazine included at the back of every wallet diary. As each auction catalogue came out, I rated every bottle in the mixed cases coming for sale. I then showed up at the bi-monthly auctions and bought every case.

It wasn't long before I became the largest buyer of wine at Sotheby's, picking up 20 cases per auction. The higher the Japanese stock market rose, the more money the traders made, and the more they had to spend on better French wines.

It wasn't long before Morgan Stanley became famed for being a firm of wine authorities. Our guys were getting invited to high end dinners just so they could pick the wines, including me.

Sotheby's took note, and set me up with their in-house wine expert, the famed Serena Sutcliffe. I became her favorite customer. Serena knew everyone in Bordeaux. Who is the most popular person in any wine growing area? Not the one who makes the wine but the one who sells it.

It wasn't long before Serena set me up with private tours of the top Bordeaux wineries. I'm talking Laffite Rothchild, Haut-Brion, Yquem (once owned by US Treasury Secretary C. Douglas Dillon), Chateaux Margaux, and Pomerol. I then flew the two of us down to Bordeaux in my twin engine Cessna 340 for the wine tasting opportunity of a lifetime. I came back full up, with about 10 cases per flight.

I was guided through ancient, spider web filled, fungus infused caves and invited to drink their prime stock. Let me tell you that the 1873 Laffite Rothchild is to die for but is bested by the 1848 Chateaux Yquem.

The stories I heard were incredible. During WWII one winery dumped their entire

stock in a nearby pond to keep the Germans from getting it. But the labels floated to the surface. After the war they fished out the bottles. But they couldn't identify them until they opened the bottles, where the vintage was printed on the cork. It was free fishing for years for the locals and there are probably a few bottles still in there.

In sommelier school you have to taste 5,000 wines to graduate. They tell you up front that it will change your life. After my experience as the biggest wine buyer in London for five years, I can tell you this is true.

One of my treasured buys was a bottle of 1952 Laffite Rothchild, the year I was born. Then it was only 40 years old and went down well with a fine dinner of Beef Wellington. I had the bottle for years until a cleaning lady found it on a shelf after a party and put it in the recycling bin.

A few months ago, I was at the Marin French Antique Show browsing for hidden treasures. What did I find but an empty case of 1985 Romanee Conti, the greatest Burgundy of France. The vendor had no idea what he had. To him it was just a wood box. I offered him \$10. He said thanks. It now adorns a place of honor in my own wine cellar to remind me of this grand experience.

And if we ever meet for dinner don't bother with the wine list. I'll be making the pick.



Fill Her Up with Bordeaux



CHAPTER 51: 1986 Flight to Malta

I spent a decade flying planes without a license in various remote war zones because nobody cared.

So, when I finally obtained my British Private Pilot's License at the Elstree Aerodrome, home of the WWII Mosquito twin engine bomber, in 1987, it was cause for celebration.

I decided to take on a great challenge to test my newly acquired skills. So, I looked at an aviation chart of Europe, researched the availability of 100LL aviation gasoline in Southern Europe, and concluded that the farthest I could go was the island nation of Malta.

Caution: new pilots with only 50 hours of flying time are the most dangerous people in the world!

Malta looms large in the history of aviation. At the onset of the second world war, Malta was the only place that could interfere with the resupply of Rommel's Africa Corps, situated halfway between Sicily and Tunisia. It was also crucial for the British defense of the Suez Canal.

So, Malta was mercilessly bombed, at first by Mussolini's ***Regia Aeronautica***, and later by the ***Luftwaffe***. By April 1942, the port at Valletta became the single most bombed place on earth.

Initially, Malta had only three obsolete 1934 Gloster Gladiator biplanes to mount a defense, still in their original packing crates. Flown by volunteer pilots, they came to be known as "Faith, Hope, and Charity."

The three planes held the Italians at bay, shooting down the slower bombers in droves. As my Italian grandmother constantly reminded me, "Italians are better lovers than fighters." By the time the Germans showed up, the RAF had been able to resupply Malta with as many as 50 infinitely more powerful Spitfires a month, and the battle was won.

So Malta it was.

The flight school only had one plane they could lend me for ten days, a clapped-out, underpowered single engine Grumman Tiger, which offered a cruising speed of only 160 miles per hour. I paid extra for an inflatable life raft.

Flying over the length of France in good weather at 500 feet was a piece of cake, taking in endless views of castles, vineyards, and bright yellow rapeseed fields. Italy was a little trickier because only four airports offered avgas, Milan, Rome, Naples, and Palermo. Since Italy had lost the war, they never experienced a postwar aviation boom as we did.

I figured that if I filled up in Naples, I could make it all the way to Malta nonstop, a distance of 450 miles, and still have a modest reserve.

Flying the entire length of Italy at 500 feet along the east coast was grand. Genoa, Cinque Terra, the Vatican, and Mount Vesuvius gently passed by. There was a 1,000-foot-high cable connecting Sicily with the mainland that could have been a problem, as it wasn't marked on the charts. But my US Air Force charts were pretty old, printed just after WWII. But I spotted them in time and flew over.

When I passed Cape Passero, the southeast corner of Sicily, I should have been able to see Malta, but I didn't. I flew on, figuring a heading of 190 degrees would eventually get me there.

It didn't.

My fuel was showing only quarter tanks left and my concern was rising. There was now no avgas anywhere within range. I tried triangulating VOR's (very high frequency omni directional radar ranging).

No luck.

I tried dead reckoning. No luck there either.

Then I remembered my WWII history. I recalled that returning American bombers with their instruments shot out used to tune into the BBC AM frequency to find their way back to London. Picking up the Andrews Sisters was confirmation they

had the right frequency.

It just so happened that buried in my pilot's case was a handbook of all European broadcast frequencies. I looked up Malta, and sure enough, there was a high-powered BBC repeater station broadcasting on AM.

I excitedly tuned in my Automatic Direction Finder.

Nothing. And now my fuel was down to one eighth tank and it was getting dark!

In an act of desperation, I kept playing with the ADF dial and eventually picked up a faint signal.

As I got closer, the signal got louder, and I recognized that old familiar clipped English accent. It was the BBC (I did work there for ten years as their Tokyo correspondent).

But the only thing I could see were the shadows of clouds on the Mediterranean below. Eventually, I noticed that one of the shadows wasn't moving.

It was Malta.

As I was flying at 10,000 feet to extend my range, I cut my engines to conserve fuel and coasted the rest of the way. I landed right as the sun set over Africa.

While on the island, I set myself up in the historic Excelsior Grand Hotel. Malta is bone dry and has almost no beaches. It is surrounded by 100-foot cliffs. I paid homage to Faith, the last of the three historic biplanes, in the National War Museum in Valetta.

The other thing I remember about Malta is that CIA agents were everywhere. Muammar Khadafy's Libya was a major investor in Malta, recycling their oil riches, and by the late 1980s owned practically everything. How do you spot a CIA agent? Crewcut and pressed, creased blue jeans. It's like a uniform. What they were doing in Malta I can only imagine.

Before heading back to London, I had to refuel the plane. A truck from air services

drove up, and dropped a 50-gallon drum of avgas on the tarmac along with a pump. Then they drove off. It took me an hour to hand pump the plane full.

My route home took me directly to Palermo, Sicily to visit my ancestral origins. On takeoff to Sardinia, windshear flipped my plane over, caused me to crash, and I lost a disk in my back.

But that is a story for another day.

Who says history doesn't pay!



“Faith”



The Andrews Sisters



Spitfire



Grumman Tiger

CHAPTER 52:1986 Lunch in Brussels and the Night Landing at Salisbury

A few years ago I was visited in London by an old friend who had once served on the British Army staff of General Bernard Law Montgomery, the hero of Alamein, who was known to his friend as “Monty” (he had no friends).

I asked if there was anything I could do for him and he said, “Actually, I haven’t had a dish of *moules mariniere* (steamed mussels in a white wine sauce) on the Grand Square in Brussels for a while.

I answered, “No problem, let’s go.”

We drove my Mercedes 6.0 to an old Battle of Britain hanger (one-inch-thick bombproof steel doors) on the outskirts of London where I kept a twin-engine Cessna 340 with turbocharged engines with a maximum speed of 225 kts.

We landed in Brussels in an hour.

We savored the mussels on the square, as good as ever, the national dish of Belgium. The autumn air was brisk, tourists gawked, we drank, and everyone had a good time.

I left my friend there talking to some Belgian beauty for an early return to England. I wanted to park my plane at the grass airfield in Salisbury in Wiltshire, home of the tallest cathedral in England, which I nearly took out several times.

The problem was that the runway had no lights.

Unfortunately, I ran into a fierce Atlantic headwind and was running late, so I skipped a refueling stop at Ostend. When My instruments showed I was right over the airfield I saw nothing but black.

I did, however, remember the radio frequency of the pub at the end of the field which constantly kept a speaker on. I radioed the pub, “if anyone will roll up some newspapers set them on fire and line the runway, I will buy them a pint of beer.”

The entire pub emptied out and within seconds and I had a perfectly lighted

runway on both sides. Landing was a piece of cake.

When I taxied up to the pub the starboard engine ran out of gas. I walked in and made good on my promise, even buying a second round for my rescuers. I then crawled back into my airplane and went to sleep, waking up the next day with the worst hangover ever.

My flying these days is much more sedentary. The FAA requires me to do three take offs and landings every three months to keep my license current, and I usually bring along my kids for this chore. On the last landing I always shut off my engine and glide in.

I warn the kids and they always say, “No dad, don’t,” but I do it anyway. I tell them it’s the only way to practice engine failures.

As I said before, I crash better than anyone I know.

I think I’ll watch the John Wayne classic *“The Searchers”* one more time tonight.



CHAPTER 53: 1986 Morgan Stanley and the Teamsters Pension Fund

To say that I was an unusual hire for Morgan Stanley back in 1983 was an understatement, a firm known as being conservative, white shoed, and a paragon of the establishment. They normally would not have touched me with a ten-foot pole, except that I spoke Japanese.

Of 1,000 employees there were only three from California. The other two were drop dead gorgeous Stanford grads, daughters of the president of the Philippines, hired to guarantee the firm's leadership of the country's biannual bond issue.

When the book *Liar's Poker* was published, many in the company thought I wrote it under the pen name of Michael Lewis. Today, the real Michael lives a few blocks away from me and I kid him about it whenever I bump into him at Whole Foods.

At one Monday morning meeting the call went out, "Does anyone have a connection with the Teamsters Union? I raised my hand, mentioning that my grandfather was a Teamster while working for Standard Oil of California during the Great Depression (it was said at the time that there was never a Great Depression at Standard Oil. It was true).

It turned out that I was virtually the only person at Morgan Stanley who didn't have an Ivy League degree or an MBA.

My boss informed me that "you're on the team."

At the time, the US Justice Department had seized the Teamsters Pension Fund because the Mafia had been running it for years, siphoning off money at every opportunity. I made the pitch to the Justice Department, a more conservative bunch of straight arrows you never saw, all wearing dark suits and white business shirts.

It was crucial that we won the deal as Barton Biggs was just starting up the firm's now immensely profitable asset management division and a big mandate like the Teamsters would give us instant credibility in the investment community.

We won the deal!

Once the papers were signed the entire Teamsters portfolio was dumped in my lap and I was ordered to fly to Las Vegas to investigate. It didn't hurt that I was Italian. It was thought that the Teamsters might welcome me.

The airport was still a tiny, cramped affair, but offered slot machines. Steve Wynn was building The Mirage Hotel on the strip. Howard Hughes was still holed up in the penthouse of the Desert Inn. Tom Jones, Frank Sinatra, Siegfried & Roy, Wayne Newton, and Liberace had star billing.

It turned out that the Teamsters Pension Fund owned every seedy whorehouse, illegal casino, crooked bookie, and drug dealer in town. If you wanted someone to disappear, they could arrange that too.

I returned to New York and wrote up my report. I asked Barton to sign off on it and he said, "No thanks, you own this one."

So it was with a heavy heart that I released a firmwide memo stating that employees of Morgan Stanley were no longer allowed to patronize the "Kit Kat Lounge", the "Bunny Farm", the "Mustang Ranch" and 200 other illicit businesses in Nevada.

I never lived down that memo.

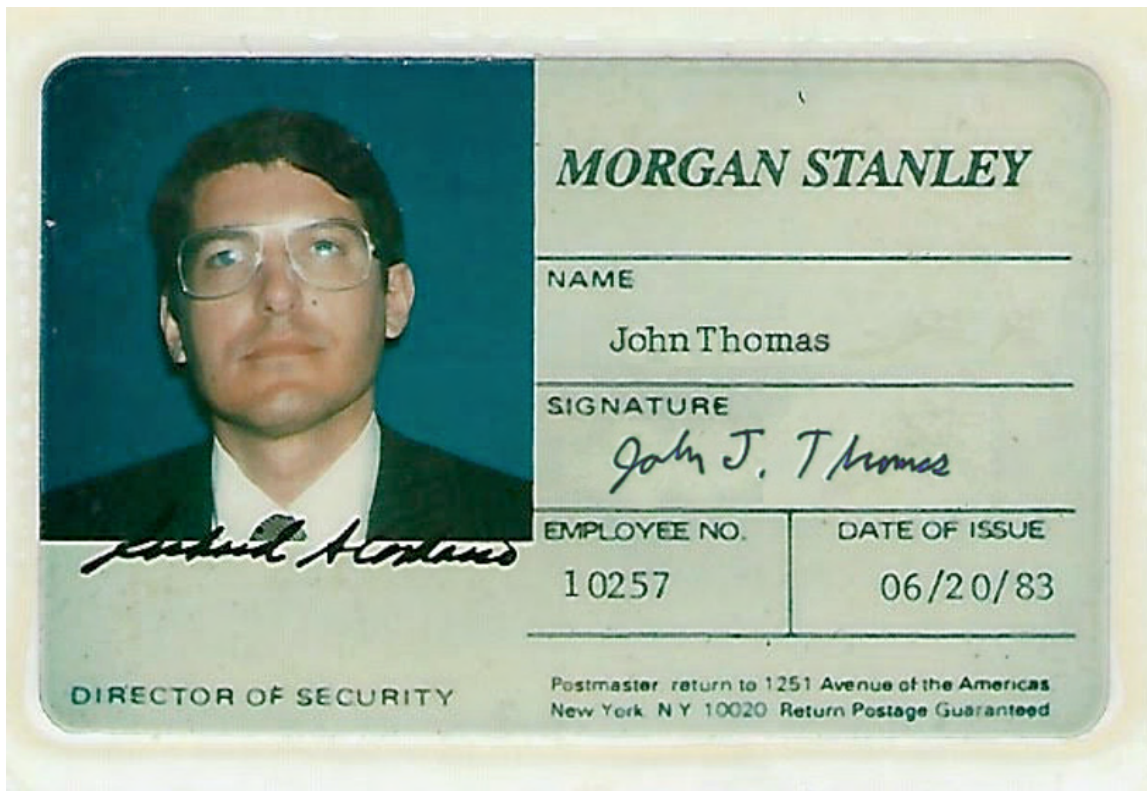
I actually knew about some of these places a decade earlier because they were popular with the all-male staff of the Nuclear Test Site where I had once worked an hour north of town as a researcher and mathematician.

Then later in the early 2000's I had to drive my son from Lake Tahoe to the University of Arizona and we drove right past the entrance to the Nuclear Test Site. The "Kit Kat Lounge", the "Bunny Farm" were long gone, but the Site access had improved from a dusty, potholed dirt road to a four-lane superhighway.

That's defense spending for you.

Even today, 40 years later my old Morgan Stanley friends kid me if I know where to have a good time in Vegas, and I laugh.

But when I ride the subway in New York, I still get on at the front of the train, just to be extra careful. Accidents happen.



CHAPTER 54: 1987 Remembering the 1987 Crash

With the 36th anniversary of the 1987 crash coming up this year, when shares dove 20% in one day, I thought I'd part with a few memories.

I was in Paris visiting Morgan Stanley's top banking clients, who then were making a major splash in Japanese equity warrants, my particular area of expertise.

When we walked into our last appointment, I casually asked how the market was doing (Paris is six hours ahead of New York). We were told the Dow Average was down a record 300 points. Stunned, I immediately asked for a private conference room so I could call the equity trading desk in New York to buy some stock.

A woman answered the phone, and when I said I wanted to buy, she burst into tears and threw the handset down on the floor. Redialing found all transatlantic lines jammed.

I never bought my stock, nor found out who picked up the phone. I grabbed a taxi to Charles de Gaulle airport and flew my twin Cessna as fast as the turbocharged engines took me back to London, breaking every known air traffic control rule.

By the time I got back, the Dow had closed down 512 points. Then I learned that George Soros asked us to bid on a \$250 million blind portfolio of US stocks after the close. He said he had also solicited bids from Goldman Sachs, Merrill Lynch, JP Morgan, and Solomon Brothers, and would call us back if we won.

We bid 10% below the final closing prices for the lot. Ten minutes later he called us back and told us we won the auction. How much did the others bid? He told us that we were the only ones who bid at all!

Then you heard that great sucking sound.

Oops!

What has never been disclosed to the public is that after the close, Morgan Stanley received a margin call from the exchange for \$100 million, as volatility had gone through the roof, as did every firm on Wall Street. We ordered JP Morgan to

send the money from our account immediately. ***Then they lost the wire transfer!***

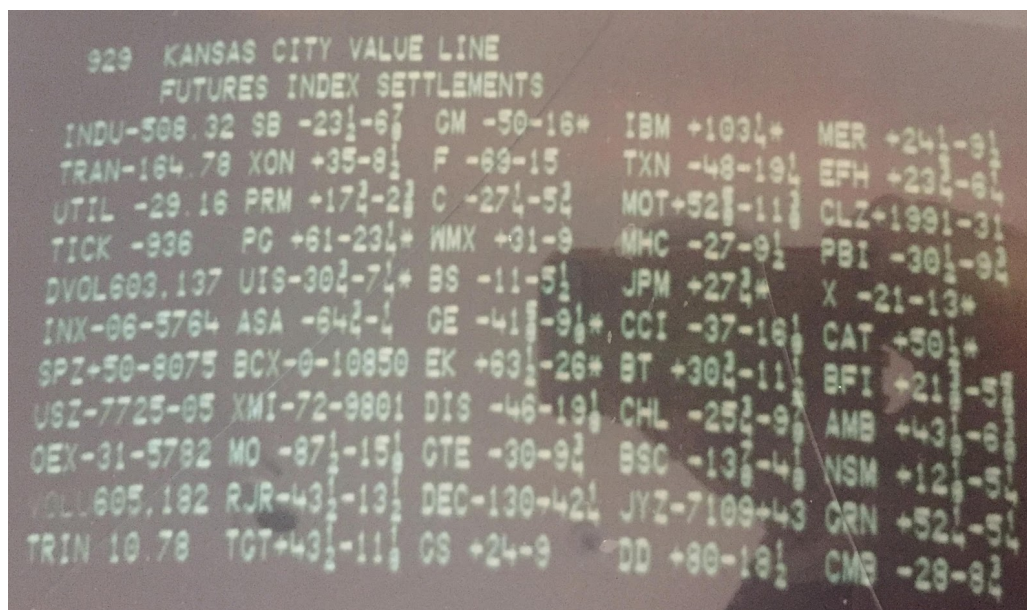
After some harsh words at the top, it was found. That's when I discovered the wonderful world of Fed wire numbers.

The next morning, the Dow continued its plunge, but after an hour managed a U-turn, and launched on a monster rally that lasted for the rest of the year. We made \$75 million on that one trade from Soros.

It was the worst investment decision I have seen in the markets in 53 years, executed by its most brilliant player. Go figure. Maybe it was George's risk control discipline kicking in?

At the end of the month, we then took a \$75 million hit on our share of the British Petroleum privatization, because Prime Minister Margaret Thatcher refused to postpone the issue, believing that the banks had already made too much money.

That gave Morgan Stanley's equity division a break-even P&L for the month of October 1987, the worst in market history. Even now, I refuse to gas up at a BP station on the very rare occasions I am driving a rental internal combustion engine from Enterprise.



929 KANSAS CITY VALUE LINE					
FUTURES INDEX SETTLEMENTS					
INDU-308.32	SB -23 $\frac{1}{2}$ -6 $\frac{7}{8}$	GM -50-16 $\frac{1}{2}$	IBM +103 $\frac{1}{2}$ +	MER +24 $\frac{1}{2}$ -9 $\frac{1}{2}$	
TRAN-164.78	XON +35-8 $\frac{1}{2}$	F -69-15	TXN -48-19 $\frac{1}{2}$	EFH +23 $\frac{1}{2}$ -6 $\frac{1}{2}$	
UTIL -29.16	PRM +17 $\frac{1}{2}$ -2 $\frac{1}{2}$	C -27 $\frac{1}{2}$ -5 $\frac{1}{2}$	MOT+52 $\frac{1}{2}$ -11 $\frac{1}{2}$	CLZ+199 $\frac{1}{2}$ -3 $\frac{1}{2}$	
TICK -936	PG +61-23 $\frac{1}{2}$ +	WMX +31-9	MHC -27-9 $\frac{1}{2}$	PBI -30 $\frac{1}{2}$ -9 $\frac{1}{2}$	
DVOL603.137	UIS-30 $\frac{1}{2}$ -7 $\frac{1}{2}$ +	BS -11-5 $\frac{1}{2}$	JPM +27 $\frac{1}{2}$ +	X -21-13 $\frac{1}{2}$ +	
INX-06-5764	ASA -64 $\frac{1}{2}$ -1	GE -41 $\frac{1}{2}$ -9 $\frac{1}{2}$ +	CCI -37-16 $\frac{1}{2}$	CAT +50 $\frac{1}{2}$ +	
SPZ+50-9075	BCX-0-10850	EK +63 $\frac{1}{2}$ -26 $\frac{1}{2}$ +	BT +30 $\frac{1}{2}$ -11 $\frac{1}{2}$	BFI +21 $\frac{1}{2}$ -5 $\frac{1}{2}$	
USZ-7725-05	XMI-72-9801	DIS -46-19 $\frac{1}{2}$	CHL -25 $\frac{1}{2}$ -9 $\frac{1}{2}$	AMB +43 $\frac{1}{2}$ -6 $\frac{1}{2}$	
OEX-31-5782	MO -87 $\frac{1}{2}$ -15 $\frac{1}{2}$	GTE -30-9 $\frac{1}{2}$	BSC -13 $\frac{1}{2}$ -4 $\frac{1}{2}$	NSM +12 $\frac{1}{2}$ -5 $\frac{1}{2}$	
VOLL605.182	RJR-43 $\frac{1}{2}$ -13 $\frac{1}{2}$	DEC-130-42 $\frac{1}{2}$	JYZ-7109+43	GRN +52 $\frac{1}{2}$ -5 $\frac{1}{2}$	
TRIN 10.78	TGT+43 $\frac{1}{2}$ -11 $\frac{1}{2}$	OS +24-9	DD +80-18 $\frac{1}{2}$	CMB -28-8 $\frac{1}{2}$	

My Quotron Screen on 1987 Crash Day

CHAPTER 55: 1988 Flying Across the Atlantic

The first thing I did when I received a big performance bonus from Morgan Stanley in London in 1988 was to run out and buy my own airplane.

By the early 1980's I'd been flying for over a decade. But it was always in someone else's plane: a friend's, the government's, a rental. And Heaven help you if you broke it!

I researched the market endlessly, as I do with everything, and concluded that what I really needed was a six-passenger Cessna 340 pressurized twin turbo parked in Santa Barbara, CA. After all, the British pound had just enjoyed a surge against the US dollar so American planes were a bargain. It had a range of 1,448 miles and therefore was perfect for flying around Europe.

The sensible thing to do would have been to hire a professional ferry company to fly it across the pond. But what's the fun in that? So, I decided to do it myself with a copilot I knew to keep me company. Even more challenging was that I only had three days to make the trip, as I had to be at my trading desk at Morgan Stanley on Monday morning.

The trip proved eventful from the first night. I was asleep in the back seat over Grand Junction, CO when I was suddenly awoken by the plane veering sharply left. My co-pilot had fallen asleep, running the port wing tanks dry and shutting down the engine. He used the emergency boost pump to get it restarted. I spent the rest of the night in the co-pilot's seat trading airplane stories.

The stops at Kansas City, MO, Koshokton, OH, Bangor, ME proved uneventful. Then we refueled at Goose Bay, Labrador in Canada, held our breath, and took off for our first Atlantic leg.

Flying the Atlantic in 1988 is not the same as it is today. There were no navigational aids and GPS was still top secret. There were only a handful of landing strips left over from the WWII summer ferry route, and Greenland was still littered with Mustang's, B-17's, B24's, and DC-3's. Many of these planes were later salvaged when they became immensely valuable. The weather was notorious. And a compass was useless, as we flew so close to the magnetic North Pole the needle

would spin in circles.

But we did have NORAD, or America's early warning system against a Russian missile attack.

The practice back then was to call a secret base somewhere in Northern Greenland called "Sob Story." Why it was called that I can only guess, but I think it has something to do with a shortage of women. An Air Force technician would mark your position on radar. Then you called him again two hours later and he gave you the heading you needed to get to Iceland. At no time did he tell you where **HE** was.

It was a pretty sketchy system, but it usually worked.

To keep from falling asleep the solo pilots ferrying aircraft all chatted on frequency 123.45 mhz. Suddenly, we heard a mayday call. A female pilot had taken the backseat out of a Cessna 152 and put in a fuel bladder to make the transatlantic range. The problem was that the pump from the bladder to the main fuel tank didn't work. With eight pilots chipping in ideas, she finally fixed it. But it was a hair-raising hour. There is no air-sea rescue in the Arctic Ocean.

I decided to play it safe and pick up extra fuel in Godthab, Greenland. Godthab has your worst nightmare of an approach, called a DME Arc. You fly a specific radial from the landing strip, keeping your distance constant. Then at an exact angle you turn sharply right and begin a descent. If you go one degree further, you crash into a 5,000-foot cliff. Needless to say, this place is fogged in 365 days a year.

I executed the arc perfectly, keeping a threatening mountain on my left while landing. The clouds mercifully parted at 1,000 feet and I landed. When I climbed out of the plane to clear Danish customs (yes, it's theirs), I noticed a metallic scrapping sound. The runway was covered with aircraft parts. I looked around and there were at least a dozen crashed airplanes along the runway. I realized then that the weather here was so dire that pilots would rather crash their planes than attempt a second go.

When I took off from Godthab, I was low enough to see the many things that Greenland is famous for: polar bears, walruses, and natives paddling in deerskin

kayaks. It was all fascinating.

I called into Sob Story a second time for my heading, did some rapid calculations, and thought “damn”. We didn’t have enough fuel to make Iceland. The wind had shifted from a 70 MPH tailwind to a 70 MPH headwind, not unusual in Greenland. I slowed down the plane and configured it for maximum range.

I put out my own mayday call saying we might have to ditch, and Reykjavik Control said they would send out an orange bedecked Westland Super Lynx rescue helicopter to follow me in. I spotted it 50 miles out. I completed a five-hour flight and had 15 minutes of fuel left, kissing the ground after landing.

I went over to Air Sea rescue to thank for a job well done and asked them what the survival rate for ditching in the North Atlantic was. They replied that even with a bright orange survival suit on, which I had, it was only about half.

Prestwick, Scotland was uneventful, just rain as usual. The hilarious thing about flying the full length of England was that when I reported my position in, the accents changed every 20 miles. I put the plane down at my home base of Leavesden and parked the Cessna next to a Mustang owned by a rock star.

I asked my pilot if ferrying planes across the Atlantic was also so exciting. He dryly answered “Yes.” He told me in a normal year about 10% of the planes go missing.

I raced home, changed clothes, and strode into Morgan Stanley’s office in my pin striped suit right on time. I didn’t say a word about what I just accomplished.

The word slowly leaked out and at lunch the team gathered around to congratulate me and listen to some war stories.



Flying the Atlantic in 1988



Looking for a Place to Land in Greenland



Landing on a Postage Stamp in Godthab Greenland



On the Ground in Greenland



No Such a Great Landing



Flying Low Across Greenland



Gassing Up in Iceland

CHAPTER 56: 1989 Drinking the Czar's Wine-Massandra

As a lifetime oenophile, or wine lover, I long searched for the Holy Grail of the perfect bottle. I finally found my quarry in 1989.

During the 19th century Russia was still an emerging country that sought to import advanced European technology. So, they sent agents to the top wine growing regions of the continent to bring back cuttings from the finest first growth Bordeaux vineyards to create a domestic wine industry. They succeeded beyond all expectations building a major wine industry in Crimea on the Black Sea.

Then the Russian Revolution broke out in 1918.

Czar Nicholas II and his family were executed in Yekaterinburg, and eventually the wine industry was taken over by the Soviet state. They kept it going because wine exports brought in valuable foreign exchange with which the government could use to import expensive foreign equipment and industrialize the country.

Then the Germans invaded in 1941.

Not wanting the enemy to capture a 100-year stockpile of fine wine, the managers of the Massandra winery dug a 100-yard-deep cave, moved their bottles in, bricked up the entrance, and hid it with shrubs. Then everyone involved in hiding the wine was killed in the war.

Some 45 years later, looking to expand the facility some Massandra workers stumbled across the entrance to the cave. Inside, they found a million bottles dating back to the 1850s kept in perfect storage conditions. It was a sensation in the wine collecting world.

To cash in they hired Sotheby's in London to repackage and auction off the wine one case at a time. It was the auction event of the year. For years afterward you could buy glasses of 100-year-old ports and sherries from the Czar's own private stock at your local neighborhood restaurant in London for \$5, the deal of the century. The market was flooded.

I attended the auction at Sotheby's packed Bond Street showroom. The superstars

of the wine collecting world were there with open checkbooks, including one of the Koch brothers from Texas. I sat there with my paddle number 138 but was outbid repeatedly and wondered if I would get anything. In the end, I managed to pick up three of the less popular cases, an 1894 Lividia port, and a 1938 sherry, and a 1940 port for about \$25 a bottle each.

For years, these were my special occasion wines. I opened one when I was appointed a director of Morgan Stanley. Others went to favored hedge fund clients at Christmas. My 50th, 60th, and 70th birthdays ate into the inventory. So did the birth of children numbers four and five. Several high school fundraisers saw bottles earn \$1,000 each.

One of the 1894's met its end when I came home from the Gulf War in 1992. Hey, the last Czar didn't drink it and looked what happened to him! Another one bit the just when I sold my hedge fund at the absolute Dotcom Bubble market top in 2000. So did capturing 6,000 new subscribers for the ***Mad Hedge Fund Trader*** in 2010, leaving me with 2,000 checks to cash.

It turns out that the empties were quite nice too, 130-year-old hand blown green glass, each one is a sculpture in its own right.

I am now reaching the end of the road and only have a half dozen bottles left. I could always sell them on eBay where they now fetch up to \$6,000 bottle.

But you know what? I'd rather have six more celebrations than take in a few grand.

Any suggestions?

igmpg
2008



My Massandra 1894 Lividia Port





CHAPTER 57: 1989 My Kuwait Camel Caravan and Lawrence of Arabia

It was in 1986 when the call went out at the London office of Morgan Stanley for someone to undertake an unusual task. They needed someone who knew the Middle East well, spoke some Arabic, was comfortable in the desert, and was a good rider.

The higher ups had obtained an impossible to get invitation from the Kuwaiti Royal family to take part in a camel caravan into the Dibdibah Desert. It was the social event of the year.

More importantly, the event was to be attended by the head of the Kuwait Investment Authority, who ran over \$100 billion in assets. Kuwait had immense oil revenues, but almost no people, so the bulk of their oil revenues were invested in western stock markets. An investment of good will here could pay off big time down the road.

The problem was that the US had just launched air strikes against Libya, destroying the dictator, Muammar Gaddafi's royal palace, our response to the bombing of a disco in West Berlin frequented by US soldiers. Terrorist attacks were imminently expected throughout Europe.

Of course, I was the only one who volunteered.

My managing director didn't want me to go, as they couldn't afford to lose me. I explained that in reviewing the range of risks I had taken in my life, this one didn't even register. The following week found me in a first-class seat on Kuwait Airways headed for a Middle East in turmoil.

A limo picked me up at the Kuwait Hilton, just across the street from the US embassy, where I occupied the presidential suite. We headed west into the desert.

In an hour, I came across the most amazing sight - a collection of large tents accompanied by about 100 camels. Everyone was wearing traditional Arab dress with a ceremonial dagger. I had been riding horses all my life, camels not so much. So, I asked for the gentlest camel they had.

The camel wranglers gave me a tall female, which are more docile and obedient

than the males. Imagine that! Getting on a camel is weird, as you mount them while they are sitting down. My camel had no problem lifting my 180 pounds.

They were beautiful animals, highly groomed, and in the pink of health. Some were worth millions of dollars. A handler asked me if I had ever drunk fresh camel milk, and I answered no, they didn't offer it at Safeway. He picked up a metal bowl, cleaned it out with his hand, and milked a nearby camel.

He then handed me the bowl with a big smile across his face. There were definitely green flecks of manure floating on the top, but I drank it anyway. I had to lest my host lose face. At least it was white. It was body temperature warm and much richer than cow's milk.

The motion of a camel is completely different than a horse. You ride back and forth in a rocking motion. I hoped the trip was short, as this ride had repetitive motion injuries written all over it. I was using muscles I had never used before. Hit your camel with a stick and they take off at 40 miles per hour.

I learned that a camel is a super animal ideally suited for the desert. It can ride 100 miles a day, and 150 miles in emergencies, according to TE Lawrence, who made the epic 600 mile trek to Aquaba in only four weeks in the height of summer. It can live 15 days without water, converting the fat in its hump.

In ten miles, we reached our destination. The tents went up, clouds of dust rose, the camels were corralled, and the cooking began for an epic feast that night.

It was a sight to behold. Elaborately decorated huge three five wide bronze platters were brought overflowing with rice and vegetables, and every part of a sheep you can imagine, none of which was wasted. In the center was a cooked sheep's head with the top of the skull removed so the brains were easily accessible. We all ate with our right hands.

I learned that I was the first foreigner ever invited to such an event, and the Arabs delighted in feeding me every part of the sheep, the eyes, the brains, the intestines and gristle. I pretended to love everything, and lied back and thought of England. When they asked how it tasted I said it was great. I lied.

As the evening progressed, the Johnny Walker Red came out of hiding. Alcohol is illegal in Kuwait, and formal events are marked by copious amounts of elaborate fruit juices. I was told that someone with a royal connection had smuggled in an entire container of whiskey and I could drink all I wanted.

The next morning I was awoken by a bellowing camel and the worst headache in the world. I threw a rock at him to get him to shut up and he sauntered over and peed all over me.

The things I did for Morgan Stanley!

Four years later, Iraq invaded Kuwait. Some of my friends were kidnapped and held for ransom, while others were never heard from again.

The Kuwait government said they would pay for the war if we provided the troops, tanks and planes. So they sold their entire \$100 million investment portfolio and gave the money to the US.

Morgan Stanley got the mandate to handle the liquidation, earning the biggest commission in the firm's history. No doubt, the salesman who got the order was considered a genius, earned a promotion, and was paid a huge bonus.

I spent the year as a Marine Corps captain, flying around assorted American generals and doing the odd special opp. I got shot down and still set off airport metal detectors. No bonus here. But at least I gained an insight and an experience into a medieval Bedouin lifestyle that is long gone.

They say success has many fathers. This is a classic example.

You can't just ride out into the Kuwait desert anymore. It is still filled with mines planted by the Iraqi's. There are almost no camels left in the Middle East, long ago replaced by trucks. When I was in Egypt in 2019, I rode a few mangy, pitiful animals held over for the tourists.

When I passed through my London Club last summer, the Naval and Military Club on St. James Square, who's portrait was right at the front entrance? None other than that of Lawrence of Arabia.

It turns out we were members of the same club in more ways than one.



John Thomas of Arabia



Checking Out the Local Camel Milk



This One Will Do



Traffic in Arabia

CHAPTER 58: 1992 Flying the MiG-29 in Russia

The call from Washington DC was unmistakable, and I knew what was coming next. “How would you like to serve your country?” I’ve heard it all before.

I answered, “Of course I would.”

I was told that for the first time ever, foreign pilots had access to Russian military aircraft, provided they had enough money. You see, everything in the just collapsed Soviet Union was for sale. All they needed was someone to masquerade as a wealthy hedge fund manager looking for adventure.

No problem there.

And can you fly a MiG29?

No problem there either.

A Month later, I was wearing the uniform of a major in the Russian Air Force, my hair cut military short, sitting in the backseat of a black Volga limo, sweating bullets.

“Don’t speak,” said my driver.

The guard shifted his Kalashnikov and ordered us to stop, looked at my fake ID card, and waved us on. We were in Russia’s Zhukovky Airbase 100 miles north of Moscow, home of the country’s best interceptor fighter, the storied Fulcrum, or MiG-29.

I ended up spending a week at the top-secret base. That included daily turns in the centrifuge to make sure I was up to the G-forces demand by supersonic flight. Afternoons saw me in ejection training. There in my trainer I had to shout “eject, eject, eject,” pull the right-hand lever under my seat, and then get blasted ten feet in the air, only to settle back down to earth.

As a known big spender I was a pretty popular guy on the base, and I was invited to a party every night. Let me tell you that vodka is a really big deal in Russia, and I

was not allowed to leave until I had finished my own bottle, straight.

In 1993, Russia was realigning itself with the West, and everyone was putting their best face going forward. I had been warned about this ahead of time and judiciously downed a shot glass of cooking oil every evening to ward off the worst effects of alcohol poisoning. It worked.

Preflight involved getting laced into my green super tight gravity suit, a three-hour project. Two women tied the necessary 300 knots, joking and laughing all the while. They wished me a good flight.

Next, I met my co-pilot, Captain A. Pavlov, Russia's top test pilot. He quizzed me about my flight experience. I listed off the names: Laos, Cambodia, Thailand, Israel, Croatia, Serbia, Bosnia, Kuwait, Iraq, and Saudi Arabia. It was clear he still needed convincing.

Then I was strapped into the cockpit.

Oops!

All the instruments were in the Cyrillic alphabet....and were metric! They hadn't told me about this, but I would deal with it.

We took off and went straight up, gaining 50,000 feet in two minutes. Yes, fellow pilots, that is a climb rate of an astounding 25,000 feet a minute. They call them interceptors for a reason. It was a humid day, and when we hit 50,000 feet the air suddenly turned to snowflakes swirling around the cockpit.

Then we went through a series of violent spins, loops, and other evasive maneuvers (see my logbook entry below). Some of them seemed aeronautically impossible. I watched the Mach Meter carefully, it frequently dancing up to the "10" level. Anything over ten is invariably fatal, as it ruptures your internal organs.

Then Pavlov said, "I guess you are a real pilot, and he handed the stick over to me. I put the fighter into a steep dive, gaining the maximum handbook speed of Mach 2.5, or 2.5 times the speed of sound, or 767.2 miles per hour in seconds. Let me tell you, there is nothing like diving a fighter from 90,000 feet to the earth at 767.2

miles per hour.

Then we found a wide river and buzzed that at 500 feet just under the speed of sound. Fly over any structure over the speed of sound and the resulting shock wave shatters concrete.

I noticed the fuel gages were running near empty and realized that the Russians had only given me enough fuel to fly an hour. That's so I wouldn't hijack the plane and fly it to Finland. Still, Pavlov trusted me enough to let me land the plane, no small thing in a \$30 million aircraft. I made a perfect three-point landing and taxied back to base.

I couldn't help but notice that there was a MiG-25 Foxbat parked in the adjoining hanger and asked if it was available. They said "yes", but only if I had \$10,000 in cash on hand, thinking this was an impossibility. I said, "no problem" and whipped out my American Express gold card.

Their eyes practically popped out of their heads, as this amounted to a lifetime of earnings for the average Russian. They took a picture of the card, called in the number, and in five minutes I was good to go.

They asked when I wanted to fly, and as I was still in my gravity suite I said, "How about right now?" The fuel truck duly backed up and in 20 minutes I was ready for takeoff, Pavlov once again my co-pilot. This time, he let me do the takeoff AND the landing.

The first thing I noticed was the missile trigger at the end of the stick. Then I asked the question that had been puzzling aeronautics analysts for years. "If the ceiling of the MiG-25 was 90,000 feet and the U-2 was at 100,000 feet how did the Russians make up the last 10,000 feet?

"It's simple," said Pavlov. Put on full power, stall out at 90,000 feet, then fire your rockets at the apex of the parabola to make up the distance. There was only one problem with this. If your stall forced you to eject, the survival rate was only 50%. That's because when the plane in free fall hit the atmosphere at 50,000 feet it was like hitting a wall of concrete. I told him to go ahead, and he repeated the maneuver for my benefit.

It was worth the risk to get up to 90,000 feet. There you can clearly see the curvature of the earth, the sky above is black, you can see stars in the middle of the day, and your forward vision is about 400 miles. We were the highest men in the world at that moment. Again, I made a perfect three-point landing, thanks to flying all those Mustang's and Spitfires over the decades.

After my big flights, I was taken to a museum on the base and shown the wreckage of the U-2 spy plane flown by Francis Gary Powers shot down over Russia in 1960. After suffering a direct hit from a missile there wasn't much left of the U-2. However, I did notice a nameplate that said, "Lockheed Aircraft Company, Los Angeles, California."

I asked "is it alright if I take this home? My mother worked at this factory during WWII building bombers." My hosts looked horrified. "No, no, no, no. This is one of Russia's greatest national treasures," and they hustled me out of the building as fast as they could.

It's a good thing that I struck while the iron was hot as foreigners are no longer allowed to fly any Russian jets. And suddenly I have become very popular in Washington DC once again.



My MiG 25 in Russia



My Russian Test Pilot A. Pavlov

				154	120	560	56	1	3	47	0	124	62	Hrs.	Totals				
				.2	.4	.9	.0	.7	.9	.5	0	.6	.1	Mins.	Brought Forward				
JOURNEY or Nature of Flight				Depart- ure (G.M.T.)	Arrival (G.M.T.)	FLYING TIMES								(8)	(9)	(10)			
						(1)				(2)								(3)	
From		To				DAY				NIGHT				Instrument Flying	Simulated Instrument Flying	REMARKS			
						Single-Engine		Multi-Engine		Single-Engine		Multi-Engine							
						In Command	Dual or P.2	In Command	Dual or P.2	In Command	Dual or P.2	In Command	Dual or P.2						
Rameusko		- -		10.44	11.14				0.5							take off, airborne, loop, split S, immersion, rolls, tail slide, Kobra, inverted approach, landing			
Rameusko		Rameusko		9.32	10.03				0.5							cooperation with H-2S, climb 25000 m. Test-pilot A. Pavlov			
GROSS		GROSS		12:00	13:00	1:00										1 full stop - no wind -			
HONOLULU - H-2S - HONOLULU		HONOLULU - H-2S - HONOLULU				1:18										CONVEX COPY			
HONOLULU		KANUWAPA		9:00	9:42	0.7										Visit to LEPER COLONY with PAUL EISSMAN, via MAUI T LANE			
KANUWAPA		HONOLULU		1:00	3:36	1.6													
2						158	120	560	57	1	3	47	0	124	62	Hrs.	Totals		
						.8	.4	.9	.0	.7	.9	.5	0	.6	.1	Mins.	Carried Forward		

Entries in my Logbook (Notice visit to leper colony on line 9)



U-2 Spy Plane

CHAPTER 59: 1992 My BFF Sir Richard Branson

I have met countless billionaires, titans of industry, and rock stars over the last half century, and one of my favorites has always been Sir Richard Branson.

I first met Richard when I was living in London's Little Venice neighborhood in the 1970s. He lived on a canal boat around the corner. I often jogged past him sitting alone on a bench and reading a book at Regent's Park's London Zoo, far from the maddening crowds.

Richard was an entrepreneur from day one, starting a magazine when he was 16. That became the Virgin magazine reviewing new records, then the Virgin record stores, and later the Virgin Megastore where he built his first fortune.

When the money really started to pour in Richard moved to a mansion in Kensington in London's West End. It wouldn't be long before Richard owned his own Caribbean Island.

In 1984, Branson was stuck in the Virgin Islands because of a canceled British Airways flight. He became so angry that he chartered a plane and started Virgin Airlines on the spot, which soon became a dominant Transatlantic carrier and my favorite today.

A British Airways CEO later admitted that they did not take Branson seriously because "He did not wear a tie." The British flag carrier resorted to unscrupulous means to force Virgin out of business. They hired teams of people to call Virgin customers, cancel their flights, and move them over to BA.

When British Airways got caught, Branson won a massive lawsuit against BA over the issue. He turned the award over to his employees.

Richard would do anything to promote the Virgin brand. He attempted to become the first man to cross the Atlantic Ocean by balloon, making it as far as Ireland.

When he opened a hotel in Las Vegas, he jumped off the roof in a hang glider. The wind immediately shifted and blew him against the building, nearly killing him.

Richard later went on to start ventures in rail, telecommunications, package tours, and eventually space.

When I flew to Moscow in 1992 for my MiG 29 flight, I picked Virgin Atlantic, one of the few airlines flying direct from London to Moscow (I never trusted Aeroflot). Who was in the first-class seat next to me but Richard Branson. We spent hours trading aviation stories, of which I have an ample supply.

As we approached Sheremetyevo Airport, he invited me up to the cockpit and told the pilot “This is my friend Captain Thomas. Would you mind if he joined you for the landing?”

He handed me a headset so I could listen in on a rare Moscow landing. When the tower called in the field air pressure, they were off by 1,000 feet. If we were flying under instrument flight rules, we would have crashed. I pointed this out to the pilot, and he commented that this was not the first time they had had a problem landing in Moscow.

Richard once confided in me that he was terrible at math and didn’t understand the slightest thing about balance sheets and income statements. A board member once tried to explain that business was like using a net (company) to catch a fish (profit) but to no avail.

Branson had built up his entire business empire through relationships, using other people to run the numbers. He was the ultimate content and product creator.

I always thought of Richard Branson as a kindred spirit. He is just better at finding and retaining great people than I am. That is always the case with billionaires, both the boring and the adventurous, iconoclastic kind.



CHAPTER 60: 1992 My Personal KGB Moscow Tour

When you were a guest of the KGB in Russia, you were treated like visiting royalty *par excellence*, no extravagance spared. That was the setup I walked into when I was sent by NASA to test fly the MiG 25 in 1992.

For a start, I was met at Moscow's Sheremetyevo Airport by Major Anastasia Ivanova, who was to be my escort and guide for the week. She had a magic key that would open any door in Russia and gave me a tour worthy of a visiting head of state.

Anastasia was drop dead gorgeous. She topped 5'11" with light blonde hair, was statuesque with chiseled high cheek bones and deep blue eyes. She could easily have taken a side job as a Playboy centerfold. But I could tell from her hands she was no stranger to martial arts and was not to be taken lightly. And wherever we went people immediately tensed up.

They knew.

For a start, I was met on the tarmac by a black Volga limo. No need for customs or immigration here. Anastasia simply stamped my passport herself and welcomed me to Russia, whisking me off to the country's top Intourist hotel.

The next morning, I was given a VIP tour of the Kremlin and its thousand-year history. I was shown a magnificent yellow silk 18th century ball gown worn by Catherine the Great. I asked her if the story about the horse was true, and she grimaced and said yes.

In a side room were displayed the dress uniforms of Adolph Hitler. I asked what happened to the rest of him and she said he was buried under a parking lot in Magdeburg, East Germany.

Out front, I was taken to the head of the line to see Lenin's Tomb, which looked like he was made of wax. I think he has since been buried. In front of the Kremlin Armory, I found the Tsar Canon, a gigantic weapon meant to fire a one-ton ball.

There was only one decent restaurant in Moscow in those days and Anastasia took

me out to dinner both nights. Suffice it to say that the Beluga caviar and Stolichnaya vodka were flowing hot and heavy. The service was excellent. We were never presented with a bill. I guess it just went on the company account.

After my day in the capital, I was whisked away 200 miles north to the top-secret Zhukovky Airbase to fly the MiG 25. A week later, Anastasia was there in her limo to take me back to Moscow.

The next morning Anastasia was knocking on my door. "Get dressed," she said. "There's something you want to see."

She drove me out to a construction site on the southwestern outskirts of the city. As Moscow was slowly westernizing, suburbs were springing up to accommodate a rising middle class. One section was taped off and surrounded by the Moscow Police. That's where we headed.

While digging the foundation for a new home, the builders had broken into a bunker left from WWII. Moscow had grown to reach the front lines of the 1942 Battle of Moscow. In Berlin during the 1960's I worked with a couple of survivors of this exact battle. I was handed a flashlight and we ventured inside.

There were at least 30 German bodies inside in full uniform, except that only the skeletons were left. They still wore their issued steel helmets, medals, belt buckles, and binoculars. There were also dozens of K-98 8 mm rifles, an abundance of live ammunition and potato mashers (hand grenades), and several MG-42's (yes, I know my machine guns).

The air was dank and musty. My guess was that the bunker had taken a direct hit from a Soviet artillery shell and had remained buried ever since. As a cave-in threatened, we got the hell out of there in a few minutes.

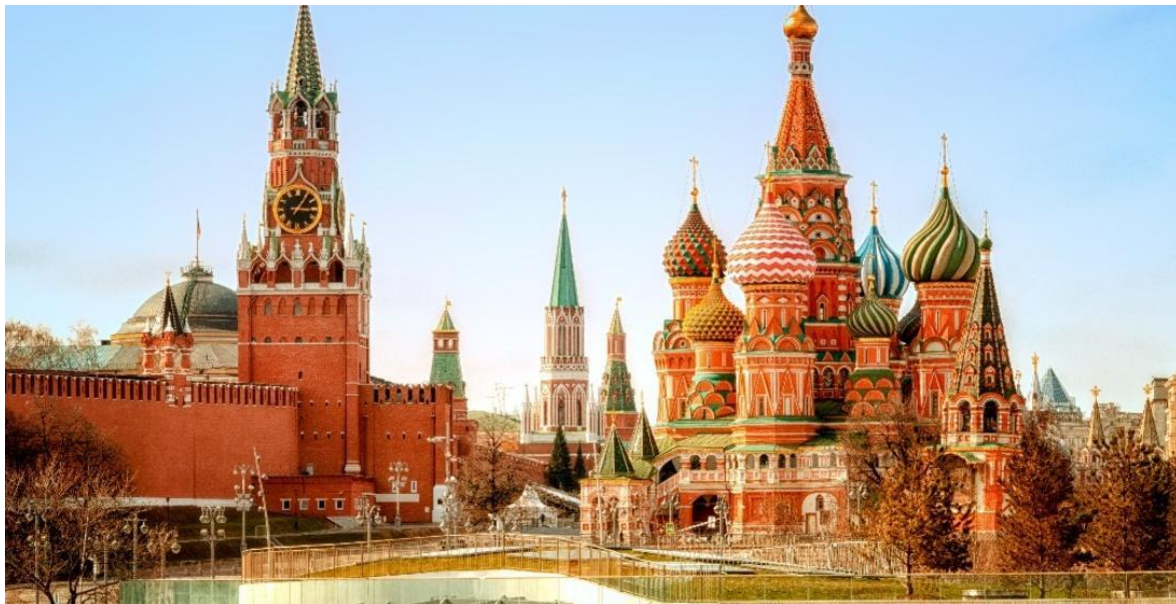
Then Anastasia continued with our planned day. Since it was Sunday, she took me to the Moscow Flea Market. Russia was suffering from hyperinflation at the time, and retirees on fixed incomes were selling whatever they had in order to eat.

Everything from the Russian military was for sale for practically nothing, including hats, uniforms, medals, and night vision glasses. I walked away with a pair of very

high-powered long range artillery binoculars for \$5. I paused for a moment at an 18th century German bible printed in archaic *fraktur*. But then Anastasia said I might get hung up by Russia's antique export ban on my departure.

Anastasia and I kept in touch over the years. I sent her some pressed High Sierra wildflowers, which impressed her to no end. She said such a gesture wouldn't ever occur to a Russian man.

We gradually lost contact over the years, given all the turmoil in Russia that followed. But Anastasia left me with memories I will never forget. And I still have those binoculars to use at the Cal football games.





CHAPTER 61: 1993 Dating Hitlers girlfriend

With the shocking re-emergence of Nazis on America's political scene, memories are flooding back to me of some of the most amazing experiences in my life. I thought we were done with these guys.

I have been warning my long-term readers for years now that this story was coming. The right time is now here to write it.

I know the Nazis well.

During the civil rights movement of the 1960s I frequently hitchhiked through the Deep South to learn what was actually happening.

It was not usual for me to catch a nighttime ride with a neo-Nazi on his way to a cross burning at a nearby Ku Klux Klan meeting, always with an uneducated blue-collar worker who needed a haircut.

In fact, being a card-carrying white kid, I was often invited to come along.

I had a stock answer: "No thanks, I'm going to another Klan meeting further down the road."

That opened my driver up to expound at length on his movement's bizarre philosophy.

What I heard was chilling. Suffice it to say, I learned to talk the talk.

During 1968 and 1969, I worked in West Berlin at the Sarotti Chocolate in factory in order to perfect my German. On the first day at work, they let you eat all you want for free.

After that, you got so sick that you never wanted to touch the stuff again. Some 50 years later and I still can't eat their chocolate with sweetened alcohol on the inside.

My co-worker there was named **Jendro**, who had been captured by the Russians

at Stalingrad and was one of the 5% of prisoners who made it home alive in 1955. His stories were incredible and my problems pale in comparison.

Answering an ad on a local bulletin board, I found myself living with a Nazi family near the company's Tempelhof factory.

There was one thing about Nazis you needed to know during the 1960s: They absolutely loved Americans.

After all, it was we who saved them from certain annihilation by the teeming Bolshevik hoards from the east.

The American postwar occupation, while unpopular, was gentle by comparison. It turned out that everyone loved Hershey bars. Americans became very good at looking the other way when German families were trying to buy food on the black market. That's why Reichsmarks weren't devalued until 1948.

As a result, I got free room and board for two summers at the expense of having to listen to some very politically incorrect theories about race. I remember the hot homemade apple strudel like it was yesterday.

Let me tell you another thing about Nazis. Once a Nazi, always a Nazi. Just because they lost the war didn't mean they dropped their extreme beliefs.

Fast-forward 30 years, and I was a wealthy hedge fund manager with money to burn, looking for adventure with a history bent during the 1990s.

I was mountain climbing in the Bavarian Alps with a friend, not far from Garmisch-Partenkirchen, when I learned that Leni Riefenstahl lived nearby, then in her 90s.

Attending the USC film school decades earlier, I knew that Riefenstahl was a legend in the filmmaking community.

She produced such icons as ***Olympia***, about the 1932 Berlin Olympics, and ***The Triumph of the Will***, about the Nuremberg Nazi rallies. It is said that Donald

Trump borrowed many of these techniques during his successful 2016 presidential run.

It was rumored that Riefenstahl was also the one-time girlfriend of Adolph Hitler.

I needed a ruse to meet her since surviving members of the Third Reich tend to be very private people, so I tracked down one of her black and white photos of Nubian warriors, which she took during her rehabilitation period in the 1960s.

It was my plan to get her to sign it.

Some well-placed intermediaries managed to pull off a meeting with the notoriously reclusive Riefenstahl, and I managed to score a half-hour tea.

I presented the African photograph, and she seemed grateful that I was interested in her work. She signed it quickly with a flourish.

I then gently grilled her on what it was like to live in Germany in the 1930s. What I learned was fascinating.

But when I asked about her relationship with The Fuhrer, she flashed, "That is nothing but Zionist propaganda."

Spoken like a true Nazi.

The interview ended abruptly.

I took my signed photograph home, framed it, hung it on my office wall for a few years. Then I donated it to a silent auction at my kids' high school.

Nobody bid on it.

The photo ended up in storage at my home, and when it was time to make space, it went to Goodwill.

I obtained a nice high appraisal for the work of art and then took a generous tax deduction for the donation, of course.

It is now more than a half-century since my first contact with the Nazis, and all of the WWII veterans are gone. Talking about it to kids today, you might as well be discussing the Revolutionary War.

By the way, the torchlight parade we saw in Charlottesville, VA in 2017 was obviously lifted from ***The Triumph of the Will***, except that they didn't use tiki poolside torches in Germany in the 1930s.



Leni Riefenstahl



Olympia



Former Paperboy

CHAPTER 62: 1999 Knife Fight in San Francisco and Selling My Hedge Fund

One of the great shortcomings of San Francisco is that we only have a theater district with two venues and it is in the Tenderloin, the worst neighborhood in the city, an area beset with homeless, drug addicts, and prostitution.

I was walking to a parking lot after a show one evening when I passed a doorway. Three men were violently attacking a blond woman. Never one to miss a good fight, I dove in, knocking two unconscious in 15 seconds (thank you Higaona Sensei!). Unfortunately, number three jumped to my side, pulled a knife, and stabbed me.

The attacker and the woman ran off, leaving me bleeding in a doorway. I drove over the Golden Gate Bridge to Marin General Hospital, bleeding all over the front seat of my car, where they sewed me up nicely and put me on some strong drugs.

The doctor said, “You shouldn’t be doing this at your age.”

I responded that “good Samaritans are always rewarded, even if the work is its own reward.”

Fortunately, I still had my Motorola Flip Phone with me, so I called Singapore from my hospital bed for a market update. I liked what I saw and bought 100 futures contracts on Japan’s Nikkei 225. This was back in 1999, when anything you touched went straight up.

Then, I passed out.

An hour later, I woke up, called Singapore again, and bought another 100 futures contracts, not remembering the earlier buy. This went on all night long.

The next morning, I was awoken by a call from my staff who excitedly told me that the overnight position sheets had just come in and I had made 40% on the day.

Was there some mistake?

Then I got a somewhat tense call from my broker. I had a margin call. I had also exceeded the exchange limits for a single contract and owned the equivalent of \$200 million worth of Nikkei. I told them to sell everything I had at the market and go 100% cash.

That was exactly what they wanted to hear.

That left me up 60% on the year and it was only May.

I then called all of the investors in my hedge fund. I told them the good news, that I wouldn't be doing any more trades for the fund until I received my performance bonus the following January and was taking off on a long vacation. With a 2%/20% payout in those days that meant I was owed 14% of the underlying assets of the fund at a very elevated valuation.

They said that's great, have fun, by the way, how did you do it?

I answered, "Great drug selection." No questions were asked.

Then I launched on the mother of all spending sprees.

I flew to Germany and picked up a new Mercedes S600 V12 Sedan at the factory in Stuttgart for \$160,000. I then immediately road-tested it on the Autobahn at 130 mph. I made it to Switzerland in only two hours. After all, my old car needed a new seat.

Next, I bought all new furniture for the entire house, with each kid selecting their own unique style.

Then, I took the family to Las Vegas where we stayed in the "Rain Man Suite" at the Bellagio Hotel for \$10,000 a night, where both the 1988 ***Rain Man*** and 2009 ***The Hangover*** were filmed.

I bought everyone in the family black wool Armani suits, plus a couple of ***Brioni's*** for myself at \$8,000 a pop. For good measure, I chartered a helicopter for a tour of the Grand Canyon the next day.

At the end of the year, I sold my hedge fund based on the incredible strength of my recent performance for an enormous premium. I then left the stock market to explore a new natural gas drilling technology I had heard about called “fracking”.

Four months later, the Dotcom Crash ensued in earnest.

I still have the scar on my right side, and it always itches just before it rains, which is now almost never. But it was worth it, every inch of it.

It’s all true, every word of it and I’ll swear to it on a stack of bibles.

CHAPTER 63: 2002 Bidding for the Stars

A few years ago, I went to a charity fundraiser at San Francisco's priciest jewelry store, Shreve & Co., where the well-heeled men bid for dates with the local high society beauties, dripping in diamonds and Channel No. 5. Well fueled with champagne, I jumped into a spirited bidding war over one of the Bay Area's premier hotties, who shall remain nameless. Suffice to say, she has a sports stadium named after her.

The bids soared to \$10,000, \$11,000, \$12,000. After all, it was for a good cause. But when it hit \$12,400, I suddenly developed lockjaw. Later, the sheepish winner with a severe case of buyer's remorse came to me and offered his date back to me for \$12,000. I said "no thanks." \$11,000, \$10,000, \$9,000? I passed.

The current altitude of the stock market reminds me of that evening. If you rode gold (GLD) from \$800 to \$1,920, oil, from \$35 to \$149, and the (DIG) from \$20 to \$60, why sweat trying to eke out a few more basis points, especially when the risk/reward ratio sucks so badly, as it does now?

I realize that many of you are not hedge fund managers and that running a prop desk, mutual fund, 401k, pension fund, or day trading account has its own demands. But let me quote what my favorite Chinese general, Deng Xiaoping, once told me: "There is a time to fish, and a time to hang your nets out to dry."

At least then I'll have plenty of dry powder for when the window of opportunity reopens for business. So, while I'm mending my nets, I'll be building new lists of trades for you to strap on when the sun, moon, and stars align once again. And no, I never did find out what happened to that date.

CHAPTER 64: 2002 Finding Brasher Doubloon

I'll never forget when my friend, Don Kagin, one of the world's top dealers in rare coins, walked into the gym one day and announced that he made \$1 million that morning. I enquired "How is that, pray tell?"

He told me that he was an investor and technical consultant to a venture hoping to discover the long-lost USS Central America, which sunk in a storm off the Atlantic Coast in 1857, heavily laden with gold from California. He just received an excited call that the wreck had been found in deep water off the US east coast.

I learned the other day that Don had scored another bonanza in the rare coins business. He had sold his 1787 Brasher Doubloon for \$7.4 million. The price was slightly short of the \$7.6 million that a 1933 American \$20 gold eagle sold for in 2002.

The Brasher \$15 doubloon has long been considered the rarest coin in the United States. Ephraim Brasher, a New York City neighbor of George Washington, was hired to mint the first dollar denominated coins issued by the new republic.

Treasury secretary Alexander Hamilton was so impressed with his work that he appointed Brasher as the official American assayer. The coin is now so famous that it is featured in a Raymond Chandler novel where the tough private detective, Phillip Marlowe, attempts to recover the stolen coin. The book was made into a 1947 movie, "The Brasher Doubloon," starring George Montgomery.

This is not the first time that Don has had a profitable experience with this numismatic treasure. He originally bought it in 1989 for under \$1 million and has made several round trips since then. The real mystery is who bought it last? Don wouldn't say, only hinting that it was a big New York hedge fund manager who adores the barbarous relic. He hopes the coin will eventually be placed in a public museum. Who says the rich aren't getting richer?



CHAPTER 65: 2002 Remembering Al Pinder

I have benefited from many mentors and role models over the years, but Al Pinder, last of the New York based *Shipping and Trade News*, is one of my favorites.

Short with brown hair, glasses, and an always impish smile, he was a regular at lunch where we always played an old dice game called “ballout.”

I sat next to Al for ten years at the Foreign Correspondents Club of Japan high up in Tokyo’s Yukakucho Denki Building, we were pounding away on our antiquated Royal typewriters. At the end of the day, our necks would be stiff as boards. Al’s idea of work was to type for five minutes, then tell me stories for ten.

Saying that Al lived a colorful life would be the understatement of the century.

Al covered the Japanese invasion of China during the 1930’s, interviewing several key generals like Hideki Tojo and Masaharu Homma, later executed for war crimes. He told me of child laborers in Shanghai silk processors who picked cocoons out of boiling water with their bare hands.

Al could see war with Japan on the horizon, so he took an extended tour of every west facing beach in Japan during the summer of 1941, taking thousands of black and white pictures. The trick was how to get them out of the country without being arrested as a spy.

So he bought an immense steamer trunk and visited a sex shop in Tokyo’s red-light district where he bought a life-sized, blow-up doll of a Japanese female. His immensely valuable photos were hidden below a false bottom in the trunk and the blow-up doll placed on top.

When he passed through Japanese customs on the ship home from Yokohama, the inspectors opened the trunk, had a good laugh, and then closed it. These photos later became the basis of Operation Coronet, the American invasion of Japan in 1945.

Al was working for the *Honolulu Star Bulletin* when the Japanese attacked Pearl

Harbor on December 7, 1941. Many antiaircraft shells fired at the attacking zeros landed in Honolulu causing dozens of casualties. Al told me every woman on the island wanted to get laid that night because they feared getting raped by the Japanese Army the next day.

Since Al knew China well, he was parachuted into western Yunan province to act as a liaison with Mao Zedong, then fought a guerrilla war against the Japanese with his Eighth Route Army. Capture by the Japanese then meant certain torture and certain death.

In 1944, Al received a coded message in Morse code to pick up an urgent communication from Washington. So, he hiked a day to the drop zone and when the Army Air Corps DC-3 approached, he lit three signal fires.

A package parachuted to the ground, which he grabbed and then he fled for the mountains. Dodging enemy patrols all the way, he returned to his hideout in a mountain cave and opened the package. It was a letter from the Internal Revenue Service asking why he had not filed a tax return in three years.

When the second atomic bomb fell on Nagasaki, the war ended on August 15. Since Al was the closest man on the spot, he flew to Korea where he accepted the Japanese surrender there.

Al was one of the first to move into the Press Club, which housed war correspondents in one of the only buildings still standing in a city that had been bombed flat.

Al never left Japan, because as with many other war correspondents who arrived with the US military, it was the best thing that ever happened to him. After some initial hesitation, they were treated like conquering heroes, it was incredibly cheap at 800 yen to the dollar, and the women were beautiful.

During the Japanese occupation when the people were starving, Al bought an acre of land in Tokyo's burned-out prime Akasaka district for a ten pound canned ham. He spent the rest of his life living off this investment, selling one piece at a time, until it eventually became worth \$10 million.

Al went to work for the ***Shipping and Trade News***, an obscure industry trade publication that no one had ever heard of. I sat next to him when he artfully lifted every story out of an ancient book, ***Ships of the World***. But Al always had plenty of money to spend.

When Al passed away in the early 2000s, an official from the American embassy in Tokyo showed up at the Press Club asking if anyone knew all Pinder. We eventually traced a bank branch that held a safe deposit box in his name. In it was proof that the CIA had been bribing every Japanese prime minister of the 1950's. He kept the evidence as an insurance policy against the day when his lucrative deal with the ***Shipping and Trade News*** was ever put at risk.

I flew in for Al's wake and his Japanese wife was there along with most of the foreign press. Everyone was crying until I told the IRS story, and then they had a good laugh.

A few years ago, I was invited to give the graduation speech Defense Language Institute in Monterey, California. The latest bunch of graduates, including my nephew, were freshly versed in Arabic and headed for the Middle East.

The school was founded in 1941 to train Americans in Japanese to gain an intelligence advantage in the Pacific war.

General 'Vinegar Joe' Stillwell said their contribution shortened the war by two years. General Douglas MacArthur believed that an army had never before gone to war with so much advanced knowledge about its enemy.

To this day, the school's motto is 'Yankee Samurai'. There on the wall with the school's first graduates was a very you Al Pinder, still with that impish grin.

Al lived a full life and I still miss him to this day. I hope I can do as well.



Al Pinder



Press Club 1976

CHAPTER 66: 2002 Rescuing the German Girl Scouts in Iceland

Back in 2002, I flew to Iceland to do some research on the country's national DNA sequencing program called deCode, which analyzed the genetic material of everyone in that tiny nation of 250,000. It was the boldest project yet in the field and had already led to several breakthrough discoveries.

Let me start by telling you the downside of visiting Iceland. In the country that has produced three Miss Universes over the last 50 years, suddenly you are the ugliest guy in the country. Because guess what? The men are beautiful as well, the decedents of Vikings who became stranded here after they cut down all the forests on the island for firewood, leaving nothing with which to build long boats.

I said they were beautiful, not smart.

Still, just looking is free and highly rewarding.

While I was there, I thought it would be fun to trek across Iceland from North to South in the spirit of Shackleton, Scott, and Amundsen. I went alone because after all, how many people do you know who want to trek across Iceland? Besides, it was only 150 miles, or ten days to cross. A piece of cake really.

Near the trailhead, the scenery could have been a scene from ***Lord of the Rings***, with undulating green hills, craggy rock formations, and miniature Icelandic ponies galloping in herds. It was nature in its most raw and pristine form. It was all breathtaking.

Most of the central part of Iceland is covered by a gigantic glacier over which a rough trail is marked by stakes planted in the snow every hundred meters. The problem arises when fog or blizzards set in, obscuring the next stake, making it too easy to get lost. Then you risk walking into a fumarole, a vent from the volcano under the ice always covered by boiling water. About ten people a year die this way.

My strategy in avoiding this cruel fate was very simple. Walk 50 meters. If I could see the next stake, I proceeded. If I couldn't, I pitched my tent and waited until the storm passed.

It worked.

Every 10 kilometers stood a stone rescue hut with a propane stove for adventurers caught out in storms. I thought they were for wimps but always camped nearby for the company.

One of the challenges in trekking near the North Pole is getting to sleep. That is because the sun never sets and its daylight all night long. The problem was easily solved with the blindfold that came with my Icelandic Air first-class seat.

I was 100 miles into my trek, approached my hut for the night, and opened the door to say hello to my new friends.

What I saw horrified me.

Inside was an entire German Girl Scout Troop spread out in their sleeping bags all with a particularly virulent case of the flu. In the middle was a girl lying on the floor soaking wet and shivering, who had fallen into a glacier-fed river. She was clearly dying of hypothermia.

I was pissed and instantly went into Marine Corps Captain mode, barking out orders left and right. Fortunately, my German was still pretty good then, so I instructed every girl to get out of their sleeping bags and pile them on top of the freezing scout. I then told them to strip the girl of her wet clothes and reclothe her with dry replacements. They could have their bags back when she got warm. The great thing about Germans is that they are really good at following orders.

Next, I turned the stove burners up high to generate some heat. Then I rifled through backpacks and cooked up what food I could find, force-fed it into the scouts, and emptied my bottle of aspirin. For the adult leader, a woman in her thirties who was practically unconscious, I parted with my emergency supply of Jack Daniels.

By the next morning, the frozen girl was warm, the rest were recovering, and the leader was conscious. They thanked me profusely. I told them I was an American "Adler Scout" (Eagle Scout) and was just doing my job.

One of the girls cautiously moved forward and presented me with a small doll dressed in a traditional German Dirndl which she said was her good luck charm. Since I was her good luck, I should have it. It was the girl who was freezing the death the day before.

Some 20 years later I look back fondly on that trip and would love to do it again.

Anyone want to go to Iceland?



Iceland 2002

CHAPTER 67: 2003 Visit to a Leper Colony

Not just anybody is allowed to fly in Hawaii. You have to undergo special training and obtain a license endorsement to cope with the Aloha State's many aviation challenges.

You must learn how to fly around an erupting volcano, as it can swing your compass by 30 degrees. You must master the fine art of not getting hit by a wave on takeoff since it will bend your wingtips forward. And you're not allowed to harass pods of migrating humpback whales at low level, a sight I will never forget.

Traveling interisland can be highly embarrassing when pronouncing reporting points that have 16 vowels. And better make sure your navigation is good. Once a plane ditched interisland and the crew was found six months later off the coast of Australia. Many are never heard from again.

And when landing on the Navy base at Ford Island you were told to do so lightly, as they still hadn't found all the bombs the Japanese had dropped during their Pearl Harbor attack.

You are also informed that there is one airfield on the north shore of Molokai you can never land at unless you have written permission from the Hawaii Department of Public Health. I asked why and was told that it was the last leper colony in the United States.

My interest piqued, the next day found me at the Hawaiian state agency with application in hand. I still carried my UCLA ID which described me as a DNA researcher, which did the trick.

When I read my flight clearance to the controller at Honolulu International Airport, he blanched, asking if I had authorization. I answered that yes, I did, I really was headed to the dreaded Kalaupapa Airport, **the Airport of no Return.**

Getting into Kalaupapa is no mean feat. You have to follow the north coast of Molokai, a 3,000-foot-high series of vertical cliffs punctuated by spectacular waterfalls. Then you have to cut your engine and dive for the runway in order to land into the wind. You can only do this on clear days, as the airport has no

navigational aids. The crosswind is horrific.

If you don't have a plane it is a 20 mile hike down a slippery trail to get into the leper colony. It wasn't always so easy.

During the 19th century, Hawaiians were terrified of leprosy, believing it caused the horrifying loss of appendages, like fingers, toes, and noses, leaving bloody open wounds. So, King Kamehameha I exiled lepers to Kalaupapa, the most isolated place in the Pacific.

Sailing ships were too scared to dock. They simply threw their passengers overboard and forced them to swim for it. Once on the beach, they were beaten and clubbed for their possessions. Many starved.

Leprosy was once thought to be the result of sinfulness or infidelity. In 1873, Dr. Gerhard Henrik Armauer Hansen of Norway was the first person to identify the germ that causes leprosy, the ***Mycobacterium leprae***.

Thereafter, it became known as Hansen's Disease. A multidrug treatment that arrested the disease, but never cured it, did not become available until 1981.

Leprosy doesn't actually cause appendages to drop off as once feared. Instead, it deadens the nerves and then rats eat the fingers, toes, and nose of the sufferers when they are sleeping. It can only be contracted through eating or drinking live bacteria.

When I taxied to the modest one hut airport, I noticed a huge sign warning "Closed by the Department of Health." As they so rarely get visitors the mayor came out to greet me. I shook his hand but there was nothing there. He was missing three fingers.

He looked at me, smiled and asked, "How did you know?"

I answered, "I studied it in college." Even today, most are terrified of shaking hands with lepers.

Not me.

He then proceeded to give me a personal tour of the colony. The first thing you notice is that there are cemeteries everywhere filled with thousands of wooden crosses. Death is the town's main industry.

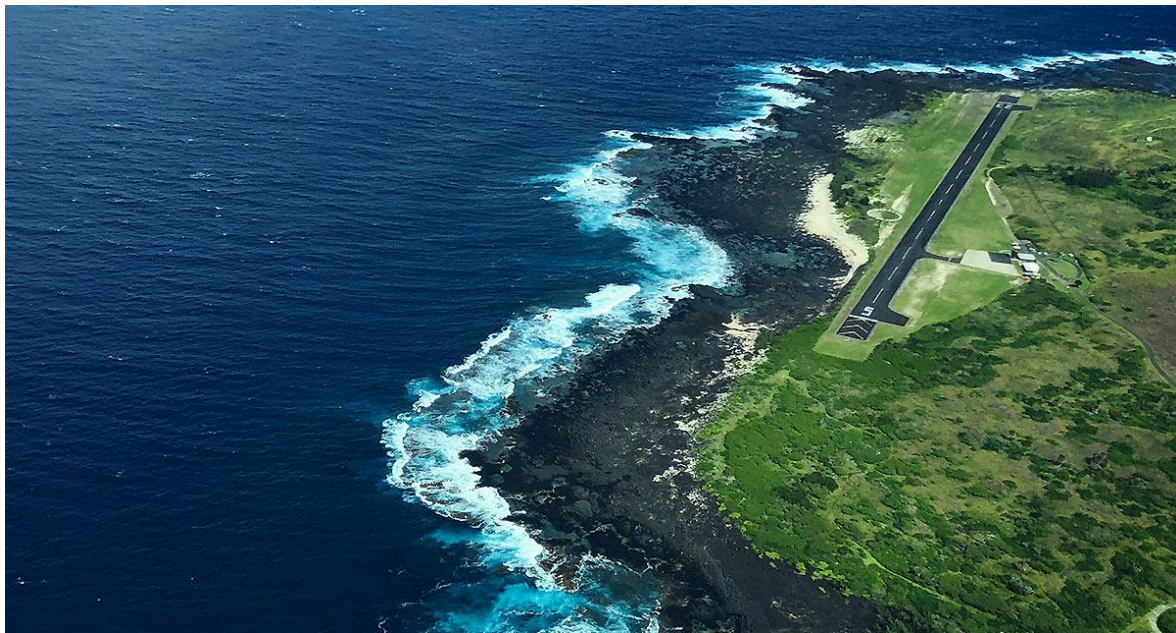
There are no jobs. Everyone lives on food stamps. A boat comes once from Oahu a week to resupply the commissary. The government stopped sending new lepers to the colony in 1969 and are just waiting for the existing population to die off before they close it down.

Needless to say, it is one of the most beautiful places on the planet.

The highlight of the day was a stop at Father Damien's church, the 19th century Belgian catholic missionary who came to care for the lepers. He stayed until the disease claimed him and was later sainted. My late friend Robin Williams made a movie about him but it was never released to the public.

The mayor invited me to stay for lunch, but I said I would pass. I had to take off from Kalaupapa before the winds shifted.

It was an experience I will never forget.



The Airport of No Return



Father Damien

CHAPTER 68: 2003 Visiting Grandpa's House in Brooklyn

While in New York a few years ago waiting to board Cunard's Queen Mary II to sail for Southampton, England, I decided to check out the Bay Ridge address near the Verrazano Bridge where my father grew up.

At the outbreak of WWI my Italian born grandfather volunteered for the army as a ploy to gain US citizenship. He was mustard gassed and was completely blinded for two years, living in a veteran's hospital, a relic from the Civil War.

In 1923, 5% of his vision came back in one eye, so with US citizenship in hand, he used his veteran's benefits to buy a home on 76th street in Bay Ridge, then a middle-class Italian neighborhood.

I took a limo over to Brooklyn and knocked on the front door. I told the driver to keep the engine running.

The owner was expecting a plumber, so he let me right in, despite the fact that I was wearing my pre-boarding attire of a **Brioni** double breasted blue blazer and Gucci shoes. I told him about my family history with the property, but I could see from the expression on his face that he didn't believe a single word.

Then I told him about the relatives moving into the basement during the Great Depression. Grandpa never bought a stock in his life and thought the stock market was a Ponzi scheme. After the 1929 crash, several relatives lost their homes and moved into grandpa's basement as a last resort.

He immediately offered me a tour of the house. He told me that he had just purchased the home and had extensively remodeled it. When they tore out the basement walls, he discovered that the insulation was composed of crumpled-up Brooklyn newspapers from the 1930s, so he knew I was telling the truth.

When the Japanese attacked Pearl Harbor on December 7, 1941, dad went straight down to Times Square and volunteered for the US Marine Corps. He was given a few days to settle his affairs and then the family didn't see him for four years.

Before he left, dad wrapped up the engine parts of a 1928 Ford Model A with old

newspapers which he had bought from a junkyard and was rebuilding. There they sat in cardboard boxes until 1945.

At the end of my tour I was shown the brick garage where those cardboard boxes sat. Grandpa received a telegram indicating the day dad would return from San Francisco by train. He warned everyone not to cry. The second dad stepped into the house, some 40 pounds lighter, it was grandpa himself who started bawling.

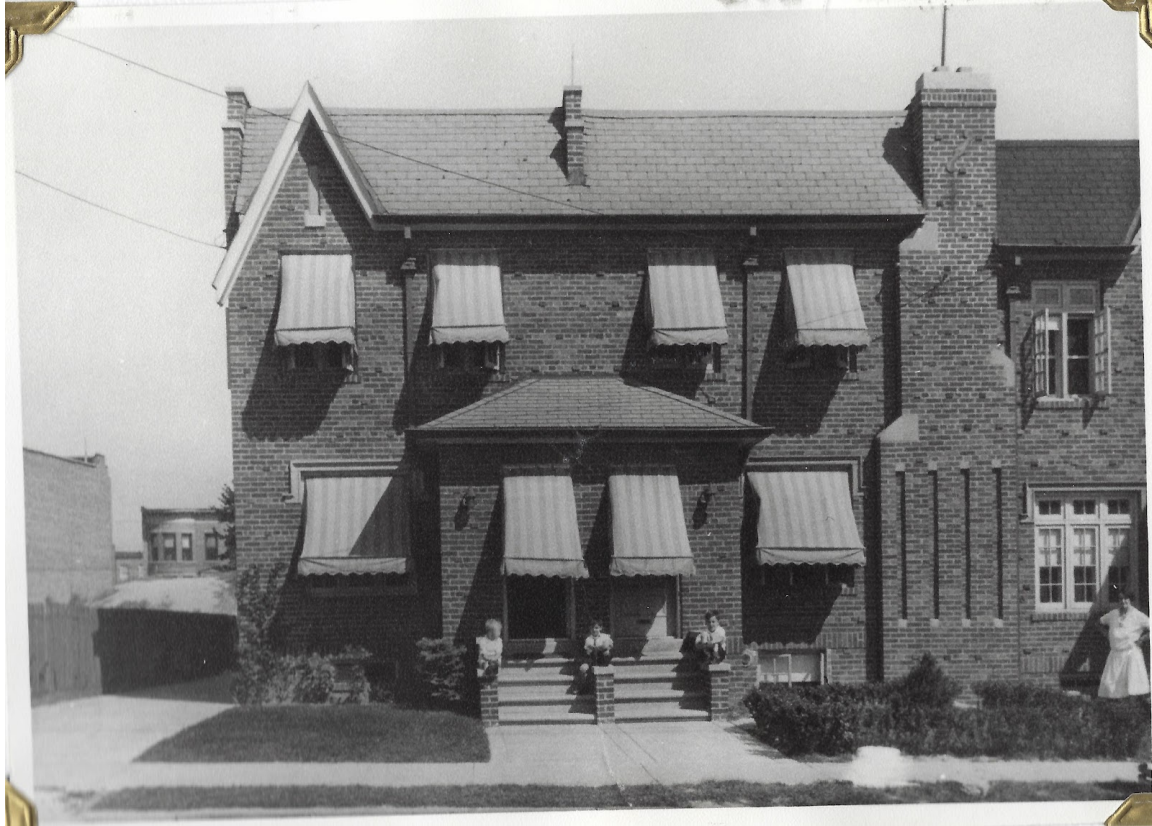
I told the owner that grandpa would be glad that the house was still in Italian hands. Could I inquire what he had paid for the house that sold in 1923 for \$3,000? He said he bought it as a broken-down fixer-upper for a mere \$1.5 million and had put another \$300,000 in it.

As I passed under the Verrazano Bridge on the Queen Mary II later that day in the two floor Owner's Suite, I contemplated how much smarter grandpa became the older I got.

I hope the same is true with my kids.



Grandpa in 1966



76th Street in 1930



1928 Ford Model A



Queen Mary II Sailing Under the Verrazano Bridge Past Bay Ridge

CHAPTER 69: 2006 The Great Texas Natural Gas Con

The whole Archegos blow-up reminds me that there are always a lot of con men out there willing to take your money. As PT Barnum once said, “There is a sucker born every minute.”

I’ll tell you about the closest call I have ever had with one of these guys.

In the early 2000s, I was heavily involved in developing a new, untried, untested, and even dubious natural gas extraction method called “fracking.” Only a tiny handful of wildcatters were even trying it.

Fracking involved sending dynamite down old, depleted wells, fracturing the rock 3,000 feet down, and then capturing the newly freed-up natural gas. If successful, it meant that every depleted well in the country could be reopened to produce the same, or more gas than it ever had before. America’s gas reserves would have doubled overnight.

A Swiss banker's friend introduced me to “Arnold” of Amarillo, Texas who claimed fracking success and was looking for new investors to expand his operations. I flew out to the Lone Star state to inspect his wells, which were flaring copious amounts of natural gas.

Told him I would invest when the prospectus was available. But just to be sure, I hired a private detective, a retired FBI man, to check him out. After all, Texas is notorious for fleecing wanabee energy investors, especially those from California.

After six weeks I heard nothing, so late on a Friday afternoon, I ordered \$3 million sent to Arnold’s Amarillo bank from my offshore fund in Bermuda. Then I went out for a hike. Later that day I checked my voicemail and there was an urgent message from my FBI friend:

“Don’t send the money!”

It turns out that Arnold had been convicted of check fraud back in the sixties and had been involved in a long series of scams ever since. But I had already sent the money!

I knew my fund administrator belonged to a certain golf club in Bermuda. So, I got up at 3:00 AM, called the club Starting Desk and managed to get him on the line. He said I had missed the 3:00 PM Fed wire deadline on Friday and the money would go out first thing Monday morning. I told him to be at the bank at 9:00 AM when the doors opened and to stop the wire at all costs.

He succeeded, and that cost be a bottle of Dom Perignon Champaign, which fortunately in Bermuda is tax-free.

It turned out that Arnold's operating well was actually a second hand drilling rig he rented with a propane tank buried underneath that was flaring the gas. He refilled the tank every night to keep sucking in victims. My Swiss banker friend went bust because he put all his clients into the same project.

I ended up making a fortune in fracking anyway with much more reliable partners. No one had heard of it, so I bought old wells for pennies on the dollar and returned them to full production. Then gas prices soared from \$2/MM BTU to \$17. America's gas reserves didn't double, they went up ten times.

I sold my fracking business in 2007 for a huge profit to start the ***Diary of a Mad Hedge Fund Trader***.

It is all a reminder that if it is too good to be true, it usually isn't.

CHAPTER 70: 2008 Restoring the USS Potomac

I usually get a request to fund some charity about once a day. I ignore them because they usually enrich the fundraisers more than the potential beneficiaries. But one request seemed to hit all my soft spots at once.

Would I be interested in financing the refit of the USS Potomac (AG-25), Franklin Delano Roosevelt's presidential yacht?

I had just sold my oil and gas business for an outrageous profit and had some free time on my hands so I said, "Hell Yes," but only if I get to drive. The trick was to raise the necessary \$5 million without it costing me any money.

To say that the Potomac had fallen on hard times was an understatement.

When Roosevelt entered the White House in 1932, he inherited the presidential yacht of Herbert Hoover, the USS *Sequoia*. But the Sequoia was entirely made of wood, which Roosevelt had a lifelong fear of. When he was a young child, he nearly perished when a wooden ship caught fire and sank, he was passed to a lifeboat by a devoted nanny.

Roosevelt settled on the 165 foot USS Electra, launched from the Manitowoc Shipyard in Wisconsin, whose lines he greatly admired. The government had ordered 34 of these cutters to fight rum runners across the Great Lakes during Prohibition. Deliveries began just as the ban on alcohol ended.

Some \$60,000 was poured into the ship to bring it up to presidential standards and it was made wheelchair accessible with an elevator, which FDR operated himself with ropes. The ship became the "floating White House," and numerous political deals were hammered out on its decks. Some noted guests included King George VI of England, Queen Elizabeth, and Winston Churchill.

During WWII Roosevelt hosted his weekly "fireside chats" on the ship's short-wave radio. The concern was that the Germans would attempt to block transmissions if the broadcast came from the White House.

After Roosevelt's death, the *Potomac* was decommissioned and sold off by Harry

Truman, who favored the much more substantial 243-foot **USS Williamsburg**. The **Potomac** became a Dept of Fisheries enforcement boat until 1960 and then was used as a ferry to Puerto Rico until 1962.

An attempt was made to sail it through the Panama Canal to the 1962 World's Fair in Seattle, but it broke down on the way in Long Beach, CA. In 1964 Elvis Presley bought the **Potomac** so it could be auctioned off to raise money for St. Jude Children's Research Hospital. It sold for \$65,000. It then disappeared from maritime registration in 1970. At one point there was an attempt to turn it into a floating disco.

In 1980 a US Coast Guard cutter spotted a suspicious radar return 20 miles off the coast of San Francisco. It turned out to be the **Potomac** loaded to the gunnels with bales of illicit marijuana from Mexico. The Coast Guard seized the ship and towed it to the Treasure Island naval base under the Bay Bridge. By now the 50-year-old ship was leaking badly. The marijuana bales soaked up the seawater and the ship became so heavy it sank at its moorings.

Then a long rescue effort began. Not wanting to get blamed for the sinking of a presidential yacht on its watch the Navy raised the **Potomac** at its own expense, about \$10 million, putting its heavy life crane to use. It was then sold to the City of Oakland, Ca for a paltry \$15,000.

The troubled ship was placed on a barge and floated upriver to Stockton, CA, which had a large but underutilized unionized maritime repair business. The government subsidies started raining down from the skies and a down to the rivets restoration began. Two rebuilt WWII tugboat engines replaced the old, exhausted ones. A nationwide search was launched to recover artifacts from FDR's time on the ship. The **Potomac** returned to the seas in 1993.

I came on the scene in 2007 when the ship was due for a second refit. The foundation that now owned the ship needed \$5 million. So, I did a deal with National Public Radio for free advertising in exchange for a few hundred dinner cruise tickets. NPR then held a contest to auction off tickets and kept the cash (what was the name of FDR's dog? Fala!).

I also negotiated landing rights at the Pier One San Francisco Ferry Terminal, which

involved negotiating with a half dozen unions, unheard of in San Francisco maritime circles. Every cruise sold out over two years, selling 2,500 tickets. To keep everyone well lubricated I became the largest Bay Area buyer of wine for those years. I still have a free T-shirt from every winery in Napa Valley.

It turned out to be the most successful fundraiser in the history of NPR **and** the **Potomac**. We easily got the \$5 million and then some. The ship received a new coat of white paint, new rigging, modern navigation gear, and more period artifacts. I obtained my captain's license and learned how to command a former coast guard cutter.

It was a win-win-win.

I was trained by a retired US Navy nuclear submarine commander, who was a real expert at navigating a now thin hulled 73-year-old ship in San Francisco's crowded bay waters. We were only licensed to cruise up to the Golden Gate bridge and not beyond, as the ship was so old.

The inaugural cruise was the social event of the year in San Francisco with everyone wearing period Depression era dress. It was attended by FDR's grandson, James Roosevelt III, a Bay area attorney who was a dead ringer for his grandfather. I mercilessly grilled him for unpublished historical anecdotes. A handful of still living Roosevelt cabinet members also came, as well as many WWII veterans.

As we approached the Golden Gate Bridge, some poor soul jumped off and the Coast Guard asked us to perform search and rescue until they could get a ship on station. Nobody was ever found. It certainly made for an eventful first cruise.

Of the original 34 cutters constructed only four remain. The other three make up the Circle Line tour boats that sail around Manhattan several times a day.

Last summer I boarded the Potomac for the first time in 14 years for a pleasant afternoon cruise with some guests from Australia. Some of the older crew recognized me and saluted. In the cabin, I noticed a brass urn oddly out of place. It contained the ashes of the sub-commander who had trained me all those years ago.



Captain Thomas at the Helm



CHAPTER 71: 2008 Starting the Diary of a Mad Hedge Fund Trader

The *Diary of a Mad Hedge Fund Trader* is now celebrating its 15th year of publication.

During this time, I have religiously pumped out 3,000 words a day, or 18 newsletters a week, of original, independent-minded, hard-hitting, and often wickedly funny research.

I spent my life as a war correspondent, Marine Corps combat pilot, Wall Street trader, and hedge fund manager, and if you can't laugh after that, something is wrong with you.

I've been covering stocks, bonds, commodities, foreign exchange, energy, precious metals, real estate, and even agricultural products.

You've been kept up on my travels around the world and listened in on my conversations with those who drive the financial markets.

I also occasionally opine on politics, but only when it has a direct market impact, such as with the recent administration's economic and trade policies. There is no profit in taking a side.

The site now contains over 20 million words, or 30 times the length of Tolstoy's epic *War and Peace*.

Unfortunately, it feels like I have written on every possible topic at least 100 times over.

So, I am reaching out to you, the reader, to suggest new areas of research that I may have missed until now which you believe justify further investigation.

Please send any and all ideas directly to me at support@madhedgefundtrader.com/, and put "RESEARCH IDEA" in the subject line.

The great thing about running an online business is that I can evolve it to meet

your needs on a daily basis.

Many of the new products and services that I have introduced since 2008 have come at your suggestion. That has enabled me to improve the product's quality, to your benefit. Notice how rapidly my trade alert performance is going up, now annualizing at **+47%** a year.

This originally started out as a daily email to my hedge fund investors giving them an update on fast market-moving events. That was at a time when the financial markets were in free fall, and the end of the world seemed near.

Here's a good trading rule of thumb: Usually, the world doesn't end. History doesn't repeat itself, but it certainly rhymes.

The daily emails gave me the scalability that I so desperately needed. Today's global mega enterprise grew from there.

Today, the ***Diary of a Mad Hedge Fund Trader*** and its ***Global Trading Dispatch*** is read in over 140 countries by 30,000 followers. The ***Mad Hedge Technology Letter***, the ***Mad Hedge Biotech & Health Care Letter***, ***Mad Hedge AI*** and ***Jacquie's Post*** also have their own substantial followings. And the daily ***Mad Hedge Hot Tips*** is one of the most widely read publications in the financial industry.

I'm weak in distribution in North Korea and Mali, in both cases due to the lack of electricity. But that may change.

One can only hope.

If you want to read my first pitiful attempt at a post, please click here for my February 1, 2008 post at <https://www.madhedgefundtrader.com/february-1-2008/>

It urged readers to buy gold at \$950 (it soared to \$2,200), and buy the Euro at \$1.50 (it went to \$1.60).

Now you know why this letter has become so outrageously popular.

Unfortunately, I also recommended that they sell bonds short. I wasn't wrong on that one, just early, about eight years too early.

I always get asked how long will I keep doing this?

I am already collecting Social Security, so that deadline came and went. My old friend and early **Mad Hedge** subscriber, Warren Buffet is still working at 92, so that seems like a realistic goal. And my old friend, Henry Kissinger, is still hard at it at 100 years old.

Hiking ten miles a day with a 50-pound pack, my doctor tells me I should live forever. He says he spends all day trying to convince his other patients to be like me, and the only one who actually does it is me.

The harsh truth is that I don't know how to **NOT** work. Never tried it, never will.

The fact is that thousands of subscribers love me for what I do, pay for me to travel around the world first class to the most exotic destinations, eat in the best restaurants, fly the rarest historical aircraft, then say thank you. I even get presents (keep those pounds of fudge and bottles of bourbon coming!).

Given the absolute blast I have doing this job; I would be **Mad** to actually retire.

Take a look at the **testimonials** I get only on an almost daily basis and you'll see why this business is so hard to walk away from (click here for those at <http://www.madhedgefundtrader.com/testimonials/>

In the end, you are going to have to pry my cold dead fingers off of this keyboard to get me to give up.

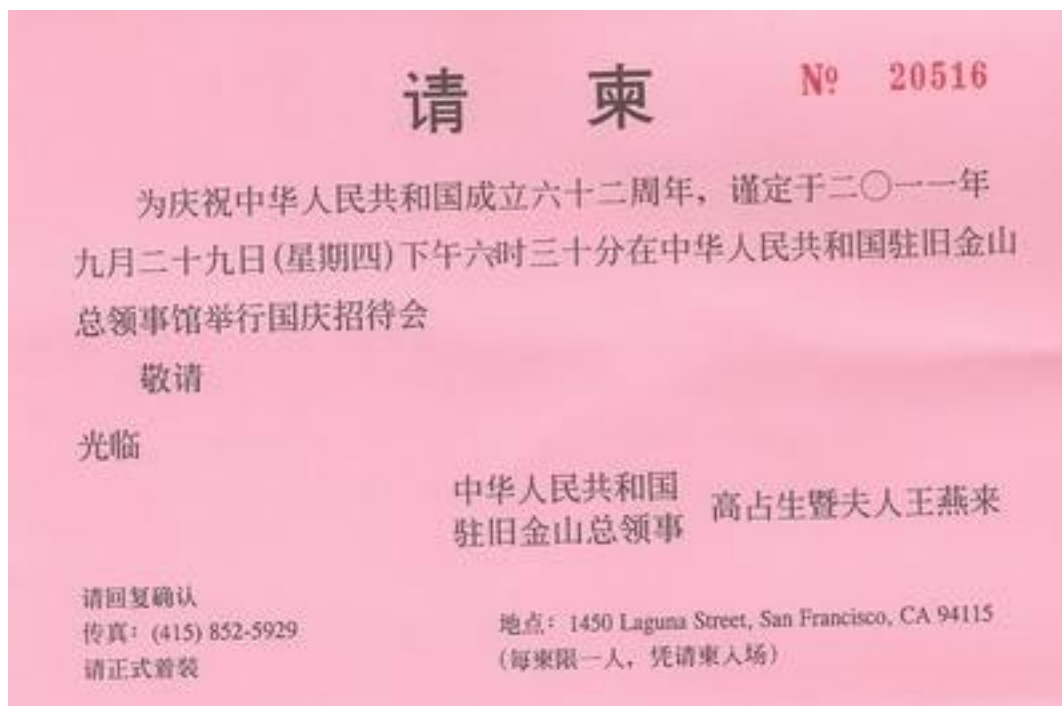
Fiat Lux (let there be light).



CHAPTER 72: 2009 Wen at the Chinese Embassy Celebration

I normally avoid the diplomatic circuit, as the few non-committal comments and soggy appetizers I get aren't worth the investment of time.

But I jumped at the chance to celebrate the 70th anniversary of the founding of the People's Republic of China with San Francisco consul general Gao Zhansheng.



Happy Birthday, China!

When I casually mention that I survived the Cultural Revolution from 1968 to 1976 and interviewed major political figures like Premier Deng Xiaoping, who launched the Middle Kingdom into the modern era, and his predecessor, Zhou Enlai, modern day Chinese are enthralled.

It's like going to a Fourth of July party and letting drop that I palled around with Thomas Jefferson and Benjamin Franklin.

Five minutes into the great hall, and I ran into my old friend Wen. She started out her career with the Chinese Intelligence Service, and had made the jump to the Foreign Ministry, as all their best people did. Wen was passing through town with a visiting trade mission.

When I was touring China in the seventies as the guest of the Bank of China, Wen was assigned as my guide and translator, and we kept in touch over the years. I was assigned a bodyguard who doubled as the driver of a tank like Russian sedan, a Volga.

The Cultural Revolution was on, and while the major cities were safe, we ran the risk of running into a renegade band of xenophobic Red Guards, with potentially fatal consequences.

By the time Wen married, China had already adopted its one child policy. As much as she wanted more children, she understood the government's need to adopt such a drastic policy. Without it, the population today would be 1.6 billion, not 1.2 billion, and all of the money that went into buying capital goods would have been spent on food imports instead.

The country would have stagnated at its 1980 per capita income of \$100/year. There would have been no Chinese economic miracle. She was very proud of her one son, who was a software engineer at Microsoft (MSFT) in Beijing.

I asked if she recalled our first trip together and a dark cloud came over her face. We were touring a section of Fuzhou in southern China when three policemen marched up. They started shouting at Wen that we were in a restricted section of the city where foreigners were not allowed. They started mercilessly beating her with clubs.

I was about to intercede when my late wife, Kyoko, let go with a blood curdling tirade in Japanese that froze them in their tracks. I saw from the fear in their faces that she had ignited their wartime fear of Japanese authority and the dreaded ***Kempeitai***, or secret police, and they beat a hasty retreat.

To this day, I'm not exactly sure what Kyoko said. We took Wen back to our hotel room and bandaged her up, putting ice on the giant goose egg on her head. When

I left, I gave her my paperback copy of HG Well's ***A Short History of the World***, which she treasured, as the book was then banned in China.

Wen mentioned that she was approaching the mandatory retirement age of 60, and soon would be leaving the Foreign Service. I suggested she move to San Francisco, which offered a thriving Chinese community.

She laughed. No matter how much prices had fallen, she could never afford anything here on a Chinese civil servant's salary.

I asked Wen if she still had the book I gave her nearly five decades ago. She said it had become a treasured family heirloom and was being passed down through the generations.

As she smiled, I notice the faint scar on her eyebrow from that unpleasantness so long ago.



Kyoko and I in Beijing in 1977

CHAPTER 73: 2010 Knowing Secretary George Schultz

It is time to reminisce about my old friend George Schultz who passed away in 2021 at the age of 101.

My friend was having a hard time finding someone to attend a reception who was knowledgeable about financial markets, White House intrigue, international politics, and nuclear weapons.

I asked who was coming. She said Reagan's Treasury Secretary George Shultz. I said I'd be there wearing my darkest suit, cleanest shirt, and would be on my best behavior, to boot.

It was a rare opportunity to grill a high-level official on a range of top-secret issues that I would have killed for during my days as a journalist for ***The Economist*** magazine. I guess arms control is not exactly a hot button issue these days.

I moved in for the kill.

I have known George Shultz for decades, back when he was the CEO of the San Francisco-based heavy engineering company, Bechtel Corp in the 1970's.

I saluted him as "Captain Schultz", his WWII Marine Corps rank, which has been our inside joke for years. Now that I am a major I guess I outrank him.

Since the Marine Corps didn't know what to do with a PhD in economics from MIT, they put him in charge of an anti-aircraft unit in the South Pacific, as he was already familiar with ballistics, trajectories, and apogees.

I asked him why Reagan was so obsessed with Nicaragua, and if he really believed that if we didn't fight them there, would we be fighting them in the streets of Los Angeles as the then-president claimed.

He replied that the socialist regime had granted the Soviets bases for listening posts that would be used to monitor US West Coast military movements in exchange for free arms supplies. Closing those bases was the true motivation for the entire Nicaragua policy.

To his credit, George was the only senior official to threaten resignation when he learned of the Iran-contra scandal.

I asked his reaction when he met Soviet premier Mikhail Gorbachev in Reykjavik in 1986 when he proposed total nuclear disarmament.

Shultz said he knew the breakthrough was coming because the KGB analyzed a Reagan speech in which he had made just such a proposal.

Reagan had in fact pursued this as a lifetime goal, wanting to return the world to the pre nuclear age he knew in the 1930's, although he never mentioned this in any election campaign. Reagan didn't mention a lot of things.

As a result of the Reykjavik Treaty, the number of nuclear warheads in the world has dropped from 70,000 to under 10,000. The Soviets then sold their excess plutonium to the US, which has generated 20% of the total US electric power generation for two decades.

Shultz argued that nuclear weapons were not all they were cracked up to be. Despite the US being armed to the teeth, they did nothing to stop the invasions of Korea, Hungary, Vietnam, Afghanistan, and Kuwait.

Schultz told me that the world has been far closer to an accidental Armageddon than people realize.

Twice during his term as Secretary of State he was awoken in the middle of the night by officers at the NORAD early warning system in Colorado to be told that there were 200 nuclear missiles inbound from the Soviet Union.

He was given five minutes to recommend to the president to launch a counterstrike. Four minutes later, they called back to tell him that there were no missiles, that it was just a computer glitch projecting ghost images on a screen.

When the US bombed Belgrade in 1989, Russian president, Boris Yeltsin, in a drunken rage, ordered a full-scale nuclear alert, which would have triggered an immediate American counter response. Fortunately, his generals ignored him.

I told Schultz that I doubted Iran had the depth of engineering talent needed to run a full-scale nuclear program of any substance.

He said that aid from North Korea and past contributions from the AQ Khan network in Pakistan had helped them address this shortfall.

Ever in search of the profitable trade, I asked Schultz if there was an opportunity in nuclear plays, like the Market Vectors Uranium and Nuclear Energy ETF (NLR) and Cameco Corp. (CCR), that have been severely beaten down by the Fukushima nuclear disaster.

He said there definitely was. In fact, he was personally going to lead efforts to restart the moribund US nuclear industry. The key here is to promote 5th generation technology that uses small, modular designs, and alternative low risk fuels like thorium.

Schultz believed that the most likely nuclear war will occur between India and Pakistan. Islamic terrorists are planning another attack on Mumbai. This time India will retaliate by invading Pakistan. The Pakistanis plan on wiping out this army by dropping an atomic bomb on their own territory, not expecting retaliation in kind.

But India will escalate and go nuclear too. Over 100 million would die from the initial exchange. But when you add in unforeseen factors, like the broader environmental effects and crop failures (CORN), (WEAT), (SOYB), (DBA), that number could rise to 1-2 billion. This could happen as early as 2023.

Schultz argued that further arms control talks with the Russians could be tough. They value these weapons more than we do, because that's all they have left.

Schultz delivered a stunner in telling me that Warren Buffet had contributed \$50 million of his own money to enhance security at nuclear power plants in emerging markets.

I hadn't heard that.

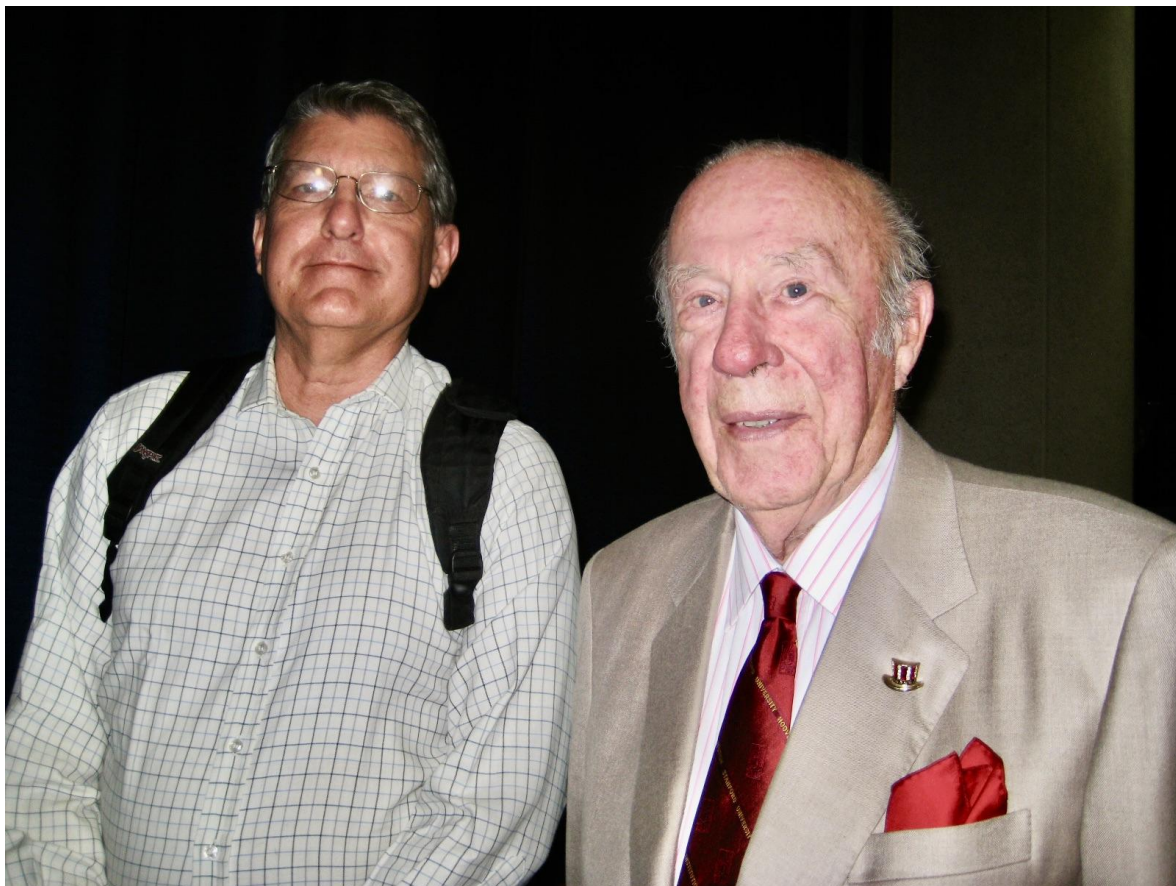
As the event ended, I returned to Secretary Shultz to grill him some more about

the details of the Reykjavik conference held some 36 years ago.

He responded with incredible detail about names, numbers, and negotiating postures. I then asked him how old he was. He said he was 100.

I responded, “I want to be like you when I grow up”.

He answered that I was “a promising young man.” I took that as encouragement in the extreme.





We're Getting Pretty High

CHAPTER 74: 2012 An Evening with Travel Guru Arthur Frommer

Since many of you are now planning long overdue summer vacations, I thought I would pass on what I learned from the ultimate travel guru of all time.

After all, who knows how long it will be until the next pandemic? The next decade, next year, or next week?

When I backpacked around Europe in 1968, I relied heavily on Arthur Frommer's legendary paperback guide, *Europe on \$5 a Day*, which then boasted a cult like following among impoverished, but adventurous Americans. The charter airline business was then booming, plunging air fares, and suddenly Europe came within reach of ordinary Americans like me.

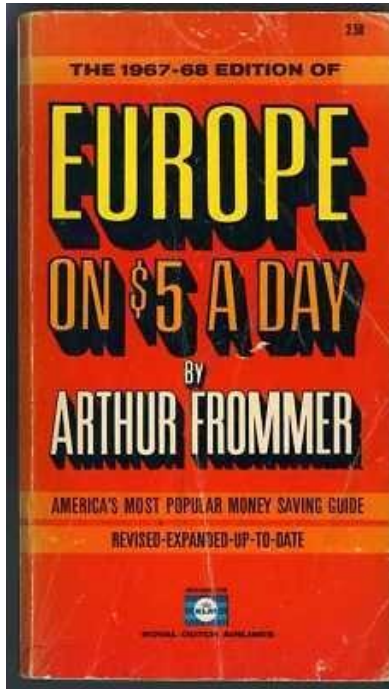
Over the following years he directed me down cobblestoned alleyways, dubious foreign neighborhoods, and sometimes converted WWII air raid shelters, to find those incredible travel deals. When he passed through town some 50 years later, I jumped at the chance to chat with the ever-cheerful worshipped travel guru.

Frommer believes there are three sea change trends going on in the travel industry today. Business is moving away from the big three travel websites, Travelocity, Orbitz, and Priceline, who have more preferential lucrative but self-enriching side deals with airlines than can be counted, towards pure aggregator sites that almost always offer cheaper fares, like Kayak.com, Sidestep.com, and Fairchase.com.

There is a move away from traditional 48-person escorted bus tours towards small group adventures, like those offered by Gap Adventures, Intrepid Tours, and Adventure Center, that take parties of 12 or less on culturally eye opening public transportation.

There has also been a huge surge in programs offered by universities that turn travelers into students for a week to study the liberal arts at Oxford, Cambridge, and UC Berkeley. His favorite was the Great Books programs offered by St. John's University in Santa Fe, New Mexico.

Frommer says that the Internet has given a huge boost to international travel, but



warns against user generated content, 70% of which is bogus, posted by the hotels and restaurants touting themselves.

The 93-year-old Frommer turned an army posting in Berlin in 1952 into a travel empire that publishes 340 books a year, or one out of every four travel books on the market. I met him on a swing through the San Francisco Bay Area (his ticket from New York was only \$150), and he graciously signed my tattered, dog-eared original 1968 copy of his opus, which I still have.

Which country has changed the most in his 60 years of travel writing? France, where the citizenry has become noticeably more civil since losing WWII. Bali is the only place where you can still actually travel for \$5/day, although you can see Honduras for \$10/day. Always looking for a deal, Arthur's next trip is to Chile, the only country in the world he has never visited.



Arthur's Next Big Play is Bali

CHAPTER 75: 2013 Shaking the Hand that Killed Osama bin Laden

The team fought their way up two flights of stairs in pitch-blackness, dispatching several fighters along the way. A tall figure emerged in the green glow of the night vision goggles. It hesitated. Two shots were fired, and the body hit the ground.

That was how Navy Seal Team Six member, Mark Owen, described the last seconds of Al Qaida leader, Osama bin Laden, in the raid on his Abbottabad, Pakistan compound.

I can't tell you how I met Owen, except that the circumstances are classified, and it took place at an undisclosed location. A number of terrorist groups are seeking retribution for the raid, making Greg and his teammates prime targets. He and his family now live in the witness protection program buried deep somewhere in the US.

Owen isn't his real name of course, but a nom de' guerre. In fact, I can't even tell you what he looks like. His prosthetic make up and wig were so convincing, I doubt his own mother could recognize him. But there was no doubting the bone-crushing handshake of a Navy Seal.

Spending an hour with "Owen", I learned several fascinating details about the raid. Just before launching, the team was told there was a 70% chance the Pakistani Air Force would shoot them down on the way in. There was also the possibility that their top-secret stealth helicopters would crash on a ground hugging flight through the mountains on the darkest night of the month. Every man was given the option to pass on the mission.

Not one did.

However, that didn't stop them from joking among themselves about the suicide aspects of their assignment.

What guts!

What was the inside story of the raid? The most wanted man in the world, the author of the 9/11 attack that killed 3,000 at the World Trade Center, used

“Just for Men”.

That was the brand of the hair-coloring agent the Seals discovered in the world’s greatest terrorist’s bathroom, used to make him look younger than he appeared.

Some of the seals speculated he did this to cut a more threatening figure in his online propaganda diatribes. Others said it was because he had two wives at the site.

The discovery of bin Laden’s secret fortified compound was the result of a decade of tireless investigation by CIA analyst, Maya Lambert. Her role was portrayed in the 2012 film, ***Zero Dark Thirty***, with much embellishment.

The US torture of suspects probably slowed down the hunt, rather than accelerate it, because a glut of false information obscured valuable tips. People will say anything to stop the water boarding, right?

I would.

In the end, it was a junior CIA analyst’s trolling through ten-year-old archived data gathered in Morocco that uncovered the crucial clue. That was the name of Ibrahim Saeed Ahmed, who turned out to be bin Laden’s personal courier to the outside world.

Constant National Security Agency monitoring of his mother’s phone line in the Persian Gulf led to Ahmed’s location in Pakistan. He was then discretely followed to the mysterious compound in Abbottabad.

Bin Laden successfully hid for so long because he had fallen far off the grid of modern civilization. He never left the building, and didn’t use cell phones or the Internet. Trash was burned on site.

His sole means of communication was via flash drives and DVD’s physically carried by Ahmed on an infrequent and unpredictable basis. Bin Laden had effectively jailed himself for five years to stay under the American radar. How ironic.

Since there was no means to verify the identity of the compound’s occupants

before the raid, the Seals were the only option. Maya Lambert personally saw them off on their departure from an Eastern Afghanistan base. She too was committed to the mission to the very end.

Even when the helicopter in which Owen was riding crashed because of freak lift conditions, the mission went ahead. Since their carefully crafted and much practiced plan fell apart, they improvised on the spot, a mandatory Seal quality.

They professionally and methodically breached the compound's outer wall and blew some steel doors off their hinges before they reached their third floor destination. Owen went to great lengths to explain how the civilians on the site, including bin Laden's own family members, were kept out of harm's way.

After dispatching their target, the Seals quickly photographed him, took a DNA sample, and uploaded it via satellite link to Washington DC. Confirmation came back in minutes.

They had gotten their man.

Before the team cleared out, they bagged every possible item of intelligence value. There was so much material that they ran out of bags to carry it. Computers were smashed open and the hard drives pried out to save on space and weight.

Analyzed back home, this data revealed that several new attacks on the United States were in the planning stages.

After blowing up the remains of the crashed helicopter, the entire team piled into the remaining operational one, with only minutes of reserve fuel left. A much-feared counterattack from the Pakistani military never appeared. After further identification, bin Laden was buried at sea from a US aircraft carrier in the Indian Ocean.

The success of the raid has done much to alter the discussion on the future of military forces, in the US, and around the world. It turns out that it is strategically and tactically advantageous, and much more cost efficient to field a small number of super warriors, like the Seals, than a large number of cannon fodder.

Every general and admiral I know, and there are quite a few, would love to junk expensive, antiquated Cold War weapons systems whose sole benefit is that they create jobs in battleground congressional districts.

The Army still buys useless, unprotected, IED vulnerable Humvee's because they are built in Florida, a major swing state in the last six presidential elections.

The Air Force has more wheezing, ancient, fuel inefficient C-130's than pilots to fly them (we're now on upgrade number 22) because they were assembled in Georgia, the home state of former Speaker of the House, Newt Gingrich. Oh, and the manufacturer, Lockheed Martin (LMT), made sure to buy parts supplied by all 50 states to make it politically "kill proof."

Better to spend money on training, cyber warfare, drones, and Special Forces, which will be essential to fight the wars of the future.

"The greatest threat to national security is wasting money in the defense budget," one brass hat told me, with some irritation. In fact, the Seals, and the Army's Delta Force are so effective and destructive that they could well replace entire divisions of the past. It's a matter of hundreds doing the job of tens of thousands.

Owen went into great detail to explain the incredible difficulty of Navy Seal training. Only a small fraction succeed at the 24 week Basic Underwater Demolition/Seal (BUDS) program. The majority, "ring the bell," give up early, and are reassigned elsewhere in the military, without shame.

Mark says he was trained to "eat the elephant one bite at a time," and described how he struggled to get through a half year of torture a half day at a time. "You wake up hoping to make it to lunch without quitting. Then at lunch you focus on getting to dinner without giving up. You then repeat this everyday until you graduate."

Mark spoke of being dumped a few miles offshore and told to swim home in the icy Pacific. Classes would link arms and lie in the surf for eight hours to get accustomed to hypothermia.

They were tied up and thrown in a swimming pool for "drown proofing." For good

measure they would then have to push a bus uphill, or repeatedly hoist a telephone pole over their heads.

Modern Seals can not only jump out of a plane at high altitude and blow up anything, they can also hack into computers, disassemble cell phones, and track you down online, no matter where you are.

Spurred on by my Dad's tales of the old Underwater Demolition Teams (UDT), with whom he had experience during WWII, I once thought about applying to the Seals myself. But in the end, I passed. I didn't think I could make it through the training. There are not a lot of things I won't try, but this was one.

Because of their prolonged and extreme training, the Seals always get the toughest missions. Owen also participated in the rescue of Mark Phillips, the captain of the containership, ***Maersk Alabama***, kidnapped by Somali pirates.

The cost of these accomplishments is high. Owen held up his cell phone and said it still contained the numbers of 40 close friends killed in action. He will never delete those contacts.

The Seals' focus on teamwork and leadership is so legendary that it has become an area of interest by American corporate management. Seals will volunteer for once unheard of 10th, 11th, and 12th tours to Iraq and Afghanistan, not because of any extreme patriotism, but because they want to be there to support their buddies.

Unsurprisingly, the divorce rate among Seals is about 90%.

Because of this spectacular record, the Seals are shouldering an ever-larger share of our defense burden. Their numbers have expanded greatly in the past decade. I can't tell you how many Seals are in action today because it is classified, but it is a much larger number than you think.

One of the greatest honors I have received in writing this letter is when I was invited by Seal commanders to attend a BUDS graduating class in Coronado, California.

Despite receiving many medals and commendations, Mark comes across as humble and self-effacing. It turns out that the braggarts and big talkers don't make it through BUDS training. The son of Christian missionaries in Alaska, Owen is now retired from the forces and is trying to get his life back together.

On complaining about neck pains after his helicopter crash, Mark said the Veterans Administration sent him home with a one-year supply of Motrin. After a hedge fund manager friend volunteered to pay for a private specialist, he was told his neck was "broken" and sent into surgery the next day. That sheds some uncomfortable light on the current VA scandal.

When my precious hour was up, I thanked Mark for his service and wished him well.

Mark has published his amazing account of the Abbottabad raid in his book ***No Easy Day.*** It is a real page-turner, partially ghost written by a journalist friend. To purchase the book at discount Amazon pricing, please click here at

http://www.amazon.com/No-Easy-Day-Autobiography-Firsthand/dp/0525953728/ref=sr_1_1?s=books&ie=UTF8&qid=1406646428&sr=1-1&keywords=no+easy+day&dpPl=1



CHAPTER 76: 2014 Remembering Robin Williams

I am still reeling the passing of my old friend, comedian Robin Williams. I heard about it last night on the radio, while on my nightly hike on nearby Grizzly Peak.

His mother lived directly next door to my family for many years. A petite widow in her late seventies, we often looked in on her, and invited her into our community social group. More than once, I came home to find my late wife chatting with her in the living room over a cup of tea.

Robin, ever the dutiful son, thanked me on many occasions. He volunteered to appear at fundraisers at my kids' schools. Needless to say, he was a huge hit and brought in buckets of money.

To describe Robin as a giant in his industry would be an understatement. No one could match his stream of consciousness outpouring of originality. I know some Disney people who worked with him on the ***Aladdin*** animated film where Robin played the genie, and he drove them nuts.

The script was just a starting point for him. You just turned him on, and it was all peripatetic improvisation after that. This forced the ultra controlling producers to draw the animation around his monologue, no easy trick.

When I attended the London premier of ***Aladdin***, the audience sat with their with their jaws dropped, trying to decode cultural references that were be fired at them a dozen a minute.

It was safe to say that Robin fought a lifetime battle with drug addiction. He only got out of rehab last year for the umpteenth time.

His depression had to be severe. People who knew him well believe that his comedy evolved as a way of dealing with it. He used jokes as weapons to keep the demons at bay. Perhaps that is the price of true genius. In the end, it was probably genetic.

This has been reaffirmed by the many comedians I have met during my life, including Groucho Marx, Bob Hope, George Burns, Jay Leno, Chris Rock, and many

others (I'm seeing Jay again this weekend at the Pebble Beach Concourse d'Elegance vintage car show).

Robin was a very wealthy man, at one point owning a \$25 million mansion in San Francisco's tony Pacifica district. He leaves behind a wife and a young child. He was at the peak of career, with another movie coming out at Christmas, ***A Night at the Museum III***, and a sequel to ***Mrs. Doubtfire*** in the works.

These are not normally the circumstances where one takes his own life. One can only assume that to do what he did he had to be suffering immense pain.

He will be missed.

CHAPTER 77: 2015 Coffee with Ben Bernanke

During 2008-2009, when the financial markets completely fell to pieces, and credit froze up, I thought, “Great, I am going to have to spend the rest of my life reliving my grandparents’ Great Depression.

One of the great policy minds of our generation, Ben Bernanke, single handedly made sure that didn’t happen. He knew what he needed to do, was creative, and took bold action, even though he was well aware that it was diametrically opposed to his own political party’s principals.

An uproar ensued.

Now a fellow at the famed think tank, the Brookings Institution in Washington DC, Ben has published a book entitled ***“Courage to Act.”***

It covers his entire time at the Fed, from 9/11 to the recent recovery. You can count on me to read it cover to cover the day it comes out.

For eight years I watched Bernanke speak at press conferences in the most careful, restrained, cautious manner possible.

After all, as the governor of America’s central bank, a mere slip of the tongue could cause panic and financial destruction. Each one was like attending a graduate class in economics. I learned from all of them.

Today, he is a completely different man. Voluble, opinionated, and even sarcastic, he let loose with one blockbuster revelation after another. It was like the dam broke, and he was making up for lost time.

Today, Bernanke counts time in terms of Federal Open Market Committee meetings (the FOMC).

He describes the week that Lehman Brothers went bankrupt as the worst panic in American history. He tried to sell it to Bank of America or Barclays Bank. But when they discovered a whopping great \$70 billion hole in the balance sheet, the wheels fell off.

The bailout of insurance giant AIG was an easier sell to President George W. Bush. Although it was \$85 billion in the hole, it had \$1 trillion in assets, which could eventually be liquidated. They were creating immense profits for the government.

Ben describes the TARP bank rescue package as the least popular, most successful government program in history. It was the first time in history the federal government took equity ownership in private banks, some 5% of the top 20.

Totally against the president's own ideology, and voted down by his own Republican Party, it ended up generating a profit of almost \$100 billion.

Oh, and it saved the global financial system too.

The key to the economic recovery was for the Fed to aggressively cut interest rates, while Europe was raising theirs. US stock markets certainly believed in it, now 5.6 times off a March 2009 bottom, while the continent stagnated for six more years.

No money was ever printed during quantitative easing, contrary to popular belief. The Fed simply bought \$4 trillion in bonds from the Treasury and will run them to maturity.

It's as if they never existed. Money simply went out of one pocket into another, and the broad monetary measures were left untouched by human hands.

Ben believed he could pursue such an aggressive stance because inflationary concerns were "complete nonsense."

The former Yale professor concedes that the Fed underestimated the impact of the crash. The GDP growth rate since then has been lower than he anticipated, but unemployment fell faster than thought possible, from 10.2% to 3.5% as of today.

But big chunks of the economy have yet to fully recover, such as home mortgage origination.

The Fed also kept the economy from falling into the kind of liquidity trap that has

mired Japan for 34 years. When prices fall, consumers hold back, knowing they can get a better deal, sapping the life out of the economy.

In the meantime, lenders are punished, as the collateral backing their debt declines as well. This is why almost all central banks are deliberately targeting a 3.2% inflation rate today, including ours.

Ben noted that the technologically uneducated have suffered more in this recovery than in past ones, as the rate of innovation has been so frenetic, and is accelerating.

This has particularly disadvantaged blue-collar workers the most, where job gains have been the weakest.

Bernanke was the smartest kid in rural Dillon, South Carolina, who, through a series of improbable accidents, and intervention by a local black civil rights leader, ended up at Harvard.

He built his career on studying the Great Depression, then the closest thing to paleontology economics had to offer, a field focused so distantly on the past that it was irrelevant.

Bernanke took over the Fed in 2006, when Greenspan was considered a rock star, inhaling his libertarian, free-market, Ayn Rand inspired philosophy in great giant gulps.

Within a year, the economy had suddenly transported itself back to the Jurassic Age, and the landscape was suddenly overrun with T-Rex's and Brontosauri.

He tried to stop the panic 150 different ways, 125 of which were terrible ideas, the remaining 25 saving us from the Great Depression II.

The Fed governor is naturally a very shy and withdrawing person, and would have been quite happy limiting his political career to the Princeton, New Jersey school board.

To rebuild confidence, he took his campaign to the masses, attending town hall

meetings and pressing the flesh like a campaigning first term congressman.

The price tag for Ben's success has been large, with the Fed balance sheet exploding from \$800 million to \$4 trillion, solely on his signature. The true cost of the financial crisis won't be known for a decade or more.

Ben thinks that the biggest risk is that we grow complacent, having pulled back from the brink, and let desperately needed reforms of the financial system and the rebuilding of Fannie Mae and Freddie Mac slide.

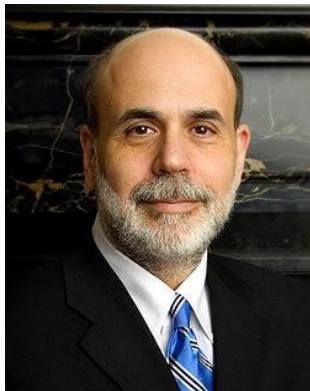
Ben Bernanke's legacy will be defined by how well his successors do their jobs. That's when we find out who Ben Bernanke really was.

Unwind the massive Fed balance sheet too soon, and we go back into a real depression. Too late, and hyperinflation hits. They're call this "Threading the needle."

Yikes!

Today, Bernanke sees absolutely no signs of a coming recession whatsoever. Housing has yet to seriously join the party, but will soon (yes, my doomed Lennar Homes (LEN) trade was done for a reason).

This is big, if you are a daily player in the stock market, such as myself. He is rightfully proud of the work he did restoring the economy.



Bernanke also voiced complete confidence in his hand-picked successor, and my friend, former Berkeley professor Janet Yellen.

Ben finished our meeting with a sigh of relief, saying he's "Glad he doesn't have to do this any more."

I'm happy too that we no longer need a Ben Bernanke to save our bacon. There might not be another available.

CHAPTER 78: 2015 Mixing with the 1 Percent at the Pebble Beach Concourse de Elegance

On the right was my friend's 1958 Ferrari Testa Rossa Scaglietta. On my left was a 1929 Dusenbergh Murphy convertible sedan with a V-12 engine. I just walked past a 1914 Rolls Royce Silver Ghost Portholme Alpine Tourer.

Yes, it's August in Pebble Beach, California, and that can only mean one thing. It's time for another ***Concourse d' Elegance*** car show.

This is my annual opportunity to mix with the 1%, hobnob with movie stars, and chitchat with the ultra wealthy, fanatically devoted to restoring ancient cars to pristine condition.

Held on the 18th fairway of the famed Pebble Beach golf course, ***Concourse d' Elegance*** has been held every year since 1950. It was a largely local affair until the 1990's, when wealth started concentrating at the top with a ferocious pace, minting billionaires by the hundreds.

Then the big-ticket sponsors started pouring in, turning it into a luxury global event. Everywhere you look, you find promotions from Rolex, Flexjet, Davidoff Cigars, Osprey of London, Dom Perignon, and a dozen California vineyards. Every carmaker of note in the world is there in force.

Prices for anything the 1% bought skyrocketed accordingly, especially those for classic cars. Some of the price increases have been astronomical.

Comedian, Jay Leno, once told me that he was bid \$10 million for a vehicle he paid \$11,000 for during the early nineties. "What has done better than that in the stock market," he asked, "Apple or Google?"

Rich Europeans, Asians, and Australians now actually ***fly*** their cars to the event in the hope of snagging a much coveted "Best in Show" prize. Winners see the value of their ride double overnight, and the prestige that goes along with it. Even getting your car into the contest is a big deal. Of the 700 applications, only 200 cars were allowed to compete.

The 2014 prize went to a silver 1954 Ferrari 375MM Scaglietti Coupe, originally built for Italian neorealism filmmaker Roberto Rossellini, husband to the starlet, Igrid Bergman. The car was owned by Robert Shirley, the former president of Microsoft, who carried out a loving, no expenses spared, ground up restoration after the car had been in pieces for 25 years.

I have to confess a personal weakness for this pastime, given my love of history, technology, and understanding manufacturing processes. I was a member of the Rolls Royce Club in England for 20 years, and learned a lot about this very expensive hobby. The monthly newsletter used to run pieces on arcane topics, like “How to Rebuild Your Phantom II Gearbox,” and “Prewar Hydraulic Systems for Beginners.”

After a two-decade search, I decided not to buy one. Rolls Royce’s don’t appreciate that much, rising in value more or less with the rate of inflation. In other words, they are a lot like bonds.

Because they are so well made, 70% of those ever built are still running. You would have done much better investing in a prewar racing Bentley, or a postwar Ferrari racecar, if capital gains were your priority.

Besides, you don’t dare drive any of these masterpieces on public roads. Your insurance won’t cover it, and Heaven help you if you get hit by someone driving while texting.

The other problem is that I am too big to fit into one. Vintage cars were designed when buyers were physically much smaller than today. Adjustable seats were a postwar invention, and I didn’t want to damage a vehicle’s historical integrity by drilling into the chassis to move the seat back.

Every year, the contest opens up special categories of vehicles to highlight certain marquees. This year saw classes for the Tatra, a bizarre, prewar Czechoslovakian company, and the Ruxton, a luxury car that disappeared during the Great Depression. Maserati was featured because of its 100-year anniversary.

Turn of the century steam cars were also a focus, a favorite of Jay Leno. The first car owned by a US president was a steam powered White Model M touring car

that parked in front of the White House during the administration of William Howard Taft.

The auction house, Bonham's, takes advantage of the Pebble Beach confab to hold its vintage car auction of the year, where record prices are often set. This year's big earner was a 1962 Ferrari 250 GTO Berlinetta, which sold for \$38 million, the highest prices ever paid for a car. That beats the \$30 million a 1954 Mercedes Benz W196 F1 sold for last year, a Gran Prix winner. Buyers' names are usually kept secret, for security reasons, or to avoid embarrassment (he paid *what* for that car?).

I spent a pleasant morning strolling around the historic links, bumping into old friends, talking technical details with the owners, and taking in the magnificent scenery of the California coast.

Some contestants really get into it, donning period dress to match the ages of their cars. So you're constantly bumping into women wearing florid Edwardian hats, Art Deco dresses from the Roaring Twenties, or those killer stiletto heels from the fifties. As for me, I was wearing a blue blazer and Panama hat favored by the judges, which seems to be timeless.

Reading the biographies of the judges was fascinating, and constitutes today's automotive royalty. They could be easily spotted with their telltale clipboards looking under hoods and going over every vehicle with a fine tooth comb.

Points are awarded for originality, authenticity, and, of course, perfection. Extra kudos are awarded to those who rescue a historically significant vehicle from a barn, a junkyard, a forgotten garage, or an obscure museum. Some cars even had their original tool kits and jacks. Owners stood back apprehensively.

The design chiefs of every major auto manufacture were there. So were heads of the major auto museums, like the Harrah's collection in Reno, Nevada; the Mercedes Museum in Stuttgart; and the Petersen Automotive Museum in Los Angeles, created by the founder of *Hot Rod* and *Motor Trend* magazines.

A few racing legends were grading entries, including Sir Moss Sterling and Sir Jackie Stewart. I had a dinner appointment with one judge, Franz von Holzhausen,

who designed my Tesla Model S-1. But his wife had a baby that morning, so I dined with the head of production instead (More on that in a future piece).

If all of this appeals to you, the record sale price for a car is expected to be broken again next year. That's when the actor Steve McQueen's 1967 Ferrari 275 GTB/4 comes up for sale. Insiders say it should top \$50 million.

I once owned McQueen's home. Do you think it's too early for me to get a bid in?



"Best of Show"



The Next Decade's Mercedes





Check Out These Cool Tatras



The Scenery is Magnificent



So Which One Is The Trophy?



A \$38 Million Ride



This One Cost Only \$30 Million

CHAPTER 79: 2015 The Charleston Church Massacre

In my many travels around the world I never hesitate to visit places of historical interest. The London grave of Carl Marx, the Paris grave of Jim Morrison, the bridge of the cruiser of the USS San Francisco, which took a direct hit from an 18-inch Japanese shell in the Battle for Guadalcanal, you name it.

After hosting one of my global strategy luncheons in Charleston, South Carolina in 2015, where the Civil War began with the Confederates firing on Fort Sumter in 1861, I looked for something to do. Fort Sumter was a full day trip and there wasn't much to see anyway.

So I pulled out my trusty iPhone to get some ideas. It only took me a second to decide. I attended Sunday church services at the Mother Emanuel African Methodist Episcopal Church, where 15 people were gunned down by a deranged white nationalist in earlier that year.

The church was built in 1891 by freed slaves and their children. The congregation dates back earlier to 1791. It has every bit the handmade touch with fine Victorian stained-glass windows.

The ushers stopped me at the door for 20 minutes where they suspiciously eyed me. Then they invited me in and sat me down next to the only other white person there, a Jewish woman from New York.

It was a working-class congregation and polyester suites and print dresses were the order of the day. Everyone was polite, if not respectful, and I sang the hymns with the air of a book in the pew in front of me.

The gospel singing was incredible, if not angelic. When I left, an usher thanked me for supporting their cause. Very moving. I praised them for their strength and tossed a \$100 bill into the basket.

Charleston is a big wedding destination now, with young couples pouring in from all over the South to tie the knot. Saturday night on Market Street saw at least a dozen bachelor and hen parties going bar to bar and getting wasted, the women falling off their platform shoes.

The United States still has a lot of healing to go to recover from the recent years of turmoil. I thought this was one small step.



Mother Emanuel African Methodist Episcopal Church

CHAPTER 80: 2015 The Passing of a Great Man

It was with a heavy heart that I boarded a plane for Los Angeles to attend a funeral for Bob, the former scoutmaster of Boy Scout Troop 108.

The event brought a convocation of ex-scouts from up and down the West coast and said much about our age.

Bob, 85, called me two weeks ago to tell me his CAT scan had just revealed advanced metastatic lung cancer. I said, "Congratulations Bob, you just made your life span."

It was our last conversation.

He spent only a week in bed, and then was gone. As a samurai warrior might have said, it was a good death. Some thought it was the smoking he quit 20 years ago.

Others speculated that it was his close work with uranium during WWII. I chalked it up to a half century of breathing the air in Los Angeles.

Bob originally hailed from Bloomfield, New Jersey. After WWII, every East coast college was jammed with returning vets on the GI bill. So he enrolled in a small, well-regarded engineering school in New Mexico in a remote place called Alamogordo.

His first job after graduation was testing V2 rockets newly captured from the Germans at the White Sands Missile Test Range. He graduated to design ignition systems for atomic bombs. A boom in defense spending during the fifties swept him up to the Greater Los Angeles area.

Scouts I last saw at age 13 or 14 were now 60, while the surviving dads were well into their 80's. Everyone was in great shape, those endless miles lugging heavy packs over High Sierra passes obviously yielding lifetime benefits.

Hybrid cars lined both sides of the street. A tag along guest called out for a cigarette and a hush came over a crowd numbering over 100.

Apparently, some things stuck. It was a real cycle of life weekend. While the elders

spoke about blood pressure and golf handicaps, the next generation of scouts played in the back yard, or picked lemons off a ripening tree.

Bob was the guy who taught me how to ski, cast for rainbow trout in mountain lakes, transmit Morse code, and survive in the wilderness. He used to scrawl schematic diagrams for simple radios and binary computers on a piece of paper, usually built around a single tube or transistor.

I would run off to Radio Shack to buy WWII surplus parts for pennies on the pound and spend long nights attempting to decode impossibly fast Navy ship-to-ship transmissions. He was also the man who pinned an Eagle Scout badge on my uniform in front of beaming parents when I turned 15.

While in the neighborhood, I thought I would drive by the house in which I grew up, once a modest 1,800 square foot ranch style home to a happy family of nine. I was horrified to find that it had been torn down, and the majestic maple tree that I planted 40 years ago had been removed.

In its place was a giant, 6,000 square foot marble and granite monstrosity under construction for a wealthy family from China.

Profits from the enormous China-America trade has been pouring into my hometown from the Middle Kingdom for the last decade, and mine was one of the last houses to go.

When I was class president of the high school here, there were 3,000 white kids, and one Chinese. Today those numbers are reversed. Such is the price of globalization.

I guess you really *can't* go home again.

At the request of the family, I assisted in the liquidation of his investment portfolio. Bob had been an avid reader of the ***Diary of a Mad Hedge Fund Trader*** since its inception, and he had attended my Los Angeles lunches.

It seems he listened well. There was Apple (AAPL) in all its glory at a cost of \$21. I laughed to myself. The master had become the student and the student had

become the master.

Like I said, it was a real circle of life weekend.



Scoutmaster Bob



1965 Scout John Thomas



The Mad Hedge Fund Trader at Age 11 in 1963

CHAPTER 81: 2017 The Eight Worst trades.doc

As you are all well aware, I have long been a history buff. I am particularly fond of studying the history of my own avocation, trading and investment, in the hope that the past errors others will provide insights into the future.

History doesn't repeat itself, but it certainly rhymes.

So after decades of research on the topic, I thought I would provide you with a list of the eight worst trades in history. Some of these are subjective, some are judgment calls, but all are educational. And I do personally know many of the individuals involved.

Here they are for your edification, in no particular order. You will notice a constantly recurring theme of hubris.

1) Ron Wayne's sales of 10% of Apple (AAPL) for \$800 in 1976

Say you owned 10% of Apple (AAPL) and you sold it for \$800 in 1976. What would that stake be worth today? Try \$70 billion. That is the harsh reality that Ron Wayne, 76, faces every morning when he wakes up, one of the three original founders of the consumer electronics giant.

Ron first met Steve Jobs when he was a spritely 21-year-old marketing guy at Atari, the inventor of the hugely successful "Pong" video arcade game.

Ron dumped his shares when he became convinced that Steve Jobs' reckless spending was going to drive the nascent start up into the ground and he wanted to protect his own assets in a future bankruptcy.

Co-founders Jobs and Steve Wozniak each kept their original 45% ownership. Today Jobs' widow, Laurene Powel Jobs, has a 0.5% ownership in Apple worth \$4 billion, while the value of Woz's share remains undisclosed.

Today, Ron is living off of a meager monthly Social Security check in remote Pahrump, Nevada, about as far out in the middle of nowhere as you can get, where he can occasionally be seen playing the penny slots.



2) AOL's 2001 Takeover of Time Warner

Seeking to gain dominance in the brave, new online world, Gerald Levin pushed old-line cable TV and magazine conglomerate, Time Warner, to pay \$164 billion to buy upstart America Online in 2001. AOL CEO, Steve Case, became chairman of the new entity. Blinded by greed, Levin was lured by the prospect of 130 million big spending new customers.

It was not to be.

The wheels fell off almost immediately. The promised synergies never materialized. The Dotcom Crash vaporized AOL's business the second the ink was dry. Then came a big recession and the Second Gulf War. By 2002, the value of the firm's shares cratered from \$226 billion to \$20 billion.

The shareholders got wiped out, including "Mouth of the South" Ted Turner. That year, the firm announced a \$99 billion loss as the good will from the merger was written off, the largest such loss in corporate history. Time

Warner finally spun off AOL in 2009, ending the agony.

Steve Case walked away with billions, and is now an active venture capitalist. Gerald Levin left a pauper, and is occasionally seen as a forlorn guest on talk shows. The deal is widely perceived to be the worst corporate merger in history.



Buy High, Sell Low?

3) Bank of America's Purchase of Countrywide Savings in 2008

Bank of America's CEO, Ken Lewis, thought he was getting the deal of the century, picking up aggressive subprime lender, Countrywide Savings, for a bargain \$4.1 billion, a "rare opportunity."

As a result, Countrywide CEO Angelo Mozilo pocketed several hundred million dollars. Then the financial system collapsed, and suddenly we learned about liar loans, zero money down, and robo signing of loan documents.

Bank of America's shares plunged by 95%, wiping out \$500 billion in market capitalization. The deal saddled (BAC) with liability for Countrywide's many sins, ultimately, paying out \$40 billion in endless fines and settlements to aggrieved regulators and shareholders.

Ken Lewis was quickly put out to pasture, cashing in on an \$83 million

golden parachute, and is now working on his golf swing. Mozilo had to pay a number of out of court settlements, but was able to retain a substantial fortune, and is still walking around free.

The nicely tanned Mozilo is also working on his golf swing.



4) The 1973 Sale of All *Star Wars* Licensing and Merchandising Rights by 20th Century Fox

In 1973, my former neighbor, George Lucas, approached 20th Century Fox Studios with the idea for the blockbuster film, *Star Wars*. It was going to be his next film after *American Graffiti*, which had been a big hit earlier that year.

While Lucas was set for a large raise for his directing services – from \$150,000 for *American Graffiti*, to potentially \$500,000 for *Star Wars* – he had a different twist ending in mind. Instead of asking for the full \$500,000 directing fee, he offered a discount: \$350,000 off in return for the unlimited rights to merchandising and any sequels. Fox executives agreed, figuring that the rights were worthless, and

fearing that the timing might not be right for a science fiction film. In hindsight, their decision seems ridiculously short-sighted.

Since 1977, the ***Star Wars*** franchise has generated about \$27 billion in revenue, leaving George Lucas with a net worth of over \$3 billion by 2012. In 2012, Disney paid Lucas an additional \$4 billion to buy the rights to the franchise

The initial budget for Star Wars was a pittance at \$8 million, a big sum for an unproven film. So saving \$150,000 on production costs was no small matter, and Fox thought it was hedging its bets.

George once told me that he had a problem with depressed actors on the set while filming. Harrison Ford and Carrie Fisher thought the plot was stupid and the costumes silly.

Today, it is George Lucas that is laughing all the way to the bank.



\$150,000 for What?

5) Lehman Brothers Entry Into the Bond Derivatives Market in the 2000's

I hated the 2000's because it was clear that men with lesser intelligences were using other people's money to hyper leverage their own personal net worth. The money wasn't the point. The quantities of cash involved were so humongous they could never be spent. It was all about winning points in a game with the CEO's of the other big Wall Street institutions.

CEO Richard Fuld could have come out of central casting as a stereotypical bad guy. He even once offered me a job, which I wisely turned down. Fuld took his firm's leverage ratio up to 100 times in an extended reach for obscene profits. This meant that a 1% drop in the underlying securities would entirely wipe out its capital.

That's exactly what happened, and 10,000 employees lost their jobs, sent packing with no notice with their cardboard boxes. It was a classic case of a company piling on more risk to compensate for the lack for experience and intelligence. This only ends one way.

Morgan Stanley (MS) and Goldman Sachs (GS) drew the line at 40 times leverage, and are still around today, but just by the skin of their teeth, thanks to the TARP.

Fuld has spent much of the last five years ducking in and out of depositions in protracted litigation. Lehman issued public bonds only months before the final debacle, and how he has stayed out of jail has amazed me. Today he works as an independent consultant. On what I have no idea.



Out of Central Casting

6) The Manhasset Indians' Sale of Manhattan to the Dutch in 1626

Only a single original period document mentions anything about the purchase of Manhattan. This letter states that the island was bought from the Indians for 60 guilders worth of trade goods, which would consist of axes, iron kettles, beads, and wool clothing.

No record exists of exactly what the mix was. Indians were notoriously shrewd traders and would not have been fooled by worthless trinkets.

The original letter outlining the deal is today kept at a museum in the Netherlands. It was written by a merchant, Pieter Schagen, to the directors of the West India Company (owners of New Netherlands) and is dated 5 November 1626.

He mentions that the settlers “have bought the island of Manhattan from the savages for a value of 60 guilders.” That’s it. It doesn’t say who purchased the island or from whom they purchased it, although it was probably the local Lenape tribe.

Historians often point out that North American Indians had a concept of land ownership different from that of the Europeans. The Indians regarded land, like air and water, as something you could use but not own or sell. It

has been suggested that the Indians may have thought they were sharing, not selling.

It is anyone's guess what Manhattan is worth today. Just my old two-bedroom 34th floor apartment at 400 East 56th Street is now worth \$2 million. Better think in the trillions.





7) Napoleon's 1803 Sale of the Louisiana Purchase to the United States

Invading Europe is not cheap, as Napoleon found out, and he needed some quick cash to continue his conquests. What could be more convenient than unloading France's American colonies to the newly founded United States for a tidy \$7 million. A British naval blockade had made them all but inaccessible anyway.

What is amazing is that president Thomas Jefferson agreed to the deal without the authority to do so, lacking permission from congress, and with no money. What lay beyond the Mississippi River then was unknown.

Many Americans hoped for a waterway across the continent, while others thought dinosaurs might still roam there. Jefferson just took a flyer on it. It was up to the intrepid explorers, Lewis and Clark, to find out what we bought.

Sound familiar? Without his bold action, the middle 15 states of the country would still be speaking French, smoking ***Gitanes***, and getting paid in Euros.

After Waterloo in 1815, the British tried to reverse the deal and claim the American Midwest for themselves. It took Andrew Jackson's (see the \$20

bill) surprise win at the Battle of New Orleans to solidify the US claim.

The value of the Louisiana Purchase today is incalculable. But half of a country that creates \$17 trillion in GDP per year and is still growing would be worth quite a lot.



Great General, Lousy Trader

8) The John Thomas Family Sale of Nantucket Island in 1740

Yes, my own ancestors are to be included among the worst traders in history. My great X 12 grandfather, a pioneering venture capitalist investor of the day from England, managed to buy the island of Nantucket off the coast of Massachusetts from the Indians for three ax heads and a sheep in the mid 1600s. Barren, windswept, and distant, it was considered worthless.

Two generations later, my great X 10 grandfather decided to cut his risk and sell the land to local residents just ahead of the Revolutionary War. Some 17 of my ancestors fought in that war, including the original John Thomas, who served on George Washington's staff at the harsh winter encampment at Valley Forge during 1777-78.

By the early 19th century, a major whaling industry developed on Nantucket,

fueling the lamps of the world with smoke free fuel. By then, our family name was “Coffin,” which is still abundantly found on the headstones of the island’s cemeteries.

One Coffin even saw his ship, the Essex, rammed by a whale and sunk in the Pacific in 1821 (read about it in ***The Heart of the Sea*** by Nathaniel Philbrick, to be released as a movie in 2015). He was eaten by fellow crewmembers after spending 99 days adrift in an open lifeboat. Maybe *that’s* why I have an obsession about not wasting food?

In the 1840’s, a young itinerant writer named Herman Melville, visited Nantucket and heard the ***Essex*** story. He turned it into a massive novel about a mysterious rogue white whale, ***Moby Dick***, which has been torturing English literature students ever since. Our family name, Coffin, is mentioned five times in the book.

Nantucket is probably worth many tens of billions of dollars today. Just a decent beachfront cottage there rents for \$50,000 a week in the summer.



The Ron Howard film ***The Heart of the Sea*** just came out, and it is breathtaking. Just be happy you never worked on a 19th century sailing ship.

Yes, it’s all true and documented.

CHAPTER 82: 2018 Around the world in 33 days

I recall my last trip around the world in 2018. I took the trip because I feared climate change would soon make visits to the equator impossible because of intolerable temperature and the breakdown of civilization. As it turned out, the global pandemic became six months later, making such travel out of the question for two years.

I beat Phileas Fogg by 55 days, who needed 88 days to complete his trip around the world to settle a gentleman's bet. But then he had to rely on elephants, sailing ships, and steam engines to complete his epic voyage, or at least the one imagined by Jules Verne.

I actually took a much longer route, using a mix of Boeings and Airbuses to fly 80 hours over 40,000 miles on 18 flights through 12 countries in only 33 days. Incredibly, our baggage made it all the way, rather than see its contents sold on the black markets of Manila, New Delhi, or Cairo.

It was a trip around the world for the ages, made even more challenging by dragging my 13 and 15 year old girls along with me. I have always considered my most valuable asset to be the trips I took to Europe, Africa, and Asia in 1968. The comparisons I can make today some 55 years later are nothing less than awe inspiring.

I wanted to give the same gift to them.

It began with a 12 ½ hour flight from San Francisco to Auckland, New Zealand. Straight out of the airport I rented a left-hand drive Land Rover and drove three hours to high in the steam covered mountains of Rarotonga where we were dinner guests of a Māori tribe. To earn my dinner of pork and vegetables cooked underground I had to dance the ***haka***, a Māori war dance.



The Haka

Of course, with kids in tow a natural stop was the Hobbit Village of Hobbiton 1½ hours outside of Auckland. I figured the owners of the idyllic sheep farm were earning at least \$25 million a year showing tourists the movie set.

In all, I put 1,000 miles on the car in four days, even crossing New Zealand's highest mountain range on a dirt road. The thick forests were so primeval my daughter expected to see a dinosaur around every curve. We reached our southernmost point at Mt. Ruapehu, a volcano used as the inspiration for Mt. Doom in Peter Jackson's **Lord of the Rings**.



The Real Mount Doom

The focus of the Australia leg were ten strategy lectures which I presented around the country. I was mobbed at every stop, with turnout double what I expected. The ***Mad Hedge Fund Trader*** and the ***Mad Hedge Technology Letter*** picked up 100 new subscribers in the Land Down Under in five days.

Maybe it was something I said?

My kids' only requirements were to feed real kangaroos and koala bears, which we duly accomplished on a freezing cold morning outside Melbourne. We also managed to squeeze in a tour of the incredible Sydney Opera House in between lectures, dashing here and there in Uber cabs.

I hosted five ***Mad Hedge Global Strategy Luncheons*** for existing customers in five days. The highlight was in Perth, where eight professional traders and I enjoyed a raucous, drunken meal. They had all done well off my advice, so

I was popular to say the least. Someone picked up the tab without me even noticing.





After that it was a brief ten-hour flight to Manila in the Philippines, with a brief changeover in Hong Kong, where massive protest demonstrations were underway. Ever the history buff, I booked myself into General Douglas MacArthur's suite at the historic Manila Hotel. The last time I was here I interviewed President Ferdinand Marcos and his lovely wife Imelda. After a lunch with my enthusiastic Philippine staff and I was on my way to the airport.



I took Malaysian Airlines to New Delhi, India, which has lost two planes over the last five years and where the crew was definitely on edge. I asked why a second plane was lost somewhere over the South Indian Ocean and the universal response was that the pilot had gone insane. Security was so tight that they confiscated a bottle of Jamieson Irish Whiskey that I had just bought in duty free.

India turned out to be a dystopian nightmare. If climate change continues this is your preview. With temperatures up to 120 degrees in 100% humidity people here dying of heat stroke by the hundreds. Elephants had to be hosed down to keep them alive. It was so hot you couldn't stray from the air conditioning for more than an hour. The national radio warned us to stay indoors.

In Old Delhi the kids were besieged by child beggars pawing them for food and there were mountains of trash everywhere. In the Taj Mahal my older daughter passed out and we had to dump our remaining drinking water on her to cool her down and bring her back to life. We spent the rest of the day sightseeing indoors at the most heavily air-conditioned shops. The hand-woven Persian carpet should arrive any day now.

If global temperatures rise by just a few more degrees you're going to lose a billion people in India very soon.



On the way to Abu Dhabi we flew directly over the tanker war at the Straits of Hormuz, one of my old flight paths during my Morgan Stanley days. It was too dusty to see any action there. We got a much better view of Sinai and the Red Sea, which, I told the kids, Moses parted 5,000 years ago (they've seen Charlton Heston in ***The Ten Commandments*** many times)



The Red Sea

Upon landing at Cairo, Egypt's ever vigilant military intelligence service immediately picked me up. Apparently, I was still in their system dating back to my coverage of Henry Kissinger's shuttle diplomacy for ***The Economist*** in 1976. That was all a long time ago. Having two kids with me meant I was not there to cause trouble, so they were very friendly. They even gave us a free ride to the downtown Nile Hilton.

After India, Cairo and the Sahara Desert were downright pleasant, a dry and comfortable 100 degrees. We did the standard circuit, the pyramids and the Sphinx followed by a camel ride into the desert.



If you are the least bit claustrophobic don't even think about crawling into the center of the Great Pyramid on your hands and knees as we did. I was sore for two days. We spent the evening on a Nile dinner cruise, looking for alligators, entertained by an unusually talented belly dancer.

The next stage involved a one-day race to Greece, where we circled the Acropolis in all its glory, and then argued with a Greek taxi driver on how to get back to the airport. We ended up taking an efficient airport train, a remnant of the 2000 Athens Olympics. If impoverished and bankrupt Athens has such a great airport train, why doesn't New York or San Francisco?

It was a quick hop across the Adriatic to Venice, Italy, where we caught an always exciting speed boat from the Marco Polo to our Airbnb near St. Mark's Square. We ran through the ancient cathedral and the Palace of the Doges, admiring the massive canvases, the medieval weaponry, and of course, the dungeon.

One of the high points of the trip was a performance of Vivaldi's ***Four Seasons*** in the very church it was composed for. A ferocious thunderstorm hit, flooding the plaza outside and causing the lead violinist's string to break, halting the concert (rapid humidity change I guess).

When we got home with soggy feet, the Carabinieri had cordoned off our block with police tape because a big chunk of our 400-year-old roof had fallen into the street. It taxed my Italian to the max to get into our apartment that night. The Airbnb host asked me not to mention this in my review (I didn't).



The next day brought a circuitous trip to Budapest via Brussels. Budapest was a charm, a former capital of the Austria Hungarian Empire and the

architecture to prove it. The last time I was here 55 years ago the Russian Army was running the place and it was grim, oppressive, and dirty.

Today, it is a thriving hot spot for Europe's young, with bars and night clubs everywhere. Dinners dropped from \$150 in Venice to \$30. We topped the night with a Danube dinner cruise with a folk dancing troupe. I'm told you can live there like a king for \$1,000 a month.



Visiting the Golden Age in Budapest

The next morning we drew closer to our final destination of Switzerland. A four-hour train ride brought us to my summer chalet in Zermatt and some much-needed rest. At the end of a long valley and lacking any cars, Zermatt is one of those places where you can just give the kids 50 Swiss francs and tell them to get lost. I spent mornings hiking up from the valley floor and

afternoons getting caught up on the markets and my writing.

There's nothing like recharging my batteries in the clean mountain air of the Alps. The forecast was rain every day for two weeks, but it never showed. As a result, I ended up hiking ten miles a day to the point where my legs were made of lead by the end.

The only downer was watching helicopters pick up the bodies of two climbers who fell near the top of the Matterhorn. As temperatures rise rapidly the ice holding the mountain together is melting, leading to a rising tide of fatal accidents.



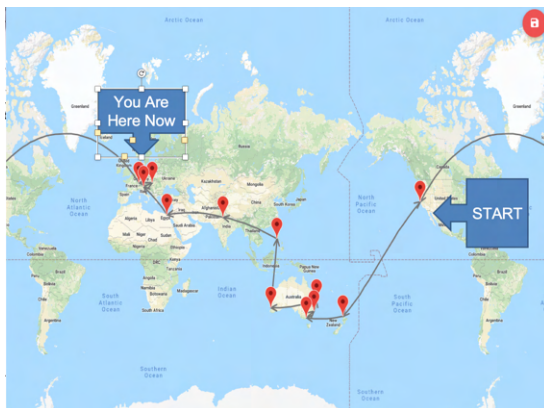
I caught my last flight home from Milan. Anything for one more great dinner in Italy, which I enjoyed in the Galleria. At the train station I chatted with a troop of Italian Boy Scouts in blue uniforms headed for the Italian Alps. The city was packed with Chinese tour groups, and there was a one month wait to buy tickets for Leonardo DaVinci's ***The Last Supper***. Another Airbnb made sure I stayed up all night listening to the city's yellow trolley's trundle by.



Finally, an 11-hour flight brought me back to the City by the Bay. Thanks to two sleeping pills of indeterminate origin I went to sleep over England and woke up over Oregon, preparing for a landing. It seems that somewhere along the way I proposed marriage to the Arab woman sitting next to me, but I have no memory of that whatsoever. At least that's what the head flight attendant thought.

I am now planning this summer's trip. After the Queen Mary and the Orient Express should I climb the Matterhorn again? Or should I summit Mount Kilimanjaro in Africa first? No transatlantic trip should ever be wasted. And I have to get home in time to join a 50-mile hike with the Boy Scouts in New Mexico and then cart two kids off to college.

What a great problem to have.



CHAPTER 83: 2020 Meeting the D-Day Couple

I was having lunch at the Paris France casino in Las Vegas at ***Mon Ami Gabi***, one of the top ten grossing restaurants in the United States. My usual waiter, Pierre from Bordeaux, took care of me with his typical ebullient way, graciously letting me practice my rusty French.

As I finished an excellent, but calorie packed breakfast (eggs Benedict, caramelized bacon, hash browns, and a café au lait), I noticed an elderly couple sitting at the table next to me. Easily in their 80s, they were dressed to the nines and out on the town.

I told them I wanted to be like them when I grew up.

Then I asked when they first went to Paris, expecting a date sometime after WWII. The gentleman responded, “Seven years ago”.

And what brought them to France?

“My father is buried there. He’s at the American Military Cemetery at Colleville-sur-Mer along with 9,386 other Americans. He died on Omaha Beach on D-Day. I went for the D-Day 70th anniversary.” He also mentioned that he never met his dad, as he was killed in action weeks after he was born.

I reeled with the possibilities. First, I mentioned that I participated in the 40-year D-Day anniversary with my uncle, Medal of Honor winner Mitchell Paige, and met with President Ronald Reagan.

We joined the RAF fly-past in my own private plane and flew low over the invasion beaches at 200 feet, spotting the remaining bunkers and the rusted out remains of the once floating pier. Pont du Hoc is a sight to behold from above, pockmarked with shell craters like the moon. When we landed at a nearby airport, I taxied over railroad tracks that were the launch site for the German V1 “buzzbomb” rockets.

D-Day was a close-run thing and was nearly lost. Only the determination of

individual American soldiers saved the day. The US Navy helped too, bringing destroyers right to the shoreline to pummel the German defenses with their five-inch guns. Eventually battleships working in concert with very lightweight Stinson L5 spotter planes made sure that anything the Germans brought to within 20 miles of the coast was destroyed.

Then the gentleman noticed the gold Marine Corps pin on my lapel and volunteered that he had been with the Third Marine Division in Vietnam. I replied that my father had been with the Third Marine Division during WWII at Bougainville and Guadalcanal, and that I had been with the Third Marine Air Wing during Desert storm.

I also informed him that I had led an expedition to Guadalcanal two years ago looking for some of the 400 Marines still missing in action. We found 30 dog tags and sent them to the Marine Historical Division at Quantico, Virginia for tracing. I proudly showed them my pictures.

When the stories came back it turned out that many survivors were children now in their 80's who had never met their fathers because they were killed in action on Guadalcanal.

Small world.

I didn't want to infringe any further on their fine morning out, so I excused myself. He said ***Semper Fi***, the Marine Corps motto, thanked me for my service, and gave me a fist pump and a smile. I responded in kind and made my way home.

Oh and say "Hi" when you visit ***Mon Ami Gabi***. Tell Pierre that John Thomas sent you and give him a big tip. It's not easy for a Frenchman to cater to all these loud Americans.



Third Marine Air Wing



The D-Day Couple



The American Military Cemetery at Colleville-sur-Mer

CHAPTER 84: 2020 Respecting Guadalcanal

when I drove up to visit my pharmacist in Incline Village, Nevada, I warned him in advance that I had a question he never heard before: How good is 80-year-old morphine?

He stood back and eyed me suspiciously. Then I explained in detail.

Two years ago, I led an expedition to the South Pacific Solomon Island of Guadalcanal for the US Marine Corps Historical Division (click here for the link at <https://www.usmcu.edu/Research/History-Division/>). My mission was to recover physical remains and dog tags from the missing in action from the epic 1942 battle.

Between 1942 and 1944, nearly four hundred Marines vanished in the jungles, seas, and skies of Guadalcanal. They were the victims of enemy ambushes and friendly fire, hard fighting, malaria, dysentery, and poor planning.

They were buried in field graves, in cemeteries as unknowns, or not at all left out in the open where they fell. They were classified as “missing,” as “not recovered,” as “presumed dead.”

I managed to accomplish this hiring an army of kids who knew where the most productive battlefields were, offering a reward of \$10 a dog tag, a kings ransom in one of the poorest countries in the world. I recovered about a 30 rusted, barely legible oval steel tags.

They also brought me unexploded Japanese hand grenades (please don't drop), live mortar shells, lots of US 50 caliber and Japanese 7.7 mm Arisaka ammo, and the odd human jawbone, nationality undetermined.

I also chased down a lot of rumors.

There was said to be a fully intact Japanese zero fighter in flying condition hidden in a container at the port for sale to the highest bidder. No luck there.

There was also a just discovered intact B-17 Flying Fortress bomber that crash landed on a mountain peak with a crew of 11. But that required a four-hour mosquito infested jungle climb and I figured it wasn't worth the malaria.

Then, one kid said he knows the location of a Japanese hospital. He led me down a steep, crumbling coral ravine, up a canyon and into a dark cave. And there it was, a Japanese field hospital untouched since the day it was abandoned in 1943.

The skeletons of Japanese soldiers in decayed but full uniform lay in cots where they died. There was a pile of skeletons in the back of the cave. Rusted bottles of Japanese drugs were strewn about, and yellowed glass sachets of morphine were scattered everywhere. I slowly backed out, fearing a cave in.

It was creepy.

I sent my finds to the Marine Corps at Quantico, Virginia, who traced and returned them to the families. Often the survivors were the children, or even grandchildren of the MIA's. What came back were stories of pain and loss that had finally reached closure after eight decades.

Wandering about the island I often ran into Japanese groups with the same goals as mine. My Japanese is still fluent enough to carry on a decent friendly conversation with the grandchildren of their veterans. I turned out I knew far more about their loved ones than they. After all, it was our side that wrote the history. They were very grateful.

How many MIAs were they looking for? 30,000! Every year they found hundreds of skeletons, cremated in a ceremony, one of which I was invited to. The ashes were returned to giant bronze urns at Yasakuni Jinja in Tokyo, the final resting place of hundreds of thousands of their own.

My pharmacist friend thought the morphine I discovered had lost half of its potency. Would he take it himself? No way!

As for me, I was a lucky one. My dad made it back from Guadalcanal, although the malaria and post traumatic stress bothered him for years. And you never wanted to get in a fight with him....ever.

I can work here and make money in the stock market all day long. But my efforts on Guadalcanal was infinitely more rewarding. I'll be going back as soon as the pandemic ends, now that I know where to look.



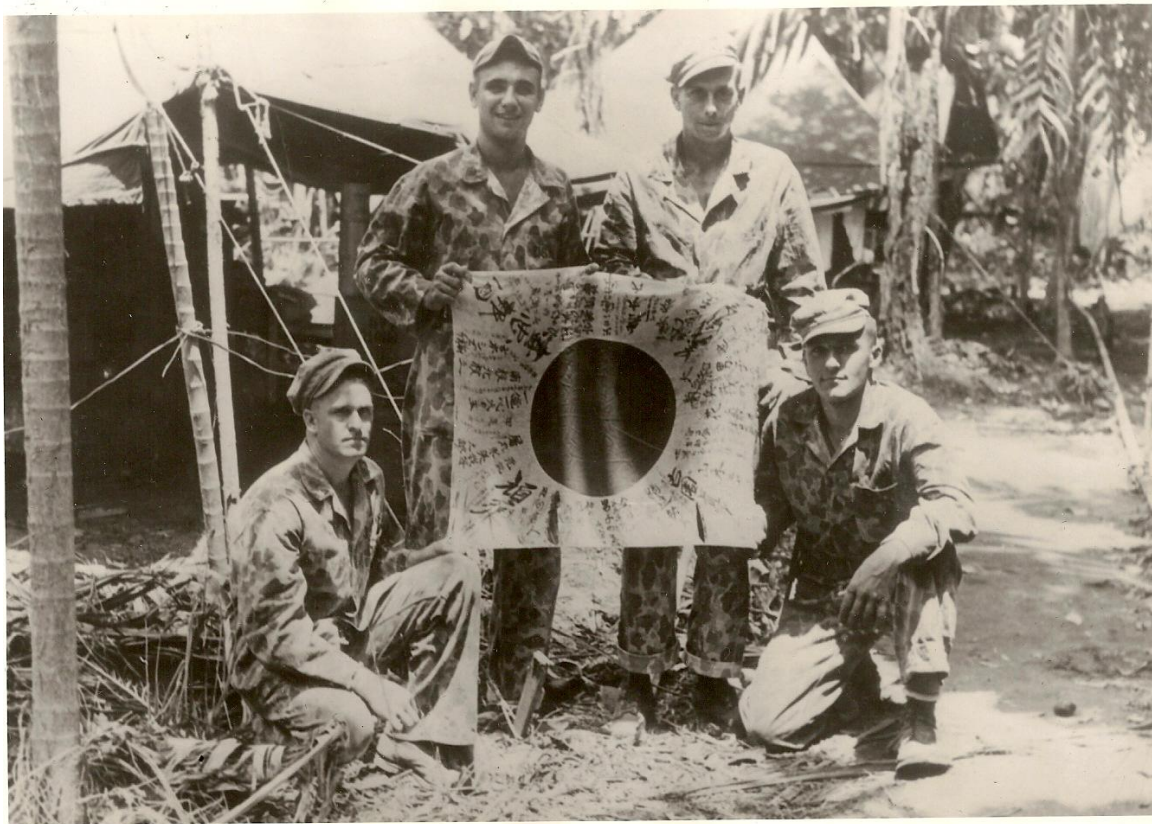
True MIA's, the Ultimate Sacrifice



My Collection of Dog Tags and Morphine



My Army of Scavengers



Dad on Guadalcanal (lower right)

CHAPTER 85: 2021 Flying the 1929 Travelaire D4D Biplane

When you make millions of dollars for your clients, you get a lot of pretty interesting invitations. \$5,000 cases of wine, lunches on superyachts, free tickets to the Olympics, and dates with movie stars (Hi, Cybil!).

So it was in that spirit that I made my way down to the beachside community of Oxnard, California just north of famed Malibu to meet long term ***Mad Hedge*** follower, Richard Zeiler.

Richard is a man after my own heart, plowing his investment profits into vintage aircraft, specifically a 1929 Travel Air D-4-D.

At the height of the Roaring Twenties (which by the way we are now repeating), flappers danced the night away doing the Charleston and the bathtub gin flowed like water. Anything was possible, and the stock market soared.

In 1925, Clyde Cessna, Lloyd Stearman, and Walter Beech got together and founded the **Travel Air Manufacturing Company** in Wichita, Kansas. Their first order was to build ten biplanes to carry the US mail for \$125,000.

The plane proved hugely successful, and Travel Air eventually manufactured 1,800 planes, making it the first large scale general aviation plane built in the US. Then, in 1929, the stock market crashed, the Great Depression ensued, aircraft orders collapsed, and Travel Air disappeared in the waves of mergers and bankruptcies that followed.

A decade later, WWII broke out and Wichita produced the tens of thousands of the small planes used to train the pilots who won the war. They flew B-17 and B-25 bombers and P51 Mustangs, all of which I've flown myself. The name Travel Air was consigned to the history books.

Enter my friend Richard Zeiler. Richard started flying support missions during the Vietnam War and retired 20 years later as an Army Lieutenant Colonel. A successful investor, he was able to pursue his first love, restoring vintage aircraft.

Starting with a broken down 1929 Travel Air D4D wreck, he spent years begging, borrowing, and trading parts he found on the Internet and at air shows. Eventually, he bought 20 Travel Air airframes just to make one whole airplane, including the one used in the 1930 Academy Award winning WWI movie ***"Hells Angels."***

By 2018, he returned it to pristine flying condition. The modernized plane has a 300 hp engine, carries 62 gallons of fuel, and can fly 550 miles in five hours, which is far longer than my own bladder range.

Richard then spent years attending air shows, producing movies, and even scattering the ashes of loved ones over the Pacific Ocean. He also made the 50-hour round trip to the annual air show in Oshkosh, Wisconsin. I have volunteered to copilot on a future trip.

Richard now claims over 5,000 hours flying tailwheel aircraft, probably more than anyone else in the world. Believe it or not, I am also one of the few living tailwheel qualified pilots in the country left. Yes, antiques are flying antiques!

As for me, my flying career also goes back to the Vietnam era as well. As a war correspondent in Laos and Cambodia I used to hold Swiss made Pilatus Porter airplanes straight and level while my **Air America** pilot friend was looking for drop zones on the map, dodging bullets all the way.

I later obtained a proper British commercial pilot license over the bucolic English countryside, trained by a retired **Battle of Britain Spitfire pilot**. His favorite trick was to turn off the fuel and tell me that a German Messerschmidt had just shot out my engine and that I had to land immediately. He only turned the gas back on at 200 feet when my approach looked good. We did this more than 200 times.

By the time I moved back to the states and converted to a US commercial license the FAA examiner was amazed at how well I could do emergency landings. Later, I added on additional licenses for instrument flying, night flying, and aerobatics.

Thanks to the largesse of Morgan Stanley during the 1980's, I had my own private twin engine Cessna 421 in Europe for ten years at their expense where I clocked another 2,000 hours of flying time. That job had me landing on private golf courses so I could sell stocks to the Arab Prince owners. By 1990, I knew every landing strip in Europe and the Persian Gulf like the back of my hand.

So, when the first Gulf War broke out the following year, the US Marine Corps came calling at my London home. They asked if I wanted to serve my country and I answered, "Hell, yes!" So, they drafted me as a combat pilot to fly support missions in Saudi Arabia.

I only got shot down once and escaped with a crushed L5 disk. It turns out that I crash better than anyone else I know. That's important because they don't let you practice crashing in flight school. It's too expensive.

My last few flying years have been more sedentary, flying as a volunteer spotter pilot in a Cessna-172 for **Cal Fire** during the state's runaway wildfires. As long as you stay upwind there's no smoke. The problem is that these days, there is almost nowhere in California that isn't smokey. By the way, there are 2,000 other pilots on the volunteer list.

Eventually, I flew over 50 prewar and vintage aircraft, everything from a 1932 De Havilland Tiger Moth to a Russian MiG 29 fighter.

It was clear, balmy day when I was escorted to the Travel Air's hanger at Oxnard Airport. I carefully prechecked the aircraft and rotated the prop to circulate oil through the engine before firing it up. That reduced the wear and tear on the moving parts.

As they teach you in flight school, better to be on the ground wishing you could fly than being in the air wishing you were on the ground!

I donned my leather flying helmet, plugged in my headphones, received a clearance from the tower, and was good to go. I put on max power and was airborne in less than 100 yards. How do you tell if a pilot is happy? He has engine oil all over his teeth. After all, these are open cockpit planes.

I made for the Malibu coast and thought it would be fun to buzz the local surfers at wave top level. I got a lot of cheers in return from my fellow thrill seekers.

After a half hour of low flying over elegant sailboats and looking for whales, I flew over the cornfields and flower farms of remote Ventura County and returned to Oxnard. I haven't flown in a biplane in a while and that second wings really put up some drag. So, I had to give a burst of power on short finals to make the numbers. A taxi back to the hanger and my work there was done.

There are old pilots and there are bold pilots, but there are no old, bold pilots. I can attest to that.

Richard's goal is to establish a new Southern California aviation museum at Oxnard airport. He created a non-profit 501 (3)(c), the **Travel Air Aircraft Company, Inc.** to achieve that goal, which has a very responsible and well-known board of directors. He has already assembled three other 1929 and 1930 Travel Air biplanes as part of the display.

The museum's goal is to provide education, job training, restoration, maintenance, sightseeing rides, film production, and special events. All donations are tax deductible. To make a donation please email the president of the museum, my friend Richard Conrad at rconrad6110@gmail.com

Who knows, you might event get a ride in a nearly 100-year-old aircraft as part of a donation?

To watch the video of my joyride please click here at <https://www.madhedgefundtrader.com/fly-with-jt/>





Where I Go My Kids Go



CHAPTER 86: 2021 Riding my Lime Scooter

My electric scooter bill with **Lime** (click here for the site at <https://www.li.me/en-us/home>) has gone through the roof. They neatly fill the gap between walking and Uber in major tourist areas like Long Beach.

It's a lot of fun, provided you don't kill yourself on your first ride. The scooters go fast, some 20 miles an hour. Each one has a 13-mile range. When you're done, you just drop it, take its picture, and then Lime picks it up and recharges it overnight.

I think I broke all seven of their mandatory rules (no driving on sidewalks, driving without a helmet, drinking while driving....). Hey, the great thing about being my age is that there are no long term consequences to *anything*.



Check Out My New Wheels

CHAPTER 87: 2022 Coming Back from Covid

Since I hike ten miles with a 50-pound pack every evening, it is not unusual for me to wake up feeling like I was run over by a truck.

But one morning was different. I had no energy. So, I took a Covid test. It was negative. The next morning, I was still weak, so I took the test again. Still negative.

It was only on the third morning that I produced a positive test. I had Covid-19.

I don't know how the heck I got this disease as I had been so careful for the past 2 ½ years with my background in virology. No UCLA degree helped here. That's why they call this variant the "stealth omicron BA.2".

The scary thing was that I tested negative for three days while I was potentially spreading the virus.

Thank goodness for the two vaccinations and two booster shots I received. They saved my life. They headed off a long hospital stay, a long covid disability, or even death. Thank you, Pfizer!

So I quarantined myself, donned a mask whenever I left my bedroom, and shoved cash under the door whenever the kids needed to eat.

I became a couch potato of the first order, binge watching ***Killing Eve***, ***Yellowstone***, and every ***Star Trek*** ever made (there are hundreds).

Fortunately, I did not lose my sense of taste or smell, as do many others. But when you sleep 18 hours a day, you don't eat. In two weeks, I lost 15 pounds. I guess every virus has a silver lining. But every day, I felt better and better.

Of course, I had to keep working. I sent out a dozen trade alerts while I had covid, and the newsletters and ***Hot Tips*** kept pouring out every day.

One day, I had to give two webinars and I almost passed out during the second one. I had to excuse myself for a minute and place my head between my knees to keep from blacking out.

No rest for the wicked!

I'm completely over it now. I had to cut more loops in my belts because my pants kept falling off. I can get into clothes which haven't fit for 40 years. Fortunately, men's fashion never goes out of style.

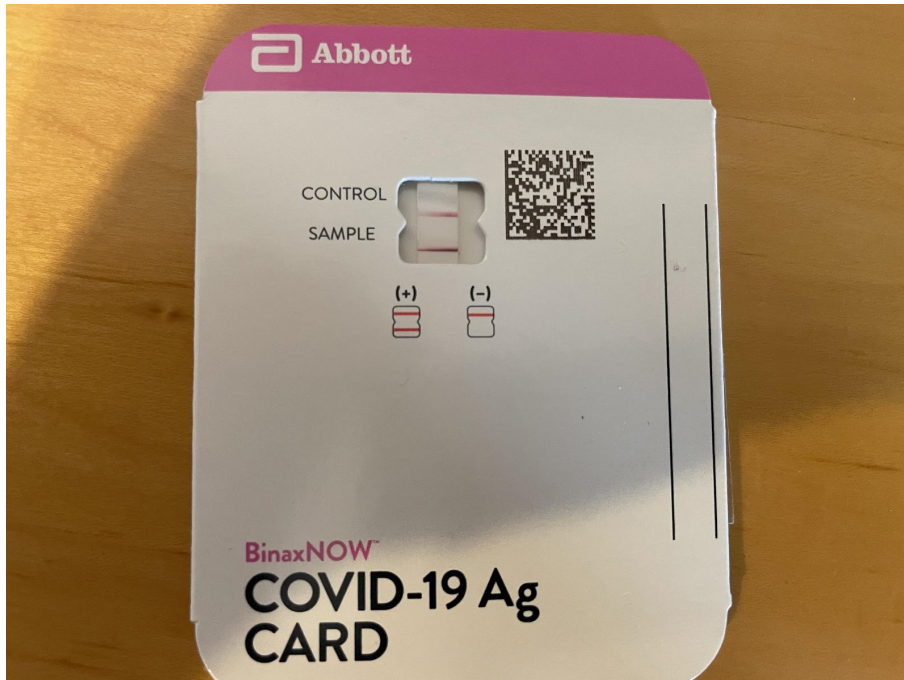
And here's the really great news. I am totally immune to all covid variants for a year. The disease acts as a fifth super booster.

Looks like it's time to top up that bucket list again. If nothing else, Covid reminded me of the shortness of life and the transitory nature of opportunity. The response of a lot of covid survivors has been to trash the budget, throw caution to the wind, and go do those things you always wanted to do.

Why should I be any different? There is no tomorrow, next week, or next year, only now.

I'll be hitting the road.

See you at Harry's Bar in Venice!



Oops, I Got Covid



A Negative Test at Last

CHAPTER 88: 2022 Flying the RAF Spitfire

It has been a lifetime desire of mine to fly a Supermarine Spitfire, the Royal Air Force fighter that won the 1940 Battle of Britain.

When I lived in London 40 years ago, there were only 15 flying examples in the world owned by the RAF and a handful of British billionaires who only flew them themselves. They were just too valuable to lend out.

By comparison, there were over 200 American P51 Mustangs, which you could buy from the government for scrap for \$500 after the war ended.

Now in 2022, there are 75 flying Spitfires. A global network of warbird enthusiasts has rescued them from bogs, jungles, and scrapyards around the world and restored them to flying condition. It helped that the market value of these planes has shot up from \$1 million to \$5 million since 1982.

So when a ***Mad Hedge Concierge*** member Peter offered me his Spitfire for a day I couldn't wait to return to England.

There are very few people in the world who can fly prewar tailwheel configured airplanes. I have flown over a dozen different types. They are prone to ground loops, nose overs, scraping wing tips, and crashes. The airframes are usually made of Norwegian spruce and Irish linen and the wings can fall off at any time.

No wonder the fatality rate was so high in the old days. It helped that I went armed with my old British Aerobatics license along with a phalanx of American civilian and military licenses.

It was a cool and blustery afternoon when I showed up at Biggin Hill south of London, one of the top RAF fighter stations during WWII, and told Peter "Major John Thomas reporting for duty, sir." He laughed and set about giving me my preflight briefing. Flying 80-year-old airplanes can be deadly. 70-year-old pilots are even more dangerous.

I was cautioned to move the stick gently as the controls are famously

sensitive, thanks to the plane's unique elliptical wing tips. No rudder was needed at all.

If the engine failed, I had the choice of parachuting out or risking a hard landing. I chose the latter, as Southern England is basically one big grass landing strip. Plus, I've had plenty of practice with this kind of maneuver.

For good measure I brought along a safety pilot. They've moved the London control zone around a bit over the years, and I wanted to make sure you keep receiving ***Mad Hedge*** newsletter for the indefinite future. We took off, banked right, and headed for the English Channel.

While the plaque on the control panel read "**DO NOT FLY OVER 350 MPH**", I dared not go faster than 250 MPH given the age considerations of both the plane and the pilot. Another plaque reading "**EMERGENCY BOOST PUMP**" was wired shut. The Merlin V-12 1,250 horsepower engine purred. Later versions of the plane with the 2,000 horsepower Griffin engine flew over 450 MPH.

The Spitfire could outmaneuver any plane the German Luftwaffe threw up against it. When Hitler asked my late acquaintance Luftwaffe General Adolph Galland what he needed to win the Battle of Britain he replied, "A squadron of Spitfires." German losses in the battle topped 2,000 planes versus 900 for the British.

But German crew losses were ten times that of the British. That meant an RAF pilot could get shot down and be in another plane in hours. That is what decided the Battle of Britain. The pilots were worth more than the planes. In the end, the British shot down two thirds of the German Air Force, a loss from which they never recovered.

We found a clear piece of sky over the White Cliffs of Dover between two big fluffy cumulus clouds and commenced a full-on aerobatic flight test. Pilots always want to see what I can do in these old planes and this time was no different.

I executed multiple loops, barrel rolls, chandelles, lazy eights, Immelmann

turns, and wing overs, careful never to exceed 1G lest, yes, the wings fall off. Spitfires can dive like crazy. We dropped from 8,000 feet to 2,000 feet in seconds.

While I was limited to one inch moves of the stick, wartimes diaries speak of full right, full left, and steep dives to escape marauding Messerschmitt 109's and Focke Wulf 190's where pilots suffered 10G's of force or more. The punishment those kids took was amazing.

The plane carried only two hours of fuel so after I passed my test with flying colors it was back to Biggin Hill. Spitfires lacked IFR instruments because in 1938 they hadn't been invented yet, so we were careful to avoid clouds. I made a perfect three-point landing on runway 27, as usual, and taxied up to the hanger where Peter greeted me.

Back at the hanger it took two men to haul me out of the plane, stinking, drenched with sweat, and elated. I felt like I had just done 15 rounds with Mike Tyson, but it was worth it.

Then it was off to the nearest pub for a well-earned pint of Guinness, as has long been the tradition of the RAF. The walls were adorned with the pictures of wartime Spitfire pilots who never made it back, some looking no older than teenagers, which they were.

That's another bucket list item off the list. The time to get them all is running out, and I keep adding new ones, so I better get a move on.

I'll be back next summer, for sure, because the commanding general of the RAF has invited me back to fly their sole surviving WWII Avro Lancaster four engine bomber. It's part of the Battle of Britain Memorial Flight, the fruit of contacts made during my NATO military duties. It is a national treasure.

It seems they're short of pilots.

To watch a two minute video of my epic flight please click here at <https://www.madhedgefundtrader.com/mhft-spitfire-july-2022/>



A 1943 Supermarine Spitfire Mark IX



Flying Upside Down Over the White Cliffs of Dover



Mission Accomplished



Back at the Pub for a Pint



Avro Lancaster Bomber

CHAPTER 89: 2022 Report from NATO Headquarters

Becoming a major in the US Marine Corps takes some getting used to.

After being a captain for 30 years I keep wondering why all these people are saluting me and addressing me as “Sir”. My pat response is “I haven’t got my knighthood yet but give it time.”

With my military service for the year done, I can tell you what I learned at NATO Headquarters in Brussels, Belgium was amazing, at least the declassified part. Better yet, the consequences for your retirement portfolio are enormous.

I am a pretty popular guy myself in Brussels these days. On the first day of the Russian invasion when the outlook for Ukraine looked utterly hopeless, I pounded the table with the Joint Chiefs that Ukraine could win this thing if the US moved fast and big to support them.

I have long argued that the Russian Army was a paper tiger, that 95% of their nuclear weapons didn’t work, that it was untrained and ill disciplined, and vastly overrated. This I learned while spending a week at a Russian air base in the 1990s flying MiG-29’s.

Much to my amazement, they took my advice, and the rest of the world followed suit. The defeatists, Cassandras, and the doon-sayers were all dismissed and ignored.

The world political dynamic turned upside down in weeks.

Suddenly, the United States has gone from begrudging ally to best friend. And it’s not just in Europe. It turns out that **ALL** countries want allies that fulfill promises, have teeth to their commitments, and will step in at the worst of times with \$50 billion worth of military aid.

The world is no longer the same.

Ukraine is winning a victory for the ages, although the media has lagged

badly in reporting the facts on the ground, focusing instead on the humanitarian story. Over the last three weeks, Ukraine has destroyed every Russian ammunition depot in the Donbas.

Satellite photos confirm that 20 of these enormous facilities that were there yesterday are gone today. Casualties have been enormous, and it could take a year for the Russians to restore the lost munitions.

This is because the US gave Ukraine just eight **HIMARS** rocket launchers with super smart missiles (High Mobility Artillery Rocket Systems) which have the ability to hit a target 50 miles away with an accuracy of one meter.

They never miss.

Another four launchers are on the way. More advanced munitions have a 500-mile distance, which puts all of Crimea in range.

Having destroyed all Russian ammunition sources, Ukraine is now focusing on command and control. This week, the entire leadership of the Russian 10th armored division was wiped out by a single missile.

Oops, there goes another general.

Next on the menu is every Russian refinery within 100 miles of the Ukrainian border. Just as you can't fire artillery without ammo, you can't drive tanks without diesel fuel.

And by the way, the T-72 main Russian battle tank suffers from a disastrous design flaw that allows them to blow up and kill their crews with a single hit from an America Javelin missile. They have lost 1,300 out of a total of 2,800 so far.

The onslaught sets up a Ukrainian counter offensive in weeks which could take back all of the territory lost this year. The longer-range missiles now makes Ukraine's recovery of Crimea a possibility, lost in 2014.

Ukrainians are nothing if not opportunistic.

Usually when you give an ally a weapon it goes into storage for 30 years and the batteries die. Give a weapon to Ukraine and they use it the next day! If the batteries are dead because of what we gave them was in storage for 30 years, the jury rig it with a motorcycle battery until it works.

The French gave Harpoon anti-ship missiles to Ukraine, and they used them to sink a Russian ship in the Black Sea the next day.

Give the weapons to those who will use them.

That has been my argument with the Joint Chiefs all along. We might as well give them **ALL** 17,000 of our Javelin anti-tank missiles, as Germany already has since nobody is launching a tank invasion of the continental US anytime soon. We are already refilling our stocks with new production in Florida and Arizona.

Every modern weapons system in the world is now being donated to Ukraine and the Ukrainians are pulling the triggers. While Ukraine is gaining more advanced weapons systems by the day, the Russians are expanding what few they have.

The consequence of all of this for you is that Ukraine will eventually win its war with Russia, the price of oil and other commodities will collapse, the Russian economy will implode, and the stock market will be off to the races once again. If you have been reading my letter you already know which stocks to buy.

The other amazing thing about all of this is that the US military has outsourced its strategy to the metaverse. It has algorithms endlessly searching the Internet for solutions to its challenges and occasionally they come up with someone like me.

We here at **Mad Hedge Fund Trader** generate immense amounts of searchable research and not all of it directly applies to a trade alert. We win wars too! That's how you get 70-year-old majors flying C5A's halfway around the world to meet with top military leadership.

I just thought you'd like to know.



Meet HIMARS



Former Russian Ammunition Depot

CHAPTER 90: 2023 23 & Me and My Neanderthal Origins

As you may imagine, the most interesting man in the world is impossible to shop for when it comes to Christmas and birthdays.

So, it was no surprise when I opened a box and found a DNA testing kit from **23 and Me**. So, I spat into a small test tube to humor the kids, mailed it off, and forgot about it.

I have long been a keeper of the Thomas family history and legends, so it would be interesting to learn which were true and which were myths.

A month later, what I discovered was amazing.

For a start, I am related to Louis the 16th, the last Bourbon king of France, who was beheaded after the 1789 revolution.

I am a direct descendant from Otzi the Iceman, who is 5,000 years old and was recently discovered frozen in an Alpine glacier. He currently resides in mummified form in an Italian museum. So my love of the mountains and hiking is in my genes.

Oh, one more thing. The reason I don't have any hair on my back is that I carry 346 gene fragments that I inherited directly from a Neanderthal. Yes, I am part cave man, although past girlfriends suspected as much.

There were other conclusions.

I have a higher than average probability of getting prostate cancer, advanced macular degeneration (my mother had it), celiac disease, and melanoma. I immediately booked a physical with my doctor.

The service also offered to introduce me to 1,107 close relatives around the world who I didn't know, mostly in New York, California, and Florida.

The French connection I already knew about. During the 16th century my ancestors rebelled against the French kings over the non payment of taxes

and were exiled to Louisiana.

Fleeing a malaria epidemic, they moved up the Mississippi River to St. Louis and stayed there for 200 years. When gold was discovered in California in 1849, they joined a wagon train headed west. It only got as far as Kansas where it was massacred by Cherokee Indians.

I am half Italian and have birth certificates going back to 1800 to prove it. But **23 and Me** says that I am only 40.7% Italian (see table below). It turns out that your genes show not only where you came from, but also who invaded your home country since the beginning of time.

In Italy's case that would include the ancient Greeks, Vikings, Arabs, the Normans, French, Germans, and the Spanish, thus making up my other 9.3%. Your genes also reflect the slaves your ancestors owned, for obvious reasons, as well as many of the servants who may have worked for them.

It gets better.

All modern humans are descended from a single primordial "Eve" who lived in Eastern Africa 180,000 years ago. Of the thousands of *homo sapiens* who probably lived at that time, the genes of no other human made it into the modern age. We are also all descended from a single "Adam" who lived 275,000 years ago. Obviously, the two never met, debunking some modern conventions.

Around 53,000 years ago, my intrepid ancestors crossed the Red Sea to a lush jungle in the Sinai Peninsula probably pursuing abundant game. 11,000 years ago they moved onto the vast grasslands of the Central Asian Steppes. As the last Ice Age retreated, they moved into the warmer climes of South Europe. We have been there ever since.

23 and Me was founded in 2006 by Anne Wojcicki, wife of Google founder Sergei Brin. It is owned today by her and a few other partners. Its name is based on the fact that humans entire DNA code is found on 23 pairs of chromosomes.

23 and Me and other competitors like Ancestry.com, MyHeritage, and LivingDNA have sparked a DNA boom that has led to once unimagined economic and social consequences. DNA promises to be for the 21st century what electricity was to the 20th century. The investment consequences are amazing.

Talk about unintended consequences with a turbocharger.

A common ancestor going back to the early 1800's enabled Sacramento police to capture the Golden State killer. Unsolved for 40 years, it took a week for them to find him after a DNA sample was sent to a DNA database.

Thirty and 40 year old cold cases are now being solved on a weekly basis. Long ago kidnapped children are being reunited with parents after decades of separation.

California just froze all executions. That's because DNA evidence showed that approximately 30% of all capital case convictions were of innocent men. That was enough for me to change my own view on the death penalty. The error rate was just too high. Dozens of men around the country have been freed after new DNA evidence surfaced, some after serving 30 years or more in prison.

23 and Me had some medical advice for me as well. They strongly recommended that I get tested for diabetes and high blood pressure, as these maladies are rife among my ancestors. They even name the specific guilty gene and haploid group.

This explains why major technology companies, like Amazon (AMZN) and Apple (AAPL) are pouring billions of dollars into genetic research.

I have long had a personal connection with DNA research. I worked on the team that sequenced the first ever string of DNA at UCLA in 1974. It was groundbreaking work. We obtained our raw DNA from Dr. James Watson of Harvard, who along with Francis Crick, were the first to discover its three dimensional structure. As for my UCLA professor, Dr. Winston Salser, he went on to found Amgen (AMGN) in 1980 and became a billionaire.

The developments that are taking place today then seemed to us like science fiction that was hundreds of years into the future. To see the paper created by this work please click here.

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC427073/>

As research into DNA advances it is about to pervade every aspect of our lives. Do you have a high probability of getting a disease that costs a million dollars to cure and are counting on getting health insurance? Think again. That may well bring forward single payer national health care for the US, as only the government could absorb that kind of liability.

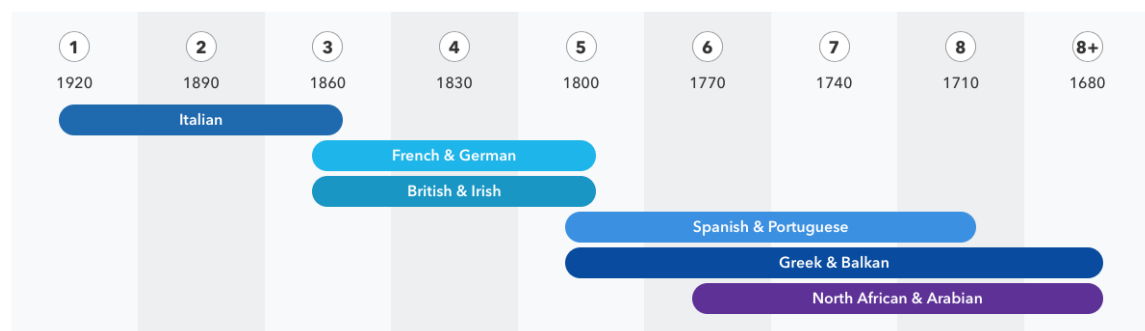
And if you can only hang on a few years, you might live forever. That's when DNA based monoclonal antibodies and gene editing are about to cure all major human diseases. DNA is about to become central to your physical health and your financial health as well.

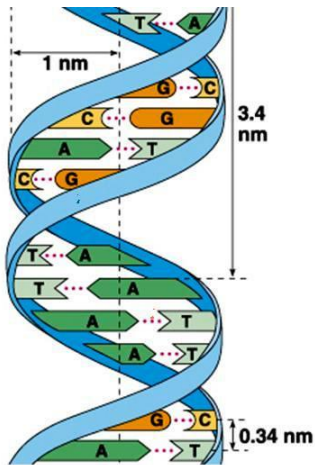
To learn more about **23 and Me** please visit their website at

<https://www.23andme.com/>

Maybe the next time I visit the Versaille Palace outside of Paris I should ask for a set of keys, now that I'm a relative? Unfortunately, it's much more likely that I'll get the keys to my Neanderthal ancestor's cave.

European 97.6%	
● Italian	40.7%
● French & German	13.7%
● British & Irish	13.4%
● Spanish & Portuguese	2.4%
● Greek & Balkan	0.6%
● Broadly Northwestern European	14.0%
● Broadly Southern European	9.5%
● Broadly European	3.3%
Western Asian & North African 1.6%	
● North African & Arabian	0.2%
● Broadly Western Asian & North African	1.4%
Sub-Saharan African 0.1%	
East Asian & Native American 0.1%	
● Broadly East Asian & Native American	0.1%
Unassigned 0.7%	





My Ancestor

CHAPTER 91: 2023 Following in Earnest Hemingway's Footsteps

I received calls from six readers last week saying I remind them of Ernest Hemingway. This, no doubt, was the result of Ken Burns' excellent documentary about the Nobel prize winning writer on PBS last week.

It is no accident.

My grandfather drove for the Italian Red Cross on the Alpine front during WWI, where Hemingway got his start, so we had a connection right there.

Since I read Hemingway's books in my mid-teens I decided I wanted to be him and became a war correspondent. In those days, you traveled by ship a lot, leaving ample time to finish off his complete works.

I visited his homes in Key West and Ketchum Idaho. His Cuban residence is high on my list, now that Castro is gone.

I used to stay in the Hemingway Suite at the Ritz Hotel on Place Vendome in Paris where he lived during WWII. I had drinks at the Hemingway Bar downstairs where war correspondent Ernest shot a German colonel in the face at point blank range. I still have the ashtrays.

Harry's Bar in Venice, a Hemingway favorite, was a regular stopping off point for me. I have those ashtrays too.

I even dated his granddaughter from his first wife, Hadley, the movie star Mariel Hemingway, before she got married, and when she was still being pursued by Robert de Niro and Woody Allen. Some genes skip generations and she was a dead ringer for her grandfather. She was the only Playboy centerfold I ever went out with. We still keep in touch.

So, I'll spend the weekend watching Farewell to Arms....again, after I finish my writing.

Oh, and if you visit the Ritz Hotel today, you'll find the ashtrays are now glued to the tables.

As for this summer, I'll be staying in the Hemingway suite at the Hotel Post in Cortina d'Ampezzo Italy where he stayed in the 1950's to finish a book. Maybe some inspiration will run off on me.



CHAPTER 92: 2023 History at Lake Tahoe

Having visited and lived in Lake Tahoe for most of my life, I thought I'd pass on a few stories from this historic and beautiful place.

The lake didn't get its name until 1949, when the Washoe Indian name was bastardized to come up with "Tahoe". Before that it was called the much less romantic Lake Bigler after the first governor of California.

A young Mark Twain walked here in 1863 from nearby Virginia City where he was writing for the ***Territorial Enterprise*** about the silver boom. He described boats as "floating in the air" as the water clarity at 100 feet made them appear to be levitating. Today, clarity is at 50 feet, but it should go back to 100 feet when cars go all electric.

One of the great engineering feats of the 19th century was the construction of the Transcontinental Railroad. Some 10,000 Chinese workers used black powder to blast a one-mile-long tunnel through solid granite. They tried nitroglycerine for a few months but so many died in accidents they went back to powder.

The Union Pacific moved the line a mile south in the 1950s to make a shorter route. The old tunnel is still there, and you can drive through it at any time if you know the secret entrance. The roof is still covered with soot from woodfired steam engines. At midpoint you find a shaft to the surface where workers were hung from their ankles with ropes to place charges so they could work on four faces at once.

By the late 19th century, every tree around the lake had been cut down for shoring at the silver mines. Look at photos from the time and the mountains are completely barren. That is except for the southwest corner, which was privately owned by Lucky Baldwin who won the land in a card game. The 300-year-old growth pine trees are still there.

During the 20th century the entire East Shore was owned by one man, George Whittell Jr., son of one of the original silver barons. A man of eclectic tastes, he owned a Boing 247 private aircraft, a custom mahogany

boat powered by two Allison aircraft engines and kept lions in heated cages.

Thanks to a few well-placed campaign donations, he obtained prison labor from the State of Nevada to build a palatial granite waterfront mansion called **Thunderbird**, which you can still visit today (click here at <https://thunderbirdtahoe.org>). During Prohibition, female “guests” from California crossed the lake and entered the home through a secret tunnel.

When Whittell died in 1969, a **Mad Hedge Concierge Client** bought the entire East Shore from the estate on behalf of the Fred Harvey Company and then traded it for a huge chunk of land in Arizona. Today the East Shore is a Nevada State Park, including the majestic Sand Harbor, the finest beach in the High Sierras.

When a Hollywood scriptwriter took a Tahoe vacation in the early 1960’s, he so fell in love with the place that he wrote **Bonanza**, the top TV show of the decade (in front of Hogan’s Heroes). He created the fictional Ponderosa Ranch, which tourists from Europe come to look for in Incline Village today.

In 1943, a Pan Am pilot named Wayne Poulson who had a love of skiing bought Squaw Valley for \$35,000. This was back when it took two days to drive from San Francisco. Wayne flew the China Clippers to Asia in the famed Sikorski flying boats, the first commercial planes to cross the Pacific Ocean. He spent time between flights at a ranch house he built right in the middle of the valley.

His wife Sandy bought baskets from the Washoe Indians who still lived on the land to keep them from starving during the Great Depression. The Poulson’s had eight children and today, each has a street named after them at Squaw.

Not much happened until the late forties when a New York Investor group led by Alex Cushing started building lifts. Through some miracle, and with backing from the Rockefeller family, Cushing won the competition to host the 1960 Winter Olympics, beating out the legendary Innsbruck, Austria, and St. Moritz, Switzerland.

He quickly got the State of California to build Interstate 80, which shortened the trip to Tahoe to only three hours. He also got the state to pass a liability limit for ski accidents to only \$2,000, something I learned when my kids plowed into someone, and the money really poured in.

Attending the 1960 Olympic opening ceremony is still one of my fondest childhood memories, produced by Walt Disney, who owned the nearby Sugar Bowl ski resort.

While the Cushing group had bought the rights to the mountains, Poulson owned the valley floor, and he made a fortune as a vacation home developer. The inevitable disputes arose and the two quit talking in the 1980's.

I used to run into a crusty old Cushing at High Camp now and then and I milked him for local history in exchange for stock tips and a few stiff drinks. Cushing died in 2003 at 92 (click here for the obituary at <https://www.nytimes.com/2006/08/22/obituaries/22cushing.html>)

I first came to Lake Tahoe in the 1950s with my grandfather who had two horses, a mule, and a Winchester. He was one quarter Cherokee Indian and knew everything there was to know about the outdoors. Although I am only one sixteenth Cherokee with some Delaware and Sioux mixed in, I got the full Indian dose. Thanks to him I can live off the land when I need to. Even today, we invite the family medicine man to important events, like births, weddings, and funerals.

We camped on the beach at Incline Beach before the town was built and the Weyerhaeuser lumber mill was still operating. We caught our limit of trout every day, ten back in those days, ate some, and put the rest on ice. It was paradise.

During the late 1990's when I built a home in Squaw Valley I frequently flew with Glen Poulson, who owned a vintage 1947 Cessna 150 tailwheel, looking for untouched high-country lakes to fish. He said his mother was lonely since her husband died in 1995 and asked me to have tea with her and tell her some stories.

Sandy told me that in the seventies she asked her kids to clean out the barn and they tossed hundreds of old Washoe baskets. Today Washoe baskets are very rare, highly sought after by wealthy collectors, and sell for \$50,000 to \$100,000 at auction. "If I had only known," she sighed. Sandy passed away in 2006 and the remaining 30-acre ranch was sold for \$15 million.

To stay in shape, I used to pack up my skis and boots and snowshoe up the 2,000 feet from the Squaw Valley parking lot to High Camp, then ski down. On the way up I provided first aid to injured skiers and made regular calls to the ski patrol.

After doing this for many winters, I finally got busted when they realized I didn't have a ski pass. It turns out that when you buy a lift ticket you are agreeing to a liability released which they absolutely had to have. I was banned from the mountain.

Today Squaw Valley is owned by the Colorado based **Altera Mountain Company**, which along with Vail Resorts own most of the ski resorts in North America. The concentration has been relentless. Last year Squaw Valley's name was changed to the Palisades Resort for the sake of political correctness. Last weekend, a gondola connected it with **Alpine Meadows** next door, creating the largest ski area in the US.

Today there are no Washoe Indians left on the lake. The nearest reservation is 25 miles away in the desert in Gardnerville, NV. They sold or traded away their land for pennies on the current value.

Living at Tahoe has been great, and I get up here whenever I can. I am now one of the few surviving original mountain men and volunteer for North Tahoe Search & Rescue.

On **Donner Day**, every October 1, I volunteer as a docent to guide visitors up the original trail over Donner Pass. Some 175 years later the oldest trees still bear the scars of being scrapped by passing covered wagon wheels, my own ancestors among them. There is also a wealth of ancient petroglyphs, as the pass was a major meeting place between Indian tribes in ancient times.

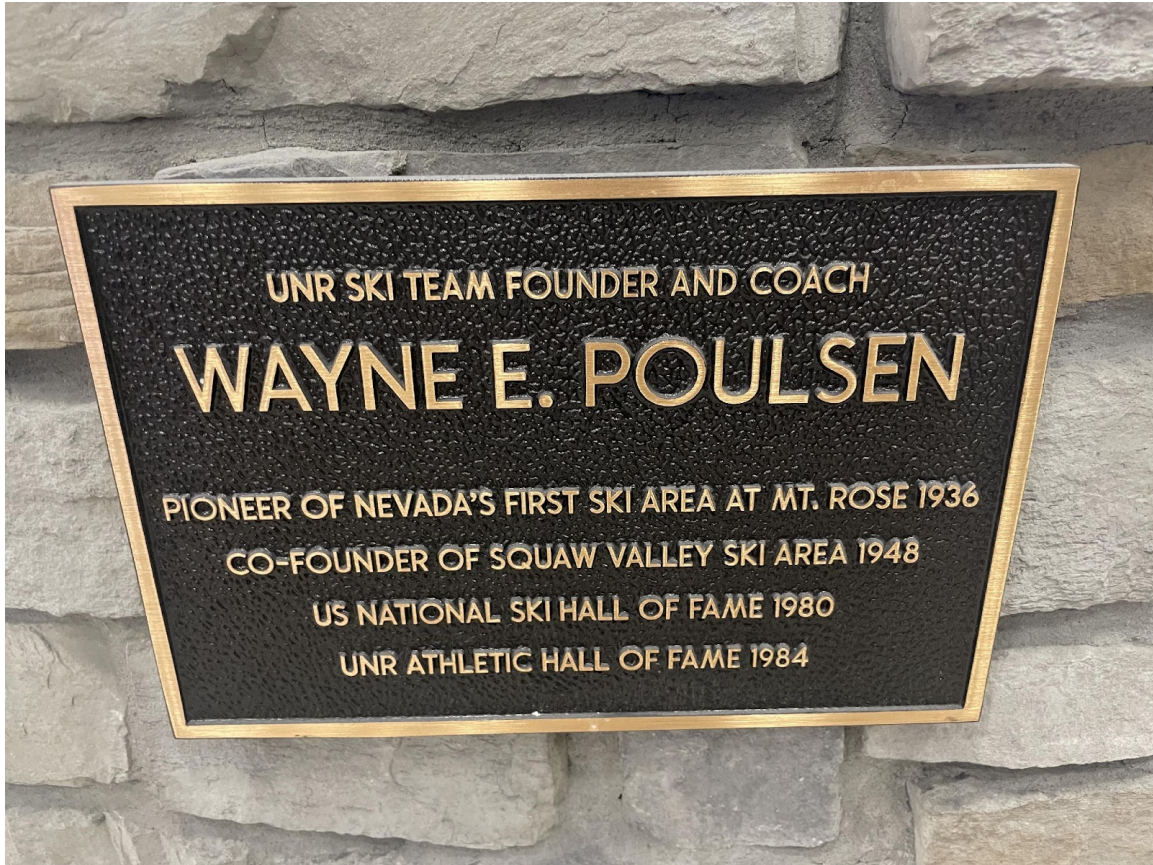
The good news is that residents aged 70 or more get free season ski passes at **Diamond Peak**, where I sponsored the ski team for several years. My will specifies that my ashes be placed in the Middle of Lake Tahoe. At least I'll be recycled. I'll be joining my younger brother who was an early Covid-19 victim and whose ashes we placed there in 2020.



The Ponderosa Ranch



The Poulson Ranch



At the Reno Airport



Donner Pass Petroglyphs



An Original Mountain Man



CHAPTER 93: 2023 Trinity Nuclear Test Site at the White Sands Missile Test Range

When the Cold War ended in 1992, the United States judiciously stepped in and bought the collapsing Soviet Union's entire uranium and plutonium supply.

For good measure, my client George Soros provided a \$50 million grant to hire every Soviet nuclear engineer. The fear then was that starving scientists would go to work for Libya, North Korea, or Pakistan, which all had active nuclear programs. They ended up here instead.

That provided the fuel to run all US nuclear power plants and warships for 20 years. That fuel has now run out and chances of a resupply from Russia are zero. The Department of Defense attempted to reopen our last plutonium factory in Amarillo, Texas, a legacy of the Johnson administration.

But the facilities were deemed too old and out of date, and it is cheaper to build a new factory from scratch anyway. What better place to do so than Los Alamos, which has the greatest concentration of nuclear expertise in the world.

Los Alamos is a funny sort of place. It sits at 7,320 feet on a mesa on the edge of an ancient volcano so if things go wrong, they won't blow up the rest of the state. The homes are mid-century modern built when defense budgets were essentially unlimited. As a prime target in a nuclear war there are said to be miles of secret underground tunnels hacked out of solid rock.

You need to bring a Geiger counter to garage sales because sometimes interesting items are work castaways. A friend almost bought a cool coffee table which turned out to be part of an old cyclotron. And for a town designing the instruments to bring on the possible end of the world, it seems to have an abnormal number of churches. They're everywhere.

I have hundreds of stories from the old nuclear days passed down from those who worked for J. Robert Oppenheimer and General Leslie Groves, who ran the Manhattan Project in the early 1940s. They were young

mathematicians, physicists, and engineers at the time, in their 20's and 30's, who later became my university professors. The A-bomb was the most important event of their lives.

Unfortunately, I couldn't relay this precious unwritten history to anyone without a security clearance. So, it stayed buried with me for a half century, until now.

Some 1,200 engineers will be hired for the first phase of the new plutonium plant, which I got a chance to see. That will create challenges for a town of 13,000 where existing housing shortages already force interns and graduate students to live in tents. It gets cold at night and dropped to 13 degrees F when I was there.

I was allowed to visit the Trinity site at the White Sands Missile Test Range, the first visitor to do so in many years. This is where the first atomic bomb was exploded on July 16, 1945. The 20-kiloton explosion set off burglar alarms for 200 miles and was double to ten times the expected yield.

Enormous targets hundreds of yards away were thrown about like toys (they are still there). Half the scientists thought the bomb might ignite the atmosphere and destroy the world but they went ahead anyway because so much money had been spent, 3% of US GDP for four years. Of the original 100-foot tower, only a tiny stump of concrete is left (picture below).

With the other visitors there was a carnival atmosphere as people worked so hard to get there. My Army escort never left me out of their sight. Some 78 years after the explosion, the background radiation was ten times normal, so I couldn't stay more than an hour.

Needless to say, that makes uranium plays like Cameco (CCJ), NextGen Energy (NXE), Uranium Energy (UEC), and Energy Fuels (UUUU) great long-term plays, as prices will almost certainly rise and all of which look cheap. US government demand for uranium and yellow cake, its commercial byproduct, is going to be huge. Uranium is also being touted as a carbon free energy source needed to replace oil.



At Ground Zero in 1945



What's Left of a Trinity Target 200 Yards Out



Playing With My Geiger Counter



Atomic Bomb No.3 Which was Never Used



What's Left from the Original Test