



**Written by**  
**Norman P. Chiodras**  
**President, MS, CFP®**  
**Exclusively for RPI Clients**

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### POTPOURRI 9

## IT'S NOT ME, IT'S EU

British voters' decision to leave the European Union (EU) marks a seminal event in history. Once again the polls had it all wrong as they predicted citizens would agree to stay. The global elites also got it wrong as they predicted leaving the EU would hurt Britain. (Except that using the government's own data, economic growth in Britain has gotten progressively worse since it joined the EU in 1973.)

Obama even traveled across the Atlantic to warn the Brits that they would have to go to the "back of the queue" for trade deals if they left. Oops again. So far, there are eleven countries lining up to strike deals with the Brits since they can now avoid the red tape of the EU.

The lesson should not be missed. Global elites cannot comprehend how ordinary people in the real world will act and react to certain events and policies. They make rules and laws expecting certain outcomes. But their pro-government ideologies blind them from seeing what others see. People will always act in their own self-interest.

That the Brits had had enough of paying the salaries of tens of thousands of unelected government employees they couldn't fire in Brussels should have been noticed. That they grew weary of being told what vacuum cleaner, light bulb and appliance they could buy should have also been evident. But the final straw was forcing them to accept tens of thousands of "refugees" who were already destroying the culture and security of the entire European continent. Yet that too went unnoticed.

None of these outcomes could be seen by the blind global leaders. Imagine their "surprise" when other countries start lining up to leave the wonderful land of EU the elites have created.

Take the migrant crisis, for example, for which German Chancellor Angela Merkel is largely responsible. Merkel hopes accepting millions of Muslim refugees will cleanse the collective guilt Germans may still have over killing six million Jews. She also hopes it will end all wars as Muslims assimilate, marry and inbreed with other Europeans.

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It's nice to have goals.

But did Merkel ask the Muslim refugees or the terrorists who have been infiltrating the refugees what their goals are? Did Merkel ask European citizens what is high on their agenda? Perhaps the citizens are concerned about being assaulted, raped, injured or killed while seeing their priests beheaded. And I don't imagine the Belgian taxpayers were too happy to find out that they were funding – through their welfare program – the terrorists who attacked them in Brussels.

*Fox Business News* reported on August 5 that there had been 141 terror attacks, mostly in Europe, over the previous 30 days. During the last week in July, Germany was rocked by an axe attack on a train, a mass shooting in Munich that left nine dead, a machete attack in which a pregnant woman was killed and a suicide bomb in Ansbach.

Yet when pressed by angry Europeans, Angela Merkel insisted everything was fine. She said: "I didn't say it would be easy. I said back then, and I'll say it again, that we can manage our historic task – and this is a historic test in times of globalization – just as we've managed so much already, we can manage it."

Merkel went on about Germany's "humanitarian stance," "our sense of

community," "our openness and our willingness to help people in need," once again highlighting her inability to understand the average person's own desire for self-preservation. They aren't interested in her grand scheme that could take several generations to accomplish, if at all.

If Merkel thinks she understands Germany's pain, next year when she is up for re-election, they will make sure of it.

### NIRPing at Our Heels

The three-headed monster referred to as the Troika – the International Monetary Fund (IMF), European Central Bank (ECB) and European Commission might be mistaken for the three blind mice. They cannot see why negative interest rate policies (NIRP) are not good for Europe. They are sure it will spur lending and economic activity.

All German bond yields out to 10 years are negative. All Japanese yields out to 10 years are negative. All Swiss bonds out to 20 years are negative. NatWest, a UK bank, has become the first bank to warn customers it may charge them negative interest rates on money held in current accounts. A second bank in Germany announced it will now pass on the negative rates by charging accounts over 100,000 euros -0.4% starting in September. Mortgage lenders are now sending checks out to borrowers due to negative rates.

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A June 22, *The King Report* noted that the head of the ECB, Mario Draghi, rationalized negative interest rate policies recently with the “things would be worse if we didn’t act” excuse when he said, “Without our policy stimulus, both growth and inflation would be significantly lower.”

What the global elites in the US and abroad can’t see is the obvious. People act in their own self-interest. They will not borrow money for their businesses, no matter what the interest rate is, if they are not confident they can turn a profit. They will not keep money in banks that charge them or pay them little in interest. The entire policy of NIRP has devastated savings, ruined the banking system and wreaked untold havoc on pensions and insurance companies. Low, zero or negative rates have actually accelerated the global economic downturn.

It is as if global leaders lack any knowledge of behavioral science or investing or of how markets function. Yet governments’ policies are always assumed to be correct.

As *The Telegraph* points out, European banks are caught in a doom loop as they are forced to buy each other’s government debt. The risk of default and negative rates many of the bonds carry has put their banks in peril. Germany’s largest bank, Deutsche Bank has seen a

98% decline in earnings. Their stock recently penetrated the low made during the 2008 crisis on the way to a 30-year low in price. It isn’t the only bank in trouble. The IMF now admits that while Deutsche Bank poses the greatest risk to the global financial system, HSBC and Credit Suisse are not far behind.

In the US, our GDP has averaged a dismal 1.58% annual growth over the past 10 years. This is in spite of trillions of dollars of stimulus, near-zero interest rates and GDP accounting gimmicks that would land any private businessman in jail. And yet, 1.58% is all we have to show for it. Japan and euro zone growth has been far worse with relatively more stimulus than what was done in the US. A blind squirrel had a better chance of improving economies.

In his *Thoughts from the Frontline*, John Mauldin recently showed a chart of Federal Reserve predictions compared to what actually happened over the past 100 quarters. The Fed is zero for 100. “It is statistically impossible to be worse,” quips Mauldin. On July 15, Minnesota Fed President Neel Kashkari admitted, “We’ve been wrong on the data for the last few years.” No kidding.

In a moment of conscience-clearing, former Fed chief Alan Greenspan recently confessed, “Monetary policy is largely economic forecasting. And our ability to forecast is significantly lim-

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ited.” Now he tells us. And former Treasury Secretary Larry Summers, the father of negative interest rates, recently admitted that neither he nor any economist can forecast anything.

Perhaps it's time to try the blind squirrel.

### It's Your Fault

In a June 9 speech, European Central Bank President Mario Draghi claimed the economy was weak because of our fears.

Specifically, “unwarranted fear of the euro breaking up” and other potential problems on the horizon were paralyzing people from investing and moving forward. He echoed what the central bank and finance ministers said at the April taxpayer-wasteful gathering of the G20. There they lamented how people are fearful and that this is harming the economy. In other words, if you and I weren't hampered by our psychological problems, world economies would be booming. We are to blame for their failure to launch their economies.

Draghi, in the same speech, also complained of excess savings. We are not only fearful but we are saving too much. Has it occurred to him or any of the other numbskulls setting monetary policy that the lower the interest rates are the more people have to hoard and save in order to retire due to the declining income potential? This is then

reducing consumption...the opposite effect of what they are trying to achieve. Sigh.

### Economic Parasites

Once again pro-government ideologies blind leaders from seeing how they are harming the economies they claim to be fixing.

A friend of mine recalled an interview with former US Senator George McGovern that took place years ago. After retiring from his government job he thought he would try his hand at the private sector and bought Connecticut's Stratford Inn in 1988. It shortly went under and he told the interviewer that he couldn't overcome all the crazy regulations he passed while a US Senator.

The *Wall Street Journal* reported on August 8 that the Obama administration has implemented 600 major regulations that are estimated to cost the US economy \$100 million per regulation. Lately, more businesses are closing than opening due to burdensome regulations.

As reported in *To The Point News*: From the new annual report, Ten Thousand Commandments 2016, prepared by Clyde Wayne Crews of the Competitive Enterprise Institute, we learn that the cost of federal regulations – nearly \$1.9 trillion – is now greater than the Inter-

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nal Revenue Service collects from both personal income and corporate taxes.

“Federal regulation is a hidden tax that amounts to nearly \$15,000 per U.S. household each year,” the report observes.

“Over the last 58 years government spending to write and enforce regulation has increased by more than 20-fold (after adjusting for inflation), and the number of bureaucrats has increased by a factor of five,” according to a study, *Regulators’ Budget from Eisenhower to Obama*, released on May 17 by Susan Dudley, director of the George Washington University Regulatory Studies Department, and Melinda Warren, director of the Weidenbaum Center Forum at Washington University in St. Louis.

There are now over a “quarter million full-time regulators” grinding out some 80,000 pages of regulations per year, the authors note.

A study by the Mercatus Center of George Mason University released in April, *The Cumulative Cost of Regulations*, found that the economic drag from the regulations has been reducing economic growth by an average of 0.8 percent per year.

In 1936, the Federal Registry, which lists rules and regulations for the US, contained 2600 pages. Today it is 800,000 pages long. Sadly, there is never any cost-benefit analysis done with any new regulation.

Is it any wonder American CEOs’ number one concern is not cybercrime or geopolitical risks, but over-regulation?

Under Obamacare, for example, for every 30 minutes a doctor spends with a patient, that doctor must spend an hour on paperwork.

“How many rules are enough?” asks Richard Rahn in the *To The Point News* article. “If the government hires people to write regulations for a particular area of concern, and they go to their boss and say that no more regulations are needed, they might be fired. So, of course, they go on writing regulations forever, needed or not.”

“The successful parasite does not kill its host, concludes Rahn. “But the federal regulatory parasite is in the process of killing the golden goose upon which it feeds.”

Regulations and complexity kill profits, jobs and eventually the economy itself. While some regulations are necessary, the point is to know when we have gone too far. That point was likely reached decades ago. The public sector will continue to devour the private sector until it can’t anymore. Sooner or later the government bureaucrats will have their own McGovern moment.

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**– Richard Rahn  
To The Point News**

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### The Dying Host

The irony of the above commentary is that government needs a healthy private sector from which to extract money to fuel itself. But their policies of NIRP, refugees and regulations are inadvertently killing the host the parasite feeds on. Yet it is too stubborn to see that.

The weaker their economies become, the harder it will be for them to fund pensions, pay bond holders and support day-to-day services.

It is an election year in the US, so expect some very “creative” economic statistics out of Washington bean counters over the next three months. The more reliable private sector numbers show that US corporate earnings have fallen for four straight quarters and profit margins are at a 10-year low. The stocks of transportation firms, restaurants and automakers have been falling due to poor profit results. In July, the percentage of Americans who own a home tumbled to the lowest level since 1965. These are troubling signals from economically sensitive sectors.

Even more revealing, as noted by CNBC, federal unemployment taxes have been falling steadily since 2012. The unemployment tax is levied at 6% on the first \$7000 of an employee’s wage. “This begs the salient question: If the employment condition is booming, why are payroll taxes falling?” asks the CNBC report.

“Fictitious jobs do not pay taxes,” retorts Bill King of *The King Report*.

“Europe is now drowning under the cost of welfare bills” is the title of a recent article in *The Telegraph*. “Europe accounts for just 7% of the world’s population, and 25% of its GDP, and yet it also accounts for a massive 50% of its welfare spending.” The refugees are adding tens of billions of dollars per year to this. Countries like Germany have as part of their constitution that all migrants must be given food and shelter. A new report out of Germany states it will now be raiding their already beleaguered health care fund to support the refugee crisis.

The massive raping spree by gangs of migrants along with the growing number of terrorist attacks are already having a chilling effect on tourism in Europe. Several nations including the US, Canada and New Zealand issued travel alerts to Europe this summer. Ten percent of Italy’s economy is tourism.

### Stocks and Gold

How will all of this affect the stock market and gold?

Whatever bad is happening in the US, you can be sure it is much worse in Europe. Remember, it is all about currencies. If you are holding your wealth in euros and have seen the euro drop from a high of 160 in 2008 to 110 re-

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cently, you have lost 31% in purchasing power against the dollar in eight years. You are concerned about losing another 31% which is likely to occur over the next few years.

Brazil experienced a 40% drop in their currency over the past year and now the old Motorola phones they buy from the US through Lenovo cost 40% more.

What do you do to preserve your wealth? Many have been buying gold, pushing it up 25% so far for the year. Or you move yourself, your money or both to the US and the relative safety of the US dollar. Over ten thousand European millionaires have done exactly that over the past several years. And as things fall apart at an accelerated speed in the euro zone, look for the flow of funds toward the US to also accelerate.



Much of this money winds up in the stock market. Despite all the Internet chatter about a crash in stocks, they keep rising into record territory. The S&P 500 is up over 8% so far this year. We have not changed our view that the Dow will easily hit 23,000 within the next 3-4 years and gold will trade over \$2,000 an ounce in that same time frame. Except for a short-term reaction, it will not matter who gets elected president in the US. The worse things get around the world, the more investors will move to protect themselves by moving into US stocks and gold.

Nothing will go up in a straight line, however. We could easily have another 10% pullback in stocks and a 20% drop in gold prices this fall before the major lift-off occurs. This is not a prediction but a possibility.

A Trump victory in November could send stock markets down initially. Hillary is Wall Street's chosen one and the candidate they are throwing all of their money at. Trump's campaign has stated they will re-instate the Glass-Steagall act that the Clintons repealed in 1999. Glass-Steagall was enacted in the 1930s when banks went under to restrict them from using depositor funds to gamble with in the future. Clinton removed the restriction and that led to the banks losing depositor funds once again in 2008 and needing to be bailed out.

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A Trump victory could also send oil prices lower as he has promised a significant increase in US oil exploration and production in addition to initiating the Keystone Pipeline. Lower oil prices could scare the stock and bond markets temporarily as energy loan defaults increase due to lower prices.

### Conclusion

Unfortunately for us, the global elites will never admit they are wrong. They are incapable of learning anything. For heaven's sake, they can't even understand why negative rates are harmful. Their worldviews, beliefs and ideologies blind them from seeing the truth. They will not change their minds no matter what happens. It would be like telling a Democrat to become a Republican or vice versa. Perhaps Pascal had them in mind when he wrote, "The heart has reasons that reason does not know."

The hacked Democratic National Committee emails revealed the vast conspiracy against Bernie Sanders to make sure "establishment" candidate Hillary Clinton was the nominee. On the Republican side, the major leaders in the party continue to undermine "outsider" Trump. They would rather see Clinton get in to keep business as usual.

So we are stuck with them until everything crashes and burns and they are forced out. Slowly the mood is turning sour against the elites as people realize they are incompetent. Further, the elites

have completely insulated themselves from the consequences of their own decisions, whether it be health care policies, taxes, laws or the refugees who are moved far away from the posh areas where they live.

"The people running the country don't really care what happens to them," say 82 percent of respondents in a Harris poll. "Most people in power are trying to take advantage of people like them," say 70 percent.

"An alliance of politicians, media pundits, lobbyists and interest groups runs the country for their own gain," say 83 percent, according to pollster Pat Caddell.

"The old ways don't work. It's time for radical change," agreed more than 70 percent in Quinnipiac swing state polls in July.

"It is as if the fate of the world could easily spiral downward now," says Martin Armstrong of Armstrong Economics. "Piling into assets (stocks, real estate and gold) to preserve capital will become the name of the game. This is not some wild theory... This is a major shift in confidence that is historically consistent." ■

**NPC**

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## POTPOURRI

### ► Please Welcome Barbara Cazaubon.



We are excited to have Barbara join our team. She comes to us with 18 years of experience in the financial services industry. Barbara will be our receptionist and part of our Client Services Team. She and her husband reside in nearby Villa Park and vacation at their second home in Phoenix, AZ.

### ► Something For You, Your Children and Grandchildren...and It's Free!

I recently became aware of an incident where parents received a call from Auburn University where their daughter attended. Due to HIPPA (privacy) rules, all the AU official could tell them was that their daughter had been admitted to the hospital. Nothing more. When asked to speak to their daughter, they were told she was incapacitated. Imagine the horror of getting that phone call and not knowing what was wrong. So they dropped everything and drove the five hours down to the local hospital. There they found out the good news that their daughter was OK and had needed an emergency appendectomy.

But due to HIPPA, each state has a certain age they deem that person

to no longer be a minor and therefore on their own. Not even parents or grandparents have any say so.

There are more important things than money and returns. We found a wonderful source for Powers of Attorney for Health Care for all 50 states. By completing one of these forms, your kids and grandkids can elect an agent (typically a parent) to intervene on their behalf and divulge information to. If the daughter in the story above had one of these, it could have been faxed to the hospital and the parents would have immediately found out about her condition.

So Powers of Attorney (POA) are not just for the elderly! Call our office for POA forms.

– NPC

### ► Aetna Deals Latest Blow to Obamacare, Pulls Out of Most Markets

In a major blow to Obamacare, one of America's largest health insurers said it was pulling out of most of the markets in which it was participating, citing huge losses in the past quarter.

In a statement Monday, Aetna reported that it lost \$200 million in the second quarter of 2016 and as a result would participate next year in just four states' Obamacare marketplaces: Delaware, Iowa, Nebraska and Virginia... Its retreat mirrors moves by several other major health insurance providers in recent months.

– [washingtontimes.com](http://washingtontimes.com)

*Graduation speeches were invented largely in the belief that college students should never be released into the world until they have been properly sedated.*

– Garry Trudeau

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### ► Obamacare Conspiracy Theories Are Looking More Plausible By The Day

I will predict that within the year – now I may be wrong on this – but within the immediate future, the Democrats are going to throw their hands in the air and say, “It’s not working. It’s unaffordable. And we have to go to a single-payer system.”

That was Sen. Orrin Hatch in 2013, arguing that Obamacare was designed to fail so that Democrats could use it as an excuse for the government to take over the entire insurance industry...

– *investors.com*

► President Obama’s half-brother, Malik Obama, has come out in support of Donald Trump. He says he is unhappy with his brother’s leadership. Malik was Obama’s best man at his wedding and has visited him in the White House. Nonetheless, Malik has come out and said Trump’s position against Muslims coming into the United States was understandable, even to Muslims like himself. He said: “I’m a Muslim, of course, but you can’t have people going around just shooting people and killing people just in the name of Islam.”

– *Martin Armstrong*

► I watch Russian Television (RT) here in Vienna. It is an excellent news source. I was unaware until this month that the hacker named Gucifer attempted to hack RT’s server. He

failed, but the Russian government hacked his server. They found thousands of Hillary Clinton e-mails that Gucifer had taken from her home server. RT was actually reading these e-mails on the air in 2013. Have any of the western news stations reported this?

– *Cycles Research*

► With the implementation of the work requirement in Kansas, the caseload dropped by 75 percent. Previously, Kansas was spending \$5.5 million per month on food stamp benefits for able-bodied adults; it now spends \$1.2 million. Maine is another powerful example in favor of work over dependency. Similar to Kansas, Maine saw a major decline in its caseload after instituting a work requirement. Within the first three months after Maine’s work policy went into effect, its caseload of able-bodied adults receiving food stamps plunged by 80 percent, falling from 13,332 recipients in December 2014 to 2,678 in March 2015.

– *nationalinterest.org*

### ► Welfare Is the New Work

The welfare/entitlement state of mind has spiraled out of control in America. The cost of welfare is now well over \$1 trillion a year...

We know that changing welfare laws can have a very positive impact on getting recipients into the workforce and off welfare. In North Carolina,

*The goal of socialism is communism.*

– *V.I. Lenin*

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when unemployment benefits were reduced and the number of benefit weeks was limited, entry into the workforce shot up. Entry into the workforce grew by more than nearly any other state in the country. Go figure.

In Maine, we saw a similarly remarkable result from work requirements. According to a Heritage Foundation report: "SNAP recipients in Maine totaled 201,151 in April of 2015 – a decline of more than 28,000 in just one year. The number of ABAWDs – Able-Bodied Adults Without Dependents – in Maine declined about 80 percent" to 2,530 in 2015 from 12,000 prior to the work requirement. This result was in line with the federal work for welfare requirements enacted in 1996. Caseloads fell by more than half and costs of aid tumbled.

So why aren't Republicans pushing workfare for all federal welfare recipients? Some are afraid that they will be viewed as hard-hearted or even cruel.

But getting people off of welfare into a productive job is not just a way to reduce costs, it's a proven way to rebuild broken lives and move people into the mainstream. There is dignity in work. There is despair in welfare.

After three generations of the failed entitlement state, hasn't welfare done enough harm to the very people it was supposed to help?

– *To The Point News*

## ► 20 Reasons to Leave the EU

Every month, the European Parliament – hundreds of MEPs (Member of European Parliament), their staffs, translators, and other officials, 10,000 people in all – move from Brussels to Strasbourg, where it sits for just four days.

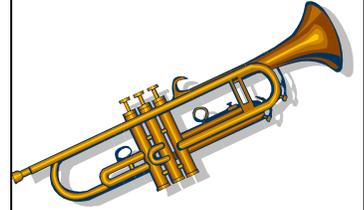
This "travelling circus" is widely regarded as being hugely wasteful: The Conservative Party estimates the cost at \$167 million a year.

The European Commission is more than the EU's civil service. It also has the right to propose new laws and regulations. It employs around 23,000 officials. In 2011, a think-tank estimated that more than 10,000 Commission staff were paid more than \$90,000 each.

– *The Telegraph*

► Establishment Democrats and Republicans both favor high levels of military intervention, trade, and immigration, even when it puts them out of sync with their own voters. Democrats pretend to be against our trade deals, until they're elected. Republicans pretend to be against legalization of people here illegally, until they're elected. Both claim to hate war, but neither seeks to reduce the military presence of the United States on the world stage...

– *vanityfair.com*



## West Suburban Symphony Orchestra

Upcoming Concerts:

### **CAPTIVATING: MUSIC INSPIRED BY FANTASY**

**Sunday October 16  
3:30 pm**

Nicolai Rimsky-Korsakov's Scheherazade, Gioachino Rossini's Overture to Cinderella, Camille Saint Saens' Danse Macabre, Paul Dukas' Sorcerer's Apprentice, and Klaus Badelt's Pirates of the Caribbean - Curse of the Black Pearl medley.

### **MERRY: HOLIDAY CONCERT FOR ALL AGES**

**Sunday December 11  
3:30 pm**

Favorite selections from Tchaikovsky's Nutcracker ballet... and favorite Christmas Carols and Holiday music.

Presented at  
Hinsdale Central High School  
55th & Grant Streets  
Hinsdale, Illinois 60521

For tickets: Call 630-887-7464  
or visit [westsubsymphony.org/  
tickets](http://westsubsymphony.org/tickets)

## POTPOURRI

► In the first of many retaliatory measures for Brexit, according to a senior MEP, English will no longer be an official language of the EU. This is the EU's priority item? What a bunch of morons. English is the business language of the world, no matter what the lazy elitists in Brussels dictate.

– *Dohmen Research*

► **How a Putin ‘Surprise’ Could Rock the Election – and the Economy**

The Russians got Hillary's e-mail more easily. As I've written before, they stole the password for Madame Secretary's BlackBerry probably during one of her 2012 trips to that country... The Russians could see everything that Hillary was e-mailing and could record every conversation on that non-secured line. And the NSA, all along, was watching the Russians monitor Hillary. That's how the Admiral Michael Rogers-led NSA, which specializes in global monitoring and collection of data, came to have Hillary's e-mails, according to my source...

The NSA even offered the e-mails to the FBI when it was conducting the probe that ultimately found that Hillary was "extremely careless" with sensitive government information. The FBI declined the NSA's offer, I'm told...

Hillary, my source says, requested that a non-secure room be built near

the State Department's SCIF so that she could use her BlackBerry. The request was approved – but against NSA protests. And that started a feud between Hillary and the NSA that only got worse with the Benghazi attack that killed Ambassador Christopher Stevens and a "foreign service information manager" – most likely an NSA employee.

– *nypost.com*

► **OUTRAGEOUSLY HISTORICALLY LOW** – The yield on the 10-year Treasury note closed at 1.36% on Friday 7/08/16, the lowest closing yield ever for the USA's 10-year paper. 10-year notes have been traded in the USA since 1790, i.e., 226 years of trading (source: Treasury Department).

– *Foreside Financial Services*

► **H.O.F.** – Baseball's Mike Piazza, the #1,390th pick of the 1988 draft, is the lowest drafted player elected to the Hall of Fame. Paul Bacosa, drafted right before Piazza, never played a major league game (source: MLB).

– *Foreside Financial Services*

► **Time It Takes to Rig a Voting Machine? 7 Minutes**

A Princeton professor is reigniting the debate around potential election-rigging in US elections, by reportedly showing it is possible to hack some voting machines in as little as seven minutes...

– *foxnews.com*

*Sometimes people don't want to hear the truth because they don't want their illusions destroyed.*

– *Friedrich Nietzsche*

# POTPOURRI

## ► Non-Citizens Are Voting

A new study by two Old Dominion University professors, based on survey data from the Cooperative Congressional Election Study, indicated that 6.4 percent of all non-citizens voted illegally in the 2008 presidential election... A voter registration card is routinely issued without any identification check, and undocumented workers can use it for many purposes, including obtaining a driver's license and qualifying for a job...

– *nationalreview.com*

## ► Turkey's Last Hope Dies

Friday night's failed coup was Turkey's last hope to stop the Islamization of its government and the degradation of its society. Reflexively, Western leaders rushed to condemn a coup attempt they refused to understand. Their reward will be a toxic Islamist regime at the gates of Europe...

So a great country is destroyed by Islamist hardliners before our eyes – and our president praises its “democracy.”...

The coup leaders made disastrous mistakes, the worst of which was to imagine that the absence of President Erdogan from Ankara, the capital, presented the perfect opportunity. Wrong. In a coup, the key is to seize the leaders you mean to overthrow (as well as control of the media). Instead of fleeing into exile, Erdogan was able to return in triumph...

Erdogan has packed Turkey's courts with Islamists. He appointed pliant, pro-Islamist generals and admirals... He dissolved the wall between mosque and state...

And his diplomatic extortion racket has degraded our own military efforts against ISIS. That's the man President Obama supports...

– *Ralph Peters, foxnews.com*

## ► The Unemployment Myth

But the unemployment rate has been low only because government programs, especially Social Security disability, have effectively been buying people off the unemployment rolls and reclassifying them as "not in the labor force." In other words, the government has cooked the books...

– *Austan Goolsbee, November 30, 2003, nytimes.com*

## ► Hacking An Election: Why It's Not As Far-Fetched As You Might Think

Just a week and a half ago, Illinois election officials shut down that state's voter registration database after discovering it had been hacked. In June, Arizona took its voter registration system offline after the FBI warned it too might have been hacked, although no evidence of that was found...

– *npr.org*

*Among a people generally corrupt, liberty cannot long exist.*

– *Edmund Burke*

## POTPOURRI

► There is an “income gap” as well as a “tax gap” in the US. The top 10% of wage earners (\$127,695 AGI and above) accounted for 45.87% of total AGI yet paid over 69% of all income taxes collected, while the top 25% (\$74,955 AGI and above) garnered 68.1% of total AGI yet shouldered 86.27% of income taxes paid. Given this, how does a candidate’s argument regarding the wealthy paying their “fair share” compare with the data that indicates they contribute the vast majority of income taxes collected?

In 1963, President Kennedy proposed a tax reduction during his State of the Union address; this was carried through by Lyndon Johnson in the Revenue Act of 1964. Instead of tax revenues falling as some opponents projected, they climbed from \$94 billion in 1961 to \$153 billion in 1968, a 33% increase after factoring in inflation. As Winston Churchill said, “We contend that a nation trying to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle.”

—*taxfoundation.org*

► Once again, the office of Inspector General has come up with a huge hole in the Department of Defense with a missing \$6.5 trillion. The day before 9/11, Rumsfeld admitted there was back then \$2.3 trillion missing from the Defense Department budget.

That has now grown to \$6.5 trillion and counting...

Let’s face the truth. Government is incapable of managing even a bubblegum machine. They are completely hopeless. This money is lining the pockets of unknown people and it is funding unknown military operations. When will enough ever be enough? While the press micro-manages every word Trump utters, not a single one will ever investigate the massive government waste.

—*Martin Armstrong*

### ► How Clinton Donor Got on Sensitive Intelligence Board

Newly released State Department emails help reveal how a major Clinton Foundation donor was placed on a sensitive government intelligence advisory board even though he had no obvious experience in the field, a decision that appeared to baffle the department’s professional staff.

The Chicago securities trader, who specialized in electronic investing, sat alongside an august collection of nuclear scientists, former cabinet secretaries and members of Congress to advise Hillary Clinton on the use of tactical nuclear weapons and on other crucial arms control issues... Fernando's expertise appeared to be in the arena of high-frequency trading – a form of computer-generated stock trading...

—*abcnews.go.com*

*You’ve got bad eating habits if you use a grocery cart in a 7-Eleven, OK?*

—*Dennis Miller*

## POTPOURRI

### ► CIA Director's Chilling Warning: ISIS to 'Intensify' Global Attacks, Not Losing Influence

CIA Director John Brennan, in a chilling warning on the Islamic State's growing influence, told lawmakers Thursday that US-led efforts to strike at the terror group have not hampered its "terrorism capability and global reach" – a message that stands in stark contrast to President Obama's more upbeat assessment earlier this week...

"The group is probably exploring a variety of means for infiltrating operatives into the West, including in refugee flows, smuggling routes and legitimate travel methods," Brennan said...

– foxnews.com

### ► Gun Store Owner: We Alerted FBI to 'Suspicious' Customer Weeks Before Orlando Shooting

When employees said the store didn't carry the body armor he wanted, Abell said, the man made a phone call in a foreign language, hung up and then asked about ammunition in bulk...

Abell added that they thought the man was "very suspicious," so they called the local FBI office in West Palm Beach and reported the incident... There was a follow-up conversation with agents, Abell said, but the FBI never visited the store or investigated further...

– abcnews.go.com

### ► Britain's Elites Can't Ignore the Masses

Over the last half-century, Western

elites managed to convince themselves that nationalism was not real. Perhaps it had been real in the past, like cholera and telegraph machines, but now that we were smarter and more modern, it would be forgotten in the due course of time as better ideas supplanted it.

That now seems hopelessly naive. People do care more about people who are like them – who speak their language, eat their food, share their customs and values. And when elites try to ignore those sentiments – or banish them by declaring that they are simply racist – this doesn't make the sentiments go away. It makes the non-elites suspect the elites of disloyalty... The rest of the population is outraged... That the elites running things feel no greater moral obligation to their fellow countrymen than they do to some random stranger in another country...

– bloomberg.com

► Fresno County has stopped building roads in order to provide funding for illegal aliens to have healthcare. The Fresno Bee reports that in April 2015, the county supervisors voted to take \$5.6 million that was originally allocated to be spent on state roads toward a slush fund for healthcare for illegals. Only \$260,000 has been spent on it (healthcare for illegals) despite county supervisors projecting that the money could be completely dried up within three years.

– dailywire.com

*We've all heard that a million monkeys banging on a million typewriters will eventually reproduce the entire works of Shakespeare. Now, thanks to the Internet, we know this is not true.*

– Robert Wilensky

# RPI

RETIREMENT PLANNING &  
INVESTMENT GROUP

2001 Midwest Road, Suite 107  
Oak Brook, IL 60523

Phone 630-495-9700  
Fax 630-495-9720  
Toll Free 877-RETIREEES  
778-7727

The  
Retirement Planner



www.rpiinc.com

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*The Retirement Planner* is a quarterly newsletter published by Retirement Planners, Inc., 2001 Midwest Road, Suite 107, Oak Brook, IL 60523. Phone 630.495.9700. Subscription rate \$115 (US) per year.

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## POTPOURRI

➤ The Obama administration hid from Congress key information about a secret deal with Iran permitting it to maintain critical aspects of its nuclear program, according to a leading member of Congress, who told the Washington Free Beacon that these disclosures invalidate the entirety of last summer's nuclear agreement with Iran.

– *freebeacon.com*

➤ **No Global Warming For 58 Years: What The Government Is Hiding**

A Convenient Omission: NOAA left out 21 years of data since the full record shows no global warming.

...It's really impossible to say what the real global temperature is year to year, given the many different ways to measure it, the problems created by heat islands and the poor placements of weather stations. And there is also the data tampering by governmental func-

tionaries and academics who are obsessed with proving something that can never be proved.

– *Investors' Business Daily*

➤ **PLAN NOT WORKING** – Citizens in Denmark, Switzerland and Sweden are saving a higher percentage of their income in 2016 than in any year since 1995. Ironically, all 3 countries are issuing government bonds that are subject to negative interest rates, a strategy designed to encourage borrowing and investing (source: OECD).

– *Foreside Financial Services*

➤ **GREENBACK POWER** – 90% of all global trades, including transactions that do not involve an American buyer or seller, are conducted in US dollars (source: Morgan Stanley Investment Management).

– *Foreside Financial Services*