



Written by

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Exclusively for RPI Clients

## GREECE WITHOUT THE SAGANAKI

*“The urge to save humanity is almost always a false front for the urge to rule.”*

*-H. L. Mencken*

Waiters are serving tables at local restaurants on the Plaka in Athens. Cabbies are driving tourists to their destinations while tour guides are leading groups around the ancient ruins in the Greek countryside. They try not to think about how they may be out of work next year. The unemployment rate is over 25% and even higher among the youth and they wonder what kind of future, if any, they have. They may not understand that their country tried supporting a 5-star welfare system with a 1-star economy, as one observer put it.

Perhaps they weren't part of the rich pensions and early retirement offered to workers which helped bankrupt their country. But somehow they feel the weight of it all now. Consequently, they found it easy to vote for Alexis Tsipras who promised not to bow down to the demands of Brussels. Instead he thumbed his nose at Greece's creditors.

But then he caved in. And as politicians are prone to do, he went back on his word. He made a deal yielding to draconian demands from Europe's creditors while agreeing to let foreign supervisors take control of his country. Thousands of Greeks rioted in protest on the Plaka. And then on August 20, Tsipras resigned in order to call a special election on September 20 which could give him more power and quiet his critics, many of whom are now in his own party.

Prime Minister Tsipras needed to make the tough decision to pull out of the euro and default on its creditors who stupidly doubled their loans from a level that was unserviceable five years ago. It would have hurt Greece initially but given them a clean slate from which to start over. But as we know from our experience with US politics, government leaders seldom make tough decisions that could have a temporarily bad result...no matter how positive the long term outcome. And so, Tsipras turned out to be just another politician putting his own interests above those he serves.

While this was going on, a remarkable admission from a member of the European Commission underlined the lengths

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## GREECE WITHOUT THE SAGANAKI

European government officials were prepared to go during the Greece crisis. As *The King Report* noted, according to the Greece news organization *GR Reporter*, “On the 13th floor of the Berlaymont building in Brussels, just a few meters from Commission President Jean-Claude Juncker’s office, in a guarded room, a plan is kept for Greece’s exit from the euro. It was penned within a month by a 15-strong group of the European Commission...”

“According to the source, this plan was made in outstanding secrecy... Its members knew as much as anyone what the consequences of Greece’s exit from the Eurozone could be. One of them told the rest: “If this plan were implemented, the roads of Athens would resonate with the rumble of tanks.”

The “consequences of Greece’s exit” would be tens of thousands of posh government officials’ livelihoods and life-long beliefs on the hook. The worst possible scenario for European officials would be a Greek exit (Grexit) from the euro — out from under European bureaucrats’ control — and for Greece to then go on to success as an independent nation. This would be tantamount to an admission that these bureaucrats were not needed.

“Government is not reason, it is not eloquence — it is force,” noted George Washington. Therefore, by force if they have to, European offi-

cial are prepared to take over Greece and dissuade other nations from following them out the exit door.

China has its own unique problems but yet they too have essentially become Greece.

### A Bear in China’s Shop

Former Director of the Office of Management and Budget David Stockman pontificates, “China is a crude dictatorship. But their grasp of the fundamentals of economic law and sound finance cannot even be described as negligible; its non-existent... the 25-year growth boom in China is just a giant, creditdriven Ponzi. Any fool can run a central bank printing press until it glows white hot...”

“There are no credible institutions of contract law and bankruptcy,” says Stockman. “There is not even minimally honest corporate financial reporting and no restraints at all on the propensity of China’s newly affluent masses to gamble in real estate, stocks, commodity financing schemes, dodgy private lending clubs, chain letters and endless similar get rich quick schemes...”

Greece promised early retirement and fat pensions. China promised stock market riches. Both borrowed money to achieve the result. What really is the difference? China’s national debt has **quadrupled** from \$7 trillion in 2007 to \$28 trillion today.

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“Beijing’s only principle is power, and its only legitimacy for that power is economic growth,” writes Matt O’Brien of *The Washington Post*. China’s government promised their people instead of having any rights or freedom, they would make them rich. If China’s leaders fail to deliver on their promise of economic growth, their people will take to rioting in the streets just like they did in 1989 in Tiananmen Square.

“Just look at how Beijing reacted when the country’s stock bubble burst last month,” notes O’Brien. “It didn’t sit back and let the market run its course. It suspended the majority of shares, forced companies to buy their own, threatened to throw people into jail for selling theirs, and printed money to purchase even more with. In all, Goldman Sachs estimates that China spent \$144 billion bailing out what might have been the most obvious bubble ever. Did Beijing care that these kind of ham-handed interventions would undermine whatever confidence foreigners might have had in their markets? No. All it cared about was getting stocks to stop their vertical descent. In other words, China’s commitment to market-based reform is only as strong as its growth.”

That was in July. Now with the latest crash in Chinese Stocks, they have gone berserk trying to save their stock market. “So, how much

money has Beijing actually spent trying to support the markets?” asks Reuters’ Petar Kujundzic. “Economist and Peking University professor Christopher Balding has tallied it all up, and arrived at an astounding figure—\$1.3 trillion.”

Meanwhile, dozens of people have been arrested for selling stocks. Yes, selling stocks. China is in all out panic mode as their stock market has already plunged 40% from its high three months ago. Who will buy stocks if you can never sell them?

### Social Unrest

The biggest fear governments have is social unrest. It started in Greece last month and it is sure to follow soon in China. Let people down with their pocketbook and they will revolt.

People will put up with a lot when they are getting richer. Government leaders know they are on the hot seat when things turn sour. Why do you think statistics are manipulated to show economic growth?

How is Greece or China any different than the US or Illinois for that matter? We are all Greece, running 5-star welfare systems — whether it is with rich government pensions, free health care or propped-up stock markets — all without the sustainable revenue to support it. Politicians hand out freebies in order to make themselves look good and curry favor with their people, destroying their economies with debt and higher taxes to keep it all going.

*People will put up with a lot when they are getting richer.*

*Government leaders know they are on the hot seat when things turn sour. Why do you think statistics are manipulated to show economic growth?*

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The bill is past due and revenue sources are drying up. New sources are needed and the screws must be tightened on old ones. See the destructiveness of FATCA on global business we have written about in the past. Last quarter, we highlighted how police departments are seizing assets from innocent citizens and how the IRS is seizing bank accounts under the false assumption that a business is laundering money. Yet no crime was ever committed. Congress has tried to intervene but the IRS is slow to give the money back. According to *Fox News*, over \$250 million has been seized from 2005 to 2012 — yet to be returned despite pleas from both parties in Congress.

Other agencies are making up rules simply to ensnare unsuspecting citizens. The EPA has become notorious for this lately. One Wyoming farmer is being sued by the EPA for building a livestock pond that met all known laws and exemptions. Yet the EPA wants him to fork over nearly \$17 million in penalties.

Police in Texas shut down a lemonade stand in June because the 7 and 8 year old girls, who were trying to raise \$100 for a Father's Day gift, didn't have a permit which costs \$150. But then the girls gave the lemonade away for free and left a tip jar instead — thwarting the public officials' attempts!

In Philadelphia, police were stopping kids from shoveling snow for money

last winter due to not having permits. You simply can't make this stuff up.

Illinois already has the second highest real estate taxes in the country. Chicago is broke because it can't fund its pensions. Instead of reducing the size of government, they want to raise taxes by 30% and tax watching movies on the Internet by taxing the subscription fees of Netflix, Hulu and Spotify in order to pay for the pensions and jobs. It never ends.

In June violent protests erupted in Ecuador when the people learned of changes President Rafael Correa was set to make. The protesters were arguing against the implementation of a 77% inheritance tax on all estates, a capital gains tax on real estate, and after raiding the social security fund, a further confiscation of 40% more. Additionally, Correa was to change the military charter from protecting the country and people to protecting the government.

Argentina is in default on their loans, Puerto Rico defaulted on a debt payment this summer and Illinois is close to doing the same. "Welcome to the Big Bang," says Martin Armstrong of Armstrong Economics.

### Trumped

Armstrong says, "We are moving toward government by sheer force.

*Chicago is broke because it can't fund its pensions. Instead of reducing the size of government, they want to raise taxes by 30%...*

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This is the third and final stage of government as identified by Thomas Jefferson. Traditionally, government begins to lose power and as it does, it tightens the noose around the economy. FATCA is the classic example of the final stage – Government by Force.”

Even though Donald Trump offers no reliable solution to any problem, and at one time was a Hillary Clinton supporter, and wanted a single-payer health care system, he is striking a chord amongst Americans. He is a popular political figure precisely because he is a nonpolitician. Ben Carson is second in the polls, also a non-politician.

The country club Republicans are in a panic over Trump and petrified that their gravy train might be over. Jeb Bush just lost his top three fund raisers. That can't be good. Republican candidates are saying Trump's popularity will fade. Maybe. But I wouldn't count on it. Voters are starting to realize he has enough money so that he can't be bought. He is not in politics to get rich like so many others.

Republican John Boehner may be one of the most corrupt Speakers of the House ever. “No bill can come to the floor without his palm being greased,” writes Armstrong, “Boehner has sold out the country numerous times, but the worst of it is he acts like a dictator. He removes anyone from any committee who

dares to disagree with him. Boehner retaliates and punishes anyone who votes against him in his own party. This is so anti-Democratic it is off the charts. We elect people to REPRESENT US, not to do as Boehner commands. The fact that Boehner sees it as his kingdom warns us that this is politics at its very worst.”

Hillary Clinton is also seen as corrupt. She is under investigation on many fronts including illegally using a private server for classified emails and then destroying the evidence. And possible payoffs in the form of speaking fees to her husband and donations made to the Clinton Foundation from countries she did favors for while Secretary of State. Hillary's brother Tony Rodham procured a “super-rare” gold mining permit from Haiti right after Hillary approved billions from the State Department.

It is all a product of the trend with the economy. The Great Depression in the 1930s created big government as people saw private enterprise as corrupt and the culprit for their woes. It was easy to run to the safety net of big brother. The opposite is the case now whereby people are seeing government as the problem. This time government is in crash mode, not the private sector. It may be politicians jumping out the windows this time, not the bankers.

### The Big Bang

“This is a worldwide trend. We are witnessing this everywhere from In-

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dia to Eastern Europe, South America to Canada, from Australia to Japan, and from Sicily to Sweden,” says Armstrong. “This is human nature rebelling against the corruption of government and socialism, which has totally failed precisely as did communism. The (government leaders) do not understand and insist they have to seize more assets to hand to government.

“This is part of the 309.6-year cycle that is now unfolding.”

For decades, Armstrong’s computer model has been forecasting October 1, 2015 as the beginning of the “Big Bang” whereby government debt all over the world begins to implode.

As way of background, Armstrong, a world-renown investment trader and computer programmer spent decades and millions of dollars inputting data that goes back to the beginning of time. As he input data on every market, currency, interest rate change, storm, earthquake, weather change in every country from the beginning of records, he saw neat, concise cycles that repeated with regularity. Thru this data collection, his computer has enabled him to predict many financial and political events with startling accuracy decades before they occur.

Martin arrived at his conclusions based on several of his proprietary cycles, a series of waves of 8.6 years grouped into larger cycles of 51.6 years and still larger macro cycles of 309.6 years.

### How Will Your Money Survive?

We had been calling for a 10-15% pullback in the stock market and we got a 15% one occurring mostly in one week in late August. The market has rallied somewhat since then but we are not out of the woods yet. We are likely to have one or two more plunges down to the low 15,000 range on the Dow before it is all over. We think it will be over by early-to-mid October and then on to new highs next year.

Gold is also in the process of forming a major bottom over the next 3-5 months that should catapult it back to the \$2000 price range in 3-5 years and onwards to \$5000 many years later.

It is all connected. As more and more people realize that government is the problem, they will shift investments away from government – banks and bonds – to the private sector – stocks and eventually gold.

The selling of bonds will force interest rates much higher, crushing already overburdened government budgets. According to the Treasury Department, every 1% increase in the cost of debt on the \$18.2 trillion the US owes is equal to \$182 billion per year in interest expense. Just going back to 2008 interest rates when the average rate was 2% higher than it is today, would increase costs by \$364 billion per year.

The ongoing global recession will continue to influence money to flow to the US seeking a safe home. Much of that will wind up in the stock market push-

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ing the Dow up to at least 23,000 in 2017.

The dollar will continue to rise, hurting our multinational corporations and our overall economy—a trend which has already started. Wall Street economists were expecting corporate earnings growth of 15% this year. On September 3, Professor Shiller of Wharton said that corporate earnings are actually down 10%.

The worse things get economically, the better they get politically—for us at least. For those who like freedom, capitalism, lower taxes and less regulation and government intrusion, this is a huge plus. People will begin to vote for non-political figures who are willing to make the tough choices in the interest of their countries and not themselves.

### Conclusion

Government cannot honor its promises and is confiscating as much money as it can to survive. But this will lead to its downfall because if government doesn't yield its promised rewards, the natives will get restless. The ruling class is allowed to exist only when people are gaining economically.

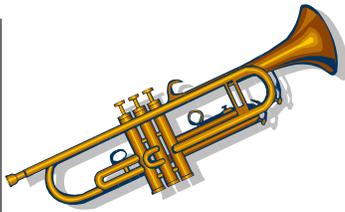
We are all Greece, running 5-star welfare systems with economies that can't support them.

Global wealth is looking for a safe haven and should continue coming to the US. This should be good for US

stocks, the US dollar and eventually gold.

But the unfolding of coming events will really be good for those who love freedom, free markets and economic growth. ■ NPC

*But the unfolding of coming events will really be good for those who love freedom, free markets and economic growth.*



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colossal, spine-tingling  
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- Movie music from Jurassic Park by John Williams...from Bride of Frankenstein by Franz Waxman...and from Godzilla vs King Ghidorah, Godzilla vs Destoroyah
- Thomas Maslan's new arrangement of the theme from Rich Koz's Svengoolie TV Show
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The perfect way to get  
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- Selections from Tchaikovsky's Nutcracker and Engelbert Humperdinck's Hansel and Gretel
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- Your favorite carols

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### ► Dem. Senator Hopes The DOJ Sues Global Warming 'Deniers'

This is not the only time Whitehouse suggested the federal government prosecute global warming skeptics under the Racketeer Influenced and Corrupt Organizations Act (RICO) for being a "racketeering enterprise."

*-dailycaller.com*

### ► Puerto Rico's Governor Says Island's Debts Are 'Not Payable'

...the commonwealth cannot pay its roughly \$72 billion in debts, an admission that will probably have wide-reaching financial repercussions...

A broad restructuring by Puerto Rico sets the stage for an unprecedented test of the United States municipal bond market... Some officials and advisers say Congress needs to go further and permit Puerto Rico's central government to file for bankruptcy — or risk chaos...

Hedge funds holding billions of dollars of the island's bonds at steep discounts are frustrated that the government has not seemed willing to reach a deal to borrow more money from them...

*-nytimes.com*

### ► Everyone But Kerry Expected 'Anytime, Anywhere' Inspections

When Secretary of State John Kerry testifies in the coming days before Congress about the deal he just negotiated with Iran, he will have some explaining to do. Some Congressional leaders were under the impression

that while Kerry was at the talks in Vienna, he was pressing Iran to allow "anytime, anywhere" access for U.N. inspectors to examine sites suspected of nuclear activity.

Kerry's account differs: "This is a term that honestly I never heard in the four years that we were negotiating," he said on "Face the Nation" on Sunday. "It was not on the table."

More important, if Kerry knew there would be no "anytime, anywhere" inspections, why did he let so many members of Congress believe this was a possibility while he was negotiating the deal?...

*-bloombergview.com*

### ► Oil and gas crunch pushes Russia closer to fiscal crisis

'Russia is going to be in a very difficult fiscal situation by 2017. By the end of next year there won't be any money left in the oil reserve fund,' says Unicredit.

*-telegraph.co.uk*

### ► President Obama this week nominated Kathryn Dominguez for a seat on the Federal Reserve Board.

She's a professor of public policy at the University of Michigan's Gerald Ford School of Public Policy...

The trouble is, the Fed's actions aren't purely academic. They affect real people, especially anyone who has saved for a comfortable retirement and now can't fulfill that goal because interest rates have been kept

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very low for a very long period of time.

Janet Yellen, the current Fed chair, was a professor. So was Ben Bernanke, the guy who jammed interest rates down about seven years ago and stubbornly kept them there.

Paul Volcker is probably the best chairman in recent Fed history even though he cost me a lot of money when he pushed interest rates sharply higher just as I was buying my first house.

Volcker wasn't a professor when he took over the Fed. He came up through the ranks of the central bank and also worked in the banking industry, most notably at Chase Manhattan.

My point: With the Fed's dismal recent record, maybe we should look somewhere other than universities for our monetary leaders. Or maybe we should only appoint people to the Fed who have elderly parents who can't make ends meet because of their policies.

-John Crudele, nypost.com

### ► **Fannie and Freddie are Back, Bigger and Badder Than Ever**

But Fannie and Freddie accrued tremendous power and wealth because of the primacy of housing at the center of the American dream, combined with the perception that these loans had the full backing of the United States government. They abused that perception. Executives paid them-

selves lavish salaries, and the companies, particularly Fannie, relentlessly lobbied Congress to keep their advantages and dodge regulations... If there is another downturn in the real estate market and Fannie and Freddie suffer losses on their some \$5 trillion in outstanding securities, taxpayers will again have to foot the bill...

-nytimes.com

### ► **Lies, Damned Lies & The BLS Inflation Statistics**

There is so much wrong with the BLS data, I don't know where to start. The rental market has been on fire since 2012. Builders are erecting apartments at a breakneck pace. Independent, non-captured, neutral real estate organizations show rents surging to all-time highs, growing by 5.1% on an annual basis. Real rents in the real world have grown by 14% since 2012. The BLS says they've grown by 9%...

It is patently outrageous for the BLS to report an annual health insurance cost increase of a mere 0.7%. The annual cost of employee sponsored health insurance is 6.3% higher than last year, with the employee portion skyrocketing by 8.0% based on real data in the real world...

The bigger the lie, the more likely it is to be believed. The even more ridiculous aspect to the BLS data is that health insurance is weighted at .75% in the CPI calculation...

So we have near record levels of new auto sales, driven by subprime auto

*The deterioration of every government begins with the decay of the principles on which it was founded.*

**-Charles-Louis De Secondat**

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debt and 7 year 0% financing, with average vehicle prices at all-time highs, and the BLS reports prices only went up 1.2% in the last year. Edmunds, the authority in auto data, says prices went up 2.6% in the last year... You know your true level of inflation. You know it's not 0.1%. You know it's somewhere between 4% and 10%. You know your government is lying to you...

-davidstockmanscontracorner.com

### ► FCC Commissioner 'Outraged' At What CBS4 Investigation Revealed About Free Phone Program

"Workers are signing up people using fraudulent certifications," said Pai, one of five FCC commissioners...

The program is funded by a universal service tax every cellphone user pays each month... According to the U.S. Government Accountability Office, more than 12 million American homes are participating in the Lifeline program, up from about seven million in 2008...

-denver.cbslocal.com

### ► The real reason so many Americans support Donald Trump

I was surprised by the intensity of support for Trump among friends and family members I talked to. In many cases, their support for Trump boiled down to a simple fact: they were angry.

Angry at Obama, angry at congressional leaders, and angry at the political establishment as a whole. And

they're not alone — surveys show that anger toward the government, particularly among Republicans, has been rising over the course of Obama's two terms in office. When asked how they felt toward the federal government, 37 percent of Republicans said "angry" in a Washington Post poll from last fall. By contrast, in September 1998, at the height of the Monica Lewinsky scandal, only 14 percent of Republicans said they were angry...

Anger toward the establishment is a powerful motivating force. And Donald Trump is currently the candidate in the best position to channel it...

-washingtonpost.com

### ► Arctic ice 'grew by a third' after cool summer in 2013.

Researchers say the growth continued in 2014 and more than compensated for losses recorded in the three previous years...

-bbc.com

### ► Iran: 'We Will Trample Upon America'

Iran's defense minister on Monday said the deal also will prohibit all foreigners from inspecting Iran's "defensive and missile capabilities" at sensitive military sites. "Missile-related issues have never been on the agenda of the nuclear talks and the Islamic system will resolutely implement its programs..."

-freebeacon.com

► U.S. Secretary of State John Kerry said a speech by Iranian Supreme Leader Ali Khamenei on Saturday vow-

*Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly and applying the wrong remedies.*

-Groucho Marx

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ing to defy American policies in the region despite a deal with world powers over Tehran's nuclear program was "very disturbing"...

-reuters

### ► **Eric Holder, Wall Street Double Agent, Comes in From the Cold** **Barack Obama's former top cop cashes in after six years of letting banks run wild**

Here's a man who just spent six years handing out soft-touch settlements to practically every Too Big to Fail bank in the world. Now he returns to a firm that represents many of those same companies: Morgan Stanley, Wells Fargo, Chase, Bank of America and Citigroup, to name a few...

Holder contributed countless subtle inventions to soften punishments. The most revolting in my view was allowing banks like Chase the courtesy of calling their settlements "remedial payments" instead of fines for wrongdoing.

This seemingly insignificant semantic tweak allowed the bank to call \$7 billion of their settlement a business expense, which meant they could claim it as a tax deduction...

-rollingstone.com

### ► **Census Bureau boss hired headhunter to oust 2020 head**

The head of the Census Bureau broke government rules beginning in 2013 when he attempted to oust the head of the 2020 Census — and tried to find a replacement by hand-picking a placement firm, according to a government

report. Rules mandate all government agencies use competitive bidding to fill contracts.

John Thompson also tried to conceal what he was doing by telling the headhunter not to use his government e-mail and, instead, to send messages regarding the search to his gmail account, the report found...

-nypost.com

### ► **Health Care Costs Set to Soar**

Remember when President Obama promised that health care premiums would drop if lawmakers passed the Affordable Care Act?

Insurance companies nationwide are trying to win approval for huge increases, in some cases above 50 percent. Blue Cross and Blue Shield, for instance, seeks a 54 percent increase in Minnesota, a 51 percent jump in New Mexico and 36 percent hike in Tennessee. Oklahoma wants a 31 percent rise; North Carolina 25 percent; and Illinois 24 percent, according to requests filed with the federal government and state insurance commissioners...

-washingtontimes.com

### ► **Feds Delay Obamacare Menu Labeling Rule By a Year**

Calorie rule criticized as 'impossible to comply'

-freebeacon.com

### ► **NOAA Fiddles With Climate Data To Erase The 15-Year Global Warming 'Hiatus'**

*Nearly all men can stand adversity, but if you want to test a man's character, give him power.*

**-Abraham Lincoln**

*When I eventually met Mr. Right I had no idea that his first name was Always.*

*-Rita Rudner*

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New climate data by NOAA scientists doubles the warming trend since the late 1990s by adjusting pre-hiatus temperatures downward and inflating temperatures in more recent years...  
-*dailycaller.com*

### ► Florida Ex-Senator Pursues Claims of Saudi Ties to Sept. 11 Attacks

Mr. Graham, 78, a two-term governor of Florida and three-term senator who left Capitol Hill in 2005, says he will not relent in his efforts to force the government to make public a secret section of a congressional review he helped write — one that, by many accounts, implicates Saudi citizens in helping the hijackers...

In sworn statements in the two cases, Mr. Graham has said there was evidence of support from the Saudi government for the terrorists. He also says the F.B.I. withheld from his inquiry, as well as a subsequent one, the fact that the bureau had investigated a Saudi family in Sarasota, Fla., and had found multiple contacts between it and the hijackers training nearby until the family fled just before the attacks.

-*nytimes.com*

### ► Why Do So Many Working Age Americans Choose Not To Enter The Workforce?

- 250 million: the total number of people of working age in the United States.
- 149 million: the total number of people in that population that have a job.
- 8 million: the number of people who

want a job but do not have one.

- 93 million: the number of people who don't work, and don't want work.

This is the painful reality in America: for increasingly more it is now more lucrative — in the form of actual disposable income — to sit, do nothing, and collect various welfare entitlements, than to work...

-*zerohedge.com*

### ► CDC Scientist: 'We scheduled meeting to destroy vaccine-autism study documents'

A current Centers for Disease Control (CDC) senior scientist has made an unprecedented admission: he and his colleagues—he says—committed scientific misconduct to cover up a meaningful link between vaccines and autism in black boys...

-*sharylattkisson.com*

### ► Fed Reporter Pedro Da Costa Is Leaving The Wall Street Journal After Asking Yellen "Uncomfortable" Questions

Pedro asking Yellen about Fed leaks: "I want to know if you could tell us who are these members of the FOMC who struck down this investigation? And doesn't not revealing these facts kind of go directly against the sort of transparency and accountability that you're trying to bring to the central bank?"

-*zerohedge.com*

### ► Obama Administration Urges States to Cut Health Insurers' Requests for Big Rate Increases

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Hoping to avoid another political uproar over the Affordable Care Act, the Obama administration is trying to persuade states to cut back big rate increases requested by many health insurance companies for 2016.

In calling for aggressive regulation of rates, federal officials are setting up a potential clash with insurers. Some carriers said they paid out more in claims than they collected in premiums last year, so they lost money on policies sold in the new public marketplaces. After finding that new customers were sicker than expected, some health plans have sought increases of 10 percent to 40 percent or more...

“Our claims experience has not slowed at all,” Mr. Keefer said. “The trend has gotten a little worse than we expected.”... State officials said they had to worry about the solvency of some insurers as well as the affordability of insurance for consumers...

“For 2016,” he said, “we expect that medical costs will grow by 8 percent to 10 percent in the individual market.”...  
-nytimes.com

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### ► **My own social media**

I haven't got a computer, but I was told about Facebook and Twitter and am trying to make friends outside Facebook and Twitter while applying the same principles.

Every day, I walk down the street and tell passers-by what I have eaten, how I

feel, what I have done the night before and what I will do for the rest of the day. I give them pictures of my wife, my daughter, my dog and me gardening and on holiday, spending time by the pool. I also listen to their conversations, tell them I ‘like’ them and give them my opinion on every subject that interests me...whether it interests them or not.

And it works. I already have four people following me; two police officers, a social worker and a psychiatrist.

-Peter White, Holbrook, Derbyshire

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► **IN SIX MONTHS** — Employers with 51-99 employees that work at least 30 hours a week must provide health insurance coverage per the Affordable Care Act effective 1/01/16 or be subject to a fine (source: ACA).

-dixioninvestments.com

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► **IT'S HOT OUT THERE** — An average of 658 Americans die each year from extreme heat, a total that exceeds the average number of deaths caused every year from tornadoes, hurricanes, floods and lightning combined (source: Center for Disease Control).

-dixioninvestments.com

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► **ISIL (ISIS)** is facing growing resistance to its harsh rule. Another example of this occurred in early July. In Mosul, which ISIL has ruled since June 2014, one or more of the cooks preparing the Ramadan

*If you want total security, go to prison. There you're fed, clothed, given medical care and so on. The only thing lacking is freedom.*

**-Dwight D. Eisenhower**

## POTPOURRI

feast poisoned the food for 145 ISIL men. About a third of these Islamic terrorists died and the rest were very sick. It is unclear who the cooks were or what happened to them. The Kurds are suspected this time. This sort of thing has happened to ISIL before. Actually, this sort of mass poisoning during Ramadan is an old tactic for Moslems at war. It also occurred several times during World War II when partisans poisoned German troops.

*-Jim Dunnigan, StrategyPage.com*

► MIT has produced a tiny robot that is 0.7 inches wide. It can fold up when heated. The robot can maneuver in tiny spaces and then unfold again. When its task is completed, it is then dissolved in acetone.

*-Cycles Research*

► MIT's prototype, Finger-Reader, is worn like a ring. It has small cameras that scan text and convert it to words that are then spoken by a synthesized voice. The device will provide easy access to books and menus for the blind.

*-Cycles Research*

### ► In Zimbabwe, We Don't Cry for Lions

Did all those Americans signing petitions understand that lions actually kill people? That all the talk about Cecil being "beloved" or a "local favorite" was media hype?...

In my village in Zimbabwe, surrounded by wildlife conservation areas, no lion has ever been beloved,

or granted an affectionate nickname. They are objects of terror...

We Zimbabweans are left shaking our heads, wondering why Americans care more about African animals than African people...

*-nyti.ms*

### ► Multitude of local authorities soak Illinois homeowners in taxes

The state is home to nearly 8,500 local government units, with 6,026 empowered to raise taxes, by far the highest number in the U.S... On average, Illinois' effective property taxes are the third highest in the U.S. at 1.92 percent of residential property values, only behind New Jersey and New Hampshire...

Critics of both the high taxation and the state's governance structure say that it takes too much of a toll on homeowners, discouraging people from either coming to the state or staying in it. Illinois saw net migration of 95,000 people out of the state last year, the greatest in its history and second only to New York, according to U.S. Census data...

*-reuters.com*

### ► Iran to Get More Cash than All U.S. Aid to Israel Since 1948...

*-Drudge.tw*

### ► Hillary faces dangerous enemy in the Obama administration

The news that two inspectors general from the Obama administration want the Justice Department to investigate

*I am not a product of my circumstances. I am a product of my decisions.*

*-Stephen Covey*

## POTPOURRI

her handling of classified material is a potential game changer...

Somebody very high in the food chain leaked the memos requesting the probe. The New York Times, which broke the story, identified its source only as “a senior government official.”

My money is on Valerie Jarrett, the Obamas’ Rasputin, who is known to despise Clinton. If it was Jarrett, she would not do this against the president’s wishes...

-nypost.com

### ► **Coca-Cola Funds Scientists Who Shift Blame for Obesity Away From Bad Diets**

Health experts say this message is misleading and part of an effort by Coke to deflect criticism about the role sugary drinks have played in the spread of obesity and Type 2 diabetes... reminiscent of tactics used by the tobacco industry...

-nytimes.com

### ► **The Spy Satellite Secrets in Hillary’s Emails**

These weren’t just ordinary secrets found in Clinton’s private server, but some of the most classified material the U.S. government has.

-thedailybeast.com

### ► **Cheap Labor**

The sustained decline in the official jobless rate – now approaching the Fed’s estimate of “full employment” – is a misleading indicator of labor market slack. Indeed, the stagnation

in nominal wage growth is consistent with the weakness in the employment/population (E/P) ratio. That said, even the E/P ratio may be overstating the health of the jobs market... the E/P ratio for high school or college graduates – i.e., eight out of nine American adults – has not recovered any of its recessionary losses...

This data shows that the so-called jobs recovery has been spearheaded by cheap labor, with job gains going disproportionately to the least educated — and lowest-paid — workers. This is scarcely a good basis for resilient consumer spending driven by “solid” job growth that the consensus – including the Fed – is banking on.

-businesscycle.com

► **THEY NEED IT HIGHER** - Even though it costs oil producers in Saudi Arabia (OPEC’s largest member) just \$6 a barrel to bring oil up out of the ground, the Saudis need an average oil price of at least \$90 a barrel to cover the day-to-day expenditures of their country at \$45 a barrel. Saudi Arabia is short \$450 million a day in balancing their books (source BTN Research).

-drexioninvestments.com

► **STAYS THE SAME** - Congress passed legislation in 1972 that implemented automatic cost-of-living adjustments (COLA) for Social Security benefits beginning in 1975 based upon the annual increase in consumer prices. Since 1975, there have been only 2 years (2010 and 2011) when there was no COLA increase in So-

*When unlimited and unrestricted by individual rights, a government is men’s deadliest enemy.*

*-Ayn Rand*



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cial Security benefits due to low levels of inflation. The government is expected to announce in October 2015 that there will be no COLA boost to Social Security benefits in 2016 (source: Social Security).

*-direxioninvestments.com*

### ► Sign Language

On the back of a septic-service company truck: "Satisfaction guaranteed, or your merchandise cheerfully refunded."

Sign above the scale in a Mission Hills, Calif., doctor's office: "Pretend it's your I.Q."

Seen on the door of a repair shop: (Please knock on the door—the bell doesn't work.)

On the door of the post office in rural Esperance, NY: PULL. If that doesn't work, PUSH. If that doesn't work,

we're closed. Come again.

*-Readers Digest*

### ► Alaskan Water

An Alaskan company is planning to be the first to ship massive amounts of fresh water to drought-plagued California. CEO Terry Trapp, who used to run a bottled water company said in an email, the company would perform the feat by shipping the water on a tanker. The water would be taken from the Blue Lake in Sitka, where the company has rights to up to 9 billion gallons of "some of the most pure water on Earth." Peter Gleick, president of the Pacific Institute lumps Trapps' idea in with others such as shipping water pipes from the Great Lakes.

*- USA Today*