Many may decry that the sepia-hued American dream as our grandparents knew it, one of boot-strapped gumption, unfettered meritocracy, and starry-eyed upward mobility, as an antiquated fairy tale as faded as the dusty gramophone in the attic.

But in our cover story, managing editor Laura Greaver proves the dream isn’t dead yet. She profiles Stansberry Research’s newest star, finance expert Matt McCall, whose rise from the blue-collar outskirts of Philly to the upper echelons of the investment world should provide some hope for how you see the country (and stock market).

Meanwhile, Editor in Chief P.J. O’Rourke extols the virtues of leaving real life for a while and shares his favorite quotes of all time, from Emily Dickinson to Voltaire.

Then comes our three-pronged attack against the Kraken that is the Federal Reserve, our favorite financial foe...

In my feature, I hold Jerome Powell to the fire for his gross negligence and denial surrounding inflation and ever-staggering price hikes that are hitting everything from your local diner to global supply chains.

Former congressman Dr. Ron Paul details how even before the pandemic, the Fed ramped up its reckless money printing. And now, with hemorrhaging costs squeezing the middle class, he urges that it’s time to audit and expose the central bank.

And RealClearMarkets editor John Tamny notes the folly of the idea that the Fed controls the markets... If that were true, you’d be streaming shows on Blockbuster and tightly holding on to your AOL shares.

Speaking of policies going south, Executive Editor Buck Sexton exposes the crisis at the border, noting how Biden’s fumbling of the immigration surge seems to know no bounds.

Across the globe, Executive Editor Kim Iskyan uncovers the peculiar scandal involving the World Bank, IMF, China, and the Ease of Doing Business ranking system.

And if you need a well-deserved laugh, staff writer Andrew Amundson takes down an embattled Big Tech CEO in the latest Dunce of the Month (hint: he hasn’t shot himself into space – yet).

Regards,
Trish Regan
Publisher, American Consequences
On October 20, you can meet a man who will change the way you look at money forever...

His name is Matt McCall.

And he has more 1,000% winners (over 40 of them) than likely ANY other investment analyst in America over the past 20 years.

Over that time, Matt has been featured in the Wall Street Journal and countless other financial websites...

He's appeared over 1,000 times as a featured expert on Fox News, Fox Business, Bloomberg, CNBC, and CNN...

Where he successfully called the bottom of the Great Recession in 2009... the rise of cannabis stocks in 2014... and even recommended bitcoin before it soared 10,000%.

Fox Business host Neil Cavuto puts it this way:

“Sometimes when everyone's preaching doom and gloom, along comes a guy like Matt to not only make sense of it, but profit from it. Not only did he see the financial crisis coming but he saw our coming out of it as well. Matt's got your back.”

And now, Matt says EVERYTHING he's done so far in his career pales in comparison to his newest prediction, which he's revealing on October 20.

And he'd like to share this big story with you – absolutely free.
Check out our magazine archive...
The mainstream media isn't telling you everything, and we've got the full story.
CLICK HERE.
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CLICK HERE TO READ THE ONLINE VERSION

AMERICAN CONSEQUENCES

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American Consequences
WHAT HAPPENS WHEN P.J. PLAYS HOOKY FROM THE WORLD

out of office.
I’d like to begin my monthly letter with an apology to Managing Editor Laura Greaver and Design Director Erica Wood (the two people who do most of the actual work at American Consequences) for getting my copy in so damn late.

Just as we were putting this issue together... I skipped school. I skipped without so much as a call to the attendance office saying – in an attempt at a high-pitched, female voice – “Hello, this is my mother... I mean Pat O’Rourke’s mother... He isn’t feeling so well today... Or tomorrow or the next day or the day after that...”

I played hooky from life for a week. Or maybe more than a week... I wasn’t counting. With no laptop, no iPad, no smartphone, (or cable TV or landline, for that matter), I wasn’t sure what day it was. I didn’t even leave an “Away” notice on my e-mail. Had I done so, it would have read something like, “If this message is urgent, call... Oh, heck, I don’t know... 911 or something.”

It began with a memorial service on the Eastern Shore of Maryland for my friend of more than 40 years, Winston Groom. He’s the fellow who wrote the novel Forrest Gump, and a lot of other wonderful stuff – eight novels and 15 works of non-fiction.

Winston, as a young lieutenant, was a veteran of some of the worst fighting in Indochina. In 1978, he wrote what was then – and still is – the best novel about the Vietnam War, Better Times Than These.

He was also a brilliant historian. History buffs, get off your buff and order some Groom histories. Maybe start with Kearny’s March, which is about the opening of the American West in the 1840s or Vicksburg, 1863 about the battle you think you know about until you read Winston’s account.

Winston died of a heart attack a year ago, but the memorial service was delayed because of COVID. Maybe this was for the best... Winston’s sudden death had gone from blinding shock to clearly perceived grief for the loss of the man.
LETTER FROM THE EDITOR

The crying wasn’t over, but many of the tears were for the wonderful times we’d had with Winston. Not tears of joy, certainly, but tears from joy at least.

The toasts and the testimonials were good, plentiful, and heartfelt. And there was something I noticed as I listened and raised my glass. Winston led a hard-working life, with 23 books and a career as a reporter for the old Washington Star before that. But none of the stories being told were about Winston’s thousands of hours hunched over a typewriter sipping cold coffee and shrouded in stale cigarette smoke. The stories were all about fun that was had – rugby matches, sails on the Chesapeake, quail hunts, staying up late and telling tall tales. The stories were all about playing hooky.

“F**k it all,” I said, “How about you?” Her reply was less Anglo-Saxon and more printable but in concurrence on the key points.

And it was playing hooky with Winston that I missed most, too. I missed when we’d go AWOL up to my place in New England to shoot ducks, or fly the coop out to Winston’s beach shack in the Hamptons before the place was overrun by Bezosillionaires, or take French leave at Elaine’s literary watering trough in New York where, when 4 a.m. closing time came, Elaine would pull the window shades and serve the drinks herself.

Winston and I would emerge into the bright of day, a bit “over-refreshed” perhaps, but knowing – even back then... It’s fine to leave behind a body of good work, but it’s the good fun they’ll be talking about over your body.

My wife and I drove down to Maryland. The weather was splendid. (The weather in New England this summer and fall has been another word that begins with “s.”) The day after the memorial service, my wife found an Airbnb on the water. She said, “Do you have anything you absolutely have to do for the next week or so?”

“F**k it all,” I said, “How about you?” Her reply was less Anglo-Saxon and more printable but in concurrence on the key points.

For the first time in almost a quarter century, the kids didn’t need to be driven anywhere... picked up anywhere else... or otherwise provided with immediate parenting.

Our middle daughter was off on her college semester abroad. Our adult (technically) daughter was home between changing jobs and therefore (theoretically) capable of supervising our remaining household high schooler and (for sure) bullying him into feeding the dogs and the chickens and taking out the garbage. She also made sure to keep him from getting into the gin bottle and refilling it to its original level with tap water.

(Not that he’d ever do anything of the sort... That was my trick when I was 17. My parents didn’t drink gin, but they kept a bottle of Beefeater for guests, many of whom must have gone home saying, “Worst martini I’ve ever had!”)
But I digress... My eldest daughter and young son would not be at the top of the list if my wife and I were recommending cleaning persons to hire. But, on the other hand, how could kids do more damage to the house than they’d already done over the past 24 years?

Anyway, I believe our home insurance covers “acts of God,” which I consider kids to be. Because children, as much as we love them, are not something people would have thought up. If children were “acts of adulthood,” they’d be 30 when they were born, and we’d be the ones who took forever to mature. But I digress again...

My wife and I played hooky.

And what we did while playing hooky was what every busy person dreams of doing — nothing.

We sat in the sun. We slept until whenever. We read at least a dozen books between us. We talked, although by mutual consent about nothing we were supposed to be doing at home or at work. If somebody felt like it, there was a walk (my wife) or a nap (me). We didn’t buy a newspaper or turn on a radio or have a television. We didn’t make the bed. We didn’t cook. Our meals were all takeaway except when we were using up the cute, in the little shore cafés.

We had no other contact with the outside world. (Though I suspect a few surreptitious text messages from my wife to our kids to make sure they were eating something besides Cheese Whiz on potato chips — or, in the case of our daughter abroad, Camembert on macaroons.)

It was heaven.

But it was humbling too, as I suspect real heaven will be. Should I by some chance make it there, I’ll see a lot of people who accomplished much more than I did... like my friend Winston, for one.

It’s also humbling because my escape to temporary heaven where I got to do nothing resulted in... nothing.

Life seemed to get along fine without me. Indeed, it seemed to get along a little too well, now that I think about it. Kind of the way school got along fine when I did play hooky.

It’s also humbling because my escape to temporary heaven where I got to do nothing resulted in... nothing.

Maybe a few people were mildly inconvenienced. I’ll know when I get up the courage to open the 174 unanswered e-mails in my inbox. But it’s not like the police were here when I got home with lights flashing on their squad car shouting through a bullhorn, “We’ve been getting all these 911 calls from the ‘Away’ message you left on your laptop!”

I phoned a buddy last night and bragged, “I just took 10 or 11 days off from the whole world.”

He said, “Maybe the whole world just took 10 or 11 days off from you.”
Re: Facebook Fallout

It’s about time that someone has the ability to speak out about Facebook, Google and Twitter. You have a platform that can help bring into focus the problems that these three monopolies have on America. I know Trish has had a problem with Facebook, and maybe a one at a time approach is best, but they are each equally damaging to people and need to be controlled. Congratulations to you for presenting this dialogue. It’s a big problem and it’s gone on for too long. – Joe K.

Trish Regan Response: Joe, I appreciate your feedback. The Big Tech issue isn’t going away. We need lawmakers who are willing to address the issue head on – not with a political “what’s best for me and my party” mindset, but what’s best for the freedom of this nation. It’s a challenging issue. Ultimately, more consumer choice, more diversity, and more players may prove to be the best path. But it will take a while.

I agree with you, Tricia – Facebook should be broken up. The problem, though, is that Facebook gives lots of money to the politicians that are the ones that can break it up. What we need are new candidates for office that make breaking up Facebook, Google, and Twitter part of their platform. – Luis A.

Trish Regan Response: Luis, that’s correct. Too often, politicians are busy doing what’s good for them in a given moment with little concern for the consequences of their actions.

The Big Tech companies are big spenders and have the money to pay lobbyists.

I eagerly look forward to your daily emails because it gives me comfort to know that there is still some measure of sanity in this country. The freedom of assembly, freedom of speech, and freedom of religion are our most cherished rights as Americans. Thank you for your thoughtful commentary. – David S.

Trish Regan Response: David, that’s a great compliment. From me and everyone at American Consequences, thank you. The world sure needs a little sanity.

Re: Cyberattacks: The War We All Need to be Afraid of

Very important and well written article by Kim Iskyan, whose work I have enjoyed reading for several years now. If we think the supply chain is messed up now… well, we ain’t seen nothin yet. As George Gilder argues, the whole password scheme, as opposed to something more robust that is actually built into the lower layers of the Internet, is problematic. But as long as that’s all we have, we might as well use it to best advantage. – Joe B.

Kim Iskyan Response: Joe – yes, you make a good point. The scope for something cyber-bad to further gum up the works of the creaking supply chain is enormous. And it doesn’t have to be much at all. It sometimes feels like we’re living in a house of cards built on quicksand… and we have no conception of
just how shaky it all is. That’s one of the biggest things I learned when I was writing about cyberattacks. Thank you for your e-mail.

Kim Iskyan stands out at American Consequences as a beacon of intelligence and clear unbiased objective writing. I cannot discern from his writing his political thoughts at all. Good work, Kim. – Richard L.

Kim Iskyan Response: Richard, in a world of noisy political takes, I try to get my message across without alienating a broad swath of the (potential) readership... so your e-mail is a tremendous compliment. Thank you, and very much appreciated.

Re: Bites From the Rotten Fruit of Knowledge: A Conversation with P.J. O’Rourke

This is one of the best articles I’ve read in a long time. So much good stuff in one article. I can’t get enough of P.J.’s ideas, thoughts, advice, you name it. Keep up the great work and God bless. – James F.

P.J. O’Rourke Response: James, you’ve got my head so swollen it’s like a Halloween pumpkin and won’t fit between my keyboard and my laptop screen anymore. But a lot of the credit for the conversation should go to one of our newer editors, Andrew Amundson. He came up with excellent questions to get the interview started. And he edited my mumbling and pointless digressions into readable English prose.

I loved reading this interview. Maybe it’s because I’m old too. – Luis A.

P.J. O’Rourke Response: Luis, age and wisdom beat youth, innocence, and a sleeve of stupid tattoos. (Or let’s keep telling ourselves that!)

Re: Democracy Is for Losers

I just finished reading PJ’s essay on democracy, and I think it is absolutely brilliant in the clarity it brings to the democratic process in terms that I have never read elsewhere – or at least not so well expressed. The emphasis on losing well as critical to a democracy is so relevant to our country now. – Sharon N.
P.J. O’Rourke Response: Thank you very much, Sharon. There have been a lot of hard-fought and close-call presidential elections in American history. But, with one exception (that led to the Civil War), the losers have lost gracefully. It’s not a matter of political party or even a matter of the candidates’ character. It’s a matter of patriotism. The supposedly wicked Richard Nixon did not contest his somewhat-fishy loss to JFK in 1960. And Al Gore had a reasonable case to continue denying George W. Bush’s victory. But that’s not how patriots behave.

Outstanding, I’m passing it along to friends and encouraging them all to read it and the rest of AC. Thanks. – Dave C.

P.J. O’Rourke Response: You’re welcome, Dave. And we welcome your role as social-media influencer. We like to think that promoting AC is a big step up from touting some stinky thing some Kardashian has bottled up to sell as a perfume.

Re: Corona Wars: Biden’s Authoritarian COVID-19 Battle

Amazing article. I know the dangers of COVID-19, as my wife and I suffered terribly from it in July (as did more than one of our vaccinated friends) and my mother died of it in August. But the politicization of it is disturbing. Perhaps the states (Florida in particular, my home) could issue COVID survivor cards to show that we aren’t dangerous anymore. – James H.

Buck Sexton Reply: James, I’m very sorry to read of your mother’s passing. I appreciate you reaching out with your thoughts. I too had COVID, and therefore am more likely to be protected than a person who is “fully vaccinated,” which may not even be the phrase going forward as boosters are rolled out. The refusal of the Fauciite apparatus to grapple with natural immunity as part of their policy mandates is appalling, and shows a lack of respect for the science and data they profess to rely on.
HAVE YOU HEARD?

LISTEN NOW

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UNWAVERING.
HARD HITTING.
INFORMATIVE.

Each week, the American Consequences podcast dives deep into fiscal and monetary policy, politics, and economics. You'll get a view of the Fed, the White House, and the World like nowhere else. Subscribe to stay up-to-date on the biggest guests and the best analysis, all with the signature Trish Regan insight.

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STEVE FORBES
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AMERICAN CONSEQUENCES PODCAST
WITH TRISH REGAN
THE BIGGEST FEDERAL RESERVE SCANDAL
ollowing revelations that Federal Reserve officials made trades in financial assets while the Fed was taking extraordinary efforts to “stimulate” the economy, Federal Reserve Chairman Jerome Powell ordered a review of the Fed’s ethics rules.

While these trades appear problematic, they pale in comparison to the biggest Fed scandal – the Fed’s impoverishment of ordinary Americans, enrichment of the elites, and facilitation of government debt and deficits.

The depression induced by the coronavirus, though really caused by so-called public health actions the government took in response, was the official reason for the Fed’s increased asset purchases last year.

However, the Fed actually started ramping up its money-printing activities in September of 2019, when it began pouring billions a day into the repo markets, which banks use to make short-term loans to each other, in order to keep repo market interest rates low.

The coronavirus was just a convenient excuse for the Fed to do more of what it was already doing... Now, the Fed is using the limited reopening as a scapegoat for rising prices.

Of course, anyone who understands Austrian economics understands that rising prices are a symptom, not a cause, of inflation. Inflation is the very act of money creation by the Fed.

Rising prices that diminish the average American’s standard of living are not the only result of the Fed’s manipulation of the money supply. The manipulation distorts economic signals, and produces booms, bubbles, and busts.

"The coronavirus was just a convenient excuse for the Fed to do more of what it was already doing..."
Inflation has always benefited the well-connected elites who receive the Fed’s newly created money before the new money causes widespread price increases.

The true motivation behind Fed policies was revealed by former Fed official Andrew Huszar in 2013. Huszar, writing for the Wall Street Journal, confirmed that quantitative easing kept stock prices high, instead of helping Americans struggling with the aftereffects of the 2008 melt down.

Other beneficiaries of the Fed are big-spending politicians. The Federal Reserve’s purchase of federal debt instruments keeps the federal government’s debt-servicing costs manageable.

This is why, despite Chairman Powell’s recent suggestion that the Fed will soon begin “tapering” its purchases of Treasuries, the Fed is unlikely to significantly reduce its purchase of Treasuries or allow interest rates to significantly increase.

Powell is also unlikely to upset President Biden and Biden’s congressional allies as long as progressives are urging the president not to reappoint Powell.

Progressives want to replace Powell with someone more committed to fighting climate change and systemic racism, two boogeymen routinely bought out as excuses for vast expansions in government spending and power.

Another major scandal involving the Fed is Congress’ refusal to pass the Audit the Fed bill and let the American people know the truth about the Fed’s operations.

Audit the Fed authorizes a Government Accountability Office audit of the Fed’s dealing with foreign governments and central banks, the Fed’s discount window operations, reserves of member banks, securities credit, interest on deposits, and open-market transactions.

Audit the Fed would finally reveal the truth about the Fed’s operations.

A limited audit authorized by the Dodd-Frank Act found that between 2007 and 2010, the Federal Reserve committed over $16 trillion dollars to foreign central banks and politically influential private companies.

Imagine what a full audit would find...

It is time to end the scandal of allowing a secretive central bank to have so much power over the economy and our liberty. It is time to audit, and end, the Fed.
DOES THIS BLACK BOX CONTAIN THE SECRET TO UNLIMITED ENERGY?

Within this little black box is an energy breakthrough that companies and governments have been searching decades for.

It’s the key to virtually unlimited, free energy.

And it’s set to be the number one tech of a new energy market with 10x growth potential.

(It’s even 2.5 times more powerful than Tesla’s energy device – see the breakdown here).

To date, nothing in the world is as powerful and energy dense as this device.

The design is owned by one company.

It’s not Tesla, Amazon, Google, Apple, or any big corporation you’ve heard of.

This company is tiny… 1/80th the size of any of these tech giants.

After 10 years and 2 million prototypes, they have over 200 patents protecting the most sought-after tech innovation of the decade.

Their black box is set to rule a new energy market… that’s already projected to be twice as big as 5G, Cryptos, IoT, and Artificial Intelligence combined.

And while their breakthrough is still relatively unknown… news will spread when results of their large-scale prototype is unveiled. It could hit headlines as soon as January 1.

Which is why you can’t wait to act if you’re going to move on what one stock-picking legend calls “the discovery of his career.”

He reveals the two steps you need take to take advantage of this once-in-a-century energy shift, on camera, right here.
A blue-collar chip on his shoulder, he says the coming 10 years will be the greatest decade EVER in financial history... And has the stocks to back it up

The Inevitable Optimism of Matt McCall

By Laura Greaver

CLICK HERE TO READ THE WEB VERSION
Matt McCall’s got something to prove...

A mile-a-minute talker oozing charisma and a magnetic personality, Matt is a passionate self-made entrepreneur, whose big-gains track record and penchant for teaching and helping investors just landed him with Stansberry Research.

I recently sat down with Matt to find out what’s behind his insatiable drive...

POVERTY BREEDS AMBITION

Matt grew up poor in a very small town outside Philadelphia, next to Bethlehem, Pennsylvania. His whole family worked for Bethlehem Steel – Matt’s father, grandfather, and uncles.

And for much of the 20th century, Bethlehem Steel was one of the world’s largest steel-producing and shipbuilding companies, a Dow 30 stock, a powerful symbol of American industrial-manufacturing leadership. Until it wasn’t...

When Bethlehem Steel went bankrupt, it devastatingly rocked many families in Pennsylvania, and Matt’s was no exception. He remembers that after the company’s layoffs, they had to leave their nice house for a much smaller one “on the wrong side of the tracks in the city.”

When Matt was 12 years old, his father left. And being the oldest of five kids, Matt had to grow up quick... He worked any odd job he could find – at one point, making tartar sauce every day after school at the fish shop across the street from his house.

The first glimmer of Matt’s entrepreneurial drive appeared when he was 15 and started his own lawn-care business. He created and posted flyers on everyone’s doors and car windshields in his neighborhood.

“And when it snowed, it was the best,” he tells me. “Other kids might have been building snowmen or having snowball fights, but I was knocking on doors... ‘Five bucks, I’ll shovel your driveway.’”

Matt says he’s always been motivated by money and wanting to prove himself.

“Other kids had nice, expensive shoes, like Nikes and Adidas, but my mom couldn’t afford them. So I wore these cheap sneakers. They were called MacGregors, and I got made fun of for wearing them. I hated it. I knew I was better than them, even in my Dollar Store shoes.

“I’ve always been told I’m not good enough, so I always have to prove them wrong. Probably why I’ve been hustling even since grade school... selling football cards, cutting lawns, you know, up to something,” he says with a smile.

This Philly blue-collar chip on his shoulder still drives him today...
“My biggest fear in life is being considered mediocre. 80% of the people I grew up with are still in the same town, living within a 10-mile radius of the house they were born in. I knew I had to get out to be successful.”

**BETTING ON HIS FUTURE**

Besides working, sports were also a kind of escape for Matt, who adamantly followed and played football through high school. He got a football scholarship to a small, local college but flunked out after the first year.

He repeated this three more times at three other undergrad colleges – landing football scholarships but then failing out of school – until he blew out his shoulder and couldn’t play anymore. He finally landed at state school Kutztown University of Pennsylvania, where he planned on getting his degree and becoming a gym teacher.

Still hustling, Matt had a bartending gig in the evenings, making fistfuls of cash on the regular. Coming home with $200 after a shift

“I’ve always been told I’m not good enough, so I always have to prove them wrong. Probably why I’ve been hustling even since grade school...”

---

Top: Matt with his mother, father, and sister.
Bottom: Matt visits the Bethlehem Steel site in Pennsylvania.
one night, a light bulb went off: “Holy shit, it would take me more than a week to make this kind of money as a gym teacher.”

As Matt wrestled with the decision on whether to continue to pursue his college education or not, his grandmother passed away. She left Matt $10,000, but before Matt’s father would give him the check, he first begged him to do something “productive” with it.

A self-proclaimed “degenerate gambler” at the time, Matt loved sports betting...

It made sense – he was a football fanatic and was also always hungry for cash, and sports gambling seemed like the solution. Except when you lose... And we all know gambling is just that... a risky bet on an uncertain outcome. The house always wins.

So Matt took his 10K inheritance and tried a new kind of gambling... He put it in the stock market.

Matt fairly quickly doubled his money... and was hooked.

Matt McCall the investor was born.

WEARING THE STIFLING SUIT OF CORPORATE FINANCE

Matt suddenly had a new purpose and passion for college, although he claims his first stock market win was beginner’s luck because he didn’t know hardly anything about investing at all...

“My family, we’d read the sports pages cover to cover – I could tell you the stat of any player in...
any league... But I didn't know the first thing about the Dow Jones or the NYSE. We didn't learn that stuff at home or in school.”

But like so many times the odds were stacked against him, Matt switched his major to finance, busted his ass, and took many 21-credit semesters to graduate with a degree in finance from Kutztown University.

He landed his first job at Charles Schwab as a stockbroker in Denver. Matt stayed there for a couple of years and managed to simultaneously get his MBA from the University of Colorado.

But the finance world, at least as it played out at Charles Schwab, wasn’t all that Matt dreamed it would be...

“Schwab kind of sucked... It just wasn’t fun, and it wasn’t for me. They were very corporate, and my interactions with clients were so scripted... I went into this line of work to help people, to teach people, but when clients would call and ask for my opinion or my help, I wasn’t free to speak my mind or tell them the raw truth – I had to stick to the script.”

Matt started going out in the evenings with his then-boss, and the two of them became “investment junkies” – huddled at the bar, jotting notes on sticky cocktail napkins for various options strategies and how to play different market scenarios.

**FRASIER AND TUNA HELPER**

Eventually, he left Schwab and joined a startup called Wall Street Radio that had a national radio show in various major cities around the country.

Within a year, Matt worked his way up to president of the company.

One fateful day, the radio host was sick, and Matt was asked to fill in. Even though he had never done a radio show and felt extremely anxious about speaking live on the air, Matt jumped in and helped...

“By the end of that first show, I was like Frasier – my feet up on the desk, taking live calls, answering investment questions.”

He then became co-host and spent the next couple of years traveling around the country doing shows and live conferences. “I loved connecting with people, engaging with them in real time about the stock market,” he says.

In 2004, Matt decided it was time to begin his own venture and fulfill his entrepreneurial dream of starting and owning his own company. He founded Penn Financial Group, eventually growing it to a multimillion-dollar advisory firm that worked with individual investors to help them achieve their financial goals.

But it wasn’t all gravy at first...

“I lived in Denver at the time, and I didn’t leave the kitchen – which was my office. I was just writing free newsletters every day, trying to get my name and ideas out to the world. Trying to get people to give a 27-year-old no-name money for investing isn’t easy. I ate Tuna Helper every meal – 49 cents for the can of tuna, 99 cents for the box of Tuna Helper.”
So Matt moved to New York City to be closer to Wall Street. He began making TV appearances on CNBC, Bloomberg, and others. His first big TV break again came in the form of a chance opportunity...

“I was a fan of the Fox News show Bulls & Bears – watched it regularly – when my PR guy called me and said there was a last-minute cancellation, so they could have me on as a guest host. I was scared to death, but this was my chance to be on TV with the guys I loved to watch – Tobin Smith, Meredith Whitney, and Jack Welch.

“I was starstruck... For a nerdy Wall Street guy like me, this was big time. I remember the rest of them were in expensive, $3,000 suits, and here I was in my cheap suit from JC Penney, two sizes too big, tie a mess, hair all over the place... But I must have impressed them because they asked me to join their new morning show on Fox Business.”

TV appearances became a big part of Matt’s life, and he admits he began to “drink the

“Having worked in media, I saw the sensationalism... The media is not there to educate you. They’re there to get your eyes or your clicks. Especially today, the media is even more bombastic.”
Kool-Aid” a bit, getting caught up in being a bit of a finance celebrity, having a driver... and an oversized ego.

“Having worked in media, I saw the sensationalism... The media is not there to educate you. They’re there to get your eyes or your clicks. Especially today, the media is even more bombastic. There are more and more social outlets all competing for your eyes – and this is where the masses are getting their news from.”

This is a big part of why Matt joined the Stansberry Research team...

**ANTI-WALL-STREET GUY**

Like many of our passioned investment writers at Stansberry Research, Matt left the corporate world of banking and media limelight for a freer, truer path to helping people.

“Stansberry Research has done more to level the playing field for individual investors over the past 20 years than anyone. I wanted to be able to talk to people directly – not through a media platform, not in a book, not at a conference.”

One of the largest financial investment research companies in the entire world, Stansberry’s wide net appealed to Matt as a way to reach more people trying to learn about investing.

“Investing is actually very simple... At the end of the day, do you think this is going to be a bigger company in five years or not?”

Matt wants you to fire the adviser who only calls you once or twice a year... and “ditch those hedge-fund guys in fancy loafers who talk down to you.”

He adds, “I’m the most anti-Wall-Street guy there is.”

He tells me the toughest challenge to teaching people about investing is getting them to let go of the American get-rich-quick mentality... and to be in it for the long haul.

“We all hear stories at the watercooler or the cocktail party – someone’s brother who got...
SPOTTING THE TRENDS

So it’s easy to say *investing is simple, just buy great companies...* But how do you know if a company is worthy or not? Matt tells me that is pretty simple, too... Just “use your eyes.”

This is similar to legendary fund manager Peter Lynch’s famous advice to invest in what you know. Matt refers to Lynch as “one of the greatest investors ever.” In fact, he gave Lynch’s name when I asked who his investing inspiration was.

“People should literally walk the streets where they live for investing inspiration. Invest in what you’re familiar with. Now, just because you see a lot of people at a store doesn’t necessarily mean it’s a great investment... But it’s a good start.”

Matt tells me about a time back in the 2000s when his then-wife was a buyer for Nordstrom clothing, specifically denim. One day, she told him about “these new jeans that had a unique stitched horseshoe design on the back pockets and a $200 to $300 price tag. And the kicker was that they couldn’t keep them in stock because they were so popular.”

So Matt started researching the company, True Religion, and liked the fundamentals.

“Rich off a new biotech stock. They don’t tell you about the other 10 that went to zero, of course.

“It’s not tough to be a good investor... You put money away, you invest in good companies, and you let it go. You keep building out your portfolio. But, boy, is it hard when the market’s down 1,000 points, and you’re watching your money go down, and the news media is hyping it all up – that’s one of the hardest things.”

“To be successful in life, you can’t be on the bandwagon... You have to be the wolf, not the sheep.”
At the time, the stock was super cheap – maybe 20 cents a share – and he gobbled them up.

The denim trend really took off, and True Religion exploded... with celebrities wearing and endorsing the jeans. Between 2007 and 2012, the company’s revenues nearly tripled, reaching $490 million in 2013. True Religion was sold for $850 million the following year. (Matt saw huge gains on his stock as it ran to more than $20 per share.)

“That’s what’s so thrilling about investing – ideas and trends are everywhere, ripe for the picking. The key is finding them and buying in before it’s on the cover of Barron’s because, well, then you’re too late. And teaching people how to do this, that’s my passion. I live for this.”

**MUSK AND EVS... EMBRACE WHAT’S COMING**

Matt says that people often fear the future more than anything... But that’s actually what excites him the most. And he thinks the coming decade will be the greatest ever in financial history.

Since Matt doesn’t want to be known as mediocre, it makes sense that he’s a self-proclaimed “fanboy” of one of the most unique entrepreneur superstars there is – Elon Musk.

When Tesla first emerged, people were very skeptical... They thought Musk was an eccentric nut, and many argued this country didn’t need or want another big car company.

But Matt drew on his sports gambling days... “You shouldn’t bet on the horse – you bet on the jockey. And Elon Musk is a visionary... I remember thinking ‘whatever this guy invests in, wherever he goes, I’m along for the ride.’”

It wasn’t just Musk’s contrarian zaniness that endeared Matt... Tesla’s business model was different. It sold cars directly to the consumer. Plus, Tesla made the first successful fully electric mass-market vehicle... And it also looked sexy.

“Yes, there were hurdles... But you have an exceptional leader who’s incredibly brilliant. And a superior product. I knew Tesla would succeed.”

Matt recommended Tesla in 2014 – a swim-against-the-current contrarian call... And Tesla just reported $1 billion in quarterly earnings and is now one of the largest companies in the world. (Matt’s up around 1,854% on his Tesla position.)

**BE THE WOLF**

Matt’s enthusiasm for helping investors and his future with Stansberry feels contagious.

At the end of our meeting, he leaves me with some words of advice...

“To be successful in life, you can’t be on the bandwagon... You have to be the wolf, not the sheep.”

Matt’s working on a new book and his new product with Stansberry... It seems the sky’s the limit for Matt when he puts his mind to something.

Just don’t ever call him mediocre...
This Man Will Change The Way You Look at Money

On October 20, you can meet a man who will change the way you look at money forever...

His name is Matt McCall. And he has more 1,000% winners (over 40 of them) than likely ANY other investment analyst in America over the past 20 years.

Over that time, Matt has been featured in the Wall Street Journal and countless other financial websites...

He’s appeared over 1,000 times as a featured expert on Fox News, Fox Business, Bloomberg, CNBC, and CNN...

Where he successfully called the bottom of the Great Recession in 2009... the rise of cannabis stocks in 2014... and even recommended bitcoin before it soared 10,000%.

Fox Business host Neil Cavuto puts it this way:

“Sometimes when everyone’s preaching doom and gloom, along comes a guy like Matt to not only make sense of it, but profit from it. Not only did he see the financial crisis coming but he saw our coming out of it as well. Matt’s got your back.”

And now, Matt says EVERYTHING he’s done so far in his career pales in comparison to his newest prediction, which he’s revealing on October 20.

And he’d like to share this big story with you – absolutely free.
We're watching Twitter, so you don't have to.

Sean Penn looks like all 3 stooges put together.

Covid-19 is like eating raw cookie dough... we know the risk, now let us live our lives.

Sad!

This is what happens when you order a President through the mail.

Inflation? What inflation?

A pack of ground beef is the same price as last month.

There's nothing cooler than casually walking away after blowing something up.
THE MARKET IS BEYOND THE FED’S REACH

It may come as a surprise to some, but in the mid-19th century, whaling was a major American industry. By major, we’re talking fifth largest in the U.S. According to Kevin Baker’s 2016 book *America the Ingenious*, this now-forgotten sector could claim annual revenues of $70 million while employing 70,000 people. In Baker’s words, “By the 1830s, it was whale oil that kept the lights burning and wheels turning in America.”

Then crude oil was discovered in Titusville, Pennsylvania, in 1859. The days of whaling and whale oil were numbered... What was once economically consequential ceased to be.

Fast forward 100 years to the 1950s, and it was steel that symbolized immense U.S. economic strength. The *Fortune 500* was first published in 1955, and a look at the early rankings would reveal names at and around the top, like U.S. Steel, Armco, Jones & Laughlin, and Kaiser.

Let’s compare the endlessly changing team picture of U.S. commerce with that of the former Soviet Union... For help here, it’s useful to reference former Federal Reserve Chairman Alan Greenspan’s 2007 memoirs, *Age of Turbulence*. In it, he described a 1980s visit to the country that included spotting “a 1920s steam tractor, a clattering unwieldy..."

“The proportion between the real recompence of labour in different countries, it must be remembered, is naturally regulated, not by their actual wealth or poverty, but by their advancing, stationary, or declining condition.”

Adam Smith, *The Wealth of Nations*
“The Untouchable” machine” that looked positively ancient relative to the equipment used in the U.S.

Greenspan observed about the tractor:

Like the 1957 Chevrolets on the streets of Havana, it embodied a key difference between a centrally planned society and a capitalist one: Here, there was no creative destruction, no impetus to build better tools.

**NOTHING IS SACRED**

In a capitalist system, there are no sacred cows... What no longer meets the needs of shareholders, customers, or both generally ceases to exist. In centrally planned societies, that which employs us is generally a *forever* concept – hence the economic desperation.

Described more vividly, if readers are looking for evidence of economic retreat, they need only find the countries in which the lineup of top businesses remains the same year after year, decade after decade. It’s a near-certain sign of decline because growing country economies are magnets for copious investments that relentlessly fund the replacement of existing commercial giants.

For example, while Circuit City was the top-performing U.S. stock in the 1980s, by the 2020s it had vanished. Blockbuster’s story is much of the same. In the ‘80s and ‘90s, “Blockbuster Nights” were so common that the home-video-rental leader continued trying to expand the business model into the 2000s. In 2005, the FTC actually disallowed Blockbuster’s planned acquisition of Movie Gallery on the belief that the combination would be too powerful. Notable here is that a largely unknown company by the name of Netflix twice offered itself up for sale to Blockbuster (no antitrust opposition there!), only to be rebuffed both times. Readers know how this story ended...

Considering the early part of the 21st century, when Blockbuster was still prominent, it’s fascinating to contemplate other corporations that were similarly well-positioned.

General Electric (GE) was the most valuable company in the world, with a market cap of $585 billion. The company viewed as the next GE, and crowned as such on the cover of *Barron’s*, was Tyco. Enron was then seen as one of the best-managed companies in the world. The Internet increasingly factored into how we lived and worked, at which point Yahoo and AOL were the dominant players. So powerful was AOL that its merger with Time Warner was held up for a year based on the worry that such an influential combination would bring on “servitude” for customers with realistically nowhere else to turn...

**In a capitalist system, there are no sacred cows... What no longer meets the needs of shareholders, customers, or both generally ceases to exist. In centrally planned societies, that which employs us is generally a *forever* concept – hence the economic desperation.**
What has been written so far is hopefully a reminder that natural recessions and market corrections are signals of progress rather than scenarios we should fear. They’re very often indicators that good is being replaced with great. This is why we should shudder every time politicians promise to “bring back” jobs, or to fiddle with market forces that are delivering near-term pain – whereby ailing companies are allowed to fail. More realistically, economies gain strength from weakness and decline simply because they’re a sign that a much better future is being rushed into the present by lightly regarded corporations and unknown entrepreneurs that will soon be prominent.

THE FUTILITY OF THE FED

This brings me to the stock market... Supposedly its buoyancy over the last 12 years has had an artificial quality to it. To believe pundits on the Wall Street Journal’s editorial page, the opinion page of the New York Times, and even ferociously free-market centers of thought like the Mises Institute, the Fed has been the author of the bull market in U.S. shares. Left, Right, and Center claim that when it comes to the multiyear “bull,” the Fed can take credit.

But this consensus across the ideological spectrum is incorrect... Better yet, the popular view that the Fed has engineered the multiyear rally enjoyed by investors is quite literally impossible.

If the Fed could prop up the markets, then there would be scant markets to prop up. The clues to the previous assertion have already been laid out, but for now it’s useful to digress somewhat into the traditional arguments spread by the news media for the why behind modern market exuberance.

Most notably, more than a few market watchers point to the various “quantitative easing” (“QE”) programs engineered by the Fed as the source of easy returns since 2009. It might sound compelling at first glance, but such a view ignores how the Bank of Japan has conducted somewhere north of 11 QE programs since the 1990s (really, who’s counting at this point?), but its Nikkei 225 is still well shy of all-time market highs reached in 1989.

Moving to Europe, the ECB has, for the most part, mimicked the Fed’s QE machinations since 2009, but with vastly smaller results. Considering the world, while the S&P 500 Index has returned nearly 400% since bottoming in 2009, the MSCI All Country World Index can claim returns roughly a quarter of the S&P’s.

Let’s allow common sense to enter the equation... The Fed was able to conduct its
Translated for those who need it, in order for a QE-deceived bull to express optimism in the stock market, a sober QE bear must be able to express an equal amount of pessimism. In markets, the passions of the bulls are leavened by the pessimism of the bears... by definition.

Some say that the Fed, in pushing yields of bonds so low, engineered a rush into higher-yielding investment opportunities that could only be found in the stock market. It sounds intriguing at first glance, but a cursory second look at the yield curve in Japan over the decades shows lower rates across the curve, but no corresponding stock market rally. Better yet, the scenario imagined by the Fed-reverent would give the impression of a “great rotation” out of low-yielding bonds and into equities over the last 10 years. Except that the 10-year Treasury note yielded 3.26% in 2009 versus 1.55% in 2021. There’s just no story there.

OPTIMISTIC BULLS AND SOBER BEARS

Still others will point to the Fed “printing” trillions of dollars that had to find a home, ending up in U.S. shares. Nice try, but there’s nothing to this, either... Indeed, if we ignore that the Fed isn’t “printing” money in the first place (it’s borrowing existing bank reserves held at the Fed), we can’t ignore that in any market there are always and everywhere buyers and sellers.

Translated for those who need it, in order for a QE-deceived bull to express optimism in the stock market, a sober QE bear must be able to express an equal amount of pessimism. In markets, the passions of the bulls are leavened by the pessimism of the bears... by definition.

Such central bank mysticism also ignores how equities are valued in the first place. Stock prices represent the market’s expectation of all the dollars any company will earn throughout its existence. Looked at through the prism of QE, what would the Fed’s bond buying have to do with equity prices?

And for those who think QE represents currency devaluation, and that devaluation is good for stocks, please think again... When
investors put capital to work, they’re buying future returns in – you guessed it – dollars. So with this in mind, the notion that market fiddling meant to devalue the currency would actually boost equity returns brings new meaning to absurd.

Some offer the empty and trite rationale of “don’t fight the Fed”: the central bank wants a strong market, and it will get it because it’s, well, the Fed. It all sounds so compelling until we remember that the Fed aggressively cut rates in 2001 only for the Nasdaq, S&P, and Dow Jones Industrial Average to collapse anyway. The Fed can’t alter reality, and in the early part of the 21st century, investor sentiment turned bearish. The Fed similarly slashed rates in 2007 and 2008 to stem a falling market, only for stocks to fall further. In 2015, the Fed began a series of rate hikes that took place over several years, only for U.S. shares to rally.

After that, it’s worth bringing up the obvious question: Why on earth would market interventions by inept central bankers actually instigate the upward direction of the deepest, most informed markets in the world? To believe the Fed narrative (basically a variation of Barack Obama’s errant “you didn’t build that” line: stock market edition), one would have to believe that the 20th century, when economic planning from the Commanding Heights was thoroughly discredited, never actually happened. It’s not a serious approach to market or economic analysis.

**THE TRUTH-TELLING MARKET**

As opposed to rigged playthings for allegedly wise central bankers, stock markets are brutally honest sources of bright light that constantly expose the corporations that aren’t delivering for shareholders.

To offer up but one of many examples, ExxonMobil (XOM) was the world’s most valuable company in 2008 with a market cap of $492 billion. Its valuation has halved since then and fallen all the way to $58 billion in 2020. GE? While it could claim the world’s highest valuation of $585 billion when the 21st century dawned, at $116 billion it’s now literally a fraction of its former self.

After that, it’s worth bringing up the obvious question: Why on earth would market interventions by inept central bankers actually instigate the upward direction of the deepest, most informed markets in the world?

If the Fed could render markets artificial with its vain rate machinations, logically prices would remain artificially high across the board, and without regard to their existing and future prospects. But long-term shareholders of GE and XOM know differently. Stock markets are harsh truth-tellers...

To see why, it’s very useful to once again travel back in time to when the 21st century began. Only this time, rather than focus on the high-flyers, we will turn our eyes to corporations that were largely dismissed back then as
The Untouchable

yesterday concepts, never concepts, or that literally didn’t exist.

In 2000, Microsoft (MSFT) was still highly valued, but it was on the verge of a largely lost 10 to 15 years. Having been late (or never arrived) to the Internet, along with search, social media, and smartphones, investors had lost much of their former excitement for the Redmond, Washington software giant. This showed up in its stock price. It was mostly flat from 2000 right up through 2013.

Amazon? A peddler of books, CDs, and DVDs, it was known as “Amazon.org” given its inability to turn a profit. Shareholders were mostly ridiculed for owning its shares since, well, you know, well-overdone optimism about the Internet retailer was already priced.

Google? It was largely unknown. While by 2006 it had grown fast enough that it was neck-and-neck with Myspace (remember that?) for daily visits, the users of it were much rarer in 2000. In 2000, it was still private, with good reason.

“What would I do? I’d shut it down and give the money back to shareholders.” Who uttered those words? It was Michael Dell. He was talking about Apple in 1997. By 2000, Apple was alive after nearly going bankrupt in ’97, but as evidenced by it nearly going under (Bill Gates saved it) not too many years before, there was a “trust, but verify” quality to its shares. Put another way, returns since 2000 are loud indicators of how little faith investors initially had in the plans of Steve Jobs.

Facebook? The social media giant didn’t yet exist. Mark Zuckerberg was still a student at Phillips Exeter.

FAANG STOCKS AND DEFANGED BANKS

So, what’s the point of listing Microsoft, Amazon, Google, Apple, and Facebook? Nonexistent, lightly regarded, or seen as past their prime in 2000, these companies are now the five most-valuable corporations in the world in 2021. How things change!

Looked at through the prism of the Federal Reserve, central banks have been trying (blessedly without success) to rewrite market realities for as long as they’ve existed. While the Bank of Japan (“BOJ”) went to “zero” in 1999 without market or economic consequence, the Fed tried to mimic the BOJ’s laughable stab at the impossibility that was “easy money” in the early 2000s. The good news is that it failed, much as the BOJ did.

How we know this is because what mattered in 2000 soon enough did not... While
GE’s flame dimmed over time, Enron went bankrupt in 2001, Tyco flopped in 2002, Time Warner dropped AOL from its masthead in 2003, and Google floated its shares in 2004... thus bringing market heft to the end of Yahoo as a player in search.

Imagine then if the Fed could actually prop up stock prices as is commonly assumed. If so, the demise of some of the U.S.’s most dominant corporations in 2000 wouldn’t have been so swift. In which case, some pretty mediocre corporations would be hogging precious resources to the certain detriment of the U.S. economy, along with the stock market that is a reflection of forward-looking investor sentiment about that economy.

It cannot be stressed enough that while the failure of one or many corporations could never doom the stock market or the economy for any notable time frame, stasis would be devastating to markets. That’s because, as evidenced by the corporations and industries that dominated the U.S. economic landscape in 1850, 1950, and 2000, the unquestionable driver of economic progress has long been a replacement of the existing commercial order with mostly unexpected, and often unheard-of, new entrants.

To believe the narrative about the Fed and the stock market, you would have to similarly believe average thinkers with last names like Bernanke, Yellen, and Powell not only knew how to trick markets, but also knew what companies to push into the past at the same time they knew which replacements to anoint on the way to nosebleed valuations. “Ludicrous” doesn’t adequately describe the obtuse thought processes that have put the Fed at the center of a multiyear equity run.

On the other hand, greatness does... which explains the vast differentials in returns within countries around the world populated by central bankers trying to force exuberant valuations via voice and artificial rate commands. The problem for most of these economic fabulists is that they don’t “central bank” in countries with companies like Amazon, Apple, Facebook, Google, and Microsoft – the five corporations that, without, there wouldn’t be much of a stock market rally to think of.

The U.S. equity boom has been a consequence of rare genius – genius that likely wouldn’t have had access to the human and physical resources necessary to take flight absent the past being pushed into the past by market forces.

If the Fed were really as powerful as so many think it to be, such that it could engineer bull markets, then GE, Enron, Blockbuster, AOL, and others would still be around... using up precious resources to the detriment of much greater replacements. In other words, if the Fed could juice markets, there would be no markets to juice.

John Tamny is vice president at FreedomWorks, editor at RealClearMarkets, and author of many books. His latest is When Politicians Panicked: The New Coronavirus, Expert Opinion, and a Tragic Lapse of Reason.
There’s not just one white-hot scandal regarding trillion-dollar Internet-monolith Facebook and its founder at the moment... Instead, it’s more a collection of cultural tumors, all metastasizing since 2004.

And that bit of cancer now encompasses nearly three billion active users – home to a motley mix of racial hostility, Russian interference in our elections, breeding grounds for Capitol siege QAnon loyalists, and your mom.

If (when) the Big Tech plutocrats 3D print a Mount Rushmore of themselves, CEO Mark Zuckerberg’s unblinking glassy eyes would be eerily front, back, and center.

Or let’s try to imagine the Silicon elites cast in a streaming family sitcom... Jack Dorsey’s the absentee wayward, wanderlust hipster son, Jeff Bezos is the delusional, midlife-crisis-ravaged dad, and Zuck’s the unassuming bad-seed child (Elon Musk pops in every few scenes as the eccentric neighbor, à la Kramer.)

Twitter, land of 280 characters but no real character, has its issues. Bezos won the game of capitalism and now busies himself shooting William Shatner into space. And Elon continues to revel in Internet trolling and giving autism a grating name.

But when you make a Prime order, you’re at least receiving something at your door (a signed

By Andrew Amundson
copy of Milton Friedman’s *Capitalism and Freedom*). And you can stroll off a Tesla lot with a smug smile and a new Model S.

**What exactly are you getting out of Facebook’s newsfeed?**

If quaint 20th-century TV was the opiate of the masses, social media is the Fentanyl. With Facebook or its sister company Instagram, you are the product – they’re using you for data to regurgitate targeted ads (more than $50 billion worth in 2021 alone).

When you log on, you’re mere grist for the algorithm as they mine your minds, all curdling into a glorified cesspool of hate, humblebrags, and ALL CAPS idiocy.

**THE SUCKERBURBS**

At its start, the seed of Facebook was cachet – in the words of the Winklevoss Twins, harvard.edu: a network dripping with exclusivity and an invite-only protocol.

Unfurling from the Ivys, the original social media app crept from campus to campus, moving then to its egalitarian rollout for plebians until everyone and their dead grandmother were posting away.

And maybe for a moment in the late ‘00s, Facebook offered a semblance of synthetic connection, be it hate-scrolling an ex or stalking your high school class from ‘75.

But now? *It’s about world domination.*

And its Muppet savant overlord makes no bones about his vision: “Company over country.”

*The Atlantic* has noted that the company is now a country with billions of citizens, borders that know no bounds, and a burgeoning crypto, Diem.

Its judicial system includes an Oversight Board and Integrity Committee, both plucked right out of the novel *1984*.

And just like floating around international waters, it seems you can get away with *anything* on Facebook – sex trafficking, domestic terrorism, and an obscene amount of unsolicited labradoodle pics. *Everything goes,* and nothing comes out of it.

It’s gluten-free bread and a viral circus, with little Zuckerberg self-cast as Augustus Caesar (complete with a janky version of the haircut).

**WELCOME TO THE ZUCK**

*The Wall Street Journal* recently dropped a thorough investigative report dubbed *The Facebook Files,* a *Pentagon or Afghanistan Papers* for the tech set.

Along with whistleblower Frances Haugen’s damning testimony on Capitol Hill, it
uncovers how fully aware Facebook’s top executives are of the ill psychological effects that Facebook has on its users (particularly children) and how unwilling they are to address or improve these (deliberate) flaws.

This biopsy includes how the platform muffled pro-vaccination efforts, how they know that Instagram is toxic for teens’ mental health, and how rage is essential for reshares.

Big Tech comprises a fleet of digital narco peddlers, pushing dime-bag dopamine spikes of followers and clicks for profit – all under the soiled veil of community and connecting.

The coup de grâce is the confessional from Haugen, a former product manager, who notes that her ex-employer may flag disturbing content but fails to follow up and take action.

In short, Facebook operates with the following ethos: ethics be damned, all at the unholy altar of engagement.

Big Tech comprises a fleet of digital narco peddlers, pushing dime-bag dopamine spikes of followers and clicks for profit – all under the soiled veil of community and connecting.

Big Tobacco had the same reckoning decades ago... With cigarette sales up in smoke now, it’s clear our smartphones have risen as the replacement addictive accessory du jour (we kept the filters). But at least drags of Marlboros would give you hits of relief before they eventually killed you.

Did you ever leave a Facebook or Instagram session thinking, I feel better about myself and the world now? No. It’s enough to make you take up smoking...

But once the causality of cancer from cigarettes was indisputable, the market reflected the consumers’ choice. And once the link between mental illness and Facebook is too undeniable to ignore, poor Mark may lose some (or all) of his fake friends.

THE BROKEN RULES OF ENGAGEMENT

But it appears the universe isn’t without a wicked sense of humor.

On October 5, Facebook went dark. All the company’s flagship products went offline, a beautifully karmic kiss-off leaving Zuck to lose $6 billion in mere hours. Coupled with the whistleblower revelations, the platform’s hemorrhaging money, with its stock in freefall.

Zuckerberg has now dropped below Bill Gates on the Bloomberg Billionaires Index. How. Will. He. Survive?

As an awkward kid on the Harvard quads, Zuckerberg didn’t love the world around him... So, he coded himself a new one. That’s laudable. But two decades later, his descent into social media despot now threatens the mental health of a generation and the very DNA of our democracy.

So kindly, Mark – the world would like to unfriend you now (but don’t worry, you won’t get a notification).
Billionaire John Catsimatidis is not like most wealthy men and women the financial media are obsessed with these days.

He’s not a hedge-fund manager... or a venture capitalist.

He’s not the founder of an electric car company... or a software developer.

And he’s not a cryptocurrency backer... or “Fintech” entrepreneur.

Instead, Catsimatidis made his billions the old-fashioned way... by focusing on two areas of life that affect nearly every American, every single day: groceries and real estate.

That’s why I think it’s safe to say John Catsimatidis has a better handle on what’s really happening in the economy and with the American consumer, compared to just about anyone else out there.

And recently, Catsimatidis went public with an alarming prediction...

He says a huge shift is looming in the U.S. economy and financial system, which will reveal itself in a dramatic way this October... (To see why Catsimatidis is so concerned, click here.)

A wealthy former Goldman Sachs banker agrees with Catsimatidis and says:

“Most Americans are completely unprepared for what’s about to take place in our country.”

He goes on to add:

“This is not surprising, since roughly half the U.S. population was born AFTER 1981... and we simply haven’t seen anything like this in roughly 50 years.”

What exactly is going on, and what has these two successful and wealthy men so concerned?

Well, this former Goldman Sachs banker – in addition to being a part-owner in several restaurants and a winery – is a founding partner in one of America’s most successful financial research firms.

And he’s just issued an urgent warning... what he calls a “Final Wake-Up Call” for any American who cares about their money, finances, or retirement.
THE INCREDIBLE SHRINKING DOLLAR

INFLATION IS TAKING ITS TOLL ON U.S. PRICES
By Trish Regan

$12.95 for an order of kids’ pancakes?! 

Recently, I was out to breakfast with my family at a local diner, when I was shocked to see some of the inflated prices on the menu.

This same set of silver-dollar pancakes cost $6.95 when I visited this place three months ago.

This was a brand-new menu, complete with inflated prices.

And this diner isn’t the only place in town raising prices... Everywhere you go now, you should expect to pay more.

I’ve warned of this since last summer... And now all the data is piling up – the Federal Reserve’s measurement of inflation just posted its highest increase in 30 years.

Meanwhile, according to the Consumer Price Index, prices on consumer products have risen more than 5% for the past four months straight. And I anticipate, judging by the 8.3% increase in producer prices, they’ll soon go even higher.

But $12.95 for kids’ pancakes?

Inflation can really feel like a punch in the gut... especially when it was supposed to be only “transitory.” And yet, higher prices are somehow transitioning into next year.

At least, that’s what the head of the Federal Reserve told a panel hosted by the European Central Bank late last month...

As Jerome Powell spoke about the challenges ahead, he informed his listeners that he, too, was “frustrated”...

It’s frustrating to see the bottlenecks and supply-chain problems not getting better – in fact, the margins are apparently getting a little bit worse... We see that continuing into next year probably, and holding up inflation longer than we thought.

Unfortunately, Powell and his team seem to be realizing the effects of all their money printing just a bit too late...

**Inflation is here, and it’s not going away anytime soon.** The question now is, how do we prevent it from squashing the little growth America has seen?
As this country experienced in the 1970s, inflation can have extremely detrimental consequences... Not only does it cause prices to spike, but inflation also erodes purchasing power, decreases the value of cash and investments, and can cause interest rates to rise.

**THE FED’S SHADOW PLAY**

I remember when Powell was appointed chairman of the Federal Reserve. I had high hopes because he was someone who hadn’t spent his entire life in an academic ivory tower nor in a Washington, D.C.-based think tank... Rather, Powell had some real-world experience on Wall Street as an investment banker.

According to the *Washington Post*, today the cost of shipping a container from China to Los Angeles is quadruple what it cost in January of this year.

And in 2018, I applauded him for resisting the temptation to print more money – despite the former president’s insistence that he do so. (In fact, it was in an interview with me, on-site at the White House, in which then-President Trump first slammed Powell for failing to act like other Central Banks around the world.)

How things have changed...

While the Fed’s intervention in the spring of 2020 during the height of the pandemic was understandable, the continued meddling from the Fed has since become problematic.

We now risk too much money in our system, too much printing, and therefore, *too much inflation*.

Since President Biden took office, Powell seems to have drank the Kool-Aid and somehow believes the Fed is capable of controlling our financial future. The central bank’s balance sheet has now soared to more than $6 trillion.

And he’s suddenly “frustrated” when he realizes all this money printing is leading not to greater levels of employment and more robust economic fundamentals, but instead a mass increase in inflation.

Food prices are up 3.4% from this time last year. Gas prices are up 41%. Diaper prices are up 14%. Fresh fruits are up 5.4%. And donuts are up nearly 3%.

Wages, meanwhile, adjusted for inflation, are *down* 1.2%.

And judging by all the recent headlines about supply chains, it’s clear prices are only going to tick higher...

**SUPPLY-CHAIN WORRIES**

I spoke with my contractor recently about adding some built-in shelves in one of our bedrooms. He had just given me an estimate a couple of months ago. But when I called him this week to give the green light on the project, he told me he needed to revisit the numbers. “Everything is more expensive,” he explained.

The pandemic, labor shortages (more on that in a minute), surging prices of raw materials,
and transportation backups have come together to create a perfect inflation storm...

According to the Washington Post, today the cost of shipping a container from China to Los Angeles is quadruple what it cost in January of this year.

The other day, American Consequences contributor Scott Garliss told me about something that happened to a friend of his that speaks volumes about our current predicament...

One of the guys I bike with in the mornings owns a roofing company that does residential and commercial work in D.C. and Virginia. They’re incredibly busy and have lots of work potential with jobs they’re bidding on. This morning, he told me they had a strange event take place last week.

It seems one of their main suppliers held a global conference call with all of its customers and the supplier said not only was it no longer guaranteeing dates on orders already signed, but that the prices on those same orders were no longer guaranteed anymore either!

Apparently, the biggest issue is the lack of raw materials needed to make the items they need.

Think about that... If prices can no longer be guaranteed, how can anyone really do business?

My contractor needing to revisit pricing for some built-in bookshelves is one thing... But companies performing large-scale commercial work is another.

If we can’t have confidence in global supply chains – and if we can’t have confidence in pricing – how do we plan for the future? How do businesses function?

It’s a major problem that we’re just beginning to see the effects of...

OVERTAXED AND UNDERWORKED

Meanwhile, it’s not just raw materials that are causing angst in the economy... It’s labor as well.

Washington desperately wants to tax businesses more. And on the Democratic side of the aisle, there is little-to-no appreciation for what that might mean for businesses themselves.

Recently, I spoke with one business owner in the food-supply industry who told me that while it’s possible to hedge some of the materials’ costs... there’s no hedging labor.

When we raise wages, and then the factory down the street raises wages, we raise again. But how long can we do this? When does it stop?

Higher wages, of course, mean one of two things: either lower profits... or higher prices for the goods being made.

Businesses are facing this challenge as they seek workers. Some Americans are making an educated choice to exit the labor force. The pandemic, perhaps, has taught them
that they don’t need as much. They’re happy to get by with one less vacation, or fewer nights out... Or in many cases, the plethora of government-aid programs has made it more attractive to just stay home.

Whatever the reason, it’s clear that businesses are finding it more and more challenging to find workers. They’re raising wages, but the money has to come from somewhere.

Higher prices are here, and their effect on supply chains, labor, and thus the overall economy is still a real unknown.

And then there are taxes...

Washington desperately wants to tax businesses more. And on the Democratic side of the aisle, there is little-to-no appreciation for what that might mean for businesses themselves.

Indeed, White House Press Secretary Jen Psaki showed her economic naiveté when she claimed in a press briefing in late September that it would be “unfair and absurd” for companies to raise costs on consumers in response to the Biden administration raising the corporate tax rate.

And it seems President Biden shares that sentiment...

In a CNN town hall over the summer, he had no sympathy for a small-business owner that was struggling to find servers at his local restaurant. The answer, according to Biden, was to simply “pay more for wages.”

But realistically, how can a business pay more without reducing its profitability?

**DAILY PRICE HIKES**

The real danger here is that we’re entering an environment where businesses will not be able to function as normal or successful.

Take Scott’s story... How can a roofing company provide a customer with a quote and a completion date if it has no idea when the materials will even be made available or what they’ll cost?

Americans have never quite experienced hyperinflation, so there’s little appreciation for how bad this could really be. Sure, people remember the 1970s, and those were lousy years... But to really understand the disaster that inflation represents, you need to examine the economies of Latin America.

A friend of mine worked for an American investment bank in Rio de Janeiro in the 1990s. I was stunned when she explained to me how they used to pay her every day. Not once a week or bi-monthly like most institutions – a daily paycheck.

They had to because the currency was soaring... And by the next day, your paycheck could be worth less.

It’s hard to imagine, but between January and March of 1990, hyperinflation took hold in Brazil. Monthly inflation rates were in the 70% to 80% range.

For the next 10 years, Brazil grappled with high-double-digit monthly inflation and hyperinflation (defined as more than 50% for a month).
Restaurants would change their prices daily (if not *by the hour*), and menus were never printed but rather written on chalkboards in order to account for the constant rise in prices.

To this day, Brazilians will tell you their biggest economic fear is not a recession, but rather *inflation*. They’ll take an economic downturn any day over escalating prices that make it difficult for the economy to function.

**ECONOMIC CONSEQUENCES**

Now, the U.S. has never experienced inflation to that degree... And I don’t believe we’re at risk for seeing anything quite like the South American genre of hyperinflation.

The U.S. dollar still reigns as the world’s reserve currency... *That’s huge.*

So while this country shouldn’t see insane inflation like Brazil, we’re experiencing rising prices. And even though it’s not of the South American variety, it takes its toll.

Higher prices are here, and their effect on supply chains, labor, and thus the overall economy is still a real unknown.

My biggest worry is a repeat of 1970s-style inflation – one in which economic activity is suppressed in part thanks to this lack of clarity on prices. Earnings would suffer, and prices would continue to go up – not an ideal combination.

And if we wind up with more taxes as the cherry on top, then we’re looking at real economic consequences.

Now in theory, at some point, the price gouging should subside. If no one’s buying those $13 silver-dollar pancakes, then the prices should come down, right?

But I’ll leave you with one last question: When was the last time your local restaurant *slashed prices*?  

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**ARE YOU READY FOR FINANCIAL LOCKDOWN?**

Retirement guru Dr. David “Doc” Eifrig has a wake-up call warning for all Americans: Millions of Americans are about to be pushed out of the middle class... out of private retirement and private health care... and out of a decent life based on independence and privacy.

[Click here to receive Doc’s FREE inflation report](#) that details the four steps he says you should take right now to protect and grow your money in the coming months.
RANKINGS GONE WRONG

HAS THE IMF’S CREDIBILITY BEEN COMPROMISED?

By Kim Iskyan
Let’s say you’re looking for a place to live, a college, a car… or a country to invest in.

You could do your own research: Check out YouTube, read Reddit, Google it, and call yourself an expert. But the reality is that you’ll get nothing more than spotty insight, poorly supported conclusions, and a budding private-message friendship with a guy from the chatroom named Jed who seemed to know what he was talking about and, you know, had some really good points.
standard Consumer Reports has faced challenges to its testing and rankings over the years.

Under the veneer of seemingly objective hard data, there’s enormous scope for subjectivity... and the methodology allows for plenty of wiggle room. Data in pure form loses its virginity when subject to analysis. And when advertisers jostle for screen or page space with rankings – after all, they’re a business, not a public service – lines are easily blurred.

So it’s not surprising that when smart people who are less driven by capitalist concerns put together vitally important rankings... that doesn’t mean they’re any better. In fact, far from it.

THE RANKING OF THE WORLD

The Ease of Doing Business (EoDB) annual ranking of the business climate and suitability for investment of the economies of 190 countries was supposed to be different...

It was a collection of data assembled by exceptionally smart people at the World Bank, the platinum-plated do-good multilateral financial institution that aims to boost economic growth and reduce poverty in developing countries.

Until its recent demise (more on that soon), the EoDB survey was the Car and Driver 10 Best Cars and Trucks of wonky policy sets, the Condé Nast Traveler Gold List of the best hotels and resorts of the global investor. A foundational source of data and insight for policy makers, it also became shorthand for the ability of an economy to attract investment.
Many countries molded their policy and reform priorities in order to improve their position on the various benchmarks of the survey – from “dealing with construction permits” to “protecting minority investors” to “getting credit.”


It was a finely tuned, carefully orchestrated snapshot of the factors that shaped the lives and well-being of billions of people... while driving – or being the cause of a rerouting of – untold sums of investment funds. (The Economist reported that an internal World Bank assessment found that the EoDB contributed to the decision-making process for investments by the World Bank in 676 projects worth nearly $16 billion over the past 10 years.)

As the Financial Times explained, “Credibility in the unassailability of [the World Bank’s] data is paramount, with billions of dollars of investment every year dependent on its information.”

And for politicians, improving the investment environment to move up in the rankings also had a competitive element to it. After all, investment is a zero-sum game: If Country X gets more foreign investment, Country Y will get less. And the EoDB ranking mattered in that calculus.

It was also a source of national price. “I want Saudi Arabia to be among the top 10 countries in Doing Business in 2010. No Middle Eastern country should have a better investment climate by 2007,” said King Abdullah of Saudi Arabia in 2006 (2020 ranking: 62nd). In 2011, Russian President Vladimir Putin set the goal of Russia breaking into the top 20 by 2018, after placing 123rd. (In 2020, it reached a very respectable 28th.)

Investment is a zero-sum game: If Country X gets more foreign investment, Country Y will get less. And the EoDB ranking mattered in that calculus.

Implementing reforms with the express purpose of keeping up with, or overtaking, the Joneses (in this case, other countries) – even if those measures were good policy anyway – is like studying for a test. The teacher is incentivized to ensure that his students score well on a standardized exam, so his instruction is geared toward that end... rather than the broader aims of (say) training the student to think and inculcating them with a love of learning. But it didn’t matter – if the survey was the whip to bring about change, the World Bank was happy.

**CHINA’S EODB OBSESSION**

The Ease of Doing Business index was a mix of research project, national policy prescription, and competitive motivation. And in the global pecking order of the EoDB, China didn’t like where it stood.
In 2016, China was ranked just 84th out of around 190 countries in its overall score. For a country with a long-term plan to reassume what it viewed as its natural position at the top of the global economic and geopolitical pecking order, that simply would not do.

As the *Economist* explained,

[In] 2017 Li Keqiang, China’s prime minister, grumbled that his country was lagging behind its peers [in the EoDB rankings]. At his urging, officials began freeing entrepreneurs from red tape – and crimson ink. They cut fees, streamlined approvals, and began to use electronic seals instead of the traditional ink stamp on many documents.

Chinese officials – presumably feeling the hot breath of the prime minister on their neck – were in frequent touch with the World Bank about China’s placement in the upcoming annual ranking.

Within a few years, the time required to launch a company was cut from nearly 23 days to just nine. Incentivized bureaucrats made it easier to plug into the electricity network by expanding network capacity, making it cheaper to connect, and introducing a mobile application.

Whatever its motivation – a sense of competition, keeping up with other developing markets, pride – China did it. By 2020, China rallied to reach a ranking of 31, beating out the likes of France (32), Switzerland (36), and India (63).

Or did it?

**CHINA’S RANKING LEVITATION**

A few weeks ago, a commissioned report produced by law firm WilmerHale accused then-World Bank CEO Kristalina Georgieva of manipulating the rankings to boost China’s position in the 2018 EoDB report.

In September and October of 2017, the report explains, Chinese officials – presumably feeling the hot breath of the prime minister on their neck – were in frequent touch with the World Bank about China’s placement in the upcoming annual ranking.

According to the WilmerHale report, there was some internal discussion – prompted by Georgieva and then-World Bank president Jim Yong Kim – about how to bring about an upward adjustment in China’s position. One (rejected) suggestion was that Hong Kong be integrated into China’s overall score. (The Special Administrative Region is ranked separately in the EoDB, and regularly places in the top three.)

That would be like *U.S. News & World Report* allowing New Jersey public institution Rutgers University to co-opt Princeton (a perennial top 5 finisher and No. 1 this year, versus Rutgers’ ranking of 63) for the purposes of the survey. It would do the trick, but would be far too heavy-handed.

Instead, according to the WilmerHale report – a compelling read, if bureaucratic intrigue is
your thing – the EoDB team discovered three areas where the data could be reinterpreted to boost China’s score.

For example, an indicator of legal rights was adjusted to give China more credit for a law relating to secured transactions. This change “could be justified in light of differing expert opinions on the effect of the Chinese law,” the report explained.

And hey, presto. After the tweaking, China’s ranking – like a levitating body under David Copperfield’s hand – miraculously ascended seven spots to No. 78, from the No. 85 that it was originally going to be ranked that year.

As it happens (it’s always eventually about the money, isn’t it?), it wasn’t only about China not wanting to lose face with no improvement in its ranking year over year.

At the time the 2018 EoDB report was being finalized, Georgieva was also eyeball-deep in efforts to coax additional cash out of China as part of a broader effort to boost the World Bank’s capital base. The conversation with China – the third-largest shareholder in the institution and a key contributor to the capital campaign – would have been a lot more difficult, presumably, if China had EoDB egg on its face.

He joined a fund that invests in infrastructure projects in the developing world. It was an opportunity that he explained at the time was “unexpected,” but one through which he said he thought he could “make the largest impact on major global issues.”

It was a strange career move – leaving the pinnacle of the crossroads of development, emerging markets, and investment, for a position with a no-name institution that presumably paid better but enjoyed a crumb of prestige next to the five-course meal of the World Bank. And it was an option that very likely would have existed three years later. Kim either was in serious debt and needed some cash (no evidence of that at all) – or had a Spidey sense that he best get out while the going was good.

After the tweaking, China’s ranking – like a levitating body under David Copperfield’s hand – miraculously ascended seven spots to No. 78, from the No. 85 that it was originally going to be ranked that year.

(Someone else with good timing: In January 2018, then-World Bank chief economist – and now Nobel Prize winner – Paul Romer left his position in a huff after just 15 months, claiming at the time that the EoDB data was manipulated... an assertion he later recanted.)

The WilmerHale investigation fingers Kim and Georgieva as the instigators of the data-
fiddling that resulted in China’s improved position. However, Kim – as a private citizen long since divorced from the intricate politics of EoDB – seems to be out of harm’s way. But Georgieva isn’t... She left the World Bank in October 2019 to become the head of Washington, D.C.-based multinational lender International Monetary Fund (“IMF”), which – like the World Bank – was founded in 1944 at the Bretton Woods conference that has since helped define the global financial system.

Right now, Georgieva is struggling to save her job. Shortly after the publication of the investigation, both Democrats and Republicans... questioned whether she was the right person to continue to lead the IMF.

With money from 190 member countries, the IMF aims to keep the international monetary system on an even keel – through cultivating monetary cooperation, facilitating global trade, promoting sustainable growth, and reducing poverty. The people who work at the IMF, like those at the World Bank, fancy themselves to be among the sharper knives in the drawer, with degrees from the world’s top universities.

UNDER FIRE

Georgieva, a Bulgarian economist, spent most of her career at the World Bank and the European Commission. If, after her run as World Bank CEO, she’d gone on to take up skydiving or an economics-endowed scholarship in Sofia or wiping the noses of her grandkids, the story of the fiddling of the figures of the 2018 EoDB might have lost its legs.

But that she’s at the IMF now makes all the difference... Following the release of the investigation on data irregularities, Georgieva denied that at the World Bank she had “put pressure on staff to manipulate data.”

“Let me be clear: The conclusions are wrong. I did not pressure anyone to alter any reports,” she said.

Right now, Georgieva is struggling to save her job. Shortly after the publication of the investigation, both Democrats and Republicans sitting on the House of Representatives’ financial services committee questioned whether she was the right person to continue to lead the IMF. The Senate Foreign Relations committee demanded “full accountability.” Treasury Secretary Janet Yellen declined to take a call from Georgieva, which is a government way of hanging someone out to dry. The Economist urged her to resign.

Why is everyone so upset over a few altered figures? It’s not as if we haven’t all at some point developed a hypothesis – really, a conclusion – and then scurried about to find the data to support it. (And there isn’t a stock analyst on earth who hasn’t tweaked a few figures, thanks to the wonders of Excel, to support a pre-ordained conclusion, especially when called on by the boss to do so.)
THREE BIG PROBLEMS

The first issue is that the IMF, as the Economist explains, is “the custodian of data standards for the world’s macroeconomic statistics.” That data, compiled on every angle and corner and cranny of the economies of member countries, is used to inform decisions about finance, economics, and policy by the IMF, investors, and other lenders. And Georgieva’s (alleged) prioritization of political expediency over data integrity at the World Bank taints the entire research operation of the IMF.

More broadly, the IMF – like many multinational organizations (such as the World Bank, the United Nations, and the World Health Organization) that serve multiple masters with conflicting agendas – suffers from a tension between its research aspirations and its diplomatic imperatives. At the World Bank, Georgieva allowed the need to appease China to trump the objectivity of the EoDB product.

How will the IMF (under Georgieva) react the next time it faces a similar decision point – where, say, it might have to offend China or some other noisy rich country? The objectivity of the decision making of Georgieva – and, by extension, the IMF – has been compromised.

And, of course, let’s not forget that the culprit at the World Bank was China. U.S. policymakers – whose support Georgieva needs if she is to remain the head of the IMF – are toxically allergic to any whiff of China-pandering. Anti-China sentiment is one of the very few policies that unites both sides of the aisle in American politics. Of all the countries to cave in to, Georgieva chose the very worst.

WHY IT MATTERS TO (EMERGING) MARKETS

One of the first victims of the scandal has been the Ease of Doing Business survey itself. In June 2020, the World Bank “paused” the annual report following internal reports of irregularities. In mid-September – the day after the publication of the WilmerHale report – the EoDB survey was axed altogether.

It made sense to excise what threatened to become a cancer to the organization. It’s still an incalculable loss for countries looking to benchmark their policies to higher standards, to investors looking for insight on a market’s business climate, and as a motivating factor to egg on countries to reform.

Anti-China sentiment is one of the very few policies that unites both sides of the aisle in American politics. Of all the countries to cave in to, Georgieva chose the very worst.

As emerging and frontier market brokerage Tellimer explains...

The loss of a supposedly independent, rigorous, objective, comparable data set with global coverage and a time series stretching back to 2006 matters for long-term investors in [emerging markets]. Ease of Doing Business was a unique data set.
What’s more, though, the episode is a Hummer-hits-Corolla ding to the credibility of the entire multilateral organization community... from the Paris Climate Accords, to the World Trade Organization, to the World Economic Forum, and every other alphabet-soup group of international do-gooders... particularly those where the U.S. sits at the head of the table. If the World Bank couldn’t keep itself free from political influence (from China no less!), who can?

If the World Bank couldn’t keep itself free from political influence (from China no less!), who can?

It’s also a signal to China to accelerate its efforts to develop parallel rival groups – like its Asian Infrastructure Investment Bank, which aims to fund billions of dollars in projects throughout Asia every year... the $4 trillion (or so) Belt Road Initiative to build out infrastructure from East Asia to Europe... and the Shanghai Cooperation Organization (a Eurasia-focused economic, political, and security alliance spearheaded by China). China is reading the room, and it’s seeing that it’s not welcome.

GEORGIEVA IS ON BORROWED TIME

The U.S. is the most important shareholder of the IMF, and it’s clear that Georgieva doesn’t have the support of the U.S. government. She’s likely to follow the same ignominious path out the door as some of her predecessors.

One former IMF head, Rodrigo Rato, was sentenced to four years in prison for embezzlement (at least not committed during his time at the IMF). Another, Frenchman Dominique Strauss-Kahn, quit in May 2011 amidst allegations that he sexually assaulted a hotel maid.

A third, Christine Lagarde, was in December 2016 convicted of financial negligence from her time in the French government – but was not removed from her position. She went on to green-light the single worst lending decision in the decidedly mixed history of the IMF. And then – talk about failing upwards – in November 2019 she was made head of the European Central Bank, a position that rivals that of Jerome Powell, the head of the U.S. Federal Reserve, in global macroeconomic importance.

Georgieva didn’t commit a crime... But she may have done something at least as bad: undercut the credibility of the multilateralism of the World Bank and, by association, other organizations operating in the same realm. And we’ll all suffer.
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Don't miss the next issue...
The mainstream media isn't telling you everything, and we've got the full story.
THE BIGGEST ILLEGAL BORDER SURGE EVER IS EXPECTED THIS MONTH
“Our borders are not open,” said Department of Homeland Security (“DHS”) Chief Alejandro Mayorkas late last month.

The DHS secretary’s words rang out at a press conference addressing Texas’ Del Rio International Bridge migrant crisis. Unfortunately, his statement doesn’t align with reality at the border.

Illegal migrants clearly don’t believe him, as is evident to anyone paying attention to the ongoing surge of illegal crossings...

And it looks like a tidal wave of migrants is about to hit soon.

We could all have predicted this... With vast swaths of Haitian migrants let into the U.S. when the last caravan reached the border in September, more are now on their way.
We have reiterated that our borders are not open, and people should not make the dangerous journey. Individuals and families are subject to border restrictions, including expulsion. Irregular migration poses a significant threat to the health and welfare of border communities, and to the lives of the migrants themselves, and should not be attempted. If you come to the United States illegally, you will be returned. Your journey will not succeed, and you will be endangering your life and your family's lives. This Administration is committed to developing safe, orderly, and humane pathways for migration, but this is not the way to do it.

Mayorkas then appeared on Fox News Sunday with interviewer Chris Wallace, during which there was this illuminating exchange about the reality of the U.S.-Mexico border under the Biden administration’s policies:

WALLACE: I want to start with those 30,000 Haitian migrants who came across the border into Del Rio, Texas, since September 9th, as you say. You say that 12,400 will have their cases heard by an immigration judge and another 5,000 are being processed by your department. Mr. Secretary, of those 17,400, how many have been released into the U.S. and how many more potentially could be released into the U.S.?

MAYORKAS: Approximately, I think it’s about 10,000 or so, 12,000.

WALLACE: Have been released?

MAYORKAS: Yes.
WALLACE: And of the 5,000 that are still in process?

MAYORKAS: We will make determinations whether they will be returned to Haiti based on our public health and public interest authorities.

WALLACE: So, are we talking about a total of 12,000 or could it be even higher?

MAYORKAS: It could – it could be even higher.

So more than half of those migrants of Haitian origin who entered illegally onto U.S. soil were in fact allowed to stay in America. That’s exactly the kind of calculus that is driving further illegal crossings, and why the number of apprehensions at the border is going to stay at all-time highs through the end of the year.

The total number for 2021 could be close to 2 million illegal immigrants – which would be the highest in two decades and probably ever.

**ASYLUM LOOPHOLES**

How have the Biden administration and the Open Borders advocates reacted to this? By making it even more difficult for the Border Patrol to do its job and secure the sovereignty of the southern border.

A federal court even ordered the end of Title 42 policy, which allowed Border Patrol to turn away asylum seekers as a health safety measure during the pandemic.

While this is unhelpful for border security, its actual impact will be somewhat minimal.

The Biden White House wasn’t using Title 42 authority to turn away unaccompanied minors and family units with young children this past year, which meant that only single adult males were being readily turned away under the pandemic authorities of the Centers for Disease Control and Prevention. But the fact that they weren’t using it is telling in and of itself.

Additionally, Biden’s DHS has already made the decision to end the Migrant Protection Protocols (“MPP”), also known as the “Remain in Mexico” program. This Trump-era policy fix changed the incentives for migrants who would otherwise benefit from scamming the immigration (more specifically, asylum) system to gain easy access into the U.S.

Despite all this, the Biden administration tries to downplay the severity of the situation as merely a “challenge” instead of using the proper term: crisis.

Before Trump’s team instituted MPP, any migrant could illegally cross into the U.S. and claim “defensive” or “secondary” asylum. And assuming they passed what’s called the “credible fear test,” they would be let into the U.S. pending a court hearing that would be months or even years away. The chances of being deported for those playing the system in this way were miniscule, and so a surge of migrants occurred in 2018 to 2019.

MPP made it so those same would-be “asylum” seekers would have to wait their turn in Mexico instead of on U.S. soil. And
And all the while, Democrats will continue to bleat about this as a “nation of immigrants” while making a mockery of our immigration system and preparing to take even greater control.

Unfortunately, reality isn’t much of an impediment to the Democrats’ immigration rhetoric. They have a radical, socialist, and increasingly open-borders-demanding base that wants as much illegal immigration as possible.

**MAINSTREAM MEDIA WHIPLASH**

During the recent surge in Del Rio, Texas, the entire news media shifted its attention from the wide-open nature of the southern border to a series of lies about members of the Border Patrol on horseback using “whips” on Haitian migrants.

The fact that there was any “whipping” was a complete fabrication – as even the photographer behind the infamous photos publicly admitted – was irrelevant to the corporate news media and the open-borders Left. They saw an opportunity to shift the narrative to depicting law enforcement as racist and the migrants as helpless victims, and they took it.

Even President Biden went along with the Border Patrol “whipping” migrants lie. In a speech after the (fake) controversy broke, the leader of the free world said:

> It was horrible what you see, what you saw – to see people treated like they did, with horses nearly running them over and people being strapped. It’s outrageous. I promise you, those people will pay.

> There’s an investigation underway now and there will be consequences. There will be consequences. It’s an embarrassment. It’s beyond an embarrassment.

Biden still hasn’t corrected this shameless maligning of mounted Border Patrol members, who were doing their duty admirably despite constant undermining from the Democrat base.

Biden saw an opportunity to score cheap political points with a key constituency of the Left, and he took it, because pandering and shameless opportunism are probably Biden’s only skills.
Will there be any consequences for the Biden betrayal of border security? The only means for such a comeuppance are found at the ballot box in the 2022 midterms. The Democrat party feels comfortable demanding amnesty on the one hand while pretending to care about sovereignty and security at our southern border.

This appalling dereliction of duty can best be punished through a crushing electoral wipeout for the Democrat Left next year. In the meantime, the border will continue to be wide open to anyone willing to do even the slightest due diligence on how to game our system... and they will gain easy access into the U.S.

And all the while, Democrats will continue to bleat about this as a “nation of immigrants” while making a mockery of our immigration system and preparing to take even greater control.

Once they’ve achieved the mass legalization of amnesty, it won’t matter how much they lied or how many laws they refused to enforce. America will effectively be a one-party state.

The Biden response to the border is shameful (but effective) brute-force politics. While we are arguing about spending bills and basic voter-integrity protections, Democrats are hard at work changing the actual voters and putting themselves in a position to vanquish their political foes once and for all.
I’ve been collecting quotations about politics for almost half a century. I’m interested in what the wise and the wiseacres have to say on a subject that is – at the same time – so foolish and no laughing matter.

I’ve tried to make these quotations as accurate (and as accurately sourced) as possible. Many sayings come to us shrunken or distorted with age. For example, Voltaire never said...

“I disapprove of what you say, but I will defend to the death your right to say it.”

What Voltaire said, in a letter to the extremely conservative Catholic priest M. Le Riche, was...

“Monsieur l’abbe, I detest what you write but I would give my life to make it possible for you to continue to write.”

(Note how the great French wit is teasing the priest, whose writing is so hilariously awful that it’s “to die for.”)

But sometimes misquotes are worse than inaccurate ones. Sometimes quotations are twisted with malice. Former President Dwight Eisenhower’s choice for Secretary of Defense, President of General Motors Charles E. Wilson, is supposed to have told the committee at his Senate confirmation hearing, “What’s good for GM is good for America.”
Wilson told the committee almost the opposite. When asked if he could make a decision that would adversely affect GM, Wilson said yes but that it was hard for him to imagine that situation “because for years I thought what was good for our country was good for General Motors, and vice versa.”

(Wilson was confirmed by a vote of 77 to 6.)

I’ve also tried to leave out the quotations that everybody knows already. Thus there is no...

“I don’t belong to an organized political party. I am a Democrat.”

– Will Rogers

Or...

“There is no distinctly native American criminal class except Congress.”

– Mark Twain

Not that these aren’t clever and insightful. But no one wants used food, even when it’s food for thought.

Nonetheless I’m sure some of the following will be familiar, especially to longtime American Consequences readers who will note that I myself have, in the past, at one time or another, cited almost all of these quotes. But don’t think of them as pre-digested. Think of them as the kind of leftovers that – like a good beef stew – get better with reheating.

“No matter what happens, somebody will find a way to take it too seriously.”

– Dave Barry, “25 Things I Have Learned in 50 Years,” Dave Barry Turns 50

“An endless vista of false teeth with nothing to bite.”

– Comment attributed to Tory MP Robert “Bob” Boothby during the debate over establishment of Britain’s National Health Service

“He is a good and a great man: but he forgets, pitilessly, the feelings and claims of little people, in pursuit of his own large views. It is better, therefore, for the insignificant to keep out of his way: lest in his progress he should trample them down.”

– Charlotte Bronte, Jane Eyre

“I should sooner live in a society governed by the first 2,000 names in the Boston telephone directory than in a society governed by the 2,000 faculty members of Harvard University.”

– William F. Buckley (Yale class of 1950 by the way), Rumbles Left and Right

“Marijuana is a very dangerous drug. Some people smoke it just once and go directly into politics.”

– Comedian Barry Crimmins

“I experimented with marijuana a time or two, and I didn’t like it. I didn’t inhale.”

– Bill Clinton, CBS TV Candidates Forum, Sunday March 29, 1992

“That’s the trouble with Democrats. Even when they do something wrong, they don’t do it right.”

– Johnny Carson, The Tonight Show, Monday March 30, 1992
“How dreary – to be – Somebody  
Hoe public – like a Frog –  
To tell one’s name – the livelong June –  
To an admiring Bog!”
— Emily Dickinson, lyric no. 260

“An intellectual is a man who takes  
more words than necessary to tell more  
than he knows.”
— Dwight Eisenhower’s definition of an intellectual, quoted by Paul Johnson in Eisenhower, A Life

“The devil will be having his fingers in  
what we call our duties as well as our sins.”
— George Eliot, Adam Bede

“... the lethal temptation to exchange  
freedom for security: a bargain that  
invariably ends up with the surrender  
of both.”
— Christopher Hitchens, Introduction to 2003 reprint of George Orwell’s 1984

“We are forming an aristocracy... in  
this country... which floats over the  
turbid waves of common life like the  
iridescent film you may have seen  
spreading over the water about our  
wharves – very splendid, though its  
origin may have been tar.”
— Sen. Henry Cabot Lodge, speech, 1888

“A good many things go around in the  
dark besides Santa Claus.”
— Herbert Hoover, 1935 speech to the St. Louis Republican Club

“Now and then an innocent man is  
sent to the legislature.”
— Caption by Indianapolis News cartoonist Kin Hubbard, early 20th century

“The radicals of the upper class...  
they are very luxurious, and these  
progressive ideas are about their  
biggest luxury. They make them feel  
moral, and yet they don’t affect their  
position.
— Henry James, The Portrait of a Lady

“Was the government to prescribe to  
us our medicine and diet, our bodies  
would be in such keeping as our souls  
are now.”
— Thomas Jefferson, Notes on the State of Virginia

“In economically benevolent  
conditions... something we call  
democracy may even emerge to  
disguise the realities of power.”
— John Keegan, A History of Warfare

“Let us have done with British-  
Americans and Irish-Americans and  
German-Americans, and so on, and  
all be Americans... If a man is going  
to be an American at all let him be so  
without any qualifying adjectives; and  
if he is going to be something else, let  
him drop the word American from his  
personal description.”
— Lord Macaulay, “Essay on Mitford’s History of Greece”

“Abracadabra, thus we learn  
The more you create, the less you earn.  
The less you earn, the more you’re given.  
The less you lead, the more you’re driven,  
The more destroyed, the more they feed,  
The more you pay, the more they need,
The more you earn, the less you keep,  
And now I lay me down to sleep.  
I pray the lord my soul to take  
If the tax-collector hasn’t got it before  
I wake.  
– Ogden Nash, “One From One Leaves Two,” a poem about the New Deal

“To be conservative... is to prefer the familiar to the unknown, to prefer the tried to the untied, fact to mystery, the actual to the possible, the limited to the unbounded, the near to the distant, the sufficient to the superabundant, the convenient to the perfect, present laughter to utopian bliss.”  
– Michael Oakeshott, professor of political science at the London School of Economics, Rationalism in Politics and Other Essays

“To many politicians, cost is the benefit... it means more money to hand out.”  
– Randal O’Toole, Cato Institute scholar

“The enthusiasm of the people is very fine and looks well in print; but I have never known it produce anything but confusion... Trust nothing to the enthusiasm of the people.”  
– The Duke of Wellington, letter to Lord Bentinck

“When national debts have once been accumulated to a certain degree, there is scarce, I believe, a single instance of their having been fairly and completely paid.”  
– Adam Smith, The Wealth of Nations

“Till we become divine we must be content to be human, lest in our hurry for a change we sink to something lower.”  
– Anthony Trollope, Barchester Towers

“A democracy cannot exist as a permanent form of government. It can only exist until a majority of voters discover that they can vote themselves largess out of the public treasury.”  
– Attributed (wrongly) to 18th century Scottish jurist and historian Alexander Tytler, but in accord with Tytler’s skepticism about democracy

“Common sense is not so common.”  
– Voltaire, Dictionnaire Philosophique

“The special attraction of politics derives from the fact that it is the only occupation which allows the satisfaction of greed or vanity (or both) to be pursued in the name of public good.”  
– Richard Pipes, Scattered Thoughts, private printing, 2010
**Kim Iskyan** is an Executive Editor for *American Consequences*. Kim is one of the most experienced and well-traveled financial writers in the world today. From covering Iran’s emerging stock market... to landing in Ukraine in the middle of a war... to booking a flight to Thailand as soon as martial law was declared – Kim has been there and helped investors figure out the risks and the opportunities in these “blown out” markets.

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