

LATHIGEE NEWSLETTER

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The New American Dream Needs a New Attitude.

This quarter, instead of an economic overview, I want to talk about this election season, the changes in direction that American culture is taking, and how they are impacting all Americans.

I want to discuss the original concept of the American Dream versus the mutated version that is now being spun by many politicians. And I want to talk about freedom. Not necessarily in that order.

The American Dream itself is an ideal based on the concepts of democracy, equality, citizens' rights, opportunity, and freedom of choice – all outlined in the Declaration of Independence, which proclaims that "all men are created equal" with the right to "Life, Liberty and the pursuit of Happiness."

That freedom to pursue happiness includes having access to opportunities for prosperity and success, and the right to achieve that prosperity and success through personal effort. In short, the American Dream is founded on pure capitalism.

That kind of freedom is a driving principle of The Las Vegas Investment Club as an organization. We believe that it is the right of every American citizen to make their own choices, their own opportunities, and their own success through their own effort.

Socialism Has No Place In The American Dream.

We hear it every day in the media that the rich are getting richer and in most cases they are getting richer at the expense of the Middle Class. This jargon is deliberate. Politicians dwell on how the Middle Class is suffering, because the Middle Class holds the majority of votes that will be cast on Election Day.

Politicians are not the only ones attempting to blame the destruction of the Middle Class on those with more wealth. We find otherwise intelligent people taking a very short-sighted view as they promote governmental involvement in redistributing wealth from the few to the masses.

They seem to be blind to the fact that most wealthy people are wealthy because they worked for that wealth. These are industrialists and business people, who build things and employ people and pay taxes.

These socialist ideas are designed to generate suspicion, envy, and unrest. Socialism has never worked beyond one generation, because once people realize their efforts will go unrewarded, they stop making the effort and both industry and the economy die.

I am a Canadian who moved to the United States eight years ago and became a U.S. citizen three years ago. Canada is a "collective society" where decisions are made based on what is best for society as a whole. America is a society based on "Individualism," which promotes what is best for the individual over what is best for the collective.

It was this fundamental difference and pursuit of the American Dream that attracted me to America and what it represents. The United States government is supposed to stay out of the way of citizens in pursuit of their dreams. America is supposed to be a country where an individual can rise to the level of his ability. This means that some people will succeed in amassing fortunes and others will not have any significant degree of success. The idea is that it is up to the individual to create their own success, not up to society to ensure they have success.

This brings me to my point.

The U.S. Constitution and Bill of Rights guarantee equality of rights; they do not guarantee equality of wealth.

American citizens need to understand that freedom in America provides us with economic opportunity, but that freedom is not a guarantee of entitlement or economic equality.

The purpose of the American government is to provide us with the freedom to pursue our dreams, not to pay for our dreams every step of the way. It was our competitive spirit that built United States into the worldwide economic powerhouse it became. It was the lure of opportunity that attracted thousands of immigrants pursuing the American Dream. It is that same lure that continues to attract immigrants.

We cannot demotivate those people, who have more talent or work harder by demonizing them as the Top One-Percent that Bernie Sanders wants to tax into oblivion. In fact, the majority of multi-millionaires worked very hard their entire lives, spent less than they made, and through proper discipline saved money and invested conservatively to build their wealth.

Contrary to what Sanders and the media would have us believe, those Wall Street Sharks we all love to hate probably represent one out of about ten-thousand wealthy people.

On a personal level, I believe that Money Managers are among that small percentage of Wall Street Sharks that give all wealthy people a black eye. The majority of Money Managers are the most overpaid and underqualified school of sharks on the planet. They routinely collect massive sums of money and give little value in return.

Yes, there is a small pool of sharks within a large pool of wealthy people, but that does not make wealthy person a shark.

Equality Of Rights Does Not Mean Equality Of Opportunity.

The key to the U.S. Constitution and Bill of Rights is this: In America nothing will be given to you, but no one has the right to stop you from striving to pursue your goals.

Somewhere along the way, we have been brainwashed into believing that our “right to pursue happiness” means that everyone gets the same opportunities. And that somehow, by giving everyone the same opportunities – by leveling the playing field – we can somehow create economic equality.

It doesn't work. It is false logic. It doesn't work because people are different. If you give two kids the same toy they will each play with that toy differently. Equal opportunity doesn't guarantee anything.

Unfortunately, there are too many examples of “do good” programs that operate out of this false logic. In these programs the recipient of an “economic equality” band-aide is awarded some job, or some scholarship, or some kind of advantage based on factors other than their own merit or their fit for the opportunity.

The most common example of these affirmative-action type programs are instances where a job is awarded to a candidate based on their ethnicity, rather on how well they match the job requirements. This is damaging to everyone. The more talented candidates deal with lost self-esteem and resentment toward the system and the people involved.

The new-hire can flounder without the proper skills, can attract resentment from co-workers who have to pick up the slack, and lead to stress as they attempt to meet expectations. Overall productivity may suffer. Eventually, that affirmative-action hire might be looking for work again.

You can see how these attempts to even the playing field don't always have the positive affect they are after.

The focus in America needs to be equality of rights and not equality of opportunity.

It is true that that certain populations face greater challenges than others. It is true that some children are born into privilege and others into poverty. It is true that some people will struggle much more than others. It is true that no matter how many quota programs we devise we cannot even the playing field for everyone.

Political equality decrees that all citizens have the same right to pursue whatever happiness looks like to them, it does not decree that everyone will have equal success.

We Have Been Taught To Resent The Rich.

The problem in America is that we have been taught to resent the wealthy. But it is not the wealthy who we should resent. We ought to be aiming our anger at the criminals, who happened to get very wealthy by deception and fraud.

I'll tell you what I resent. I resent that some Wall Street bankers got rich at the expense of others. I resent that they have yet to face consequences for criminal actions. I resent that they still have their ill-gotten gains, while those they ripped off are still trying to recover. I resent that the laws that should have prevented their actions are still full of holes. I resent that people are so invested in avoiding blame that they have stopped thinking up solutions.

And I resent people who are too lazy to think for themselves and instead allow the loudest voice or whiniest whine to form their opinions for them.

I don't resent the rich. I want to emulate them, because the vast majority of those who attained wealth did it through working hard and by using their talents and, in many cases, by attracting a little bit of luck by being prepared to take action when the right opportunity showed up.

Americans have to realize that the massive majority of rich persons don't get wealthy at the expense of the poorer people. In fact, they add to economic wealth generally by creating jobs and paying taxes.

Candidates like Bernie Sanders are off the mark when they promote the idea that the rich somehow got rich by ripping off or exploiting someone who was less well off. Yes, some criminals got wealthy by deception. But that does not make every wealthy person a thief.

Being Successful Is Not A Crime.

I watched television a few weeks ago and there was a speech by Obama from a few years ago where he said, "The top 10% no longer takes in one-third of our income; it now takes half."

Such comments imply that these people are doing something wrong. Such statements infer that distributing that wealth will correct that wrong. Neither the implication nor the inference is correct. In fact, both are incredibly, stupidly wrong.

The goal of most Americans is to continue to pursue our freedom without government interference, so that everyone has the opportunity to become economically wealthy. As new U.S. citizen, this defines the American Dream for me.

Americans need to realize that wealth is not magically teleported from the pockets of the poor into the bank accounts of the wealthy. Most people of wealth worked for their prosperity. They took risks, they made an effort, they put their own money into their dreams. They put in the work and earned their wealth. That is the American Dream.

Americans need to realize that economic equality is not possible. In fact, such thinking is decidedly socialistic and Socialism has never worked and never will!

There is no basis for wealth distribution in the U.S. Constitution.

The American Dream Is Not Based On Entitlements.

For generations Americans have enjoyed the freedom to pursue our dreams. We have been raised on this sense of entitlement that we can have our dream. So, now when we don't get what we want we can feel a sense betrayal.

It does not matter that we have neither the talent nor the drive necessary for our success. We want what we want and we believe we should have it and if we don't have it must be someone else's fault and they should give us some of their success because we have the right to happiness.

It doesn't work that way.

Individuals have different intelligence levels, different talents, and different work ethics. That is why some people have more success and create more wealth than others. Just because someone is successful and you are not does not mean that they owe you anything.

Billionaires Rarely Make Other People Poorer.

For the most part, people who become very rich deserve the rewards they've earned, provided they did not gain their wealth at the expense of others. This is normally the case.

The exceptions are situations like the recent fraud at Wells Fargo. In that example, Tolstedt should not only go to prison, she should be forced to repay the \$125 million she received. This is the exception and not the norm.

Warren Buffet is a wealthy man worth in excess of \$60 billion dollars. But he didn't start out rich. In 1967 a share in Berkshire Hathaway cost \$20. That \$20 investment is worth more than \$200,000 today. In becoming wealthy, Buffet did not take away from others and he should not have to give to others just because he has more than they do.

As Americans, we need to stay on that steady course by supporting our political equality as stated in the U.S. Constitution and abandon the unjust and impractical idea of economic equality.

Where Do You Want America To Head?

Without getting too political, there is only one presidential choice that really encompasses what America stands for and that is Gary Johnson of the Libertarian Party. That is where my vote is going and the Las Vegas Investment Club is a Libertarian Club.

The best choice of the candidates would have been Rand Paul for the Republicans and if Hillary or Donald is elected, which is likely the case, I am concerned that America moves further away from the U.S. Constitution and the principles that made our country great.

Trump's slogan "Make American Great Again" is ridiculous when you see where his policies place him in relation to the U.S. Constitution. I read a report that detailed how – if all his policies were to be enacted, we could expect the GDP to fall by five-percent! That is a Depression! God help us!

Hillary Clinton represents Economic Equality, which is even worse.

So, I am not impressed by either candidate, nor do I like the direction in which America is headed. I am talking about cronyism, which occurs when citizens of a country continue to support more and more government involvement in their affairs. It is through this kind of behind-the-scenes-deal-making that ill-gotten wealth changes hands. Lobbyists on Capitol Hill are the best example of cronyism.

The Federal Reserve is another excellent example of how cronyism and Big Government interfere in our daily lives. Cronyism at the Federal Reserve puts massive amounts of money into the hands of a select few, who are the insiders or financially connected to them.

Cronyism creates nothing of lasting value; it merely moves money from pocket to pocket.

The problem in America is our continued movement towards a system where we grant more power to the government to continue to interfere in our lives. We do this even while we live with the problems already created by Big Government.

For example, America is becoming a country of entitlements with out-of-control debt saddled on our children's shoulders. Further, we have become a welfare state with the unfunded and unsustainable Obamacare just now beginning to crack as too few healthy people join the pool to support too many sick ones.

This is a classic example of why socialized systems cannot work. The numbers simply are not sustainable. They are based on depriving rewards from those who have earned them, and giving those rewards to those who have not earned them.

It is okay for people to make fortunes while others do not.

It is okay for people to strive and fail.

It is okay for people to try things out and learn from their experiences.

That is the kind of courage and innovation that made America great.

We did not become great by imposing trade tariffs as Trump is proposing, nor by raising taxes or distributing dollars evenly across the board.

Raising taxes and creating more regulations is killing America, its culture and the American Dream. Yet, some Americans are still calling on government to pass laws that

will force those who create wealth to distribute their wealth more equally. This is a step towards the collapse of America as the great economic powerhouse on the planet.

The American Dream Relies On Political Equality - Not Economic Equality.

Political equality gives people the freedom to fail or succeed based on their own merit. It also ensures that they get to keep what they earned. It also eliminates the cronyism that has infected our economy and our governing bodies.

We need to become watch dogs, and limit government to those powers outlined in the US Constitution. We need to re-read the Constitution and Bill of Rights and enforce the laws designed to control government and protect the political rights of citizens.

When we get the government out of our every-day lives, we are then free to succeed or fail based on our own merit. This rewards effort, which is the American way.

It also eliminates the need for politically powerful special interest groups and lobbyists, because without government stirring the pot, officials no longer have favors to hand out.

I am very concerned the direction America is taking in this election. Please vote. Vote to sustain the American Dream that built this country.