

## SPECIAL POINTS

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## OF INTEREST:

- Listen to Sam every Sunday, 3-5 PM Central, on LATalkRadio.com, Channel 2, or anytime online.
- Don't let the talking heads scare you with talk about the stock market.
- I'll do my best to succeed with my resolutions. Let's hope others do, as well.
- Control of the border is but a small part of why immigration enforcement is so important.

## INSIDE THIS ISSUE:

False Prophets (Profits)	2
Resolved	2
It's About Immigration	3
Below the Radar	3
Upcoming Events	4

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# IMPACT WITH SAM CLOVIS

## REMEMBERING

First, my apologies for taking so long to get this newsletter out. I kept thinking that the news cycles would calm down and that I would have an opportunity to write something sentimental during the closing month of a very eventful 2018. However, such was not the case. My procrastinations notwithstanding, I do hope we can begin the new year by remembering those who give up the most during our fruitful holiday season.

I want us to remember all of the members of the armed forces who have volunteered to serve this nation and who do so with little fanfare or acclaim. The force is young, but they are quick, smart and eager. Most come to the military because of a sense of duty and as a way to build for the future. No one really counts on a career in the military, but those who endure the sacrifices and dangers are uncommonly fulfilled when that day comes when they hang up the uniform and come back to being simply citizens again. For those who serve their enlistments or commitments and leave while still young, the world view will forever be changed, as is the world view of them. There is nothing quite as strong as those bonds formed while serving with others.

While the service members are away for holidays, anniversaries and birthdays, the families who remain behind must be remembered, as well. The burden is great on those who must manage a household, raise the kids, pay the bills and be ever attentive to what

is going on in the world. The families are every bit as invested as the service members.

We should also remember all of the police officers, fire fighters and emergency medical technicians who, on what should be the most festive days of the year, are often called upon to deal with crisis and tragedy at the worst possible time for those involved. I've seen these remarkable individuals in action, up close and personal, and can tell you that I have yet to find one who did not have the welfare of the public at the forefront of all of his or her actions. Someone is in the patrol car, the fire house and the ambulance on Christmas and New Years, away from family and friends, so that we all might be a little bit safer in our homes and during our travels.

One group we often take for granted are all of those who staff our hospitals and emergency rooms during the holidays. Having had to avail myself of their services from time to time, I am always blown away with their level of professionalism and compassion, regardless of who might come through the door. I particularly appreciate the respect shown to me and my family as individuals. Saying thanks never seems to be enough.

As we go forward in the new year, let's make an effort to remember our service members, first responders and hospital staffs every day. They deserve it and we owe them.

## DESCENDING INTO CHAOS

The government shutdown is finishing its second week and the new Congress gets sworn in tomorrow. I can hardly wait. As the establishment elements of both parties continue to hand-wring over the current President, I really don't wonder what is going to happen when the Democrats take control of the House of Representatives and Nancy Pelosi becomes—again—the Speaker of the House. I fear I know just how far her caucus will go in attempting to unseat Donald Trump. I suspect there is no limit to what they will attempt as their end goal has revealed itself and their main strategy has unfolded.

It appears the Democrats, the Never-Trumpers, the media and the resistance inside the Republican establishment are focused on eroding the President's support with his base. POTUS currently has a 47% approval rating, much to the shock and surprise of all those attempting to bring him down. It is quite clear

that every effort will be put forth to get that approval rating down into the 20's so the leadership of both parties can make that fateful trip to the White House to tell the President he has lost the confidence of the American people. This is what happened to Richard Nixon, and if the approach worked once, it can surely work again.

Fortunately, we are on to their game. The biggest challenge we have is to remain resolute in our support for the President and to continue to press him and his administration to complete their agenda. I am optimistic he can still accomplish a great deal, but he must do more to engage the American people—in particular those who support him—in forcing Congress to bend to the will of the people. There is no one better working a crowd than DJT, so he ought to use the bully pulpit to hammer the opposition into submission. Just saying.

# FALSE PROPHETS (PROFITS)



*“Do I care how Boeing or Lockheed Martin are doing? Yes, I do. Do I care how Walmart is doing? Of course. But I look at those two entities, and those like them, to get a sense of where we are with the purchase of durable goods, capital investments and general consumption. If manufacturing and retail outlets are doing well, then I am more confident that we will continue to see strong growth in the economy. Still, it comes back to how confident consumers are in what and how they spend.”*

**Can we keep our promises and resolutions? I hope so. There is still so much to do and so little time to do it.**



I watch or listen to Stuart Varney on the Fox Business Channel whenever I get the chance. He is really good, has a fast-paced program, brings in great guests but hyperventilates over the vagaries of the equity markets. It's that last part that really exasperates me. The equity markets are important to a lot of people. For anyone involved in any number of pension plans, the stock market provides the mechanism for growth and sustainability. I get that. What I don't get is why people get so excited over the day to day vacillations in this index or that. I honestly do not believe that equity markets are good indicators of national economic health. What they represent, however, is a good temperature gauge of that day's sentiments over current events. Announcing that the equity markets had one of their worst years in 2018 may be factual, but only in context. Thus, some context would be appropriate.

Let us look at the Dow Jones, NASDAQ and the S&P 500 since November 8, 2016. On election day two years ago, the Dow Jones was at 18,322; the NASDAQ was at 5,193; and the S&P 500 was at 2,140. On the closings of 2018, the indexes were at 23,327; 5,193 and 2,206. Those percentage changes over the past two years were 38.2%, 27.8% and 19.1%. Not bad considering where we were when Donald Trump won the election. When the talking pinheads on TV start casting the doom and gloom over the state of the American economy, just remember that the stock market is a thermometer and not a barometer. Further, the top 10% of households in America own 84% of the stock, so again, context matters.

The Dow Jones reflects the daily stock sales of around 2800 companies. Considering that there are some 28 million companies in America, the public

trading of stocks from just one hundredth of one percent of American businesses really does not represent what is going on in the economy. Better indicators are such factors as gross domestic product, consumer price indexes and other factors that affect consumption like disposable income. I will much sooner hang my hat on 3.5% GDP growth than on watching the stock market fluctuate several hundred points in one direction or another.

Do I care how Boeing or Lockheed Martin are doing? Yes, I do. Do I care how Walmart is doing? Of course. But I look at those two entities, and those like them, to get a sense of where we are with the purchase of durable goods, capital investments and general consumption. If manufacturing and retail outlets are doing well, then I am more confident that we will continue to see strong growth in the economy. Still, it comes back to how confident consumers are in what and how they spend.

During the Great Recession, all the Keynesian economists were perplexed over the negative growth in GDP after the stimulus package was deployed. According to their models, there should have been a spurt in GDP. What happened? People took whatever money they could gather and began paying down debt rather than going out to Neiman-Marcus to buy that must-have English saddle or high-end drone. No, they wanted to give themselves as much of a bumper as possible, so human behavior dictated non-consumption actions.

Time will tell if the tax cuts and new trade policies will benefit the economy the way I think it will. There's one thing for sure, though, and that is the American people are more confident in the economy today than they were on election day in 2016.

## RESOLVED

I suppose I get as wrapped up in New Year's Resolutions as anyone. I have my standards for every year, carried out to some degree of success (or not). I always try to eat better, exercise more, smile, laugh and pray more, shoot my guns more and find time to do more fishing (a truly religious experience for me). I can always find time to build resolutions for others, as well. And again this year, I have some resolutions I would like to see fulfilled by those responsible. The following is but a sample of my heartfelt desires:

- That the President wear boxing gloves between the hours of 3 and 7 AM each day. It is hard to punch a cell phone key pad with boxing gloves on.
- That the President demand the Department of Homeland Security enforce the law of the land.
- That the Congress of the United States, to a person, fulfill the sworn obligation to support and defend the Constitution.

- That the American people take time to educate themselves on what is going on in the country. We cannot rely on Rush, Hannity or Levin to make that happen. Each of us must do one more thing.
- That we withdraw our forces from futile engagements around the world. We must husband our resources so that our military will again reach peak readiness.
- That we not accept the narrative of the progressive left and that we are courageous in our defense of liberty.
- That we demand more of our media outlets and that we use economic means for demonstrating our disgust with their products.
- That we be ever mindful from whom our bounty flows and that we Praise His Name everyday.

# IT'S ABOUT IMMIGRATION

There is one big promise made by the President that must be kept. That promise is to build a wall on our southern border and to get a handle on immigration into this country. Here is why this is so important.

Today, there are 10.7 million people in this country illegally. Of that number, 50% come from Mexico and another 18% from El Salvador, Guatemala and Honduras. That's 68% of those here illegally from just four countries. There are some 7.8 million illegal aliens in the workforce, or around 4.8% of the total number of working adults in America today. What is most sobering about many of these numbers is that wholly 66% of illegal aliens have been in the country more than 10 years. If there were ever a greater indictment of how we have managed immigration in this country, that statistic is it.

Today, 58% of those in the country illegally live in just six states. Those states are California, Texas, Florida, New York, New Jersey and Illinois. Of those six, Texas is the only reliable (currently) Red state with Florida being Purple. The other four are clearly Blue. Why is this important? Take a look some other population numbers.

Roughly one half of the population of the United States resides in just nine states. That's 161 million out of a total, depending on one's source, of 327 million people in the United States. Those nine states are California, Texas, Illinois, Michigan, Ohio,

Pennsylvania, New York, Georgia and Florida. Today, there are 241 electoral college votes assigned to those nine states. Imagine if amnesty is granted to the 10.7 million illegal aliens here. In a matter of just a few years, it is conceivable that a Republican could never win one of those states ever again in a general election. With many already bemoaning the fact that the electoral college does not reflect the true will of the people, conservatives and Constitutionalists will soon find themselves in a pitched battle to retain the checks and balances intended by the Founders in the system established that gives balance to large and small state alike.

The implications of losing our will to hold to enforcing the laws of the land are grave, and I will expand on those issues in upcoming newsletters. Suffice it to say that getting a handle of immigration right now is critical if we are to maintain our national sovereignty and our reverence for the rule of law.

It is a specious argument to advance the notion that we should look the other way when people come into our country illegally. There is a moral question that our progressive friends (and establishment Republicans) do not want to answer. What is the morality of coercing support for illegal behavior from those who do not break the law? How is it moral to ask people to support, through their tax dollars, those who come here without any ability to support themselves?

POTUS is right, and he needs to hold the line.

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*Time to dig deep and find that resolve that will be required to weather the assault from the Progressive Left.*

# BELOW THE RADAR

I keep harping on the fact that we really do need to do something about our fiscal policy in the country, and I think my friend Steve Moore has hit on something that resonates with me. His proposal is a War on Waste. I know—we have seen this movie before, but now may be the right time with the right guy in the White House to actually make a difference.

In business, one looks to keep waste down to one percent or so. There will always be some waste, but controlling costs, hence waste, is one of the keys to success in the private sector. Folks spend a lot of time making sure they don't spend more than they have to. In government, however, efficiency is not necessarily a virtue. Many government programs are sloppy around the edges on purpose. The more leeway an agency has in administering its programs, the more effective the programs are thought to be. Of course, this is ridiculous. I cannot think of any circumstances where throwing money around is considered good government or good business.

Today, some of the public administration literature advances the idea that as much as 30% of government spending is waste. That is a whopping amount of money. In other words, for every dollar we contribute in taxes to a program, only 70 cents actually gets put to effective use. Simply unacceptable.

If we were to wage a war on waste, what might our expectations be? Where might we expect to find processes and procedures that cost way more than they should? The place I would

start would be with a complete review of all the grant programs that emanate from government. The last time I looked, there were over 1,000 grant programs sponsored by the national government at an annual costs of around \$700 billion. What if we demanded government re-evaluate all the grant programs and find ways to reduce that spending by one third. That would be \$231 billion in savings right off the top.

The next thing I would attack would be the subsidies being paid out on our behalf by the national government. That number is over 2,000 at a cost of \$850 billion a year. How about cutting that by a third? That's another \$280 billion repatriated back to the taxpayer.

The elephant in the room when it comes to stamping out waste is acquisition reform. I am not sure we will ever get our arms around this problem, but we have to start somewhere. I had proposed during the campaign that acquisition reform should be a top priority for the administration. We had embraced innovation and deregulation. Why not add acquisition reform? If we were to start with the Department of Defense (which failed its most recent audit) and reworked the requirements process so as to eliminate the cumbersome bureaucracies associated with purchasing anything in the military, could we not gain another \$200 billion in annual savings?

For my longtime colleagues from the military, I know, I ought to have more sense. But seeing \$700+ billion in annual savings as low hanging fruit is just too tempting.



## IMPACT WITH SAM CLOVIS

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Sam Clovis is a successful businessman, college professor, political advisor and military officer who hosts IMPACT with Sam Clovis every Sunday afternoon on LATalkRadio. His resume is lengthy and impressive. As a 25 year Air Force fighter pilot, a highly successful private sector business operator, distinguished Fellow at a prestigious think-tank, top-rated radio talk show host, national co-chair and chief policy advisor to a successful presidential campaign, policy director for the presidential transition team and Senior White House Advisor to the Department of Agriculture, one can see why Sam is one of the most sought after consultants in the region. Not afraid to take on the toughest issues, he has blazed a trail in modern politics that has seldom been matched.

His internet radio program examines current events through the lens of contemporary business, economics, politics and culture. One might also find a bit of humor along the way, as he examines how seriously some people take not-so-serious issues. When all is said and done, the listener will get it straight without flowers and ruffles. Listen every Sunday afternoon, 3-5 PM Central. Download the program from the LATalkRadio website.

## SHOW HIGHLIGHTS – UPCOMING EVENTS

Since we began our internet radio programming in September, we have put 14 programs in the archives for all to hear. Over that time, we have added guests, improve the flow and have worked out many of the early technical issues. We still have some improvements to make, but the content has been rich and the feedback overwhelmingly supportive. We need to market more, but we can get that help from our faithful listeners and from all who subscribe to the IMPACT newsletter. I hope you will all help in spreading the word.

As many of you know, the principal sponsor for the broadcasts is Charles W. Herbster, owner and CEO of the Conklin Company, Herbster Angus Farms, North American Breeders and Carico Farms. Mr. Herbster is chairman of the Trump National Advisory Committee on Agriculture and Rural Issues. This group was instrumental in raising funds and turning out votes for the 2016 election. The group remains active and a strong influence on the President.

An a bit of a different note, I am pulling together content from past IMPACT and Voice from the Plains newsletters to put into small booklets that will be available soon for purchase. The cost of production is relatively low so the cost to consumers will be low, as well. I am looking at formatting, style and a host of other choices that might enhance getting more information into the hands of those who are eager to learn about economics, the Constitution and how government is supposed to work. I will be digging into my Serious Civics lectures, as well. Please stay tuned for developments in this area of interest.

January 6, 2019—IMPACT with Sam Clovis.

January 13—IMPACT with Sam Clovis.

January 20—IMPACT with Sam Clovis.

January 27—IMPACT with Sam Clovis.

January 29-February 3—The Conklin Company annual convention, Branson, MO.

February 3—IMPACT with Sam Clovis.

February 10—IMPACT with Sam Clovis.

February 17—IMPACT with Sam Clovis.

February 23—Speech at Republican event, Wilton, IA.

February 24—IMPACT with Sam Clovis.

March 3—IMPACT with Sam Clovis.

March 10—IMPACT with Sam Clovis.

March 11-13—Speaking engagement, San Diego, CA.