

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.
- Labor numbers are looking better, but let's work to build a nation where even more people want to work.
- Political opportunists seem to be everywhere. Fore warned is fore armed.
- Let's take the battle to the progressives and fight them in the streets of the cities. We can't give that ground away.

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IMPACT WITH SAM CLOVIS

BUILD THE WALL

After the charade of faux outrage and condemnation of the other side during the phony government shutdown, one has to consider that all of this is about huffing and puffing and in the end doing nothing. The Democrats will not fund the wall and Republicans can claim they did all they could. The President, who made the promise to build the wall, is the one looking the fool. I am not saying that the swamp creatures are colluding to make the President look bad, but if I were pressed on the matter, I would be willing to bet there is more truth to that supposition than one would really want to admit. Though it is not like Donald J. Trump to get played, I think he may have met his match in DC.

The big concern right now is that the President will declare a national security emergency to exercise his Constitutional authority to take action. Many on the conservative side of the aisle are concerned about the precedent. What happens the next time a Democrat occupies the White House? Will he or she declare a national emergency to confiscate guns or to find ways to suppress free speech? If one thinks that the Democrats are going to be contained by history or precedent, then I have little hope for those who think that way. The Democrats will do whatever is necessary to advance their agenda, particularly as they veer further and further to the left. To that end, I say declare the emergency and build the wall.

I am not sure of all the mechanisms that will have to be exercised to get the wall started and then eventually finished. What I do know is that the immigration crisis is very real and that something has to be done. The first step in any action to correct the current situation is to clamp down on who gets to come into this country. Building a barrier on the southern border is a logical first step.

I think the President should go further when he makes the announcement that he is going to declare the emergency. I want him to end chain migration, eliminate the visa lottery system and re-evaluate the visa waiver program. Subsequently, he should ask for mandatory implementation of E-Verify while at the same time working with business leaders to come up with a workable guest worker program that will allow businesses dependent on foreign born labor to maintain operations as they transition to a fully legal workforce.

Those who voted for President Trump want him to lead the way in enforcing strong immigration laws. He promised to build the wall so I think he needs to follow through. As always, I think his strongest approach is to declare the emergency then go to the American people with his case. Trust me, he can make that case. I've seen him in action.

Make America Safe Again. Build that wall, Mr. President.

FAILURE TO PERFORM

I cannot begin to express the expanse of my disdain for the Congress of the United States. With few exceptions, members of Congress have found countless ways to avoid accountability in performing their duties.

Think about our current state of affairs. Last year, the President and the Republican party enjoyed a majority in both the House and the Senate. There should have been an immigration deal passed in the Congress that the President could have proudly signed and the American people could have cheered. However, the leadership of the Republican majorities chose not to support such legislation, so now we face the predicament outlined above. The Democrats control the House and will never give the President a victory and the Republicans can throw up their hands and complain about not have the 60 votes to get anything done. Dodged that bullet, didn't they?

I am also mindful of the fact that both parties in

Congress have agreed to not vote on raising debt ceilings and they seem content to continue passing continuing resolutions on voice votes. No formal votes—no accountability.

I am willing to bet that the next major piece of legislation coming out of Congress will be over 1,000 pages long and will not be read by anyone elected to office. Lobbyists and staffers will cram the bill full of pork and salve for special interests with the American people on the hook for increased deficits and debt.

I can say that outside of my utter contempt for the media, my disappointment and disgust with Congress comes in a close second. I see no indication that any of them are really interested in doing what is best for the country and its citizens. Unfortunately, what I see is a pattern of disingenuous behavior where promises are made to the people with no intention of ever following through. We should, and could, do better.

LABOR PAINS



"This past month, the Bureau of Labor Statistics reported that 304K jobs were added. That's a good number. The unemployment rate is low, approaching "full employment" as defined by many economists. However, as I have cautioned before, the unemployment numbers are not always the best indicators of the health of our labor force."

Beware those who promise much but deliver little. Be particularly on guard for those who seek your vote.



I've written about labor issues in these pages many times. However, it seems that each recent jobs report, there is more to say about what is going on in this country. Right now, I am bullish on the economy and think we are going to continue to see positive growth. There might be some small corrections over the next several months, but for the most part, things are looking good.

This past month, the Bureau of Labor Statistics reported that 304K jobs were added. That's a good number. The unemployment rate is low, approaching "full employment" as defined by many economists. However, as I have cautioned before, the unemployment numbers are not always the best indicators of the health of our labor force.

Things are a lot better than they were when Obama was President. As I wrote about in the last newsletter, the equity markets are robust, inflation is essentially flat and more people are working. That's all good, but there is one number I keep coming back to, and that is the labor participation rate.

To keep the status quo in employment in the United States, businesses need to produce around 190K jobs a month. This is the number that matches the influx of individuals who reach age 16 and are then eligible to be counted in the workforce. Thus, if the government reports more than 190K jobs being created, then we are likely to see unemployment go down. Of course, a lot depends on the participation rate.

Today, that participation rate is 63.2%. This has been a steady number for the past several years, but is far below the 66+% of just a decade ago. It may not be realistic to think that we would ever get back above 67% as we once were just a few years ago, but a goal of 66% participation rate seems workable and important to

achieve. If the nation were to get to 66% participation rate, that would mean an additional seven million people working. If we were able to get seven million more people into the workforce, we would likely see an additional \$60 billion in federal tax revenue come into the treasury each year. These additional wage earners would also contribute nearly \$500 billion dollars to the Gross Domestic Product. This additional consumption would be a 2.5% increase in GDP—a healthy shot in the arm of the economy.

So that we do not all run over the ledge with this good news, we should consider whether or not we have the fiscal and monetary policies in place to support this level of participation and economic expansion. What else really needs to be done?

Of course, the elephant in the room (pun intended) is that we must get on top of our national debt. Congress and the President must come together to agree on ways to cut spending to eventually get to a balanced budget. I am a proponent of the Penny Plan, where we cut spending one percent a year until the budget comes into balance. I am not holding my breath that Congress will ever see the wisdom of this level of frugality.

Better trade deals, more direct foreign investment and preparing the workforce for future jobs ought to be on the agenda, as well. It is not a bad thing that we will have an economy so robust that we must consider bringing foreign labor into the country to meet specific labor requirements. During great times of growth in this country, this is exactly what we had to do to keep the engines of prosperity cranking along.

I am hoping we will be able to get a friendly Congress that will support the President and his pro-growth economic agenda. I'm with him.

OPPORTUNISM

I know that my view of politics and politicians has become jaded over the past few years. I find the reason for the hardening of my heart has been the observed behaviors I have witnessed. Most politicians do not seem to be able to remember from where they came once they win that first election. It seems too easy for them to fall under the spell of those who offer perks, pomp and power. The politicians lose their souls and we, their constituents, are not served well, if at all.

In recent weeks, a good friend of mine that happens to be my congressman has come under fire for some of his comments he made to members of the media. As this individual has never been one to steer clear of controversy, one should not be surprised that his comments would be twisted and contorted to fit a narrative that brands him a racist. He is not, but that does not seem to be of consequence to members of his own party and the media writ large. Thus, he has become persona non grata and is considered politically

vulnerable. His condition is considered so precarious as to invite primary opponents a full 18 months before the next primary election.

I would never criticize someone who wants to enter the political arena. I know how hard it is to run for office and the toll it exacts. However, one must question the motivation of those who wish to displace a sitting member of Congress, especially when that person is from the same party. It looks like political opportunism at its worst. What makes it all the more suspicious is the fact that the establishment money and power of the state is lining up in support of a person who has never run against anyone in an election. It seems that the establishment is picking the horse to back in this race without consideration for the people in the district, as the establishment has its base in Des Moines and not Northwest Iowa.

I wish everyone luck in the race, but opportunistic candidates should expect blow back

HUMAN CAPITAL

One of my burning passions over the past three years has been to get the administration and the Republican party to focus on developing communities in urban areas. For decades, the Republican party has been reluctant to invade and occupy space in the urban landscape. The party has ceded the battlefield to the Democrats and the progressives. By avoiding combat in the cities, the Republicans and conservatives have allowed closeted socialists to create and perpetuate a permanent underclass beholden to government for sustainability. This is so sad, because the progressives have destroyed institutions after institutions in communities and have left little alternative for city dwellers. What is most shameful is that the Republicans and conservatives have ignored the cities for generations now. Some folks living in our largest urban areas know nothing other than programs that enhance dependency rather than eliminating the tether to government.

One of the key weapons in doing battle in the cities is to work on helping empower communities to build human capital. This means that education reform is critical if people born into poverty are to ever break the poverty cycle. Though not the only indicator of educational performance, high school graduation rates are a place to start. Though there have been vast improvements in graduation rates in our largest cities over the past two decades, there is still much to do.

The national high school graduation rate is currently 84%. That seems pretty good. However, there is a lot missing from that statistic. Just how well

are the public school systems performing in preparing graduates to go on to college or to enter the labor force? Unfortunately, some 60% of those entering 2-year schools and 20+% of those entering 4-year schools need some form of remediation in English and/or math. When one digs deeper into those numbers, only a small percentage of those who take remediation courses actually ever make it to graduation. There are strong correlations related to race, but the strongest indicators of success or failure seem to be household income and poverty. The problems are particularly acute in cities.

Of the largest 50 cities in the country, 16 have high school graduation rates below 50%—less than half of those who enter high school actually make it across the stage. There are 12 states that have high school graduation rates at 80% or less. Most of those states are Blue states, though some are found in the Deep South, as well.

Education is a local issue, so I am reluctant to offer solutions that are national in scope. Thus, that is why I think it is critical for the Republicans and conservatives to put on the armor of Truth so that they might have real solutions to offer communities found in our largest urban centers.

By restoring institutions in communities, one can lower dependency on government and increase the strength of businesses, schools, churches and civic groups. Focusing on developing human capital is a good start. I hope someone at the campaign and RNC headquarters is listening.

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Be courageous. Go where others dare not. Challenge the conventional wisdom and prove that all things are possible in God.

BELOW THE RADAR

I have picked up on a trend that seems to be flowing across the country. It seems that most states are seeking greater revenues, so raising property taxes seems to be the tax of choice these days. I am particularly concerned when property taxes are discussed in states that are heavily dependent on agriculture. As land values continue to increase, so does the valuation of that land. With higher valuations, the governors and legislators seem to see found money in “them thar hills.” Like most tax proposals, the short term gain from a bump in revenues might have long term deleterious impact on the state’s economy.

Let us consider a hypothetical. What if a governor proposed a cap on property tax increases at 3% a year. Suppose also that the state is heavily dependent on agriculture for its economic health. The 3% increase seems innocuous enough, except for the fact that farm incomes are flat and land values continue to increase. This puts the farmer—the very instrument of economic health in the state—squarely in the vice. The farmer is being squeezed and no one seems to see the damage that is being done. The agriculture community with its farmers, ranchers and ancillary industry partners will all suffer under this scenario. Add to this the lucrative appeal of raising the state gas tax and one has created a fiscal disaster. These increased costs, particularly given the current state of the agriculture economy, may be just the issues that put farming at a tipping point. With the exodus of people and wealth being driven out of the

agriculture business, the state will end up hollow and unable to sustain the programs on the books.

I worry about where states and local governments are going to get the revenue they think they need to sustain programs. I have not heard a thing about any of the jurisdictions considering program cuts or spending reductions. Is it any wonder that our United States Congress cannot find fiscal discipline when it is populated by many who learned how to kick the can down the road in state and local governments.

With each passing cohort of those who gain the right to vote, I fear we have more and more citizens who believe that the government is essential for ensuring a set of “rights” that were never part of the Founding. Progressive efforts have been successful in convincing a generation or two of Americans that they are entitled to certain things like healthcare coverage, a living wage, a job and a free education. We are seeing tax proposals from members of Congress asking for tax rates of 70% or even 90% on the highest earners. Simple economics tells us why this is dumb, but it makes good media and bumper stickers.

We already have a crushing debt that is nothing short of generational theft. How are we to pay for the unfunded pension plans that are hanging out there? How are we to pay for a single payer healthcare system? The answer is we can’t, so we need to demand better stewardship from our elected representatives.



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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

The Internet radio program continues to reach greater audiences with each passing week. I am grateful for the opportunity to be part of something that brings great quality and great content to those who are tuning in. With the continued sponsorship of Charles W. Herbster and his wonderful organizations, we will continue to put out the very best in education, entertainment and information.

Speaking of Mr. Herbster, I am in Branson, MO, this week to attend the annual Conklin Company annual convention. This past Wednesday evening I was asked to deliver the keynote address to the Directors Dinner. This dinner is staged for those who have achieved significant levels of sales inside the company. This year, there some 150 in attendance.

I gave a speech outlining how I have lived my life and how I view the achievements in what I have done. When one is speaking to a room full of people who have achieved so much, one can be a little intimidated. However, the group was warm and receptive, so the speech went very well.

My message was about living in such a way as to be Historic, Heroic and Biblical. Having followed some five professions in my life, it was fairly easy to lay out how one might want to mentor others to follow this particular formula. I closed the speech by talking about how important having a bond with others was to being a true success. I spoke of the covenant that we have with God and that we should extend the idea of the covenant to all our relationships.

The feedback has been positive about the speech, and tonight we will be attending the President's Dinner and Celebration. It ought to be a big night for all. Thanks again to Charles W. Herbster and the

Conklin Company for having me attend and be part of something so special.

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.

March 17—IMPACT with Sam Clovis.

March 24—IMPACT with Sam Clovis.

March 31—IMPACT with Sam Clovis.