“Greatest Ponzi Scheme in History”
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“You are the greatest Italian of them all!” cried out one of his fervent supporters in his defense.

Charles Ponzi, the greatest and most infamous swindler in his time, demurred and suggested instead Columbus and Marconi for the discovery of the Americas and the invention of the radio, respectively.

“But,” as another supporter retorted, “you discovered money!”

Mr. Ponzi sure discovered money all right: millions of U.S. dollars for himself that is.

Mr. Charles Ponzi

Starting out in Boston, he used his amazing “white shoe salesman” ability to inspire confidence and to charm his potential prospects in a pyramid scheme that took off like a Santa Ana wildfire and covered 28 northeastern U.S. cities in 1920. Mr. Ponzi claimed that he made huge sums of money by sending a type of postal money order from country to country and by taking advantage of the difference in the exchange rates: what some would call “arbitrage” today. And he promised to repay the principal of anyone who invested in his scheme plus 50 percent in 90 days. That’s 200 percent per year!

Boy, were tens of thousands of little people sold! That is until August 1920 when the ugly truth and reality caught up with this master swindler. News reporters discovered that Mr. Ponzi had previously gone to jail for forgery in Montreal and that he only had $1.6 million for about $15 million he received from his investors (this debt-to-asset ratio of over 9 to 1 is not so bad considering by today’s standards: one former derivatives company, LTCM, was leveraged 300 to 1!). He was subsequently sent to prison and later deported from the U.S. (by contrast, today’s greatest swindlers on Wall Street are rewarded with government appointments on Pennsylvania Avenue or lucrative book deals in New York, or both).

The “greatest Italian of them all” is best know for a financial pyramid scheme that “is a fraudulent investment operation that involves promising or paying abnormally high returns or ‘profits’ to investors out of the money paid in by subsequent investors, rather than from net revenues generated by any real business.”

Wikipedia.org (http://en.wikipedia.org/wiki/Ponzi_scheme) further explains:

A Ponzi scheme usually offers abnormally high short-term returns in order to entice new investors. The high returns that a Ponzi scheme advertises (and pays) require an ever-increasing flow of money from investors in order to keep the scheme going.

The system is doomed to collapse because there are little or no underlying earnings from the money received by the promoter. However, the scheme is often interrupted by legal authorities before it collapses, because a Ponzi scheme is suspected and/or because the promoter is selling unregistered securities. As more investors become involved, the likelihood of the scheme coming to the attention of authorities increases.

The scheme is named after Charles Ponzi, who became notorious for using the technique after emigrating from Italy to the United States in 1903. Ponzi was not the first to invent such a scheme, but his operation took in so much money that it was the first to become known throughout the United States. Ponzi's original scheme was in theory based on arbitraging international reply coupons for postage stamps, but soon diverted later investors' money to support payments to earlier investors and Ponzi's personal wealth. Today's schemes are often considerably more sophisticated than Ponzi's, although the underlying formula is quite similar and the principle behind every Ponzi scheme is to exploit investor naïveté.

If he would be alive today, Mr. Ponzi would be amazed at and extremely proud of the greatest Ponzi scheme on the planet and in the history of the world: the ability of the United States to create money and credit from nothing and, here is the kicker, its ability to exchange that ***monopoly money and fake credit*** for ***real goods and real services*** produced by the little people from the rest of the world, and its ability to ***rape and pillage the natural and human resources*** of the developing world in broad daylight under the ***guise of spreading democracy and freedom***!

But before we embark on this economic and financial trip of self-discovery, I want us to take a scenic but detailed detour into a smaller version of the greatest Ponzi scheme that I have personally experienced in the arena of what I have called the world’s second greatest Ponzi scheme.

The World of MLMs*

These three letters (MLM) either inspire and make you happy (because you are in one of these MLMs and are cashflowing above the 6 digits per year figure) or depress you and make you angry (because you have tried these MLMs and have only debts and frustration to show for all your money, time and efforts). If you don’t know what they stand for, well then you are fortunate indeed! My hope for you is that this article will be the closest thing that you will get to concerning MLMs.

“MLM” stands for “multi-level marketing” which is also known as “network marketing” or “direct sales.”

Almost everyone and their dog (or cat, for those of you who are cat lovers) in the U.S. have probably sat through one of these at-home, flip chart presentations or a business opportunity meeting at a hotel or business office, selling anything and everything from soaps to vitamins to life insurance to greeting cards to even electricity. You have heard this pitch one too many times: “If you get two and they get two, then they get two, and so forth and so on. Pretty soon, you will be cashflowing over $100,000 a year! Your dreams will finally come true! How does it feel to live *your* dreams, Mr. and Mrs. Prospect?”

For me, it all started with a phone call one day in April 1998. A lady by the name of Diane Victoria (not her real last name) cold-called me at work telling me that she got my name from someone and that she was a recruiter for a large company looking for a few smart individuals who might be interested in a great business opportunity and in making some great money. She told me that I needed to come down to a business meeting and met the principals of this operation.

Like the majority of Americans (maybe as high as 70% of the entire workforce), I really didn’t like my job as a project engineer for a company in San Diego, California. In fact, I was beginning to hate my job and the way that this company was treating me. Corporate America treats “human resources” or its employees like dirt, because they know that they can always fire you and hire someone else to do the same things, as they have done with outsourcing and offshoring millions of American jobs. So, I took the bait and went to check out this business opportunity.

What I experienced was simply amazing, and it began a path into the world of MLMs for almost 8 years.

The World of WMA

In a big gathering room there were at least two hundred people, all dressed in business attire, standing and chatting in a very lively manner with boisterous music blasting in the background. It felt more like a rock concert than a business meeting. I met Ms. Victoria who made sure that she introduced me to her *upline* (the person who directly hired her into the business) by the name of James Hart (not his real last name). Mr. Hart was young, dynamic and charismatic. He had a certain vitality and assuredness about him. Then I met his upline, Mike Hindy (also not his real last name) who had the same business acumen exuding from him as well. Shortly, an announcer gathered everyone’s attention and directed the new people, those who were there for the first time, into a presentation room, while the *associates*, those who had already join the business, were directed to go to other rooms for various training purposes.

As I sat and listened to the powerpoint presentation given by a dynamic speaker, I learned that the company’s name was World Marketing Alliance or WMA and that it was based out of Duluth, Georgia. WMA was in the business of making dreams come true: *your* dreams!

WMA taught families how money *really* works (well, at least their version of it) and their mission was to create wealth for families (which I might add, for all intent and purposes, is for *their* families). They offered two things: the dream of making big money and a personal crusade to help others to do the same. This was a “once-in-a-lifetime opportunity” and that “you were at the right place, at the right time,” and all you had to do was to “pull the trigger” and get started by setting up a follow-up “interview” in the next 24 to 48 hours!

But before dismissing the audience from the presentation, the presenter had every new person fill out a blue, index-card size, questionnaire asking questions such as (1) if you were interested in the business opportunity, (2) if you were ready to sign up *now*, (3) which of the concepts or products such as mutual funds, tax-advantaged products or insurance products were you interested in, (4) if you were interested in saving money and building financial security for your family, and, of course, (5) any comments that you had.

For me it was very intriguing: a chance to make some real money and to help people to boot! As Gordon Gekko, the character played by Michael Douglas in the movie *Wall Street*, would say, “Greed is good!” That was what got me hook, line and sinker. And greed is the seed that gets everyone signed up in these MLM “business opportunities.” How many times have you said to God: “If you would only give me the winning numbers to the next Super Lotto, I will give my winnings to help the needy and volunteer my time to help others!” Come on, admit it! Well, I admit that I have prayed as such on one or two occasions!

With the promptings of Ms. Victoria whom I met right after the presentation, I set up a time to have my follow-up interview the next day during work hours, of course. All the other new people also met with their inviters (associates) right after the presentation as this crucial step was part of the WMA’s “business format system” template: strike while the iron is hot!

Dressed in business attire, I showed up the next day in the afternoon at their Mission Valley office (the presentation was at their fancy La Jolla office) and met with several *marketing directors* (licensed distributors who had made it to the level of a local branch office manager) and asked a lot of questions being an engineer that I am. I didn’t sign up that day, but it was pretty much a done deal.

When I did sign up, I paid $100 for an application fee (what is commonly referred to in the MLM industry as a sign-up fee and this is pure profit for the owners of these MLMs) and scheduled a follow-up “fast-start” meeting with the upline who hired Ms. Victoria, Jason Toledo (not his real last name). Apparently, Mr. Hart was not the direct upline of Ms. Victoria. Mr. Hart recruited Mr. Toledo who hired Ms. Victoria. This was the first of many “fudge facts” that I would later encounter in my new WMA adventure. Some of the WMA leaders especially those cashflowing over $200,000 per year, would say many things that were untruthful but they didn't care: they had made it and they were rolling in dough. Remember Gordon Gekko?

The follow-up "fast-start" meeting is the bread and butter of the whole WMA experience. It took place at my home when both my wife (now ex-wife) and I were present. Mr. Toledo played the role of the financial planner (he was licensed as an insurance and mutual funds salesperson) while Ms. Victoria was there to observe and learn (she was not licensed and was never able to pass her licensing exams so she never got paid on our sale). Actually, the psychological roles that they played are crucial to the WMA sales pitch: Ms. Victoria was the "relationship" part of the transaction (even though she had just cold-called me!) while Mr. Toledo was the financial "expert" part (every successful sale needed both a *relationship* and an *expert* to close).

Mr. Toledo did a financial analysis called "Financial Lifestyle Strategy" or FLS for us, asking and taking down a lot of our financial and personal information. Since we were new *recruits* (persons who joined the business opportunity), we were very eager to comply and do everything to follow the WMA business format system, because we wanted to be successful too! Duplication by learning whatever the upline does is that is the key to success!

What Mr. Toledo was selling, as the key and most profitable investment product of WMA, was something called a VUL or Variable Universal Life insurance mainly from a preferred provider company called Western Reserve Life Assurance Company of Ohio (WRL). This insurance product, very expensive to the buyer in so many ways,** is like a term life insurance policy merged with a mutual fund. Term life insurance, unlike whole life, is only effective or in force for a certain time period such as 10 or 20 years. It is much cheaper to buy a term life than a whole life insurance policy, because term life almost never pays out to the *beneficiary* party (approximately 90 to 95 percent of all term life insurance policies are never paid out because the *insured* party almost never dies before the policy expires). Whole life, on the other hand, insures you until you die. So, it is always paid out to the beneficiary party (provided that all the premiums are paid and are paid on time, of course) because you, the insured party, will eventually die .

VULs are to term and whole life insurance what exotic and toxic derivatives are to regulated options and puts--somewhat. Deregulations in the life insurance industry in the late 1980s allowed variable products such as VULs to be created, specifically to counter a growing and alarming trend in the insurance business. These are hybrid creations of vanilla-flavor insurance (term and whole life) with variable investments similar to mutual funds.

Misters Hubert Humphrey and A.L. Williams

Hubert Humphrey (this is his real name but he is not the late vice president under Johnson) was the founder and executive motivator-in-chief of WMA. But before he made his millions with WMA, he was in the railroad business for over 17 years as a boxcar engineer or conductor, and then he joined and tried unsuccessfully Amway (the mother and, some would say, the originator of the MLM business model).***

With hard work and by applying the MLM principles he learned from Amway, Mr. Humphrey hit the financial jackpot when he joined A.L. Williams in 1979. He built an incredible sales organization within A.L. Williams. He was the first person in A.L. Williams to cashflow $100,000 in one year, then $1,000,000, then $2,000,000, and finally $3,000,000 in one year! This was way back in the 1980s.

What Arthur Lynch Williams, Jr. (commonly referred to as Art Williams and that is his real name) brought to the world was a novel financial concept called "buy term and invest the difference" with a company by the same name. Mr. Williams had a burning crusade in life. His father died in 1965 of a heart attack and the whole life insurance policy that he had was underinsured, leaving his family with very little money from the proceeds of the policy. When a friend introduced him to term life insurance, a giant bell went off in his head.

Since the monthly premium paid on a term life policy was much cheaper than a comparable whole life policy, the buyer of a term life policy can invest the *difference* between the two premiums (what you are paying on your term life premium versus what you were or could be paying on a whole life premium) into a mutual fund or several. (Or you can buy a term life insurance policy with a greater death benefit for the same monthly premium as with a whole life.) It was this financial concept that revolutionized the entire life insurance industry for the little people in the 1980s.**** No small part was due to Mr. Humphrey's efforts.

Unbeknownst to Mr. Williams, Mr. Humphrey began to use the MLM principles he learned from Amway in his A.L. Williams business. When sales from his Denver, Colorado office figuratively took off for the moon, A.L. Williams adopted the MLM business model for his entire company. When A.L. Williams was sold, Mr. Humphrey and his sales team comprised about 50% of the company's entire sales force. He felt that Mr. Williams had sold out, but you will never here him say that publicly. Mr. Humphrey left the newly renamed Primerica Financial Services with two dozen of his key leaders, and started Alexander, Inc. which quickly became World Marketing Alliance or WMA.

What A.L. Williams did with term insurance and the "buy term and invest the difference" sales concept, Hubert Humphrey would do the same with VULs. With the business format system that he had perfected in his prior company, Mr. Humphrey would take the VUL industry by storm. In a ten-year run from 1991 through 2001, WMA would hire more than 400,000 recruits, sell over $4 billion in total sales, and pay out to their sales associates over $1 billion in commissions. During this period, WMA produced approximately 700 distributors who earned more than $100,000 per year, i.e, those who have made it financially and can quit their 8-to-5 job.

WMA's success ratio is about 0.18 percent (700 divided by 400,000) or **less than a quarter of one percent**, and it paid out on average $250 per year per recruit ($1,000,000,000 divided by 400,000 divided by 10 years) or **$20.83 per month per recruit**. Hardly numbers to sell the dream to new recruits. But was WMA a cash cow for the preferred provider companies!

In 2001, Hubert Humphrey sold WMA to the Dutch insurance giant, Aegon Group, who owns WRL (WMA's preferred provider for VULs), TransAmerica Corporation and the TransAmerica landmark building in San Francisco, and is one of the world's leading insurance, pension and related financial services companies with financial assets of more than $232 billion, according to a company literature. WMA became World Financial Group or WFG, part of the Aegon network of companies, just as A.L. Williams became Primerica Financial Services or PFS, part of the Citigroup network of companies. Duplication at its finest!

But Mr. Humphrey was not done yet. He would immediately start World Leadership Group or WLG, using the same "buy term and invest the difference" philosophy from A.L. Williams but applying it to the mortgage business. His timing to start WLG in 2001 was perfect as this was the beginning of the housing bubble. The original agreement with Aegon specifically forbade him from engaging in the insurance and securities business for 5 years. So when this legal handcuff period was over, Mr. Humphrey went back and added the insurance and securities business to WLG with Financial Leadership Advisors, which uses the same old logos and graphics from the old WMA company and WMA Investment Advisors, according to Wikipedia.

I was involved with WMA, WLG, WFG, and other MLMs from 1998 through 2006. My ex-wife and I probably spent over $70,000 in various business expenses including attending numerous conferences throughout the years of our involvement. Our participation with WMA/WLG/WFG started in San Diego, California and then moved to Saint Paul, Minnesota, and finally ended up in Santa Rosa, California. Along the way, we have tried MLMs in the greeting card business (Sendoutcards.com), supplements and vitamins (Seasilver.com, Isagenix.com, Oasisnetwork.com, Waiora.com), and I was even tempted with selling electricity (Ignite.com) but I didn't bite!

The Real Dirt and a Few Gems on MLMs

I won't bore you with the rest of my MLM story which had its pluses (experience and confidence in public speaking, and I almost came within my goal of becoming a cashflow millionaire!) and minuses (tens of thousands of dollars in debt and a lot of wasted time and efforts in following the whims of my uplines), but what I have learned from my MLM experience are the following lessons:

1. Only about 1 percent of those who join a MLM business will make it: have enough cashflow income to replace your existing job which usually means around $100,000 per year. How would you feel if you knew this for a fact and you are trying to "sell the dream" to new recruits when you know that only 1 out of 100 people who join your business will ever succeed? How would you truly feel? What about the rest who don't succeed? Well, according to Mr. Hart, "they are just office furniture." I.e., the rest are just "walking fodder" for the MLM business.

2. Those 1 percent typically join the MLM business in the start-up phase. After all, even if MLMs are not illegal pyramid schemes, they share at least one common characteristic: those at the top of the heap who reap most of the financial rewards are the ones who got there during the first year from the inception of the MLM. Can you succeed if you missed the start-up phase? Sure you can, as all things are possible, but it becomes increasingly a statistical impossibility to catch up with those way ahead of you, with a huge team of distributors. It's like catching a fast moving and *accelerating* train.

3. Most of the MLM business owners and distributor-leaders including many that I have encountered are all Mormons: Jay Van Andel and Rich DeVos of Amway; Art Williams with A.L. Williams and Primerica; Kodi Bateman with Sendoutcards; Hubert Humphrey and Rich Thawley with WMA and WLG; my upline at WMA and WFG (James Hart); my upline at WLG (James Catfish--not his real last name but this guy really showed me the ugly reality of MLMs for which I am very grateful); and many others in my WMA, WLG and WFG experience. Do you have to be a Mormon to succeed in MLMs? No, but there is something about Mormons and MLMs that goes together for better or for worse.

4. For the late comers, it may be possible to reach the top 1% in income, especially if you have prior success in the MLM experience, but the surest way to make money in MLMs is to organize your own conferences whereby you can charge a lot of money per attendee, and that's how the late comers to the Amway business make their financial killings.

5. MLMs are not for the faint-hearted. It takes really hard work and long hours to succeed and no one is going to make you into a cashflow millionaire. You may get lucky if someone in your downline is a MLM superstar, but your chances of hitting the MLM superstar jackpot are about as good as winning your state lottery, maybe slightly higher. Even after you have made it to the top of the pyramid heap, it still takes hard work and long hours to maintain your position on the pyramid ladder, especially for an insurance and securities type of MLM like WMA, WLG, or WFG.

6. If you attend and participate in enough of MLM meetings and conferences, you may learn to lose the fear of public speaking and you might even turn into a great public speaker, especially when you are cashflowing a lot of money! But as my experience has shown and as hindsight always reveals, you can save a lot of money and time if you just signed up for Toastmasters meetings instead. I went from a cubical, leave-me-alone engineer to someone who has no fear speaking with anyone or speaking in front of crowds; but I wouldn't attribute this gift completely to MLMs as I have a deep spiritual path that provides the inner source of strength and conviction.

7. MLMs are all about two things and these two things only: *recruiting* new people into the business and *selling* them the goods and services of the business. Some MLM leaders will preach the "lead by recruiting" method whereby you focus your efforts on recruiting and your recruits also become your customers in most cases, and other leaders will crusade with the "lead by the product" method whereby you preach the amazing qualities of the product that you, and only you and your company, sell--hoping that once your prospects become your customers that they will also join your business as well. In any case, both methods are absolutely required for a successful MLM business. It takes a continual supply of new "office furniture" and the movement of products and/or services to make MLMs work for the top earners, as too many recruits and customers die off through an extremely high attrition rate.

8. Psychology is the real game in MLMs. As Mr. Hart said to me once, "Those who have mastered human psychology earn the most amount of money." What he was trying to say is that those who could manipulate human psychology to get his teammates to do things that they otherwise wouldn't do (viz. buying expensive and unnecessary life insurance policies and going to expensive conferences in Las Vegas, for example), are the ones who make the most amount of money in MLMs. Of course, these individuals may believe that they are "speaking from the heart" and "doing the right thing" when they get up on the podium at center stage in Las Vegas, but what I am talking about are the fruits of their labor (psychological and verbal manipulations that only benefit the top 1% financially). It's not at all surprising that billionaire Dick DeVos of Amway ran for the Michigan gubernatorial race in 2006 which he lost fortunately. And it will not be surprising to me if a few of WLG's or WFG's leaders also run for Congress in the future.

9. MLMs tout the template-driven system that WMA/WLG/WFG call the "business format system" whereby if you only followed their cookie-cutter step-by-step approach, you will hit the financial jackpot--not! Human nature being what it is, the "two-get-two-get-two. . ." scheme breaks down very quickly. And that is why these MLMs must gobble through hundreds of thousands of "office furniture" to stay afloat and to achieve *their* financial jackpot. MLMs are template-driven so that they can quickly process their prospects into either recruits/customers or refuse, and to easily brainwash their associates to do the same ("duplication").

10. Overall, MLMs are *legitimized* Ponzi schemes, but they are Ponzi schemes none the less. This is because they share the two most crucial and important characteristics of all *illegal* pyramid schemes: (1) the top 1 percent make most if not all of the money, and (2) it takes a continual supply of new "walking fodder" to make the MLM financial scheme work. In this sense as pertaining to the first characteristic, so is working for Corporate America and Wall Street.*****

And so is the United States when it comes to international trade and imported goods and services. Back to the grim reality of this article.

The Greatest Ponzi Scheme in History

Stop being so greedy, and so selfish. Realize that there is more to the world than your big houses and fancy stores. People are starving and you worry about oil for you cars. Babies are dying of thirst and you search the fashion pages for the latest styles. Nations like ours are drowning in poverty, but your people don't even hear our cries for help. You shut your ears to the voices of those who try to tell you these things. You label them radicals and Communists. You must open your hearts to the poor and downtrodden, instead of driving them further into poverty and servitude. There's not much time left. If you don't change, you are doomed.

So warned a young and observant English major from Indonesia in the early 1970s. The person on the receiving end of this clarion warning, almost 40 years ago, was John Perkins, a self-confessed 'economic hit man,' who has since realized the evil and errors of his "profession." Mr. Perkins has subsequently written two very important books detailing what he did in his small role in the greatest Ponzi scheme in the world and in history.

The greatest Ponzi scheme is very simple to grasp but to fully understand the mechanics and the real history behind this scheme requires much more than what my article, even as long as it is, can do justice to such a complicated subject. I would recommend the following four extremely important books, plus a fifth book, to read in order to begin to grasp what all this entails:

1. *Confessions of an Economic Hit Man* by John Perkins
2. *A Century of War: Anglo-American Oil Politics and the New World Order* by F. William Engdahl
3. *The Secret History of the American Empire: The Truth about Economic Hit Men, Jackals, and How to Change the World* by John Perkins
4. *The Seeds of Destruction: The Hidden Agenda of Genetic Manipulation* by F. William Engdahl (this crucial book is much more than GMOs.)
5. *And the Money Kept Rolling In (and Out): Wall Street, the IMF and the Bankrupting of Argentina* by Paul Blustein (what the U.S. Ponzi scheme did to millions of Argentineans in 2001 and 2002.)

In its bare bone essence, the greatest Ponzi Scheme is the financial and economic hegemony (backed up by the military threat implied or real) perpetrated by the United States and her people, even if they are totally ignorant of this, under the the absurd pretense and propaganda (Madison Avenue PR) of "free trade," "spreading democracy and freedom," and it is also known as the "Washington Consensus" or "Neoliberalism."

This American Ponzi scheme is perpetrated upon millions and millions of little people in foreign countries that the majority of

Americans cannot located on a map, and, in most cases, it is perpetrated upon the poorest of the poor, in countries like Indonesia, China, Venezuela, and many other nations.

It is modern slavery with a twist: out of sight and out of mind for most if not all Americans, so it doesn't exist.

Millions of people in the so-called developing and third world toil day in and day out for the "non-negotiable American way of life" so that Americans can buy the Nike shoes that are promoted by "stars" like Michael Jordan, the Christmas toys enjoyed by millions of American children each year, and almost everything that the American people wear on their backs.

But before you roll your eyes and complain as to why U.S. hegemony has anything to do with Ponzi schemes, remember the two fundamental characteristics of all Ponzi schemes: the top 1% control and benefit from the criminal enterprise and it takes a continual influx of "raw materials" and "human resources" to keep the Ponzi scheme working.

The Marshall Plan

The greatest Ponzi scheme on the part of the United States began with the Marshall Plan. In your history books and during social studies classes (indoctrination sessions!), you probably were made to believe that the Marshall Plan, named after its chief architect, Secretary of State George C. Marshall, was a massive aid program that was implemented in 1947 to help war-ravaged Western Europe in picking herself up financially and economically. But there was more to this plan than meets the eye.

Investment expert and columnist, Henry C.K. Liu, wrote a very illuminating article for the Asian Times Online called "China's Dollar Millstone, Part 4" which details the history of gold manipulation and domination. But what is really fascinating is his take on the history of U.S. financial and economy hegemony (my comments are in brackets and bolded emphasis is also mine):

The Marshall Plan was more than an aid program to help Europe recover from war damage. It sought to restructure Western European economies away from their prewar socialist direction and launch them on a path towards US-style market capitalism based on a new monetary regime of a gold-backed dollar and to keep budding European social democracy from mutating into populist communism through elections.

The strategic geopolitical purpose was to integrate Western Europe firmly into postwar Pax Americana of free-market fundamentalism and a regional military alliance in the form of North Atlantic Treaty Organization (NATO) based on collective security, having rejected the lesson of the role of interlinked alliances in igniting World War I. The Marshall Plan was the linchpin of US strategy to neutralize a perceived rising Soviet threat. It helped to trigger the Cold War. . . .

The opening salvo of the Cold War was Soviet rejection of the Marshall Plan. In saving Europe from war-induced starvation, the Marshall Plan also saved the US economy from a repeat of the postwar depression of World War I. ***The financial aid was denominated in US dollars, to be used to buy goods from the US shipped across the Atlantic on US merchant vessels.*** [According to official U.S. State Department records, more than ten percent of the entire Marshall Plan's financial aid were used by the Europeans to buy "American" oil.]

By 1953, the United States had pumped $13 billion into the Marshall Plan account, moderating the adverse impact of military demobilization on the US domestic economy. Moreover, the plan included former arch-enemy West Germany, which was thus reintegrated into the European community. It neutralized war reparations normally required of a vanquished country through the division of the German nation into capitalistic West and socialist East.

More significantly, ***the Marshall Plan established the US dollars as the reserve currency for intra-European and international trade*** *and laid the economic foundation for gold-backed dollar dominance* [with the Bretton Woods System in 1944 that established the U.S. Dollar or USD as the reserve currency for the world and fixed convertibility of the USD to physical gold at $35 USD per ounce of gold]*, which turned into a fiat currency after Nixon closed the gold window in 1971 and emerged as dollar hegemony with globalization of finance after the end of the Cold War.*

What the U.S. accomplished with the Marshall Plan also known as the European Recovery Program (ERP) included at least the following objectives:

1. It helped the U.S. economy to experience a "soft landing" after the war mobilization of World War II. (But as Eisenhower warned later, the military industrial complex never really demobilized after WWII.) This is partly because of the billions given to Europe, so they could buy U.S. products. At the end of WWII, there were 64 million American workers, including 3 millions housewives, who were involved directly and indirectly with the war effort. This huge workforce needed time and a means to demobilize into a civilian economy. The Marshall Plan was just the ticket.

2. The Marshall Plan helped to put into practice the mandated theory of the Bretton Woods System that established the USD as the world's only reserve currency. The currency that the Europeans used to purchase goods and services among themselves and from the U.S. was the USD. This is an extremely important aspect of the greatest Ponzi scheme in history. Without the USD as the world's reserve currency, the U.S. could not impose its economic and financial hegemony upon the rest of the world. The main reason why countries like China, Japan and all industrialized and developing nations in the world need USD is because certain essential commodities must be paid in USD, such as oil. In order to buy oil, China must fork over USD to the OPEC nations. This financial scheme has allowed the United States to manufacture USD out of thin air in exchange for the real goods and services from the rest of the world. The Marshall Plan was just a practice run in getting this process going.

3. It also prepared the way for the postwar oil hegemony that would be entirely dominated by U.S. oil corporations, and, more importantly, be entirely denominated in USD. This is extremely important because the U.S. would eventually drop the gold backing for the USD in 1971 while Nixon was ceaselessly running the printing presses to finance the Vietnam War, and required "black gold" as the means to "back up" the USD. Again, the Marshall Plan acted like a primer pump to get this process going. Renowned author and economist, F. William Engdahl, explains how postwar Western Europe played its part in his book, *A Century of War*:

   By the end of the war, the U.S. oil industry had become every bit as international as its British counterpart [Anglo-Persian Oil Company which became the Anglo-Iranian Oil Company and is now BP or British Petroleum]. *Its main resources were in Venezuela, the Middle East and other far away places. After the war, 'Big Oil,' as the five U.S. companies were called--Standard Oil of New Jersey (Exxon), Socony-Vacuum Oil (Mobil), Standard Oil of California (Chevron), Texaco, and Gulf Oil--moved to take decisive control of Europe's postwar petroleum markets.*

   The ravages of war had severely hurt Europeans dependence on coal as the primary energy source. Germany had lost her eastern coal reserves and coal output in the war-torn west was only 40 per cent of prewar levels. British coal output was 20 per cent below the level of 1938. The oil of eastern Europe fell behind what Churchill called the Iron Curtain, inaccessible to the West. ***In 1947, half of all western Europe's oil was being supplied by the five American companies.***

   The American oil majors did not hesitate to take advantage of this remarkable opportunity. Despite some congressional inquiry and mid-level bureaucratic protest at the obvious misuse of Marshall Plan funds, Big Oil forced Europe to pay a dear price, a very dear price. They more than doubled the price they charged European customers between 1945 and 1948, going from $1.05 per barrel to $2.22 per barrel. Though the oil was supplied from the inexpensive Middle East reserves of the U.S. companies, the freight rates were calculated in a deliberately complex formula, tied to freight rates from the Caribbean to Europe, a far higher cost.

The Marshall Plan was America's practice run at implementing the greatest Ponzi scheme in history. According to online Wikipedia, prominent historians such as Walter LaFeber argued that the plan was in essence "U.S. economic imperialism" and a blatant attempt to control Western Europe in an economic fashion just as the Soviets controlled Eastern Europe in a military sense. Furthermore, Wikipedia says, "In a review of West Germany's economy from 1945 to 1951, German analyst Werner Abelshauser concluded that 'foreign aid was not crucial in starting the recovery or in keeping it going.'"

Naked U.S. Imperialism and Terrorism

The real beginnings of the greatest Ponzi scheme in history or U.S. imperialism started in 1953 in Iran with the CIA overthrow of the democratically elected Dr. Mohammed Mossadegh, Time magazine's Man of the Year in 1951.

The overthrow of Dr. Mossadegh in 1953 has historically importance as this successful and relatively low cost CIA coup d'état become the template for all further "operations" that comprise the greatest Ponzi scheme in history. Remember also that the use of business templates is part and parcel of MLM Ponzi schemes. Even more significantly though, this U.S. sponsored and executed coup d'état (really should be called terrorism) was the first democratically elected sovereign government overthrown by the United States after the end of WWII.

Information Clearing House had a very important article called "1953 US Coup in Iran and the Roots of Mideast Terror" on the 50th anniversary of this pivotal event (published on August 26, 2003):

In 1953, the CIA and British intelligence orchestrated a coup d'état that toppled the democratically elected government of Iran. The government of Mohammad [sic] *Mossadegh. The aftershocks of the coup are still being felt.* [The final chapter of U.S.-Iran entanglements are yet to be played out.]

In 1951, Prime Minister Mossadegh roused Britain's ire when he nationalized the oil industry. Mossadegh argued that Iran should begin profiting from its vast oil reserves which had been exclusively controlled by the Anglo-Iranian Oil Company. The company later became known as British Petroleum (BP). [The Iranians under the boot of the Anglo-Iranian Oil Company were only allowed to keep 17% of the net profits (in 1947) and Dr. Mossadegh wanted a more equitable sharing of the net profits for the Iranian people. Of course the stiff lipped British wouldn't budge but instead threatened invasion.]******

After considering military action, Britain opted for a coup d'état. President Harry Truman rejected the idea, but when Dwight Eisenhower took over the White House, he ordered the CIA to embark on one of its first covert operations against a foreign government.

The coup was led by an agent named Kermit Roosevelt, the grandson of President Theodore Roosevelt. The CIA leaned on a young, insecure Shah to issue a decree dismissing Mossadegh as prime minister. Kermit Roosevelt had help from the father of General Norman Schwarzkopf Junior: Herbert Norman Schwarzkopf. [Schwarzkopf Senior was a former Superintendent of the New Jersey State Police and a very close friend of the young and impressionable Shah.]

The CIA and the British helped to undermine Mossadegh's government through bribery, libel, and orchestrated riots. Agents posing as communists threatened religious leaders, while the US ambassador lied to the prime minister about alleged attacks on American nationals. [Total U.S. expenditure for this coup d'état code-named Operation Ajax was a mere $15 million

($100,000 in Iranian rials).]

Some 300 people died in firefights in the streets of Tehran.

Mossadegh was overthrown, sentenced to three years in prison followed by house arrest for life.

The crushing of Iran's first democratic government ushered in more than two decades of dictatorship under the Shah, who relied heavily on U.S. aid and arms. The anti-American backlash that toppled the Shah in 1979 shook the whole region and helped spread Islamic militancy.

After the 1979 revolution president Jimmy Carter allowed the deposed Shah into the U.S. Fearing the Shah would be sent back to take over Iran as he had been in 1953, Iranian militants took over the U.S. embassy - where the 1953 coup was staged - and held hundreds hostage. [The Iranians students who took over the U.S. embassy feared that history was about to be repeated once again--from the same U.S. embassy where Kermit Roosevelt plotted his coup in 1953.]

The 50th anniversary of the coup was front-page news in Iranian newspapers. The Christian Science Monitor reports one paper in Iran publishing excerpts from CIA documents on the coup, which were released only three years ago.

The U.S. involvement in the fall of Mossadegh was not publicly acknowledged until three years ago. In a New York Times article in March 2000, then-Secretary of State Madeleine Albright admitted that "the coup was clearly a setback for Iran's political development. And it is easy to see now why many Iranians continue to resent this intervention by America in their internal affairs." [This is the Madam Secretary under Clinton who on May 12, 1996 was asked by Lesley Stahl of CBS' "60 Minutes" about the effects of U.S. sanctions against Iraq: "We have heard that a half million children have died. I mean, that's more children than died in Hiroshima. And, you know, is the price worth it?" In her infamous but par-for-the-course American response, Albright replied, "I think this is a very hard choice, but the price - we think the price is worth it."]

Iran was just the beginning of the greatest Ponzi scheme in history.

The problem with Dr. Mossadegh and most of the so-called “leftist” or “socialist” democratically elected leaders of Central and South America and elsewhere (like Jacobo Arbenz Guzmán of Guatemala, José María Velasco Ibarra of Ecuador, Juan Emilio Bosch Gaviño of Dominican Republic, João Belchior Marques Goulart of Brasil, Salvador Isabelino Allende Gossens of Chile, Hugo Rafael Chávez Frías of Venezuela, and too many to name here) is that they believe that natural resources like oil and water located in their countries should be used to better the lives of their people--what a strange concept--rather than be used solely to further the bottom lines of the fat cats in the U.K. or U.S.

Imagine the gall and impertinence of these “socialist,” “communist,” “leftist” leaders!

Washington’s interesting vision and version of “democracy” and “liberty” for the nations of the world with natural resources include overthrowing (or attempting to overthrow as was the case with Chavez in April 2002) those previously mentioned elected leaders by any and all means, and by installing the following “champions of freedom and democracy”:

1. The brutal dictator of Iran, Mohammad Reza Pahlavi (the Shah of Iran), and his universally hated secret police, the SAVAK, which left such an indelible mark on the Iranian psyche that almost *every* Iranian personally knows of someone who was brutally tortured during the reign of the U.S.-propped up Shah regime, using such wonderful torture techniques as those taught and trained by the CIA and the Israeli Mossad.

2. The series of right-wing dictators after the CIA overthrow of President Arbenz of Guatemala which then resulted in the killing of over 100,000 Guatemalans during the 40 years following the coup.

3. “Papa Doc" Duvalier as the dictator of Haiti, whose own private police force, the "Tonton Macoutes," terrorized the Haitian people with machetes and killed over 100,000 during the Duvalier reign of terror.

4. General Castelo Branco in Basil who along with the CIA created Latin America’s first death squads, whose bands of secret police hunted down "communists" (no more than Branco’s political opponents) for torture, interrogation and murder, and which effects are still prominently felt in Basil’s corrupt police forces today.

5. General Suharto of Indonesia who massacred between 500,000 to 1 million civilians accused of being "communist," and killed over 200,000 East Timor residents (one-third of the entire population) after the personal go-ahead was given by President Gerald Ford and Secretary of State Henry Kissinger one day before this heinous genocide against humanity took place.

6. And so forth and so on.

American people, who are easily persuaded because they don’t know any real history and don’t travel outside of the U.S., will always side with the U.S. government’s and the corporate mass media’s version of what happened. And they will swallow the reasons and excuses on why the U.S. had to invade this or that country. Kill all the socialists and leftists! Overthrow the communists!

What the American people don't want to ask is this: What does it take for a simple farmer in Central America to take up arms?

Name your favorite socialist or leftist guerilla "terrorist" group in Central and South America. And then ask yourself, why do they fight? What are they fighting and dying for?

The World of EHMs

John Perkins knows the answers to these mysterious questions as he was an economic hit man or EHM whose task it was and still is to help implement the overthrow of democratically elected governments in countries with coveted natural resources--in ways short of the visible and naked use of U.S. military force.

Mr. Perkins in his book, *The Secret History of the American Empire*, explains his job as an EHM (my comments are in brackets and bolded emphasis is also mine):

To further this role [of proving that the capitalist system was superior to that of the Soviet Union]*, its employees* [from the World Bank, International Monetary Fund (IMF), etc.] *cultivated cozy relationships with capitalism's main proponents, multinational corporations* [and the dictators and traitors of resource-rich nations]. *This opened the door for me and other EHMs to mount a multitrillion-dollar scam. We channeled funds from the* [World] *Bank and its sister organizations* [IMF, United States Agency for International Development (USAID), National Endowment for Democracy (NED), etc.] *into schemes that appeared to serve the poor while primarily benefiting a few wealthy people. Under the most common of these, we would identify a developing country that possessed resources our corporations coveted (such as oil), arranged a huge loan for that country, and then* ***direct most of the money to our own engineering and construction companies*** [such as Bechtel Corp., Stone and Webster Engineering, Halliburton, KBR, etc.]--*and a few collaborators in the developing country* [such as Carlos Menem of Argentina, Suharto of Indonesia, Anastasio Somoza of Nicaragua, Fulgencio Batista of Cuba, etc.] *Infrastructure projects, such as power plants, airports, and industrial parks, sprang up; however, they seldom helped the poor, who were not connected to electrical grids, never used airports, and lacked the skills required for employment in industrial parks. At some point we EHMs returned to the indebted country and demanded our pound of flesh: cheap oil, votes on critical United Nation issues, or troops to support ours someplace in the world, like Iraq.*

In my talks, I often find it necessary to remind audiences of a point that seems obvious to me but is misunderstood by so many: that the World Bank is not really a world bank at all; it is, rather, a U.S. bank. Ditto its closest sibling, the IMF. Of the twenty-four directors on their boards, eight represent individual countries: the United States, Japan, Germany, France, the United Kingdom, Saudi Arabia, China, and Russia. The rest of the 184 member-countries share the other sixteen directors. The United States controls nearly 17 percent of the vote in the IMF and 16 percent in the World Bank; Japan is second with about 6 percent in the IMF and 8 percent in the Bank, followed by Germany, the United Kingdom, and France, each with around 5 percent. The United States holds veto power over major decisions and the president of the United States appoints the World Bank president.

To make absolutely clear what Mr. Perkins just stated above: his job and those of the EHMs are to justify the loaning of billions of dollars from the IMF/World Bank to a developing country with coveted natural resources (like oil, electricity and water) and/or cheap human resources (for slave labor or almost slave labor to be used and abused by U.S. corporations such as Nike, Liz Claiborne, Walmart, Toys'R'Us, Sears, etc.) In order for this scheme to work, the EHMs require the full cooperation of corrupt officials or traitors in the target country whom are offered tens of millions of payoff dollars.

The billions of loans are *not* lent to the peoples or companies in the target country, but to the insider U.S. corporations that are selected by the IMF or World Bank to build the infrastructures. Once the monies are all used up and, in most cases, wasted, and the targeted country can no longer pay even the interest on these loans, the IMF/World Bank will step forward with their EHMs to demand financial and economic austerity measures that must be strictly followed and implemented to the detriment of the peoples of the target country, especially the very poor. These austerity measures usually means cutting government social programs for the poor; increasing taxes to "balance the budget" which disproportionately falls on the poor again; and implementing many other fiscal and economic measures to destroy the country under the tyranny of the IMF/World Bank hegemony and to turn it into an economic and financial colonial basket case for America's complete and unhampered exploitation.

If the austerity measures are refused, the IMF/World Bank will withdraw further loans and allow or even nudge the target country to collapse financially and economically. Then the coveted natural resources, industries and companies can be purchased by U.S. corporations for pennies on the dollar ("privatization"). This is how this aspect of the greatest Ponzi scheme in history has played out since the early 1950s and many nations around the world have suffered this scheme.

At the end 2001, they tried to do this to resource-rich Argentina, but the Argentineans are too proud of a people to swallow the impossible demands of the IMF. So, the IMF acted to precipitate the financial collapse of the Argentine peso and caused millions of Argentineans to suddenly live in abject poverty. The percentage of Argentineans living below the official poverty line went from 30 percent before the peso crash to almost 60 percent after the cash.

The peso was forced to be devalued from a $1 USD to $1 peso exchange rate to less than 26 percent of its former value almost overnight. During this time the banks implemented a bank holiday and thereby prevented ordinary Argentineans from withdrawing their mainly USD savings. Many if not most Argentineans lost *all* their savings overnight as their USD savings were force converted into pesos at the devalued rate, while the very rich and well-connected (the EHM cronies such as Carlos

Menem and his band of traitors) transported billions of USD via armored trucks and private jets out of the country to Miami and other safe destinations outside of Argentina.

You wonder why there is so much hatred of America throughout the world. The rest of the world are not as stupid or as ignorant as Americans, because they are the ones who are living and slaving away under the steel boots of naked U.S. global imperialism that is quietly executed and implemented by the EHMs, jackals and traitors.

The "Monopoly" U.S. Dollar

Finally, we get to the real reason why the United States has survived financially and economically all these many years.

As James Fallow writing in The Atlantic noted what should be obvious to every American but isn't: "Every person in the [rich] United States has over the past 10 years or so borrowed about $4,000 from someone in the [poor] People's Republic of China."

How is that possible?

Satyajit Das in his article from October 6, 2008, "We interrupt this program..." explained how the financially impossible is made possible (my comments are in brackets and bolded emphasis is also mine):

The real reason that the U.S. actually has not experienced a sovereign debt crisis is that ***it finances itself in it own currency. This means that the U.S. can literally print dollars to service and repay it obligations.*** [So long as countries like China and Japan play this game of buying U.S. securities and other U.S. debt, this financial Ponzi scheme will continue for awhile yet.]

In February 1988, Thomas Moore, a member of the Presidents' Council of Economic Advisors recognised this: "We can pay anybody off by running a printing press, frankly… so it is not clear to [me] how bad [the transition to net debtor status] is." In other words, the dollar printing presses could be run to service debt. In fairness, Mr. Moore was not advocating this as "sound policy".

The special status of the U.S. derives, in part, from the fact that the dollar is the world's major reserve and trade currency. The dollar's status derives, in part, from the gold standard that once pegged the dollar to the value of gold. The peg and full exchangeability is long gone. The aura of stability and a safe store of value based on the perceived strength of U.S. economy and American military power has continued to support the dollar. In 2003, Saddam Hussein, when captured, had US$750,000 with him – all in US$100 bills. [One of the main reasons why Saddam had to be removed and Iraq had to be occupied by the U.S. (to serve as an example and warning to all) is because in November 2000, Saddam decided to go off the USD standard by converting some $20 billion of his oil reserves from USD to the Euro and then he started to only accept payment for his oil in euros. This former CIA agent could kill millions of Kurds and Iranians and that is OK with the U.S. government, but the second he did his Euro conversion, he became a dead man in the eyes of neocons like Donald Rumsfeld (who gladly shook the hand of Saddam and sold him all the chemical and biological weapons of mass destruction that he wanted in December 1983) when Iraq was doing the U.S. a big favor by fighting and killing the Iranians.]

The dollar's favoured position in trade and as a reserve currency is based on complex network effects. Many global currencies are pegged to the dollar. The link, sometimes at an artificially low rate, like the Chinese Renminbi, is used to maintain export competitiveness.

This creates an outflow of dollars (via the trade deficit that is driven by excess U.S. demand for imports based on an overvalued dollar). Foreign central bankers are forced to purchase U.S. debt with dollars to mitigate upward pressure on their domestic currency. The recycled dollars flow back to the U.S. to finance the spending. This merry-go-round is the single most significant source of liquidity creation in financial markets. Large, liquid markets in dollars and dollar investments are both a result and facilitator of the process and assist in maintaining the dollar's status as the world's primary reserve currency.

The dollar's dominance may be coming to an end. There is increasing discussion of re-denominating trade flows in currencies other than US$. Exporters are beginning to invoice in Euro or Yen. . . . [Brasil and Argentina no longer use the USD for their trades, but instead are using their local currencies. Venezuela exports its oil to Cuba in exchange for the services of Cuban medical doctors working in Venezuela.]

The Taj Mahal now does not accept payment of its entrance fee in dollars preferring the "strong" Rupee. Apparently super models and even drug dealers now prefer Euros to dollars.

There are proposals to price commodities, such as oil and agricultural goods, in currencies other than dollars. Some countries have abandoned or loosened the linkage of their domestic currency to the dollar. Others are considering such a move.

The final abandonment of the USD as the world's reserve currency will inaugurate the financial and economic destruction of the U.S. Empire and an era of extreme hardship for the sleeping American people.

Will the American people wake up and do what is necessary *now* to save their nation before that eventuality comes upon them, or will be follow in the footsteps of the so-called "Good Germans" and let it all unfold before their very eyes?

Time will tell. Very soon now.

The greatest Ponzi scheme in the world and in history will come to an end one way or another.

If you don't change, you are doomed.

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* The reason why I am bringing this topic of MLMs to the forefront is because as the U.S. economy continues to collapse and the likelihood of a great depression becomes a reality, these MLMs will come out of the woodwork as it were and begin to offer their "solutions" and "opportunities" as your financial salvation. Do your homework first by looking at the numbers as I have done with examples in this article (i.e., *total income paid out* divided by *total number of recruits* divided by *total number of years that the MLM is in operation*, *number of $100,000/yr-earners* divided by *total number recruits*, etc.). Prospects beware! When in doubt which should be 99.999 percent of the times, stay away from MLMs like a financial plague!

** WMA's VULs were primary those from Western Reserve Life Assurance Co. of Ohio (WRL), a subsidiary of the Aegon Group. The commissions paid to licensed WMA associates who sold these VULs were *front-loaded*. What this means is that WRL took the projected total of 12-month premiums *to be paid* and used that projected total to calculate the sales commissions that are *paid during the first month* of the new VUL policy! For example, for selling a $166 per month premium on a VUL insurance policy which is about $2,000 per year in total premium, the WMA sales associate, depending on his compensation level, might receive up to $1,500 for this one single VUL sale! Sure beats selling soaps and vitamins! I lost over $5,000 in cash value (money that I had invested) in my WRL's VUL when I was not able to pay the monthly premiums. WRL's VUL requires many years of premium payments before the accumulated cash value is vested. So if a WRL policy lapses due to non-payment before the vesting becomes effective, WRL gets to keep all the invested money. What a financial scam!

*** Amway ("American Way") was created by Jay Van Andel and Rich DeVos in 1959. Today, it is known also as Quixtar, Access Business Group, and Pyxis Innovations. Amway markets everything from personal care products, jewelry, electronics, supplements, water and air purifiers, cosmetics, and to, of course, life insurance. For the fiscal year ending on December 31, 2007, Amway Corporation made over $7.2 billion in sales. Amway boasts of millions of distributors around the world. The only reason why Amway is not legally determined to be an illegal pyramid scheme (the top 1% distributors and the principal stake holders in the vast global Amway empire earn well over 95% of all the sales commissions and direct profits) is because of two internally enforced rules: (1) the "70 percent rule" which stipulates that every Amway distributor must sell at least 70% of the total amount of products and services that he or she buys during a given month in order to qualify for the various performance bonuses, and (2) Amway does not charge a "headhunting fee." But as statistics show, 99% of all Amway distributors don't make more than $100 per month. The way for late comers to make it big in Amway is by motivating downline distributors to go to quarterly conferences where they as the organizers can charge $400 or more per person. A thousand distributors attending such an event will gross over $400,000 and this does not including all the must-have sales tools and motivational posters, banners, books, CDs, and DVDs that are sold. Here are some interesting quotes about Amway and one of its leader:

1. Author and researcher Stephen Butterfield exposed Amway and politics in his book, *Merchants Of Deception*: "The similarity between Amway and the Moonies [the South Korean religious cult whose leader, the Reverend Sun Myung Moon, owns the Washington Times newspaper] is so profound that one wonders if the two are in cahoots. Maybe at the top of the ladder they scratch each other's backs."

2. The current resident of the White House has proclaimed: "Rich DeVos is one of our country's most successful businessmen."

3. Not to be outdone, former President Gerald Ford had this to say: "Rich DeVos is uniquely qualified to explain why Compassionate Capitalism can lead to financial success for the individual, the community and the nation. By his own lifetime achievements, Rich has proven why compassion for all of one's fellow citizens is a mandatory key to success."

**** A.L. Williams went from a life insurance broker with 85 sales associates and very little sales in 1977 to one with over 180,000 sales reps and sales over $81 *billion* of individual life insurance in 1987! Their "buy term and invest the difference" philosophy pioneered by Mr. Williams were literally stealing business away from the existing life insurance companies like Prudential. It took Prudential over 100 years to reach $1 billion in sales in a given year. A.L. Williams did this feat in 10 years! And, even more significantly, in 1987 A.L. Williams outsold Prudential *and* several of the largest life insurance companies in the U.S. combined (in terms of the face amount of individual life insurance, Prudential sold $26.5 billion in 1987 while A.L. Williams sold $81 billion!) No wonder the big boys on Wall Street were upset. But Wall Street knows a few things or two. First, it went to work to lobby Congress so that it can create a new product that would directly compete with Mr. Williams' "buy term and invest the difference" concept, and this financial product would later become known as VUL or Variable Universal Life. Second, Wall Street made sure that Mr. Williams was offered a deal that he simply could not refuse. So, in 1989 he sold his company to New York-based Primerica Corporation for $90 million. Later it became Primerica Financial Services, part of the Travelers Group and then part of Citigroup. And the rest, as they say, is history. Mr. Williams is on the Forbes' *Worlds' Billionaires* list with an estimate wealth of over $1.4 billion and is number 843 on the 2008 Forbes list. Not bad for a P.E. teacher and high school football coach from south Georgia. Interesting statistics: In 1988, A.L. Williams had over 500 people earning over $100,000 per year and the company had recruited over 180,000 associates; so its success ratio is approximately 0.28 percent or less than one-third of one percent.

***** I am not saying or suggesting that you should quit your job tomorrow just because you are working for Corporate America. Especially in light of current economic and financial crises, it is most important and critical to have a good paying job to support your family and loved ones. The reason why I am highlighting this concept of Corporate America being a “pyramid scheme” is so that you are aware, if you have never realized this before. The difference between working for Corporate America versus MLMs is that the former may pay you very well *financially* but treat you like dirt *emotionally* while the latter may pay you like dirt *financially* but reward you *emotionally* with recognition and praise. It would be really nice to be paid very well and be treated very well. That business model doesn’t really exist in Corporate America or MLMs today. To glimpse the possibility of such a future *today*, read *The Seven-Day Weekend* by Ricardo Semler.

****** Not only was Iran getting ripped off by the British, but the Iranian oil workers and their families were treated very badly by the British petro overlords. The director of Iran's Petroleum Institute described the living conditions suffered by these Iranians (see the book, *All the Shah's Men*, by Stephen Kinzer):

Wages were 50 cents a day. There was no vacation pay, no sick leave, no disability compensation. The workers lived in a shanty town called Kaghazabad, or Paper city, without running water or electricity, ... In winter the earth flooded and became a flat, perspiring lake. The mud in town was knee-deep, and ... when the rains subsided, clouds of nipping, small-winged flies rose from the stagnant water to fill the nostrils .... Summer was worse. ... The heat was torrid ... sticky and unrelenting - while the wind and sandstorms shipped off the desert hot as a blower. The dwellings of Kaghazabad, cobbled from rusted oil drums hammered flat, turned into sweltering ovens. ... In every crevice hung the foul, sulfurous stench of burning oil .... in Kaghazabad there was nothing - not a tea shop, not a bath, not a single tree. The tiled reflecting pool and shaded central square that were part of every Iranian town, ... were missing here. The unpaved alleyways were emporiums for rats.