

An American Story

By John Mauldin | July 6, 2018



Coming to America
A Stranger in a Stranger Land
Los Angeles, Puerto Rico, Maine, and Beaver Creek

I hope everyone had a happy Fourth of July, whether it was a holiday for you or not. The United States' birth as an independent nation was, among other things, an *economic* event that changed history far beyond our borders. We hope and believe it was for the better.

This week will be a shorter-than-usual letter. Between the holiday and a few other surprises that we're preparing for readers (more on that soon), the next and final installment of the Train Wreck series just wasn't ready for prime time. Next week, we will look at each part of the series and add up the total global debt. I can tell you, it's a lot more than you can possibly imagine.

This week, in the spirit of July 4 and Independence Day, I'm going to share the inspirational story of a friend who "Came to America." But it's also a teaching moment. I think the story is timely as we reflect on what this country means, to both its residents and the broader world. I hope you enjoy it.

Coming to America

I have met some interesting neighbors in my high-rise apartment building (and indeed, as I have traveled the world, hearing many of your personal stories). One neighbor, just a few years younger than I am, has been extremely successful in business. The corporation of which he is now chairman has 20,000+ employees. We became friendly first in the gym and then through regular dinners together, as our wives get along very well. He is from India and I've been slowly teasing out his life story. Recently, I really began getting the good stuff. I'm not going to use his last name because he's well-known in his industry, and I don't have his permission. I do hope he writes a book about his experiences someday. They are hilarious, unbelievable, and inspiring. He also uses them to teach business principles to his own employees. I hope to help him find a ghostwriter because, as you'll see, he deserves a great one.

"Prashant" first came to the US in 1976. At the time, the Indian rupee wasn't readily exchangeable within India, so he arrived with only US\$7. He came to Cincinnati to study computer systems. Funny enough, he chose that city because he had heard astronaut Neil Armstrong speak at a large gathering in Mumbai, and Armstrong was then a professor at the University of Cincinnati. He certainly didn't know where Cincinnati was on the map.

In those pre-internet days, applying and getting accepted was a harrowing process. Getting a student visa was difficult, too, as you had to prove you could pay tuition and support yourself.

His family bought him an "American" suit, and donning his tie, he began his trip to Cincinnati, going through Heathrow and changing planes, staggered at the size of the London airport. When he finally landed, someone gave him enough change to call a friend in Cincinnati. His friend told him to take a bus downtown, but of course Prashant only had seven dollars. He finally got someone to take him to the downtown Greyhound station, where his friend met him. It was his first hitchhiking experience in America, but not his last.

Not ever having been on a plane before, he took none of the food from the stewardesses because he thought he would have to pay for it. He had been flying for 26 hours plus transit time and so when he got to the apartment, his friend offered him a meal that consisted of meat. He was so hungry that he ate meat for the first time in his life. Welcome to America!

A Stranger in a Stranger Land

Like other foreign students, Prashant took any job he could to be able to pay for his expenses. One spring day, walking through the student union, he saw a sign that read, "Are you a confident person? Are you a leader? Are you focused on your goals? Would you like to run your own business some day? Are you an entrepreneur?"

Prashant wasn't sure if he was any of those things, but he knew that he desperately needed money for the summer. The sign was recruiting door-to-door salesman to sell books in rural areas. You had to pay \$100 to go through their one-week training program and then have enough money left to get to where you were going. He had \$150, which he spent on the training and traveling to the very deep South, namely southern Alabama and Mississippi.

Being in the South for the first time, my friend learned of white and colored water fountains. (Yes, they still existed in some places into the 1970s). I grew up seeing those when we went to Fort Worth to buy school clothes in the late 50s. I recall at about age 10 that I wanted to try the colored water because it sounded fun. My mother stopped me and very uncomfortably had to tell me about what it really meant. To this day, I don't understand the thinking behind that. Every summer, we would go to her parents' home in Aberdeen, Mississippi where I was with black children for the first time. It was my first exposure to racism, as the small West Texas town I grew up in had no black people. But back to the story...

Prashant traveled with two other young men, one of whom had a car. They would go to a town, find an apartment they could rent, and then divide the city map, knocking on every door in town, with the one who had the car driving to even smaller towns further out. To put this in context, this was the Alabama where George Wallace was governor. The freedom riders were still in force. Prashant went with enthusiasm but little understanding of the culture.

In Meridian, Mississippi, they saw only two three-bedroom apartments listed in the local newspaper. They went to one and the wife agreed to rent to these three nice boys, but she said her totally-blind husband would have to make the final decision. She told my friend not to say anything because they had never allowed a "colored" person into their home.

When they were introduced, the blind husband finally asked to hear the third boy. His thick Indian accent gave him away, and the husband asked if he was colored? Prashant answered truthfully, "Yes, I am colored." After more questions, the blind man said, "Okay, since my wife said you could come, you can stay." When they left a month later, that man hugged Prashant and said thank you for teaching him to look beyond what he couldn't even see.

In those years, the company Prashant worked for would literally have them up and knocking on doors at 7 AM. I quizzed him on that: Did you really knock on her door at 7 AM? Did people tell you that might not be welcome? Not knowing it might be a problem, he did it anyway. Sometimes guns greeted his knock, but he was also invited into the homes of KKK members, who often ended up buying books. He didn't know anything about the KKK or that he should be scared. Ignorance was bliss.

Prashant would sell cookbooks and Bibles till 9:00 p.m. at night, go back to the apartment, wash his clothes and sleep to the next morning, six days a week. On Sunday during the day, the boys drove three hours to training sessions. He was told to not take time off for meals, but rather figure out a way to ask whoever's door he knocked on to share a meal. He rarely bought a meal, or needed to, as many hospitality-minded Southerners invited him to eat with them.

Later, he was often told that he was the first "colored" person that had ever been in their homes. In one large mansion, the white-haired patrician and several aggressive dogs greeted him suspiciously. After 90 minutes, the patriarch bought seven sets of books for his grandkids. At one point, Prashant met Wilt Chamberlain. He knocked on every door, rich or poor, regarding everybody he met as a potential buyer.

One family bought books on the condition he would go to church with them. That sounded like a good deal to him because it meant he got to eat lunch on Sunday afternoon. It turns out this large Baptist church had a television show. The pastor, playing to the TV audience, introduced this young man as someone who had come all the way from Bombay (now called Mumbai) just to attend their service. He asked Prashant, “What is your biggest desire in coming to our church?” Prashant, thinking quickly on his feet, said, “I want to meet every member of this church.” He did it, too, and of course sold many books.

Prashant made \$7,000 in his first summer selling books. To put that in perspective, his first engineering job paid \$16,000 a year. Think about this: A young man from India, well-educated in English but with a thick accent, in the deep, deep South, back when their accents were difficult to understand, too. Talk about a stranger in a strange land.

After graduation, his career took off quickly. He helped build a company to 20,000+ employees. I suspect his net worth must be in the hundreds of millions, but he and his wife are still the humblest couple in the building.

Later, Prashant went to a Harvard executive leadership training course, and they asked at the end of the course how he would rank it against similar experiences he had. He said it was the second best. What was the best, he was asked? “Selling books door-to-door in southern Mississippi and Alabama. There is no better training ground.”

I said earlier Prashant arrived with only \$7, but he had more: A special check from his father that would have taken 45 days to clear. He never cashed that check. When his parents came over to visit their son, the father was aghast at what Prashant had done to not take any money from the family. He then took his parents back to Meridian, Mississippi to meet the couple where he had first stayed. They greeted him and his parents with open arms and hugs and tears. I am sure his father was very proud of him.

“Only in America. I love this country. Anybody can do anything if they have the drive and hard work and determination.” Prashant ended up becoming a great business leader, the creator of tens of thousands of jobs, and an inspiration to all who work for him.

I feel a connection to Prashant because I sold Christmas cards and newspapers door-to-door, as young as 10 years old. I started doing one job after another. My father was an alcoholic in those years, and not in a very good place in his life, and my mother had to create her own business. We didn’t have a lot of money. After the fifth grade, I bought all my clothes and everything besides food and a roof over my head. We were that poor. However, we didn’t feel poor. That’s just what you had to do. With a little luck and persistent drive, life has turned out to be very good to me. I, too, love America. But as my Train Wreck series illustrates, I’m not comfortable with the direction we are going.

We need more immigrants like Prashant, who come here with literally nothing and then create thousands of jobs in the heartland, not just Silicon Valley. Our immigration policy is a mess and needs to be reformed. But we need more like Prashant. They along with their children and the descendants of immigrants from the past, which we (99%+) all are, will create our future together.

The problem is we don't know who the Prashant's or Sergey Brin's or the other thousands of successful immigrants will be before they get here. We need a process that will bring young, motivated, educated immigrants who simply want to work and build their own dream, whether it's a small business or one that ends up becoming a great enterprise. And of course, a process to bring them legally. The immigrant storied names from Silicon Valley all came here legally.

Prashant is now regularly asked to lecture on business and personal development. I have read some of his essays. What struck me was a couple of lines when he talked about what he learned from his early days:

***Risk-taking** is paramount. I took a risk when I decided to go to the U.S. and chart unknown shores alone and faraway home and family. It was a risk that I gained from.*

***Curiosity** leads to learning. As you expose yourselves to newer and richer experiences; you learn different things—some good, some bad—but all important to the journey of life. It is what you learn is all that matters.*

Life teaches you many things. Experiencing different situations and people prepares you for future experiences. Today, when our lives are surrounded by so much negativity, I reflect on those days. There was so much positivity – from strangers, acquaintances and friends – all of who were simply doing their job and being humane. Many of them like N.S. and others did so much to make us comfortable in a total foreign land, which I today proudly call 'home'.

Prashant feels that corporations should regard new employees as “immigrants” to a new culture, figuring out how to welcome them, train them, and bring them into the family. Would that we do more of that...

Any serious economist worth his salt believes we should allow more immigration, not less. Now they may quibble with each other over what type of immigrants, but more is generally considered good. It's a simple equation: GDP growth is equal to the growth in productivity times the growth in working population. If you want your GDP to grow (something even Paul Krugman and I can agree on), you need more workers. And America has had a growing population largely because of immigration for 350 years.

I find it a great irony that every generation of immigrants eventually feels that the newer immigrants are somehow taking something from them or not up to their standards. No one wanted my Irish forebears. We did terrible, almost evil, things to keep the Chinese out in the 1800s. We mocked the Scandinavians and their accents... and the Eastern Europeans, and the Italians, etc. Much of Georgia was an English penal colony, who eventually migrated throughout the South.

Students of history know that this is not the first time, nor will it be the last, when immigration is a divisive issue. I find it shameful that our Congress and president cannot agree on a very straightforward immigration bill, letting more join us in pursuing the American dream. *That* is what will make America great again.

Los Angeles, Puerto Rico, Maine, and Beaver Creek

I have several visitors coming over the next nine days, then I fly to meet a special new acquaintance in Los Angeles for a day. I'll come back, write my letter, and then Shane and I go to visit some friends in Puerto Rico. Then of course, the annual Maine economic/fishing conference and a few weeks later, a board meeting for Ashford, Inc., at the Beaver Creek Park Hyatt which the company owns. If you are in Puerto Rico or Beaver Creek, drop me a line and maybe we can get together. And you can tell me your story.

And with that, I will hit the send button. You have a great day and if you get the chance, welcome an immigrant to America. Let them tell you *their* story. Then tell me we don't need more of them...

Have a great week!

Your constantly thinking about the future analyst,



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