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Show me the - - - - -!

Some months ago I finally got around to seeing the movie “Jerry McGuire.” It really wasn’t as bad as some had led me to believe. And the famous line, “Show me the money,” really fit quite well within the whole context of the film.

The United States and really western culture has entered into a new era of which we have no history to rely upon. An economy based upon cheap energy, its sister cheap financial leverage, and consumption just because we can, is stupendously drawing to a close.

The fat lady has sung her song and left the building. Rumor has it she is building a quaint little place in Nowhere, not far from where Brute has his den. Fat ladies and fat bears should make perfect neighbors.

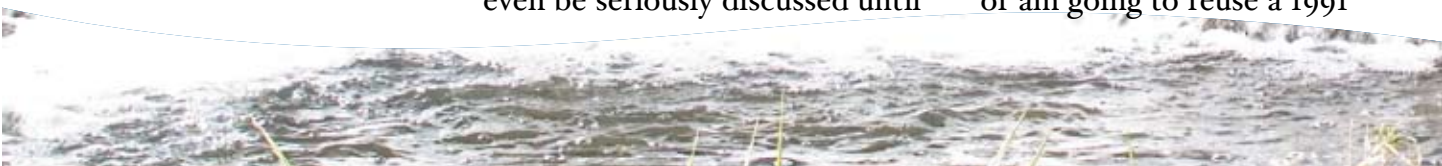
In Uncle Sam’s land we also have federal and state elections coming up in the fall. This means nothing of any significance will even be seriously discussed until

this time next year and any implementation months or years down the track. This is no way to run a railroad.

In this sense railroad is not a metaphor but an example of what needs to happen in America once all the dust has settled. But the problem with building these future railroads is that they are not going to happen under the current regulations and mechanisms ruling our financial, environmental and consumptive niches.

Currently, the movie line, “Show me the money,” just doesn’t operate in the building of anything of lasting value. Furthermore, creating money out of nothing and giving it to people to buy stuff they really don’t need, isn’t going to work either, and will just make the transition to true wealth producing enterprise all the more difficult.

As for me and my house, I have purchased, or recycled, or am going to reuse a 1991



Foretravel motorhome for my primary place of residence, at least until some path toward a better future is possible. So this Saturday I head for Texas and with a friend will slowly drive back here to Nowhere.

This purchase is about five cents on the dollar of what it cost new 17 years ago and even with five dollar per gallon diesel, reasonable travel is still cheaper than building, renting a small house, or apartment. So once we figure out how everything works and make a few upgrades we will do a little chronicling of the present state of North America in words, pictures, and video. If I am in your neck of the woods, maybe I can stop by and show you what I have learned.

Back in the Clinton epoch of Bill, or Slick Willie, I used the term environmental imperialism to describe how we were exporting or forcing all our dirty or nimby not in my back yard enterprises into the backyards of those were too poor or naive to know that they were truthfully being used, by people who really didn't care at all about these local yokels.

Vice President Al Gore learned those lessons well. The inconvenient truth of his current gig is that he is so lost he really believes that he is part of a solution. By his floating offshore ethanol securities from a London based enterprise comes right out of this environmental imperialist playbook. To his credit that is where the money truly lies.

The problem is that ethanol never has, and never will be a positive fuel source when produced by highly mechanized and fertilized agriculture and transported over long distances.

So why not develop all this new technology here in the good old USA. The simple reason is that you can't and make a profit. Congressional hearings recently beat up on Big Oil for making too much money, while it now cost over a hundred bucks to fill up the big SUV.

One of the pundit's talking points is that we haven't build a new oil refinery in the United States in 30 years. So? Just what oil are you going to refine in this refinery, the cheap oil in the United States is gone, so are all the other cheap resources, both energy and industrial.

For example, I have sitting in my brain and in some paper files, precious metals mining and refining technology that can profitably extract gold pretty much at the limit of analytical detection at current prices. All this making the mine site less hazardous once we are finished then God made it at the beginning. It can be scaled up to fit the current financially and natural current niche for just a little over the profits of a hit song. So why don't I do this? Lets see, I would have to spend half my time raising money and the other half of my time dealing with environmental regulations and regulators. Now what is it we set out to do, mine and refine precious metals? Show me the money in that?

So if I decided to work 24/7 for the next few years, along with all the rest of the garbage, I might find time to work on finishing the development of the process. However, once I got it all put together where would I find the people truly educated with the drive to do something other than take of space and demand to be paid for really bringing little or nothing to the developmental table?

I have worked in entrepreneurial or research and development most of my adult life. Most of that technology is now with the current price of energy economically viable. That includes a solvent drying process that can greatly reduce the price of most commercial drying, and greenhouses that absorb the heat in glass solar collectors while allowing most of the plant usable radiation to pass through. There are other technologies that I have consulted on over the years that have similar environmental and energy paybacks. Most of them have been ready for application since the late 70s and early 80s.

The problem in America and western culture is not with energy or technology, the problem is with financing commensurate with the risk and regulations in place. So, you choose the area of commerce that needs to be developed and "Show me the reason!" why I should do this whatever?

Before you get on that almighty religious pulpit about some egalitarian good, how about a little historical context. About a hundred years ago in this area D. C. Corbin of Spokane was just about finishing the development of the area's railroads. These railroads were essentially built to haul mining ore concentrates to the refineries and to provide transportation services to developing mining, timber, and farming communities

In the United States today railroads are not considered a significant means of hauling goods and providing transportation services, back then they were the only way and today they remain the most green of all such enterprises. However in today's world most of the old railroad right of ways are quickly becoming hiking and biking trails.

D. C. Corbin did basically two things, he raised capital to build the railroads from financial centers in the east and in Europe and he was a hands on manager in building the rail lines themselves. For these two things he was handsomely rewarded.

First of all he got paid for every mile of track he laid. Now this was not today's funny money leveraged debt, this was gold backed American greenbacks based directly upon the sovereignty of the United States of America. That money disappeared with the formation of the Federal Reserve in 1913 and ninety five years later, the dollar is no longer the most valued currency of the world. Some of that can be blamed on a Federal Government that only wants to spend and not tax, but that is a divergent path.

Secondly, once the particular railroad line was finished he got a big healthy equity stake in the now viable enterprise. In conjunction with that completed rail link most of the time there were huge grants of land sometimes dwarfing the other more common financial incentives, some of those properties were mines, some timber, and some potential agricultural lands.

Furthermore, many times track was being laid with the surveyors only a day or so ahead of the construction crews, and there was no thought of and EIS environmental impact statement six inches to a foot thick and at least held up five years by regulators and community hearings.

Show me the reason! There is a reason!

Also interesting is most of the timber harvesting now taking place in this area is directly linked to those robber baron land grants. So if it were not for the railroads there would be no local economy here at the present time.

All the lands owned by the state and federal government really do nothing but take up space

and generate no tax or economic revenue at all. Recreational uses are a bad joke, with no one in the forest to listen. This is the definition of 21st century green progress.

There really is no reason to do anything important in the United States, because the whole of society and culture is so focused towards blatant needless consumerism, that you cannot create real entrepreneurial incentives out of nothing, ex nihilo,

So you mention tax breaks. True rapidly growing companies don't pay taxes, everything is reinvested into the enterprise. Actually no corporations really pay taxes, people pay taxes, Actually people working in FICA jobs pay taxes, everyone else does everything possible to avoid making any of that type of revenue if they can avoid it, and the government always makes sure that there are means available for those people and corporations.

Now there is proposed a novel way of creating investment capital for energy development in the environmentally friendly stupendous change global warming sector. It goes by a number of names but the most familiar is "cap and trade." In this way you basically give carbon some value and those who fix carbon in some stable form get money from those who would like to unfix it burn it, essentially as fossil fuels .

That money I get for fixing carbon, say in replanting the rain forest, I can invest also in windmills, photovoltaics, biofuels, or other earth friendly and global warming hysterias investments.

Now carbon is the universe's forth most abundant element by mass, following hydrogen, helium, and oxygen and it is basically along with oxygen the chemical basis for all life. However to make this scheme work we will give "Carbon" an oxymoronic value of green accommodation.

So I assume that it will be OK for me to replant the rain forest because that takes carbon dioxide from the air and converts it into cellulose, but it is probably not acceptable to covert that cellulose into cattle to pull my ox cart, bad carbon dioxide and methane . If we can figure out how to change cellulose to ethanol or methanol to fuel my infernal combustion engine, that is fine because the whole process is "carbon neutral," because it does not use any fossil fuels, which, by common definition, was once both cows and trees.

So the right type of carbon can become real asset money and the wrong type of carbon can produce real and lasting debt, just by someone's definition. This surely makes our current capital markets with their significant structural flaws look downright wonderful. That is true of course unless you are the one writing the good and bad carbon definitions and that is where "Show me the money!" finds its proper reward.

Barak Obama gave a speech last week basically stating that the era of cheap energy was behind us. Both the other presidential candidates and also the conservative press criticized him.

The conservatives basically said that the reason we are in this energy problem is all the Democrats causing. Well they got it half right, they seemed to have short memories of when they were in control of Congress. When was that, beginning in 1994, but it really isn't worth checking out?

One of the commentaries said essentially, "Americans should and do have the right to drive their big SUVs if they want and no liberal presidential candidate or liberal establishment from the rest of the world are going to tell me what I can drive and not drive."

This raises the question, if the highly leveraged oil speculators remain free to manipulate the price of motor fuel, just how long will free markets continue to make gas guzzling SUVs even without government vehicle fuel standards? Perhaps recycling and reuse will find a new market niche here, for those who think they demand a status symbol of a faux big rig.

So you must decide if Obama was stating some truth, or was he articulating some vast un-American liberal progressive agenda?

To digress only slightly, when in Spokane before Memorial Day I saw on TV the Washington State head of the Republican Party boasting on how they were going to overturn again the personal right of the voters to vote for the candidate of their choice in primary elections rather than be forced to vote only within the respective political party genre.

So my criticism of liberal Democrats for having ideas, just not good ideas, needs to be

amended to include the Republican conservatives. "If it were not for bad ideas they all would have no ideas at all sic."

Also last week President Bush to his credit went to the Middle East basically to ask the Saudi's for some energy help. He got nothing. I suppose they told him, get your own house in order and then come back and we might talk seriously at that time. What this means is that the price of oil will soon peak and demand will, or is now rapidly dropping, and the price will come into line with real world supply and demand.

Whoever is making all this "Show me the money, money," will not have a long free lunch. They forgot about what brought about the current cheap energy era we recently went through. As far as China and India's demands, they can make all the China junk and India services they want and desire, but if Americans are not buying, their energy demand will quickly spike also.

I went to Spokane basically to pick up of bicycle that I purchased at the annual REI sale 15% off. The people working in the bike section told me, that during the sale this small REI store sold 200 bicycles and that 40 bikes arrived in the Wednesday delivery that included my Safari. I no longer need to drive three miles to get the mail and I get good exercise to boot. A new bike with the accessories is about one fiftieth of the price of a new SUV, but that is true market principles at work.

Americans may not want to be like the rest of the world. The main reason we will become like the rest of the world is that we will become so regulated with various restraints that those called to be entrepreneurs will do something else instead. That maybe recycle a motorhome, buy a bicycle, do some more publishing in writing, photography and video, and let the nature of reality, that no one seems to believe exists any more, run its course.

To do anything else makes no logical sense until you can "show me and my compatriots the money!"