



# *The* Wonder Springs Chronicle

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## The Wonder Springs Chronicle

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## Foraging Ahead

Foraging ahead is probably the best description of what is happening in the world today. I thought about forging ahead, but that seems to apply to just about anything without any specific direction. In that respect forging ahead is similar to, "Change you can believe in." Foraging however signifies you are looking for something specifically relating to your subsistence. To some people that foraging has less vital implications than to others, but the foraging thought of providing present and future provisions pretty much applies to us all.

An article I read recently began with a quotation from some well known historical economist and it went something like, "We shouldn't forget that finance adds nothing to the underlying transaction; it is only a facilitator of the commerce."

The mentor entrepreneur I worked with for many years always asked the question, "What does this new individual bring to

the table? If the consensus was that the individual had little to contribute, they were not added to the team.

Putting finance in the context of both thoughts, finance should be the mechanism by which two or more tables facilitate their existence and their growth.

However the way things have developed recently and the utopian path ahead proposed by the US Treasury and the Fed, that statement must be modified to something like, "Forget the tables, forget the people, forget the underlying commerce, it is all about the finance."

As our Monday post "The Greenspan Bug Curve" pointed out, both the Treasury and the Fed assume the underlying causes of the Great Depression were speculation and tight money. As a consequence they are creating unconscionable amounts of money and are in the process of sticking regulatory fingers into all of human enterprise.



Now a number of conservative talking heads are beginning to state that this is not socialism, or even benign European socialism, but an attempt to create a fascist state, or world.

However if the cause of the Great Depression was really overvalued real assets, such as real estate, as pointed out in the referenced "From Bubble to Depression," our current economic treatment options are going to be counter productive, will eventually fail, and exasperate what we have come to assume as economic and financial progress.

I recently was barraged by a good friend telling me what I knew about economics was wrong and that we were never going to return to the borrower friendly consumer market that allowed for the prosperity we have seen for the last quarter of a century. What he really was saying, was what he had learned about economics in the last quarter century was wrong, and he was right about a return to easy credit.

Personally I do not find what is now happening all that mystifying, I find it amazing it lasted as long as it did. We have created a whole universe of leveraged financial assets based upon debt. Then these debts were created into securities to bundle risks, and then those securities were insured to hedge against failure. The Italian Mr. Ponzi and Bernie Madoff only sought a small piece of the action.

Stock Markets around the world are down so far this week, after what was considered a Bear Market Rally. There was really no underlying reason for the rally to have occurred in the first place, other than traders have to trade to remain in business. As long as the markets move one direction or the other, market investors who are good, or lucky, or both are able to do their thing. What are their other options? Securities trading isn't all that related to the real world except as a macro economic indicator.

Fifty trillion dollars is one figure I have seen promoted as the losses to the world economy in the recent recession. What none of the Treasury and Fed actions seem to understand is just because they create another fifty trillion; those actions are not going to restore what was lost. That is because it really is not all about

appeasing the God Mammon; it is about the real world of bricks and mortar, Main Street, and real people, who have had their promised present and futures stolen.

Civil unrest is beginning in earnest in Europe. People are protesting because they don't like what is happening in their lives and they see no hope of that changing for the better. Their leaders fully realize that the USA solution will not work, but they have no solution either, especially a politically acceptable solution that will work.

In America, Tea Parties are beginning with pretty much the same focus. On April 15th, Tax Day, there are numerous Tea Parties scheduled in major cities, and some not so major like Spokane. The original Tea Party in Boston at the onset of the American Revolution focused on the theme, "Taxation without representation." I suppose these new events have the premise, "My secure present and future has evaporated, make it come back."

We are told that the focus is supposed to be on excessive government spending, but that begs the question, what is the real link between these events and the original. Perhaps if TEA stood for something like "Totally Enough Arrogance" or "Terminate Excessive Appropriations" the events would have more focused and lasting effect.

My bloviating friend was right, "What part of it ain't coming back, in a way you now understand, don't you understand? Get over it and move on."

The problem is with the whirling dervish taking place on Wall Street and in Washington, DC, it will be quite difficult to keep from being overcome with dizziness. In the truest sense of a dervish, the goal is to have every citizen take a voluntary vow of poverty and austerity and then just ecstatically believe in hope.

If that doesn't work, well you really don't have a choice, for the current crisis shall not go to waste. Radicals only have one solution, radicalism as a lifestyle. Governance and true leadership are difficult, and not enacted by numerous speeches and lightweight rookie responses.

The real question we are all being asked to answer is what really is quality of life?

We have been told and really forced to believe that your worth is really the quantity of your possessions, or the security you have from hardship. You hear that from both the left and the right.

Is life really only about you?

That truly is the tragedy of this generation 40 years and the last quarter of a century specifically. From the beginning of the Reagan Revolution through most of the last Bush Administration you could get your own home and live your illusion of the American Dream by keeping your job and buying what you wanted on credit. That bubble is no longer a bubble, but an unrestrained and undefined vapor.

So this bubble bursting credit crisis has produced another revolutionary way of looking at you and your world. Now the government will take care of your needs and desires, in the process terrorism and evil have disappeared by nuance and fiscal responsibility, never a welcome term, has been replaced by, "I didn't create this mess, so I will make my own mess, much worse than the previous catastrophe. "

What is missing in both of these divergent worldviews is that the world and the universe does not rotate around you, or me. Furthermore neither promotes a consistent worldview in which limited government and true market driven economics work synergistically to create, develop, and sustain something called a civil society, or civilization.

The real world is governed by real natural common laws, you either get your life inline with those natural laws, or in the ultimate sense, natural selection will eliminate you from the gene pool. In the worldview of human enterprise, natural selection will eliminate you from the prosperity pool. Current monetary principles are basically debt money based idolatry, hence your reliance upon them as your sole source of sustenance, puts your future in doubt. As this is true on the microeconomic scale, it is just as valid in macroeconomics.

The founding fathers of the American Republic, believed in human reasoning, but also understood its limitations. In arrogance, we have lost the understanding of human limitations.

Hence by our own will we have built a worldview and a world economic system built entirely upon the Babylon of our collective genius. It doesn't take a genius to look at the underlying energetics of the system and realize it is not naturally sustainable, and all the real or funny money you want to throw at it, is not going to change that reality.

Since we are still trying to create wealth exclusively, ex nihilo out of intangible debt finance, we have not reached the bottom.

Before people can understand the reality of the revelation of God's specific grace, they have to understand at a deep level that we humans are limited beings, and as such we do not have all the answers. In fact, we have been indoctrinated to believe we even can ask the right questions.

So what are we to do?

Begin to search for intelligent life outside your own narcissism. Take some time to touch creation, and even more frightening, let it touch you. As you get more into that you will find that there is a God and you are not him. That is very difficult when your worldview centers around a high definition flat screen TV, and your religion, or lack thereof, comes from televangelists, the Discovery and History channels.

The gospel of Jesus Christ states, as represented and celebrated worldwide this coming Sunday, a crucified savior was raised from the dead, as the first fruits of a propitiatory sacrifice for the sins of limited and totally deprived individuals.

From television you have learned that Easter has its basis in a pagan fertility festival of spring. From that we get colored eggs, baby chicks, and the Easter Bunny. If that disunity of purpose bothers you, celebrate Resurrection Sunday, for once you get beyond all the worldly hype and look at the evidence with an open mind, you can see through a dark glass that there is a reality more real than this present mess, and that the way to that eternity comes from Jesus the Christ.

He is risen! He is risen indeed!