



# *The* Wonder Springs Chronicle

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## The Wonder Springs Chronicle

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## A Synopsis of American Entrophic Development

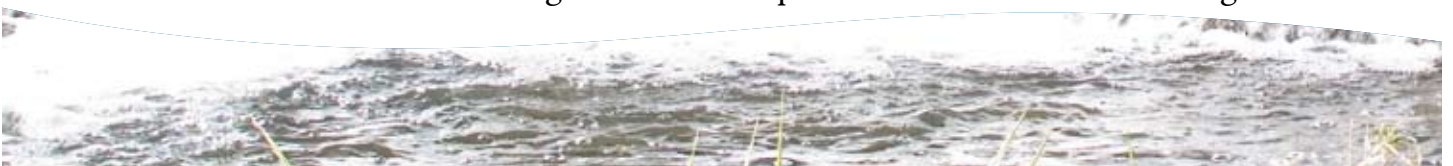
Onward and upward has been America's developmental slogan for pretty much all of our evolutionary history. But is that really true or has the increase in American power been pretty much in spite of our best intentions rather than the result? As Brute' mentioned last Friday, we have worked and tried very hard to get something for nothing, in the end however it seems that we have sustained nothing of lasting value for all of our diligence.

This week we will look briefly at a number of American developmental schemes over history and see how they relate to where we are now and where we need to go forward. Then we will attempt to put President Obama's present activist government enlargement within that scheme, to see that this may be the bungling bureaucratic bourgeois' final attempt to

continue the slouch toward entropy.

Right now in all the press you hear that we are on the threshold. Pretty much all of the mainstream media seems to think that we are on the brink of eternal bliss. Those of a more conservative bent have considered this the threshold, before socialism, fascism, and our loss of liberty and freedom. We are in the process of losing our capitalist system and the prosperity it provides.

As we proceed through this synopsis we will look at American capitalism to see if it really ever existed without government perks, and just how free are free markets or are they just bungled attempts of failed Machiavelli's to become the prince of the moment. In the result of these manifest destiny offerings, Have we created a unified bungling bureaucratic bourgeois that



encompasses both the so called public and private sectors?

Before we begin, perhaps a definition of capitalism is in order. From the American Heritage Dictionary we find: An economic system in which the means of production and distribution are privately or corporately owned and development is proportionate to the accumulation and reinvestment of profits gained in a free market.

Notice in the above definition the word money, or its derivatives is not used. The term profits while most commonly thought of as money, other forms of wealth tangible and intangible could equally apply. As we look at our examples below, the proper use of money as a facilitator of “production and distribution,” money becomes the energetic liquidity for growth and wealth production.

When money, or more precisely the pursuit of money, becomes the end rather than the means, money loses its energetic value and true capitalism ceases, because true free markets no longer exist. Instead the worst vices of humanity rot the system. If you look at our current financial state, the problem really is not with the basic economy; the problem resulted by the abuse of money as an end by an uncontrolled minority. So far the Obama Administration, has done absolutely nothing to abate the problem and has in fact continued and enlarged upon the abuses of his predecessor.

Through the growth of the United States we see somewhat overlapping surges of development that have determined our prosperity. These developments focus upon newly created market niches and these progressions may take as long as a half a century to reach maturity. So where do we begin?

Back in business school it was stated that the problem with the railroads in American was that they failed to understand that they were part of the transportation industry, rather than just a technology that moved vast amounts of people and freight throughout the country on steel rails. So we shall begin there.

After the end of the Civil War came the push to develop and populate the American West. The steam engines behind that development were to be the railroads. As incentives to bring this about, huge land grants were given to the various railroads to put in track and bring in people, and goods to develop a very sparsely populated countryside.

As it turned out these transcontinental railroads really were not too good at either land development or transportation. Most of these companies had a difficult time remaining profitable as they built directly or indirectly an amazing network that connected virtually everywhere with somewhere. This everywhere was really best named Nowhere, but nobody seemed to care.

The exception to this general rule was the creation of the Great Northern Railroad by Jim Hill. This railroad was built with no land grants and was the last transcontinental line to be constructed, basically linking St. Paul, Minnesota and points in between with Seattle along the most northern corridor. As time developed the purely capitalist Great Northern would have ended up owning pretty much all of the western railroads if it had not been for the activist progressive intervention of president Teddy Roosevelt. Roosevelt’s trust busting crusade had at its bulls eye, Hill’s holding company that controlled the Northern Pacific as well as had it’s capitalist fingers into most of the remaining western lines.

Today almost a century later the BNSF Burlington Northern Santa Fe has made Hill’s vision a reality. But today the most energy efficient transportation devised by mankind hauls only a minor portion of the nation’s freight and virtually none of our human transportation, because it has received little government welfare since those original land grants in the nineteenth century.

Amtrak for its part has never been a serious attempt at viable rail human transport, but more like a caged zoo animal kept around making you feel secure in the fact that big oil and big auto were providing you wonderful transportation services. In that light your choice of massive overt and hidden subsidies to these industries and their supporters does not look all that bad.

The road based transportation industry, which basically followed the completion of the railroads, however has done a much better job of keeping its hand firmly attached to government financial coffers. An interesting question, well beyond the scope of this article, is when was the last road, built or maintained in this country, without direct or indirect government funding? However no one anywhere across the political spectrum questions this basically fascist transportation subsidy. The same could be said for airports and the airline and air transport facility taxpayer subsidies.

Today America's automobile industry is in very serious trouble. One of the remaining "big three" is in formal bankruptcy, the other is on the precipice, and the third is for the time being basically scraping by without government handouts and just might come out profitable and privately owned on the other side of this financial something.

The condemnation used by industry detractors is that these companies are in trouble because they did not build the energy efficient cars demanded by the public. Closer to the truth is that these companies could not make a profit building the energy mandated efficiency standard for automobiles, because of big union contracts, so they created the SUV and its derivatives. An SUV looks like a very big car but in terms of the government, it is really a truck.

Hence with a little clever marketing spun around safety and greed, automakers could continue to make a substantial profit as long as the price for oil was somewhat determined by world demand for oil based energy. That all changed stupendously last year as speculators drove up the price of oil to over 140 a barrel and the auto industry, as we have known it in this country collapsed.

Subsequent to Rough Rider Teddy's destruction of Jim Hill's transportation dreams, it did not take very long for auto and oil company capitalists to buy up rail and bus based public transportation and shut them down. Thereby giving travelers the free market choice to live by the car or not be able to get anywhere in a timely manner.

Going back to that era of the rise of road based transportation we also see the rise of electrification. Electricity probably provides the greatest benefit of all our modern energy conveniences. From electricity, we can cheaply have light to remove the darkness, preserve our food, warm us from the cold; cool us from the heat, the list of benefits from electricity is almost beyond comprehension.

This electricity comes to us through a nationwide interlocking and redundant grid system that for the most part moves this energy to us from huge generating stations. Some of this energy is generated by so called private utilities, but the holistic paradigm is again dictated by huge government power projects created as part of the New Deal, to get us out of the Great Depression. For a long time now we have known that this wonderful grid system virtually "wastes" half the energy it creates.

Back in the old days as electricity was becoming this great resource there was a battle between two technologies that being Direct Current DC , promoted by Thomas Edison and Alternating Current AC promoted by Nikola Tesla. Edison's DC can be generated pretty much anywhere by a broad array of potential sources, but cannot be transported very well over long distances. With Tesla's AC, electricity can be transported over long distances, with line losses increasing over the distance, but all AC must be in the same phase, 60 cycles per second in North America.

Every electrical energy generation source hooked to the grid must comply with the 60 cycle convention. The problem is that many of these new green energy generation technologies solar cells, micro hydro, windmills, etc. work more efficiently in the DC mode. This means they probably should be used much closer to where the energy is generated. The problem is that our reliance on any grid, even a proposed Smart Grid, will not be able to properly use diverse sources of sustainable energy in its most efficient DC form.

The final technology we need to look at briefly is Information. Our information technology sector is the newest and still developing infrastructure. We can tell that a great deal of this communication will take place wirelessly, but will still demand another grid of sorts, this one called the Internet. Instead of metal wires however, it will be linked through fiber

optic cable, microwaves, and satellites. So far this information technology has been driven and operates within the capitalistic framework. Of note for this synopsis however, the information behind the Information Age was developed before the Reagan Revolution, which then has allowed for the capital formation and wealth production we have seen in the sector since the 1980s.

President Obama's activist big government agenda basically focuses on four areas, green energy, infrastructure, health care, and education. What is currently missing from that agenda however are many specific details, other than talking points on how he and his administration intend to pull this off. It is now time for "change you can believe in" to develop some basis in substantial reality, and this reality needs to include some financial reality as well.

As we see throughout the history of mankind and briefly in this article, human civilization is basically built upon collective government. You might prefer a different term, more congenial to your worldview. Governments come in all sorts, and have differing influences upon varying communities, but boiled down to the essentials, the basis for civilization must rest upon the foundation of the principle of government and the rule of law. That law may or may not be democratically produced, but the two are always intertwined.

Beginning with Obama's green energy proposals, there is really nothing new under the sun. As with the Information Age, all this was around before the 1980s and the rise of Alan Greenspan induced prosperity. The problem was that there was and is no way to pay for it. Put another way, if you are paying 0.10 per kilowatt hour of electricity, because of grid losses, that actual net production cost is really 0.05. However all this green energy has a real cost of 0.20/kwh or more.

How are we going to pay for that? He can call it cap and trade, or mumbo jumbo, but it still is an energy tax, above what true definitional capitalism will or can support. Furthermore the current energy markets outside regulated utilities are not subject to capitalism either. They are dominated by cartels, both directly and

indirectly; they basically create a cartel greed tax on all consumer prices. So what will happen is not green energy independence, but an unregulated increase in greed taxes, which will squeeze out of the markets any and all government incentives that Obama's hopeful government may propose.

Next Obama plans to build infrastructure. So we will borrow some money to spend on twentieth century infrastructure roads, bridges, and electrical grids, when twenty first century infrastructure should be more like nineteenth century infrastructure railroads, electrical grid independence, etc. but those technologies really only work within capitalism, and definitely not by government bureaucratic dictates.

Third on the Obama list is Health Care Reform. What won't enter into the debate is the truth that expensive health care costs are one of the greatest impediments to economic renewal in this country and around the world. There are many people in this world that would consider what some American's pay for one month's health insurance premium, a fortune for a lifetime. There are also many Americans who live modestly without health insurance, on not much more than that premium also.

This week the news is that the President has said that he expects his health care reforms to save trillions. Most of those savings are now known to come from reducing the rate of inflation in health care costs. That has been tried before and when weighed in the balance it has been found wanting.

Nowhere have I seen a catastrophic illness health care provision, coupled with wellness incentives, and streamlined medical records as all that is really needed. Instead we need to give people an emotional crutch that enforces an illusional sense of immortality. That immortality benefit is what drives the hole sic health industry today, for insurance companies can charge more for that sense of security and make a profit than they can in providing essential health care.

Finally Obama wants to reform education. Thankfully like the auto industry we have seen government intervention in education, move beyond any semblance of effectiveness. For the most part government funded public education, which was the backbone of the development of the United States,

has now become a propaganda and indoctrination apparatus for atheistic materialism.

That is true from Head Start up through university post graduate programs. I suppose a great deal of that has to do with the reality that virtually all educators never have had a real job in the real world. Hence American education has become a feel good radical community organization society. However instead of evolution being a long uniformitarian process, society can evolve almost instantly if all we do is close potentially open minds to thoughts and processes that do not hold to the current education paradigm.

During the Bush Administration we saw the consummation of what a descent sic model of Laissez Faire capitalism could do to destroy civilization and prosperity. Next on that descent into a totally defunct worldview, is a real activist government based totally upon atheistic natural materialism. This only follows an evolutionary scheme where man must save himself, by himself, for himself, or die trying. But in this worldview rest in peace is not an option.

No matter what you may personally think of President Obama, all that have met the man consider him extremely intelligent and gifted. It should therefore follow that eventually he will be able to develop some programs that will overcome some of the bias associated with the Bush Administration's vexations. Will Obama however be able to cure our ills through government activism?

At Wonder Springs we think the age of the economic dinosaurs is coming to an end. Not because we are so wise, we just still retain or have been reveal information that dinosaur energetics really cannot adapt to the real world of the twenty first century. Those dinosaurs, behemoths, and leviathans are endangered species. They come in many forms, most of them in some sort of corporate structure, most recently a globalist corporate structure. Now emerging from the swamp of evolutionary ooze we now see a new American government leviathan, it is huge but with a very short lifespan.

However even more endangered or threatened is that of big government attempted unification of public and private bungling bureaucratic bourgeois. These monsters are totally a product of human evolution and as such have a very short life history, even though the effects of their presence have had repercussions over long periods of time.

After natural selection eliminates these huge creatures from the gene pool, life on earth will again provide a spring of renewal of human worth and natural prosperity. Then we have the opportunity to again attempt to create wealth and advance society in spite of our best efforts to make the easy difficult and the difficult impossible.

***This week's Chronicle completes our tenth year of somewhat consistent weekly publication. I suppose the question should be is that a milestone or a millstone?***