



The Wonder Springs Chronicle

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America's Tensioned Prosperity

This week's Chronicle begins our 11th year of somewhat consistent weekly publication. Through it all I have learned that there are many diverse indicators of wealth, the most important is the Biblical promise of eternal life, and earthly money being perhaps one of the least significant.

As we continue to muddle through a worldwide economic kerfuffle caused by a quarter of a century of cheap, or valueless monetary expansion, about the only other things we know for sure is that there is pretty much an exponential gain in kerfuffle pundits and pundit kerfuffles. This weekly Wonder Springs offering being one of the few exceptions, offering vignettes of true reality based upon direct observational natural science, mixed with gems of satire and humor, and not limited by energetic realities of an enterprise bottom line. That is because in this enterprise there is currently no bottom line.

In that illumination, last week we briefly suggested that American prosperity was not the result of the fruits of capitalism, or the appreciation of a benevolent government helping out the folks. Rather American prosperity is really the results of human best intentions, working out differently than the programs, and sometimes much better than the plans. That enlightenment clearly shows that America rose to power in spite of bungled best efforts of her citizens. In those old days we called it the grace of God. In this present era, the consequences of God, any god other than ourselves, is too frightening to consider. Hence we spin the present, in hopes that the future, will look like the past.

This week we will somewhat enlarge upon the synopsis offered last week, suggesting that what really happened in the United States, and which has not happened in any other country,



is really a tension between private enterprise and government which has really created a symbiosis enhancing the results of the American experiment.

What caused the financial crisis in the United States and we exported to the rest of the world is really the breakdown of that tension, or entropy of that process. Instead beginning, not so much with the Reagan Revolution, but rather the insidious growth of the monetary base freed from natural prosperity, was the rise of classes of special rights special interests. In other words cheap money allowed the enlightened, in some aspect, to take advantage of everyone else. Carried to its logical conclusion we lost and lose both the unique aspects of individual freedom and liberty, but also the cohesion of community, or civilization.

So today the best we can hope for is some sort of balance between competing elite specialists. This of course is best known as the operating genre of Fox News. "Fair and balanced" really means highly paid specialists, working their own niche, come on the various programs to give their perspective from their latest book. This spin is balanced by spin, sometimes in contrast, other times by the host. What makes Bill O'Reilly the ratings leader in cable television is that he is basically a center right guy, who has made numerous trips to the Blarney Stone. "The No Spin Zone," is really the only place where the average American bloke, and perhaps that fits worldwide, can actually see and hear someone who by definition, believes in traditional values.

Fox News and the "O'Reilly Factor" of course are part of Rupert Murdoch's News Corporation conglomerate empire. Everyone should visit the News Corporation website to see just how "creating and distributing top quality news, sports and entertainment around the world," can be so diversely bodacious. Be sure to check out some of the various tabs to see the depth and breadth of the empire that leveraged capital can accrue.

As we pointed out last week, what Jim Hill attempted to do with railroads in the transportation industry, which was scuttled by progressive President Teddy Roosevelt, Rupert

Murdoch has had little trouble achieving the same end, during economic times which favor mergers and acquisitions at the expense of true wealth creation. The difference between Murdoch however, and some of the other current conglomerate CEO's, is that some of his empire was created by entrepreneurial activity not just buying a brand.

So let us look at some of the areas where previous tension along continuums, no longer provides energetic tension for success and prosperity.

The first, in your face, must be the political class. I don't recall hearing the term before the election of President Obama. Before the election, good or bad, there was always talk of America's two party political system. Historically the Democrats were more liberal and the Republicans were more conservative, but there was always the concept of governing from or towards the center, no matter the politician's political bent.

I heard some pundit recently say that the major difference between recent politicians was that the Democrat's spending was more pay as you go, and Republican's spent with a credit card. The point being that neither party still believed in governmental fiscal restraint. Putting that in our context, both parties sold out to cheap exponential monetary growth unrelated to underlying economic realities of linear enterprise and wealth creation.

President Obama is correct in stating that he did inherit this mess and is trying to fix it. A number of questions emerge from that statement, however the primary one relates to:

"Is the "it" to be fixed, fixable?"

So far we are beginning to get our hands around the mess, but the "it" that caused the mess still is pretty much undefined or unrestricted, at least publicly by either the political or the pundit classes. However the "it" really is not that illusive, "it" has been seen countless times in history. That "it" is simply the political class has debased the monetary supply by which its enterprise base no longer has a consistent sustainable basis by which the exchange of goods and services can take place.

In that sustaining light, contrary to my more conservative friends, I give Ronald Reagan little credit, and focus much of the blame on Alan Greenspan. Bush, Clinton, Bush, and Obama tried

and are trying to play the game. The game is really consumerism based on cheap credit.

This brings us to the question of why do we need to have consumerism of basically disposable kitsch?

In the context of what we have been discussing the last few weeks, the reason we need consumerism based upon stuff is that it is the food and the water liquidity for the corporate dinosaurs, behemoths, and leviathans that currently limit the required tension between risk and return, or wealth creation and finance.

“If we pay people too little to buy stuff with their salary or wages, we need to give them credit to continue to buy. If they choke on it and die in America, we can always create other consumer units elsewhere in the world. After all there are more than six billion of them, and few to none of them understand we are just feeding their petty vices, so significantly more primitive to our own, they really don't qualify as an evolving species.”

A couple of weeks ago, I bought some new wheels. One of the first questions I got was, “Where is your new car?” To which I replied, “I only said I had new wheels, and you inferred that the wheels were associated with a new to me vehicle. Actually the wheels are not new either, but new to me also. They came from the wrecking yard.”

The new to me aluminum wheels coupled with new tires from Costco, went on my 1998 Saturn which I bought used in 2003 and still has less than 100,000 miles on it. The total price for the wheels and the tires was just about 500.00. With these new summer tires, I bought the new wheels, to keep my mounted snow tires on the old wheels, I would again get almost 40 miles per gallon on the highway, except for the fact that the Bush Administration's ethanol behemoth fueling special incentive, has reduced that mileage approximately 10 .

Therefore if all goes well and according to current consumption, unless it gets cracked up in some wreck, for the next 15 years and 150,000 miles My old Saturn should really be good to go, except for gas, oil, and insurance.

This is bad news, because my experience is the typical experience of my neighbors and friends. You spin that through 300 million Americans and stupendous change in the economic sector has just begun.

The concepts of reduce, reuse, recycle, coupled with that funny green triangle, have been plastered all over the country for a generation. It would only follow, when you must make true economic choices, that the words and the wisdom of these concepts would be implemented.

When you plug these concepts into Obama's green energy “cap and trade” regressive tax proposals, at best you have unknowable results, from an ill conceived program, to solve a debased from reality boondoggle. Coupled with this are Tuesday's new emission standards that are not the product of legislative bipartisan or even nonpartisan efforts, but the collusion of judicial social engineering with executive fortification. Just some more continuing steps in the synopsis of American entropic development. These however forge a new actuality that will strategically affect all Americans in ways they cannot currently conceive, including the President and his minions.

But before we dismiss any potential for fruits from the endeavor however, you must notice that again, for the first time in at least a quarter of a century there is a new tension created between two divergent paths that at least seem to lead somewhat in the same general direction. A direction that most citizens of the United States and the world for that matter, seem to recognize as a benefit to themselves, broader populations as an integrated whole, and to the planet. That is true even if you do not recognize Mother Earth as deity, but rather understand the concept of stewardship.

To the benefit of all humanity, as that tension begins to create new wealth, however that may occur, there will be little energetic opportunity for such companies as General Electric, which has pretty much bet the company on gorging itself from the government entropic troughs of energy, finance, and health care. I find this more than amusing, for a century later, we will learn the hard way that Thomas Edison, one of GE's founders could now develop a sustainable niche for his direct current operations.

Broadening the tension however to move beyond stuff, we need to begin to work on solutions through consensus. That doesn't build ratings on Fox News or the rest of the media, right or left. Can you imagine just how boring would be a NPR National Public Radio program without spin, focused upon solving broad ranging complex problems?

When we look at the financial underpinning of last week's synopsis of entropic development one essential constant emerges, which was edited from that article. That constant was the fact that from the building of the railroads until tonight's "O'Reilly Factor" all of this centers in New York City, the Big Apple, Gotham and Batman. These recent financial catastrophes were engineered there, they melted down there, and the bailouts were incubated there, and the Treasury Secretary was the head of the New York Fed. Furthermore the September 11th attacks focused on the "World Trade Center" in lower Manhattan.

Contrary to what the Beltway Boys and the political class in Washington, DC, may think, they really don't matter. The same can be said for London, Paris, Berlin, Moscow, Singapore, Hong Kong, Tokyo, or Beijing. There has always been an urban bias in human activities stemming from the reality or the myth of biblical Babylon, but not since that time has so few determined the future of so many.

Now there are people that live in other parts of the country and other parts of the world who are not all that happy having their lives run by others, especially others who don't seem to have a clue what is happening in the real world, with real people, in real cities, towns, and rural communities.

There is an old saying that goes back well before any of our times. That saying is "Don't mess with Texas!" When I was in Texas about a year ago, you heard variations on that refrain dealing mostly in that ancient history with Gotham encouraged, manipulated high energy prices. Now moving from a pseudo Texan president to a Chicago urban radical, that concept is becoming more vocal. However this time as illustrated in the TEA Parties a little over a month ago, the theme has been picked up as

says, Don't mess with Texas, and Utah, and Montana, and South Carolina, and Alaska, and probably at the citizen level in every other state, and don't forget other real "foreign" countries as well.

In the United States, these states rights were once protected under the 10th Amendment of our Constitution. If you speak to an old fashioned traditional southerner, they will claim that our Civil War was not so much about slavery, but states rights. If however you put the whole government union in context relating to Federal government interference, states that must be added to the freedom and liberty seekers are those not so independent. That saying must include, "Don't mess with California, and New York, and New Jersey, and Massachusetts, and even the other Washington, the state let them sink or swim without federal help, or taxing the rest of us to pay for their fiscal sins.

Competence, common sense, and competent leadership can keep you out of the valley, or lead you through the troubles. Incompetence and arrogant leadership will ignore the problem and then claim it is not their fault when it all falls apart. A day of reckoning is at hand, collectively and individually. Those who will prosper in this time will not seek to balance the extremes, but tension the understanding of the center as the way that human civilization has always advanced. Focus on tension in all things and that moderation will provide a way when the extremes, like lemmings, walk willingly off the cliff.