



The Wonder Springs Chronicle

14 April 2010; Volume 12, Number 15

The Wonder Springs Chronicle

Contact Information:

Jerry Bannon

Publisher

Wonder Springs

36 Merkel Road

Kettle Falls, Washington 99141

phone: 509.496.5855

blog: www.wondersprings.org email:

jerryb@wondersprings.org

chronicle@wondersprings.org

*©2010; non-commercial education
& forwarding encouraged, please
give a citation credit all other rights
reserved. This work is licensed under
a Creative Commons Attribution-
Noncommercial-No Derivative
Works 3.0 United States License.*

*For past Chronicle archives or to
subscribe to this weekly email please
visit our web site at:
www.wondersprings.org*

Why Me? *The General Governance Theory*

As I was writing Monday's post on "2 BIG 2 Work," I began thinking about the concept that perhaps the problems now facing the United States and really the broader world concept of globalization stems from the reality all have gotten 2 BIG 2 fail and simultaneously 2 BIG 2 work.

What a better closing paradigm for this "Why Me?" series! Failure isn't my fault because everything just sort of quit working because of bad karma, and since I only think good thoughts about everything, except a few bad stuff moments, I am completely off the hook for all the bad stuff that happens.

Now I will have to admit the 2 BIG 2 Work concept was stolen from Dan Henninger of the Wall Street Journal. Whether it was original with him I do not know, but it surely does describe a whole lot of what is happening all around us. In the context that I heard from him, he was talking about the Federalization of too big to fail financial institutions, but what if

the whole country at the national level is getting simply 2BIG 2 Work.

Albert Einstein gave us the Theory of Relativity, but he then spent the rest of his life trying to develop a scientific General Theory of Why, but was never able to get there. I would submit that without God it is a philosophic tautology, and with God it becomes undefinable, because of the natural limits of human created capacity. So if a real general theory is impossible for man, why not dumb it down and talk about just the universe of human governance?

We must begin in Ivy League prose where it goes something like, "The cognitive limited diversity of our educational paradigm provides incongruous perceptions of natural reality." In the media perception of the Tea Party movement, "Wees' jist don't knows no betta!"

In his book, "A Slobbering Love Affair" The True (and Pathetic) Story of the Torrid



Romance Between Barack Obama and the Mainstream Media,” former CBS news correspondent Bernie Goldberg makes just that romantic case. But what happens if we broaden the love affair to include the Federal government and all of the American people? Then we have a broader and more realistic understanding of our current mess. “The mainstream media and all Americans love and hate (in only a nonviolent passive state) Barak Obama because he is the perfect living icon of America’s slobbering (and pathetic) love affair with their national government. “

Breaking News from the 1780s: The American Republic wasn’t designed that way!

America’s problems are not Barak Obama, the Democrats, the Republicans, Harry Reid, Nancy Pelosi, the communists, the progressives, the Tea Party, the conservatives, Sarah Palin, Glenn Beck, ObamaCare, global warming, the Chinese, Iran, Iraq, Israel, North Korea, Islamic Jihadists, domestic terrorists, the Great Recession, deficit spending, the bailouts, economic stimuli, or the rising and setting sun. America’s problem is simply governance at the national level. It has gotten 2 BIG 2 work.

Now I realize that statement borders on the twenty and twenty-first century Americans’ definition of treason, but just because 2 BIG 2 Work is not a concept of our slobbering (and pathetic) Federal government love affair, and moves us beyond our “cognitive limited diversity of our educational paradigm” does not mean it is not real truth. How in God’s name can we create heaven on earth, or evolve to higher more intelligent beings, if we can’t grow to the point that we can make the whole thing work well together? “Wee’s jist don’t knows enough, 2 makes its all work! Shuckie darn, that ‘tis jist an imposter hillbilly!”

If one were to make a definite statement that our national federalism, as it now exists is 2 Big 2 work, you would be stating the antithesis of what we have all come to believe is the American way, the American dream, the American Divine Destiny, the very essence of what the United States has become.

Breaking News from 14 April 2010: The United States of America was not designed to be the American Nation we now have become.

Back when the American Constitution was created and ratified, the population of the United States stood at about three million; we now have over three hundred million citizens. But by the miracle of Divine Providence, the Founders of the American Republic designed a system that would work for three hundred million, if we followed their plan. Beginning early in the twentieth century, along with other evolving concepts of human development, we decided that we were much more progressive and enlightened than those old fuddy-duddies.

In a “Why Me?” world we still have the concept of the individual. At least I think that is true, but I am not too sure about you. However the concept of States Rights have all but disappeared. You try to discuss the lawsuits that a number of states have now filed against ObamaCare and peoples’ eye seem to glass over, and then those glasses become like the rolling wheels on old fashioned slot machines; three to five whirling images. When they all come to a stop, the response is an elongated, “Huh?” followed by the actions of a drugged zombie.

Since tomorrow is income tax filing day in the good old USA and there is so much bellyaching being done by the six figure salary conservative New York based news commentating sheep about the reality that almost half of American households this year will pay no federal income tax, perhaps they should stop the “Bah, bah, bah” and seriously propose or do something constructive.

Back before the previous messiah-ship of Ronald Reagan, when marginal tax rates were 70%, there were all sorts of limited partnerships and small business investments available to allow the sheep to invest in business opportunities rather than give their hard earned money to the government. That all disappeared with the Reagan tax cuts, as did America’s Main Street entrepreneurs. Decades ago American entrepreneurs were also liquefied with flight money from other highly taxed enlighten foreign investors. Back then the goal of the very wealthy was to pay no federal income tax and the want-a-be petit bourgeoisie worked diligently to pay as little as possible.

That all changed with the advent of trickle-down voodoo deficit economics. In the process, who you really were, as to honesty, integrity, and morality changed to what is your credit score. So back in those old twentieth century days a few crooks scammed a few

not so diligent sophisticated investors, with very little effect except for gross government regulations.

In the modern twenty-first century, highly leveraged investment bankers, totally unknown to all forms of governance and hence totally unregulated by them, both domestically and abroad, scammed the whole world. We were told without the financial bailouts the whole world would collapse. Furthermore, to the best of their ability, these worldwide risk takers continue to do the only thing they know how to do, manipulate leveraged markets to their own advantage and really nothing more. Ain't highly evolving financial progress grand!

Personally I sort of favor a flat tax to eliminate all the special interests in the current tax code. The problem with changing the tax code in that direction however, is all the special interests that have an interest in their interest in the tax code. Therefore in mid decade the flat tax pretty much ran out of gas and was replaced in conservative circles with what is called a Fair Tax which is really just a national sales tax. This is similar to a value added tax or (VAT) which is generally hidden in the price that you pay, rather than added on top like a real sales tax.

In doing research for this article I put together a simple Flat Tax scenario using the general assumptions of those mid-decade programs and data from the National Debt Clock. Since we are in a sort of Federal Government spending spree, I decided to use a Flat Tax rate of 20 percent. Things looked nice to me on the revenue side of the equation. Then I looked at the current levels of government spending, even when I factored out the unfunded entitlements, it scared me greatly. (That's a politically correct statement for what I really saw.)

Compared to the revenue projections as standing on home plate, Federal expenditures were not out in left field but way over into China. I deleted what I had done and started over. I really cannot get my mind around the financial hole we are digging with our current level of spending. If governance is impossible now, we just need to do nothing a little while longer, and the problem escalates beyond human capacity.

What follows I can defend using the informational and energetic principles of natural

law. You need both a working information system and access to appropriate energy to hold the whole community together. Human enterprises from families to nation states, all fall apart when the two are not properly tensioned. To make something grow you essentially need, a seed (the information component), energy (as a predicable constant price), and liquidity (as a true medium of monetary economic exchange).

Today we have in the United States, none of the above. Our current governance is telling you the worst is over, or is totally oblivious to true reality. You need to make provisions for a winter like the world has never seen, but just as spring follows the winter, you must look for what is good and will last, and let the superfluous go. What follows are somewhat related observations of the present, especially in the concept of economic monetary liquidity.

America's current governance problem is really best defined as inertia, 2 BIG 2 work, rather than chaos. Chaos can be created by thugs, such as is happening around the border within Mexico, with spillage into the states by the drug cartels. Chaos can also be created intellectually like what happened during the anti-Viet Nam war protests. These are essentially the work of urban intellectuals, with too much time on their hands and visions of the creation of evolutionary utopias, where they could actually contribute something with vain but real substance.

This utopian vision brings us such wonderful governance concepts, such as National Socialism in Germany and communism that had its fling in the repressive dictatorships in the twentieth century. It is also the basis of Saul Alinsky's "Rules for Radicals" that Hillary Clinton wrote her thesis and Glenn Beck has now made famous. All of these are really concepts to create controlled chaos, to bring about governmental overthrow.

As such they have no method of governance other than individual and community based repression of human's inalienable rights, whether the regime acknowledges the existence of those rights or not. The only way they can rule, and then very ineffectively and inefficiently is by force and collusion. They also share the religion of atheistic evolutionary materialism.

The United States of America has no such history even in her revolution. Our common belief in the freedom of religion not only serves as the basis for our individual and community rights, but allows,

should we take those rights for granted, the direct and rapid intervention of Divine Providence to quickly set the path back to the straight and narrow. This miraculously allows for the strengthening of America's unity in diversity. A very different diversity than the diversity of egalitarian humanists. It is by design that the unity in diversity of the framework of the United States is also the best human description of the Christian Godhead.

We may soon find ourselves again on our knees, but that is not only a good thing, it is the method by which the changes in American governance we currently need, will take place, rather than through repression of individual rights or the barrel of a gun. Amazingly that is the way the Iron Curtain fell and the Soviet Union disintegrated, and this was only obtusely related to Ronald Reagan's defense spending. It is also the reason we really don't have to worry about China in a real sense as we move forward. They need our governance direction, we do not need, nor will we adopt theirs.

Now for some warm fuzzy frosting, to sweeten and to help us understand our savory future.

First and foremost, our enterprises are going to become smaller, more regional, more diverse, and slowly more rural. We need to make things and provide services that are informationally rich and sophisticated, call it manufacturing information. People need to be trained to be more generalists, the specific specialists of early capitalism are an endangered species. Debt as the sole source of growth needs to disappear.

The greatest hindrance to this happening is the reality that financial capital, liquidity, and equity are presently controlled by, 2 big 2 fail — 2 big 2 work, global and urban institutions, and no one in either governance or enterprise has a problem with that. As a result the difficult, will be essentially impossible until they wise up, or they fail from inertia, and go the way of the natural dinosaurs, which they represent.

In short globalism which was and is still hyped as the solution to our human suffering, will cease to become a viable economic model, because it is grossly energy inefficient, and that tension will bring civil unrest especially where governance continues to cling to twentieth century failed utopian models. The Mediterranean members of the European

Union being the currently emerging examples.

In the United States only seven states have no state income tax: Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming. In Washington we pay sales tax on pretty much everything except food. About the only noticeable quirk is that all carbonated beverages are taxed but juice is not. With local options included, it generally runs eight to nine percent in most areas of the state.

Pretty much every session some liberal legislator from the Seattle environs suggests an income tax to provide for some more money for required state services and to be more fair to all the poor people. Enacting those proposals would require a vote by the people. The last time that was voted on was in 1975. "What part of don't even try, don't you understand," is pretty much the vast majority view. Since property taxes are also highly constricted, as of this writing the legislature is attempting to push through some temporary sin taxes to meet the budgetary shortfall, they will probably wrangle that through somehow.

At the national level of non governance, the VAT will be proposed in addition to the income tax to somewhat pay for current excessive Federal government spending. That will kill the conservative Fair Tax, which is designed to replace the Income Tax, which would require the repeal of the Sixteenth Amendment to the Constitution. If significant Republican gains really occur in the fall elections, the VAT is dead, the Bush Tax Cuts will expire, Obama will veto any significant tax cuts, which probably will be sustained, as will attempts to repeal ObamaCare. That only leaves the option of Republican refusal to fund ObamaCare as the only governance game in town.

With the Dow now in the 11,000 range and similar markets rebounding, with oil in the mid \$80 range, and gold providing a inflationary buffer at over \$1100 per oz., they all have served as a stabilizing effect on the economy, provided a sump for a lot of excess created money, thus easing inflationary pressures on both the world's psyche and the dollar. Over the long term however, if this trend continues, there will be less gumption for governance to make the changes to the financial markets away from monetary games and toward true wealth creation and truly free markets.

Nowhere is there anything but talk about creating true wealth equity capital for creation of the new products and services we will need in the future. So that

will have to wait until the government imposes high marginal tax rates, which instead of creating increased tax revenues to pay for the cancerous government programs, will recreate the class of flight money that provided the capital for entrepreneurial endeavors for most of the twentieth century. Call it progressivism's back porch benefit, but that is not the way good governance should address the problem at any level.

So as we can see the empirical evidence is pretty much in and verified that if significant steps are not taken to dismantle and reform much of the Federal government, it will fail and will at least need a significant currency revaluation to reestablish a reasonable basis for renewal. That sounds like a bitter pill, but if we won't take any other actions to treat the debt cancer, that will be a cure that will stop the bleeding and allow for a true fresh start.

But look at it this way. North America is isolated from any true external imperial forces. If necessary Mexican drug cartels will be eliminated and Mexico will again become a true nation. No matter how bad things get in the world, God still has shed his grace not only on America, as the United States, but also as in North America.

Now let us look briefly at the underlying basement for rebuilding. The United States Constitution is the blueprint. It clearly states the Federal Government is last in line, the states run the legislative show. If you don't want to live in a state with no sales tax, you currently have seven options. If the states can't or don't want to fund the unfunded mandates of ObamaCare through Medicaid, they will not fund them. In Washington State that ObamaCare funding would be a real interesting exercise, even with the strong liberal presence in Western Washington.

When the great father from the land where the sun rises ceases to provide a free lunch, people will figure out ways to make their own. Pretty soon, much more rapidly than anyone could imagine, people will find things that need to be done, figure out a way to do them, and in the process get paid for doing it. I doubt there will be much need for derivative traders however.

If the Federal Reserve decides to provide a sound dollar, that recovery of the nation and the world in general will be accelerated also. In that paradigm, 2 BIG 2 fail, will fail, and as a consequence 2 Big

2 work, will be reduced to the proper economy of scale where it will work properly again. That level will be determined by natural law, not the human requirement to maintain globalism as an economic dinosaur.

Speaking of dinosaurs, Wall Street brokers and investment banks will be replaced with state and regional business developmental companies that can and will attract energetic financial liquidity from around the world, and they will supply that equity to entrepreneurs that will build strong efficient truly free market products and services. Immoral speculators, Ponzi schemes, and paper scammers will be eliminated from the economic gene pool. The Invisible Hand of Adam Smith will again become the hand of God and true benevolent charity will replace government-induced slavery. This will create new wealth essentially ex nihilo, and debt will not be the sole means of commercial growth.

The founders of the American Republic provided this gift of a governmental foundation based upon the liberty of the individual operating in the God given gifts of natural laws and common grace. The old is passing away; the new rebirth will come like the spring. It isn't rocket science, it is the way God intended, it is time to spread the seed again, not only in the United States, but also in the world.

That seed is the General Governance Theory, that God ordained to be established in this country and to be freely given to the rest of the world. It is time we again reestablished those priorities. This revolution will not be fought with guns and bullets, nor nonviolent protest, but rather diverse informational energetics and continually renewing economic growth, which is the basis for all life and the prime witness of natural law.