



# *The* Wonder Springs Chronicle

24 August 2011; Volume 13, Number 35

## 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](http://www.wondersprings.org) email:*

*[jerryb@wondersprings.org](mailto:jerryb@wondersprings.org)*

*[chronicle@wondersprings.org](mailto:chronicle@wondersprings.org)*

*©2011; 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](http://www.wondersprings.org)*

## Consumption — Creation: Part 2: The Present and Forward

Do not be conformed to this world, but be transformed by the renewal of your mind, that by testing you may discern what is the will of God, what is good and acceptable and perfect. — Romans 12:2 (ESV)

Looking at it optimistically, we sure have been learning some important lessons in this early decade plus of the twenty-first century. Two twentieth century strategic lesson failures have been booked, one more to go. And actually the third is just an anabolic steroid witch's brew of the first two.

In alphabetical order, we have come to realize that crony Industrial Age crapitalism, with humongous global corporations, and bureaucratic governments; hiring overpaid and over-benefited workers really aren't and can't provide engines of continuing economic growth.

We also have learned that economic Keynesianism, to create consumer demand through the multiplier effects of massive deficit spending, really provides only very short-term demonstrable

stimulus to the economy. One thing it does do however, is greatly increase the national debt to totally unsustainable levels.

Finally, the tutorial yet to be apprehended, the bipolar ten thousand pound gorilla in the room, is when you combine Industrial Age crapitalism with military Keynesianism you end up with a military industrial complex that provides the physical bases for a type of imperialism that consumes more financial resources than basically the rest of the world's national defense budgets combined.

When it comes to Acts of Man, defense of our American way of life always seems to float to the top. The problem is that the scum is never removed and eventually ends up spoiling the whole vat. So it is with our military-industrial-



Keynesian-complex; all components are colluding together. Most recently we needed to fight a “War on Terror” to protect our supply lines for the stuff we need to consume to keep the economy moving onward and upward to the future shining city.

Furthermore when you add together all the national defense related expenditures from the Department of Defense, Homeland Security, classified and off budget expenditures of one type or another, there is a strong indication that we may be spending ten percent of GDP, to be the world’s last superpower, nation builder, policeman; attempting to maintain the shining military garrison on the hill—everywhere.

The solution is really quite simple, just like the British systematically dismantled Hail Britannia after World War II, and the Soviet Union wisely did the same a half a century later; the United States of America, must follow in these wise governance footsteps, or confront the reality of total national economic collapse.

Looking back at history, not only does Tricky Dick, Richard Nixon get the blame for debasing the world’s Bretton Woods monetary standard, he is also directly to blame for an even more nefarious mistake, and that is the decision to move to an “All volunteer military.”

It could be soundly argued that Nixon had really no alternative to closing the gold window, because military industrial complex spending, begun by president Kennedy and combined with Great Society and the Vietnam buildup under president Johnson—left Nixon with no other viable choices. His soon to collapse wage and price controls are other matters.

However the fundamental founding principle that had never wavered in the United States until this time, was her foundation on essentially a civilian defense force. Historically the demise of empires rapidly follows the hiring of mercenaries to fight a nation’s wars. In America’s case, the vast majority of our gunmen are born domestically.

I was actively in the middle of this change. I thought a “professional military” was a ludicrous idea at the time, and nothing has changed my mind since. But my reasons are probably unique in the universe. I believe that we need a civilian military,

because the military experience is much too valuable to be wasted entirely on the armed forces.

A case in point, virtually all the inane stupid decisions coming out of the American government can trace their roots to the reality, that there is no leadership within the government. The best and most cost effective training school for that leadership is the military.

Out of all the Republican candidates for the presidency, only Ron Paul seems to understand this excessive military spending reality. The rest of the Republicans, even beyond the candidates, and most of the national Democrats, support our current military-industrial-Keynesian-neocon-complex. The major reason for that is money. Campaign money from military industrial complex contractors, and money as jobs, within virtually every congressional district and all states.

After all, if we are to continue to build the shining city on the hill, it must be protected so that we can continue to get more, as heaven helps us enrich ourselves.

Chalmers Johnson was probably the most vocal critic of current defense expenditures. Within, too much editorializing about a lot of vaguely related information, his books do make a required case for the United States to rethink and greatly reduce our military budgets.

President Carter was unable to manage the economic mess that he inherited from Nixon through president Ford. That changed with the election of Ronald Reagan. My real beef with Reagan is that he severely cut much domestic spending and simply rerouted those funds, coupled with tax cut deficits, to the military industrial Keynesian complex instead.

Even with the inevitable demise of the Soviet Union, which would have happened without the Reagan militarism, military Keynesianism continued through the Clinton era up through George W. Bush to Barack Obama. Needless to say, without our current professional military expeditionary forces, the wars in Iraq and Afghanistan, within the context of nation building, or counterinsurgency operations, would not exist.

So here we are in late August 2011. The world’s economies are continuing to crater, while national and international leaders look to the twentieth century for

Industrial Age solutions; that for a generation, only worked through highly leveraged debt fiat money Ponzi schemes.

In the United States, president Obama's economic understanding will be reinforced in September by another speech that will put "Country first;" meaning the country he knows worked in the New Deal—which made that depression Great. Then we can move to his vast understanding of the military. "Ya sure, you betcha!"

From the Republican Party side, it is another "Ya sure, you betcha!" that they will continue to ride a similar "Country first" horse when it comes to protecting the military industrial Keynesian complex. Country first is really just a final Act of Man, totally divergent from the founding of the American republican experiment; that relied on Divine Providence for our ultimate security.

Money, money everywhere and none of it does anything, simply because it has no energetic natural law value. In reality it is really just a faux-fiat-money-god, which demands continual human sacrifice to the notion that the past, is always a simple object lesson for the future.

For most Americans this is an impossible to accept vision: The Federal government is too big and complex to work effectively. As Putin says it is a parasite, on the American people and the world, just like the former Soviet Union. Our states, for their part, also attempt to perform this national vision. The American amorphous mass of bungling bureaucracies; cannot be the abode of freedom and opportunity.

Last week we spent quite a bit of time discussing the Republican candidates, as well as the president, and their desires for the American political and religious vision; extending the shining city on a hill, and heaven helping those who help themselves. In various articles and editorials there seems to be related observations. Summarized, that is Barack Obama's best chance for being reelected seems better, when running against the current Republican candidates, rather than a generic. We should add Chris Christie, Paul Ryan, and Sarah Palin to that Republican candidate list.

More specific, was an article by Nouriel Roubini, "Is Capitalism Doomed?" Because

of my background in natural law energetics, my underlying assumptions might come from a different understanding of cause and effect, but lead to essentially the same conclusions, and it seems that political leaders don't have the background, or the will, or both, to make the tough leadership decisions we now require, not only in the United States but also in the rest of the developed world. The trite, stale, and unimaginative concept of kicking the can down the road and off a cliff still reflects current reality.

When I was in high school and through my college days, during the winter and for a greater part of the rest of the year, I played a lot of basketball. Hence the major goal when I ended up in Southern Germany in the military was I wanted to learn how to ski. At my first opportunity I took a week of skiing lessons in a small hamlet a few clicks outside of Kitzbuhel, Austria. Over time, I had the opportunity to ski in many of the world famous ski resorts in Germany, Austria and Switzerland.

Since most of these ski areas were above the timberline and most of the villages just below, I became fascinated in learning about avalanches. As I researched these potential catastrophes, I quickly learned that the science of managing avalanches, before they became large enough to become truly destructive, was totally fascinating. There were certain snow conditions that indicated when a critical state was reached within the snow pack, and then explosives were used to create small avalanches, instead of the destructive cataclysm. Scientifically the snow was managed within the awareness of exponential (natural) power law mathematical equations.

The same power law equations would have worked in anticipation of the economic avalanche we generally call the Great Recession, or the financial collapse of 2008. However the complex mathematics of economics is forced to follow the elementary arithmetic formula of  $GDP=C+I+G+N(E+I)$ . To make matters worse, these numbers are really just aggregates of some central means of measurement and then popularly converted into percentages of the total, for simplistic public consumption.

My problem with these analyses is that the critical mass and the power equation, just like in a real avalanche, are all of the time buried under many feet of beautiful clean white snow. If you never look for the critical state, underlying these reported observations;

you surely are never going to predict the economic endgame now facing the whole world.

For example the “champagne climate” average winter temperature at St. Moritz is 9 degrees C (48 degrees F) this at an elevation of 1950 meters, (6400 ft.), but if you happened to be caught outdoors over night when the temperature would drop to -48 degrees C (-54 degrees F) chances are, you would become a frozen statistic that the local tourist bureau would not be happy to publish.

Looking at the Natural Lifestyle Curves in our Business Ecology section you will notice that most of the upward growth sides of the curves are relatively easily managed, it is the peak and a following steep cliff, where you reach critical mass and power law takes over. Just like when caught in a real avalanche, all you can do is attempt to swim on the surface until it stops, and if buried, hopefully you carried an avalanche beacon, so that rescuers can find you before you suffocate or freeze to death.

However if you ski within the limits of developed ski areas, your trips to the bottom of the hill can be one of the most enjoyable experiences of life. In the world’s current economic muddle, the ski lodge is still many years down the slope, but if you stay to the intermediate runs and let the experts test the cliff and fresh powder, you can make it to the bottom safely, and guess what, you might have had enough fun along the way—to decide to take the gondola to the top for another ride.

Changing our metaphors slightly, in early Narnia, where it was always winter but never Christmas, you can now begin to make preparations for the winter thaw in our economic conditions, when entrepreneurs can again begin looking to create new agricultural wealth, to bring about a new understanding of the uniqueness of the human individual, and to move beyond the endgame of the evolutionary demise of the economic dinosaurs and behemoths; now so dominate in all phases of our current culture.

With that in mind, below we have prepared five creative steps to be taken by the United States Federal Government, which will allow for us to rebuild on the valley floor and let the shining city on a hill and the operational paradigm of heaven helps those who help themselves, be truly understood as just a primitive evolutionary concept, of something

we tried for a century, and all it really did was just bring us back to where we were before.

A good friend, oft told me, when I would begin to pontificate, that when I pointed my finger at someone else, there were three fingers pointing back at me. In this illustration, the me is the United States, and to believe that we will grow our way out of this need for global deleveraging through raising our exports, to the detriment of other nation states; has absolutely no basis in human affairs of a real world.

In furtherance of the demise of the global model, I have never been even a slight believer in twentieth century mutually assured economic global destruction, not because I do not believe in international trade, but that much of what is credited as the benefit of this trade, is totally energetically unsustainable, and the situation will get significantly worse as limits of growth ensue, as basic industrial commodity prices continue to rise.

What follows is essentially an America first economic program, designed to be gradually but linearly upward, while at the same time providing a mechanism to revamp and reduce current and future entitlement spending.

Politicians of both political parties will find very little to like in what follows. Perhaps through time, they will learn a seldom-learned political lesson: They are not the leaders of the country, but just evolving trend followers.

I doubt economists and other financial types will be enthralled with these proposals either, because stable linear growth will make their educational elitism, an endangered species; for it will put a damper on business cycle unintended consequences brought about from making stupid-simplistic myopic economic decisions that cause severe repercussions around the world.

What I believe these creative solutions will do, much more than how all the numbers may run through the think tanks and the Congressional Budget Office models, is how it will restore the confidence of the American people, in a way that has been unseen perhaps in sixty years, perhaps for a century. That dream is based upon the pursuit of happiness, again passing on our American heritage to our children and grandchildren.

In a way these creative solutions, to overcome

our continuing financial deleveraging problems, essentially says to the rest of the world, "Let them eat cake!" But going back to our three fingers pointing back to us: "We have met the enemy and he is us." Much more bluntly, we have created this muddle and no outside party is truly going to help us fix it.

By changing the categories and the percentages, the following human centered solutions, can find applications anywhere, in any country, where people want to wake up in the morning with the hope that they can make the world a better place, by doing their job and understanding that they each have something to contribute to the world; beyond being a consumption or a production automaton.

The United States occupies the most blest natural territory on this earth. It was our natural bounty that allowed our history to make us a great nation. As we are forced by hard choices to dismiss the Babylonian shining city and unchecked greed; we shall again begin to adjust to a new reality and seize the opportunities, that living in a well-watered valley in a diverse, dynamic, landed, growing community—is a much-prized way of life.

### ***Creative Solutions to the United States of America's Fiscal Insolvency:***

The Federal Reserve's current two-fold mandate to pursue low inflation and job creation is rescinded and replaced with the goal of providing a strong dollar as the primary basis of national financial security. A gold standard is totally unworkable in the modern world; a strong dollar standard only requires responsible, consistent monetary policy.

Our Federal government's portion of national GDP will be reduced to 14 percent over a period of ten years. During that period the national defense portion will be reduced to 2 percent of GDP, through the dismantling of the military-industrial-Keynesian-complex. This will very likely produce another recession, but will reset a solid foundation, for future

economic growth that looks optimistically forward.

The current progressive income tax will be replaced with a standard flat tax rate on individuals and corporations of 20 percent, with the only exception and exemption for the poorest Americans. This rate will continue until such time as the nation is again established on a sound financial debt-reduction basis. Then and only then can that rate be reduced.

Social Security and Medicare withholdings from individuals will be maintained at current levels, but the cap of total contributions on a yearly basis will be removed. In pursuit of a sound dollar financial monetary policy, those funds will go into a true lock box concept, with no ability of the legislative and executive branches to use those funds; except as truly marketable and repayable investment bond securities.

National catastrophic healthcare coverage will be instituted for all citizens and documented workers, being funded through a national sales tax on goods and services. This tax can be used for no other purposes. That rate will be determined by actuarial data. Within that program every individual will be responsible for the first \$50,000 of the defined catastrophic illness or other healthcare event, except for what is currently defined as long-term care, where the maximum individual liability will be \$100,000. Individuals will be able to buy insurance to cover those minimums through market-driven insurance options. Over time this national tax will be reduced as current Medicare and Medicaid are gradually phased out over a period of twenty-five years.