



# The Wonder Springs Chronicle

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## 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)

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## Auf Deutsch: Nein, Nein, Nein (No, No, No)

*'It's not a calamity to die with dreams unfulfilled, but it is a calamity to have no dreams.'* Later in life, I would learn that this is, and should be, the mantra for the true CEO of SELF.

— Herman Cain, Quoting Dr. Mays, his Morehouse College President  
Yes, yes, yes it is a play on words; using the German language. This week we will spend our time looking at Herman Cain's 9-9-9 Economic Plan. When progressives finally begin to take Mr. Cain seriously as a presidential candidate, they will begin speaking with both the German and the American meanings, *Nein! Nein! Nein!* — *No! No! No!*

One of those mainstream media news-commentaries from Monday found connections from Wisconsin to Virginia allegedly linking Cain's campaign to the billionaire Koch brothers and their bankrolling of American's for Prosperity for which Cain did some work. How about from Washington State, or Alaska to Florida, or Maine to California or Hawaii, Alabama to Wyoming, but two points just make a straight line,

they do not make a journalistic linking continuum, except in simplistic *Nein! Nein! Nein!* — *No! No! No!*

The 9-9-9 Plan is the most profound taxing program in a century and a half; since reconstruction after the Civil War; since the rise of evolving social progressivism; since the demise of the nineteenth century definition of liberalism; I could go on.

Speaking about his plan on 8 August 2011 Herman stated, *If ten percent is good enough for God, then nine percent should be just fine for the Federal Government.*

But why should the evolving, progressive Collective Elitists lose what is left of their remaining sanity over a simple plan to revamp the Federal tax system in the United States?



Simply put, the 9-9-9 Plan commonly creates, as well as humanly possible, a natural law indicative level economic playing field for all people, no matter, race (a non Biblical distinction) creed, religion, or their natural origin.

More bluntly, with the enactment of the 9-9-9 Plan each individual won't need to look to some person who, through education, social class, access to capital, or atheistic belief in their personal superiority over the huddled masses, holds the keys to economic prosperity. Within that indicative, we have been given the grace to create imperative solutions.

*Say it is so Joe!*

Well I don't think the oft-quoted vice president will actually admit that reality.

The grace of God, expressed solely through the gospel of the life, death, and resurrection of Jesus Christ, also opens a door to His sense of humor.

Going back again to the American Civil War, we can see in that great struggle, an ascendance of the rule of law, in which race based slavery was forcefully eliminated. That concept of some humans desiring to rule over the lives of others is however as old as human original sin. Just because we wishfully think that we have evolved to the point we can solve all our problems within the power of diminishing human intellect, doesn't change that human depravity.

So God in His grace, reflecting on a divine sense of humor, brings to the fore, one president and one presidential candidate, both of color, totally the antithesis of one another.

While we may never know the true beliefs of president Obama, we can truthfully say that his apple didn't fall that far from the tree of radical leftist social engineering. Herman Cain promotes the fruit of the positive aspects of the American Dream, of hard work, faith, and dedication to help others. In other words, in an extremely polarized country, we now seriously have two polar opposites as meaningful contenders to be our next president.

How will that work out? I have never claimed to be a prophet, but maybe some within the Republican field are more akin to those methods

of future prophecy. It does show however quite starkly, as we have previously pointed out, the American experiment came about by Divine Providence, and to think that this God has abandoned us in this time of need is just wishful thinking on behalf of the crowd who states: Nein! Nein! Nein! — No! No! No!

In September in Freed Entrepreneurs we discussed Mitt Romney's Believe in America in contrast to Brute's Grizzly USA Plan (Tag). Borrowing from that introduction this week we add the 9-9-9 Plan and will more or less compare it to the Grizzly Plan. For all its slick polish, Believe in America seems to do nothing but slightly modify the current progressive Republican mantra. Furthermore his desire to bring Federal spending down to just twenty percent of GDP, is unworkable in a twenty-first century, muddle through, economic debt supercycle endgame.

*Grizzly USA Plan:* 398 words — two copies on one piece of paper; 88 KB

Mitt Romney's *Believe in America:* 39,176 words — 160 pages (88 in PDF; 1.0 MB)

Herman Cain's *9-9-9 Economic Renewal Plan:* 797 words — one page, cheesy icon on reverse, PDF layout; (1.8 MB)

According to the 9-9-9 Plan, it is stated to be *neutral with respect to savings and consumption, capital and labor, imports and exports and whether companies pay dividends or retain earnings.* It has nothing to say about the big Grizzly bear in the room — revenues.

Using *Gary Robbins, of Fiscal Associates, the 9-9-9 Plan will expand GDP by \$2 trillion, create 6 million new jobs, increase business investment by one third, and increase wages by 10 percent.*

So how does this profound change really impact Federal government revenues, especially as they relate to the earlier quotation? *If ten percent is good enough for God, then nine percent should be just fine for the Federal Government.* Does that mean that Herman wants to reduce Federal Spending to 9 percent of GDP?

That surely is a significantly larger breed of Grizzly than Brute's 14 percent, the general Republican mantra of 18 percent, Mitt Romney's 20 percent and current Obama Administration's unsustainable 24-25 percent.

In reality there seems to be no simple, common sense way to compare the 9 percent apples of the tax rates, with the actual plums that may be produced from the revenue tree. Some think tank can create a complex model that will give us those results, and I'm sure if this goes forward, both the Nein deniers will do just that, as well as Cain's supporters.

It seems, regarding these elites, *we're so smart you have to trust us on this*, is really the fundamental cause and effect of the current and developing overspending of our limited financial means. Here too, we have to hope in change; again much more than spare change.

My personal guess is that the 9 percent taxes should be enough for the Federal Government if we put the over bloated Federal Government spending on a decreasing tight spending reduction leash. The 9-9-9 plan is all about taxing, and there is nothing at all to say about what we are going to do with the plums produced, especially when those crops will always be the result of a God designed world of natural limits.

The Grizzly USA Plan assumes that ObamaCare will go away through, repeal, judicial action, or because it is too expensive. It replaces ObamaCare with national catastrophic health coverage for all "citizens and legal residents" funded by a national sales tax. This rate is determined by actual actuarial mathematics as a zero sum game, and adjusted accordingly. In the 9-9-9 Plan the national sales tax is just one of three revenue streams, unrelated to distinctive spending allocations.

Grizzly USA removes the upper income limits on Social Security-Medicare contributions and eliminates Medicare in 25 years. The 9-9-9 Plan eliminates those limits also, and assumes that these and other such government programs can be funded (at present levels?) with the revenues 9-9-9 will produce.

We took Mitt Romney to task for his total lack, of any true reference to American agriculture. Our current agriculture subsidies, basically result in nationalized agriculture, run by an agribusiness oligarchy for the benefit of the fast food service-

industry. What would the burger-pizza king Herman Cain do about those massive agriculture subsidies; within our without of his 9-9-9 Plan?

In a world of natural limits, the United States has the most productive agricultural area on the planet. When America is called upon to feed the world, only vibrant free enterprise wealth producing agriculture can create the food and the prosperity to make that happen.

While we are at it with the Department of Agriculture, and coupling it with the EPA and the Department of Interior, during the Clinton-Gore Administration, we enlighteningly and perversely created a shadow program of Environmental Imperialism. What that means is that we quit doing anything on our public lands, essentially creating de facto wilderness parks, and exporting timber harvesting, mining and other activities to other countries.

America's common lands are also our greatest natural treasure, yet under the excuse of lack of funds, the health of our forests are in danger from disease and fire; now virtually all timber harvesting is done on private lands, causing mills to shut down for lack of timber. The current demise of the Stimson mill at Arden, Washington, was caused by Forest Service ineptitude and bureaucratic loggerheads.

This is the place we should introduce Cain's vision for a *platform to launch properly structured Empowerment Zones to renew our inner cities*. Perhaps a visit to Ferry County, Washington, the poorest county in the "You can't do that state" would alter those zones.

Governments, of some order, own eighty percent of the land in Ferry County. Of the remaining 20 percent, roughly 80 percent of that is private forests, taxed as forest ground; leaving 4 percent of the total we started with. Out of the remaining, about 80 percent is very marginal agricultural land and 20 percent real residential or recreational property.

Of that 0.8 percent of residential-recreational land, I own a small acreage on the Kettle River, of which, I have been told by real estate speculators, is "one of the nicest small parcels in the Northwest." When you put that property in the context of recreational land in say the most scenic regions of western Montana, it would rate about an impartial 5 on the 10 scale. So in this brave new financial-economic world, Ferry County

really has no viable resources or means in which to continue to exist.

So while Ferry County is an extreme case, most of rural America, the Great Fly Over, the God-awful Drive Through, the nowhere place between the Right and the Left Coasts, is just as in need of not just Empowerment Zones, but also Entrepreneurial Pioneer Areas (EPA).

This economic development would be, by adapting the terminology of Wallace Stegner, the *Third Opening of the West*, because the second was a dismal failure. That is essentially true because many of the urban-urbane are terrified of being forced to deal with true natural law, as a prerequisite of a prosperous rural life. Which is the real reason behind the Red and Blue state divide.

Outside the 9-9-9 Plan, Cain has stated that he will pursue the Reagan defense posture of "Peace Through Strength." Does that mean, as Reagan did, cutting domestic spending and putting it into a further buildup of the still expanding Keynesian military industrial complex, where our bases provide really a pseudo type of American Imperialism?

The Cain 9-9-9 Plan states that the ultimate goal is to repeal the Sixteenth Amendment, which authorizes the collection of income taxes and to institute the National Fair Tax program.

The current 9-9-9 Plan includes a provision for charitable deductions. So if we are to basically eliminate the IRS under the plan, and until the Sixteenth Amendment is repealed, just how do we determine the limits of "charitable?"

I know a number of people who believe that the Federal Government has no right to govern the affairs of the church. When you look at the Christianity — Government history; that government subservience is really an evolutionary progressive concept, and in many historic cases the subservience has been the church superior to the state. This is a question that would never even be breached in Islam, or Orthodox Judaism.

Beyond that how do we determine secular charities and other nonprofit public service organizations? Do such profound changes, as forecast by the 9-9-9 Plan, rely completely upon

arcane IRS determinations, to determine its only significant tax loophole?

One other loophole seems to be that no taxes at all are to be paid by passive investors such as our now famous tax the rich Warren Buffet: The 9-9-9 Plan *Features zero tax on capital gains and repatriated profits.*

Finally we need to look briefly at the National Sales Tax, Fair Tax provision in some detail. One good thing about living in the bureaucratic "You can't do that" state is the reality that the citizens understand that this door does swing both ways. Last election, for the first time since 1973, the governmental powers thought it would be a fair, progressive thing to do, to pass a small individual income tax. Hopefully it will be another 37 years before they try it again.

As a consequence, as the one email that I mentioned I would be doing a thing on Herman Cain's 9-9-9 Plan, a response mentioned that in Seattle with a state sales tax of 9.1 percent, this would make the tax rate on goods and services 18.1 percent. In different local jurisdictions of the state the rate varies from 7.6 to 9.1 percent.

Contrary to the 9-9-9 Plan stating this National Sales Tax is a "replacement tax" different from the "add on state sales tax"; it will not be "neutral with respect to savings and consumption." This is also the weak link in the plan's goal to eventually move to a universal "Fair Tax." If we need 9-9-9 now what will we need when we go to Cain's Fair Tax, 20, 30, or 40 percent?

One thing we will learn very quickly is a series of new applications of price and demand elasticity and inelasticity on each and every good or service. That will surely be especially true in the short term. In Washington State, true food, is not taxed, would this also be exempt in the 9-9-9 Plan. An, essentially 10 percent increase in the price of food, is not going to make life easier for the nation's poor, and giving them specific sales tax exceptions-exemptions would be a progressive, bureaucratic boondoggle.

The national GST (Goods and Services Tax) in Canada is 5 percent with added provincial taxes making the totals varying from 5 to 15.5 percent. Germany has a general value-added tax of 19 percent with certain foods taxed at only 7 percent. With the world's most happy Danes, the value-added rate is 25

percent.

What this means in an economy which we have increasingly learned that GDP is based upon 70 percent or more of consumption of goods and services, is that rate is going to go down significantly, to what and when, is surely something speculators, hedge funds, similar financial innovations and casinos will begin rapidly trading, if Cain's candidacy gains further traction.

The simplistic GDP formula, we have long criticized for its lack of understanding of interdependent variables and unforeseen consequences. Any decrease in consumer spending will decrease GDP unless it is made up in Investments, Government, or Exports; Imports will surely decrease as well.

With a flat level common grace playing field it would be hoped that the purported \$2 trillion expansion in GDP will come from Investments and Exports. However if those investments and exports come primarily from Crony Capitalistic enterprise dinosaurs, behemoths and leviathans, we will be worse off than we are now. Then again the 9-9-9 plan calls for a strong dollar, which will alter exports as

well.

Thus far in 9-9-9 we lack any details of any attempt to reduce government expenditures, provide true incentives for wealth creating entrepreneurs, or providing alternatives to debt driven consumption. In short the 9-9-9 Plans even lacks the very few specifics of Mitt Romney's Believe in America, or the fundamental Grizzly USA Plan's essential Federal government reductions.

If and only if, competition and decentralization are introduced into the 9-9-9 Plan, can the natural law indicative level playing field be created for all people; then we shall see the business growth the plan seeks to promote.

However, if the 9-9-9 Plan is hijacked by the same special interests that created the endgame in which we are now dealing, then their imperative changes will lead to continual economic destruction and the 9-9-9 will be replaced with another similar indicative plan. This will continue until such time we become so sick and tired of being sick and tired, we will finally accept God's grace, and a new understanding of normal will return.