

Our Consumer-Based Economy Circa 2008

The U.S. economy was built upon and is only sustained by consumer spending. According to the experts, consumer spending comprises some two-thirds (2/3) of our economy. That means you, me, and everyone else we see everyday needs to be buying good and services. When we cannot buy things in the retail and wholesale market place, the economy begins to “stall” which is a nice way to put it.

The nation’s Annual Economic Growth Rate moves up and down during any given year, hopefully at a 3.0% to 4.5% rate anyway. Generally the higher the rate, which is calculated each month and then averaged for the year, the better the economy is performing.

Personally, I do not worry about that rate any more than the average American, but again CS2 is in part intended to share perspective on issues that most of us do not usually think or hear about, for common understanding. Remember this is general information. Economics at the national level is very sophisticated (I will talk about that word in Proposal 26 on Banking) and there are more different schools of *thinking* on economic planning than you would care to believe.

No one complains when it is high, but when it goes down and stays down for too many months it is called a *recession*. This is when the government, partially in the form of the Federal Reserve Board (the Fed) plays with the Banking Industry lending rates and usually lowers one or more of them in an attempt to “stimulate” the economy. Sort of like economic speed!

Another way the government attempts to stimulate the economy is by cutting taxes to business and the people.

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The Republicans like, no love to cut the taxes, especially to business and to the rich, more than to middle and lower income Americans. They work in favor of the *Few*.

President Reagan called his tax cuts “trickle down” — while some people called it “voodoo economics” — when he forced his tax reduction through Congress in the early 1980’s. He also, intentionally ran up Defense spending and borrowed the country into a huge National Debt. That debt was left for Bush I to inherit and led to his one-term presidency. Bush I demonstrated ‘little interest’ in the realities of the domestic (the people’s) economy, and Bush II has demonstrated even less over two (2) terms. Bush II, cut taxes like Reagan, and, he and MIC-Cheney created the optional Iraq War. He also has borrowed billions and

billions from overseas to pay for the war, rather than raising taxes to help offset some of the costs.

In 2000, the National debt was about \$5.7 Trillion dollars with a \$261 million dollars *surplus*. Not exactly a small debt.

In 2007, the National debt was about \$9-plus Trillion dollars with a \$250 million dollars *deficit*. And, grimly Bush II's Iraq War together with his Republican Congress' record (anti-traditional Republican) government spending — still has another year to make it worse.

The Democrats generally support tax cuts to business, but favor programs that target helping middle and lower income Americans. When they are in power, meaning the White House they promote government spending into domestic programs I would describe them as believing in a “bubble up” economic approach. It is getting federal dollars into the middle and bottom of the economy – *to the people*. Traditionally, they work in favor of the *Many*. However, in the last decade they have been voting far more like Republicans!

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While both approaches have good points, in a consumer-based economy which everyone agrees that America has, which approach would *common sense* indicate that National Domestic Economic Policy should tend to favor. Hello!

I will remind the reader that I am writing to you from the viewpoint of a 34-year, career Systems Analyst, system designer, and business problem solver. It cannot help but sound at times like I am favoring one Party more than the other, but that is not the case. True objectivity and common sense applied to the problem solving process usually filters through the nonsense and distractions to yield logical conclusions.

And again my client in this project is the Common Good of 300 million American citizens. And their requirement is to identify the basic economic and societal Changes required to put our National System on a realistic and practical path to short and long term success!

With regard to Party politics, overall both parties in the last few decades have failed We the People. And in the last 7 going on 8 years in particular, the Republican controlled White House and dominated Congress have *loosed* the Special Interests upon the National System for fun, profit, and bonus checks – with little or no regard for the negative impacts on the overall economy or the general public. But, why be concerned about the peasants. They are not the ones paying for their re-election campaigns!

To continue

The overall solution requires a little bit of both philosophies, properly balanced and “*rationally adjusted*” over the years as required, to yield an economic model that We should then be able maintain. What gets in the way of such rational economic planning is the fact that the two Parties do not know how to or even want to work together — especially on things to improve the Common Good. That is why We need to vote 468 of 535 of them out-of-office on 11-4-2008.

For the last few decades, every time the White House changes parties it is like they are playing ‘King of the Hill’ and the new Party tries to jam their philosophy through Congress and into National System. Increasingly over the last twenty (20) years as the U.S. economy has been steadily contracting and Special Interests have taken greater and greater control over Congress, the Republican Party’s philosophy has dominated National Economic Policy. Eight (8) years of Democratic policy with Bill Clinton was front-ended by twelve (12) years of Reagan and Bush I, and back-ended by eight (8) years of Bush II (and Cheney). That is 20 out of the last 28 years. Consider the following piece.

Their Traditionally Vicious Cycle

Some years ago the following perspective on national politics was offered to me and I found it interesting. How does it sound to you?

Historically, the Republicans have come into office, the White House in particular and after some years in power have succeeded in “screwing up” the economy! The American public finally loses patience and so hands the national leadership over to the Democrats. The Democrats take over, confront the mess, and somehow start to get things turned around. The People – us – with an all too short political memory see that business is going well and say hey, We should put the Republicans in charge because they are very pro-business and it will only make things better. The Republicans are then placed back in power and once again mess things up — and the cycle continues.

Sarcastic — somewhat, but in reality far closer to true than false.

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In January of 2009, the Democratic Party — unless they shoot themselves in both feet (you never know!) or the Electorate loses its mind (that’s us) — should once again assume control of the White House, as well as capturing a clear majority in both houses of Congress. Not that the public is not irritated with the Democratic Party as well, but their overall disgust with Bush II and the Republican dominated Congress must be punished. And We the People can punish

politicians at the polls, and this November's Election Day will be a history making.

Therefore, it is most likely that the Democrats will inherit the historic mess that Bush II/Cheney and their Special Interest handlers have deliberately and irresponsibly created — and profited from.

And this time the Democrats will be challenged to clean-up not only another Republican generated mess, but this time on both the domestic and foreign fronts. And this beyond any question is the biggest one yet – equal in economic complexity to the *Great Depression*, and this time with a war on the side...

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So where does the National System and
***We the People* go from here?**
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Mastering Our Economic Crisis

“Structuring and Securing Our National Economic Future”

I will unashamedly resort once again to Thomas Paine to frame the content of what We are about to review. Thomas Paine framed changing the status quo and confronting the obvious flaws of colonial America in the first paragraph of *Common Sense*,

“PERHAPS the sentiments contained in the following pages, are not yet sufficiently fashionable to procure them general favor; a long habit of not thinking a thing *wrong*, gives it the superficial appearance of being *right*, and raises at first the formidable outcry in the defense of custom. But the tumult soon subsides. *Time makes more converts than reason.*”

And with regard to the serious issues at hand – We are running out of time...

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What follows may indeed at first seem strange, foreign, illogical, and to some possibly illegal (which it is not)! However, We the People must now do what our leadership has proven them selves incapable of doing. *The Second Coming of Common Sense* as you have read so far is all about confronting problems and applying publicly, practical Changes to directly benefit the Common Good of our citizens and improve the National System in which We all must live.

We now turn our attention to National Economic Policy matters. Standing together at the start of 2008, We all know how difficult things are becoming in our contracting economy for individuals, families, and for most businesses. Therefore, I will get to the recommended approaches to help place our National System on the bumpy, but viable path to our short and long term economic recovery.

There will undoubtedly be those that scream about these offerings, saying that they cannot work or that We cannot possibly do this or that. However, they will work and We can do whatever needs to be done because it is our country – no one else’s. To any such source of opposition, I will challenge them right up front with the same comment I wrote in the National Drug Reform (NDR) Proposal to any potential critics – if they can present another approach that is of equal or greater merit to resolve the issue at hand, let them offer it now, but do not stand just there and defend the status quo. BECAUSE, otherwise they are only representatives of failed policies and inaction – neither of which We the People have any interest in or the time for.

Therefore, if anyone has better plan or rationale, I do hereby challenge them – *to bring it on!*

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Transitioning to the American Maintenance-Based Economy

Confronting the Fallacy of an Eternal Growth Economy

The unrealistic view that in the increasingly Global Market Place, that the American economy could continue to grow as it did in the late 1940's and 1950's or even as it did for brief period in the late 1990's is a fool's perspective. That is an economy where companies can make 10% to 15% or more *real* profit annually by actually selling more goods and services. The modern fallacy of that eternal growth U.S. economy, where profits just keep rolling in and increase each year based upon actual growth in real sales of products and/or services – is just that, fallacy. The economic balance of the world has changed and cannot be turned back – and it cannot be ignored either.

Therefore, We must get smart and deliberately and boldly re-structure our National System to bring back lost jobs and industries, as well as create new ones — and the sooner We get started the better!

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Over the last 63 years We have filled up the country from the East to the West coast and cannot practically accommodate or tolerate *illegal* growth in population. Yes, that issue comes up again. There are those that say no to that – that the more there are better, and they are the ones that have overtly and covertly facilitated the Illegal Occupant (IO) invasion. The time of uncontrolled borders must abruptly end and politicians must get that message in 2008.

Both Parties have perpetuated this blatant, national invasion. The Democrats forgetting that they are sworn in to serve American Citizens, not those that of their own free will violate our borders and then expect for sympathy, services, and citizenship. We did that in 1986 under Reagan and will not do that again. The Republicans talk a good game, but have done nothing to stop the flow. And Bush II is at least honest about his position, with his Open Southern Door Policy with Mexico. We need the IOs out so that We may determine how care for our own population. Some nation's must be forced to take care of their own population or to start practicing Planned Parenthood!

Moreover, today We struggle to take care of our own people's basic needs like food and shelter, which is a national embarrassment and disgrace. We continue to have crumbling infrastructure, like tens of thousands of bridges and our children's public schools in need of repair. And due to that “long habit of not thinking a thing *wrong*, gives it the superficial appearance of being *right*” mentality — We continue to allow certain industries and some too politically powerful groups to not only influence, but to dictate how the National System

will be run — so that it serves their profits, needs, and short-sighted desires.

So Enough is Enough

The industrial and political power structures that were born in that Golden Age of Capitalism, circa 1946 into the 1960s and are now (still) bullying the National Agenda must and will now be realistically confronted. For the Common Good of our society and economy, some critical Industries will necessarily be *involuntarily Re-structured* and reorganized into entities “newly chartered” to support individuals, families, and other businesses, as well.

Further, corporate and individual tax policy that continues to favor corporations and the rich, even when the obviously contracting economy is choking the majority of businesses and our people — will be prudently restructured to correct such imbalances. Since We will no longer allow free rides and pity parties for the traditional seekers thereof, those at the other end of the economic food chain will be cut loose from their gravy train of handouts, as well.

We the People are now challenged to agree upon and implement an economic ***Last Deal***.

All will contribute their fair portion.

All will work to support and strengthen our National System.

All will work to control and reduce avoidable costs to society, and,

All will share in the benefits that “American citizens” can expect by Right and keep by the Civilly Responsible Conduct.

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American Industry Re-Structuring (AIR) Program

American-based corporations and in particular those that are public, stock held entities will be required to seriously consider modifying their traditional approach to making their profits that are totally unrealistic given today's global economic environment. And in this case, "seriously consider" is not just a suggestion!

Too many of them for too long have been cutting people, benefits, and the real quality and reliability of their products and/or services to satisfy their shareholders and number serving, non-productive stock market analysts. And far too many are contributing to the epidemic of out-sourcing of American employment and businesses, only to satisfy spreadsheets and causing our fellow Americans to suffer so that someone else can earn slave-type wages.

And while all this has been done under our 60 year old, Capitalist business model and 'technically' in good faith — in the sharply contracting economic reality of the last decade, it has done the National System and the Common Good of our fellow Americans far more harm than good! And in some cases it has been done with the full knowledge of the real damage it will cause our people, society, other businesses, the environment, and in a few hard cases even our National Security. This preventable chaos will now come to an end, or, We may soon need to learn how to spell c-r-a-s-h! Not a joke.

That said, We the People will now direct the U.S. Congress to rapidly and involuntarily re-structure the operation of *an initial set* of critical Industries within the American National System. The purpose being to reorganize those industries into a far more practical and functional component within the National System that in turn will improve the way America works on a day-to-day basis — thus bringing them deliberately "in line" with Civilly Responsible business conduct with regard to the Common Good.

The AIR Existing Industries proposals focus on a group of industries that are in some unavoidable manner woven into our National System and impact the lives of virtually every American, each family, and other businesses on a monthly if not daily basis. Therefore, as previously stated this somewhat odd set of bed-fellows has been categorized as *National Infrastructure Industries* (NII).

The initial set of Existing Industries to be addressed under the AIR Program proposals are by number:

- Proposal 22 Health Care Insurance for ALL Americans
- Proposal 23 The Pharmaceutical Industry
- Proposal 24 The Tobacco (Nailing the Most Deadly Drug) Industry
- Proposal 25 The Oil Industry

Proposal 26 The Banking and Credit Card Industry
Proposal 27 The Defense (Military Industrial Complex) Industry

How well *We the People* stand together and come to a final reckoning with such industries will define the heart and soul of our Second American Revolution, and to a very, great extent — our National Destiny, as well.

There are *of course* some other industries that could be included, such as:

- Coal,
- Natural Gas,
- Plastics (now made from oil),
- the Automobile industry or what is left of it,
- the Wall Street Investment Houses,
- and the Commodities and Spot Markets where someone intentionally and wrongfully once put Oil.

Just to name a few that could easily be on our list — and that will be dealt with in due time, either voluntarily or involuntarily. For now those that most deserve to be at the head of the Irresponsible Industry list and therefore, demand our immediate and aggressive attention are accounted for.

The Involuntary Restructuring of these major industries will set the corporate example and increase the public's expectations and confidence in the future. It will also present a working model for the existing management of other corporations and their shareholders to seriously consider following during our National Economic Reformation — if they so choose. As necessary, legislation will be quickly enacted to permit publicly held corporations to utilize such voluntary profitability controls.

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I do not need to go into the details of the AIR Program Re-structuring here since it detailed in the Existing Industries portion of CS2 soon to follow. If you read the piece on American Industry Restructuring in Part 1 under Background, Terms, and Common Understanding you already have a good idea what awaits the Industries in this initial group.