

Facing the Future

Understanding America's Challenges and Opportunities

A series of essays

By

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Table of Contents

Preface.....	5
Introduction	7
Why Do You Hate America?	11
One Lap of America	19
Ranking America	25
Circles in Circles	33
The Nature of Change	41
Kodak and Our Future	45
Every 24 Hours.....	49
What You Know – True or False	53
Show Me Your Budget.....	63
Buying Boxes.....	69
Ever Bigger Boxes.....	79
Parallels	89
Wanna get rich? Get elected!.....	91
Who’s Driving The Bus?	99
Getting From A to B	105
A Perfect Storm.....	117
What We Can Afford.....	143
Elia Kazan’s America	165
232 Times.....	169
My World View	173
Fixing It	179
About the Author	185

Preface

This work consists of a collection of essays originally published at www.autopsis.com and introductory and concluding segments created specifically for this publication.

Due to the use of multiple sources of data, such as different departments of the United States Government, and data from different time periods there are discrepancies in numeric and financial data presented for the same data point between different essays. For instance, there are different totals quoted for the public national debt and daily outlays for imported oil due to the relevant essays' date of origination and the data sources utilized. In all cases, the totals quoted were accurate at the time of writing.

Introduction

June 1, 2010

If you or I each had a nickel for every time we've seen or heard the headline "America at the Crossroads," or its equivalent, we'd both likely be fairly wealthy. We've heard the United States was teetering on the brink of destruction so many times in our lives that the phrase, or anything resembling it, has almost no effect. In short, we've become so desensitized to discussion of our country's major challenges, much less warnings of impending doom, we are very unlikely to pay any attention to bleating about approaching icebergs as we collectively sip our umbrella drinks or engage in strident debates about the arrangement of the deck chairs.

But, even given our collective state of desensitization, it is hard to ignore the implications in facts such as these:

- America allocates less than one tenth of one percent, a mere 0.0628 percent, of overall federal government spending on higher education.
- The United States invests less than one tenth of one percent, 0.0933 percent, of its overall federal government spending on achieving energy independence.
- The United States government has spent more money that it earned for 47 out of the last 55 years.
- In 2009 the U.S. trade deficit was \$380.66 billion, of which \$226.83 billion was with China.
- The United States currently spends more than \$1 billion dollars per day to buy foreign oil.
- Under current policies, mandatory and interest spending will grow from 62 percent of the federal budget to 73 percent of the budget in the next ten years.
- The Office of Management and Budget (OMB) projects the United States national debt will increase to a total of \$25.76 trillion dollars by 2020.
- In 2010, the United States government will borrow \$40 of every \$100 it spends. The majority of that debt will be due for payment within five years.
- Annual interest payments on the public debt in 2020 are expected to reach \$723 billion.
- More than 10,000 baby-boomers will become eligible for Social Security and Medicare every day for the next two decades.
- The unfunded liabilities of the U.S. government, primarily in the form of Social Security, Medicare and Medicaid, add up to a minimum of \$75 trillion dollars.
- In 2008 the 14,446 lobbyists who permeate the United States political system spent \$3.3 billion dollars influencing the government.
- In 2008, the United States Congress enacted 43,524 earmarks for a total of \$2,657,220,000.
- The net worth of Senator Chris Dodd (D, Connecticut) increased 7,497 percent, from \$15,000 to \$1,139,509, in only 16 years.

Facing the Future

- More than 44 percent of the U.S. Congress are millionaires, compared to 1 percent of the population.
- More than 38 percent of the U.S. Congress are lawyers, compared to less than one half of one percent, 0.383 percent, of the population
- In the 2010 election, 331 of the 435 seats in the U.S. House of Representatives, 76 percent, are considered “safe” or gerrymandered for one party. That means the opposing party has zero chance to win that election due to artificially drawn electoral district boundaries that concentrate one party’s voters in a district.
- Fewer than two in ten Americans believe that government is run for the benefit of all the people
- Almost nine out of every ten Americans, 86 percent, believe the government of the United States is broken.
- Even as the unemployment rate climbed toward 10 percent, three million U.S. jobs went unfulfilled in 2008 because the U.S. workforce lacked necessary skills.
- More than one third of adults in the United States are obese.
- Among adult Americans, 25 percent cannot name any First Amendment rights and 62 percent cannot name the three branches of the United States government.
- One in five American adults is convinced that the sun revolves around the earth.

It is difficult indeed to read that list and contend that all is right in America.

While it is easy to rant and rave and rail against whomever you politically and ideologically oppose and lay the blame for the condition of the country solely on them—thus avoiding any responsibility yourself—it is entirely disingenuous to do so.

We are, as a nation, in our present condition as the result of the collective actions of both major parties over the last 65 years. During that time the parties put forth candidates from the same families, the same universities and mostly the same profession. Over the last 65 years a permanent ruling class evolved. That permanent ruling class proved repeatedly that regardless of party, the elected politicians were best at enriching themselves and their cronies and worst at running the country. During those 65 years both parties in turn and together have successfully resisted meaningful change to improve governance in the United States by eliminating the sale of public policy via campaign contributions. During those 65 years both parties in turn and together have successfully resisted meaningful change to improve governance in the United States by eliminating artificially distorted electoral districts drawn along party loyalty lines—gerrymandering. During those same 65 years we’ve elected and reelected those parties and their candidates again and again and again.

And that means the ultimate responsibility does not lie with the politicians; it lies with us.

No one held a gun to our heads and forced us to abdicate governance to a permanent ruling class. We made that conscious choice. We chose to invest our time and money on other things, mostly materialism and entertainment.

Introduction

That continuous string of choices to keep electing the same class of people over and over and over again added up to our present national condition.

And while their actions make it clear both parties are more interested in lining their pockets than governing the country, it is equally clear that the only way out of this mess is by each and every one of us, each and every citizen, each and every voter, doing what we must do first: we must face the facts and we must then face the future.

Why should you care? Because if nothing is done, the same people who have been running this country for the last 65 years will continue to do so. That means ongoing, uninterrupted decline, in both relative and absolute terms, of America and its citizens compared to the rest of the world. If you don't care and I don't care and almost nobody else cares, then the United States will continue on its current course. Is that what you want?

This series of essays reviews and encapsulates our current condition as a nation. It is non-partisan, non-radical and non-extremist.

This series of essays is intended to both inform and engender discussions that can move our country forward into a healthy and vibrant future.

To do so, this series of essays introduces relevant facts, facts that are often unpleasant, facts that are often disturbing and facts that can tempt despair.

But, despair is not a way forward. The only way forward is to know the facts, know the challenges inherent in the facts and then face the future.

We cannot run from the future. As the saying goes, "The future is already here, it's just not well distributed." The future is happening now, all around us. Historic shifts are happening in economic, geopolitical and social orders that will directly affect every single living American and the generations of Americans to come. We cannot run from that future.

America faces unprecedented challenges in all primary aspects of its society including economics, finance, energy, education, competitiveness, geopolitics, infrastructure, public health and its political system. In each case, avoiding the problems by denying or disputing the facts serves no purpose other than to extend the status quo and make the inevitable reckoning all the more painful.

I challenge you to read these essays and make a convincing case that the United States of America is well governed and well led. I challenge you to read these essays and make a convincing case that this country is where it could have been if it had been led honestly, with integrity, with the interests of the nation first and foremost, by the "best and the brightest" over the last 65 years.

Facing the Future

I contend our current condition as a nation is unsustainable.

I assert that the level and quality of leadership provided by the permanent political ruling class in America is inadequate to meet our current and near-term future challenges.

I believe that maintaining the status quo is a guarantee of a very bad near- to mid-term outcome for America.

I believe this series of essays clearly demonstrates that the status quo is not an option. If that is true, and we cannot survive by staying the same, then we must change. We must change, regardless of how painful that change is, regardless of how disruptive that change is, regardless of how scary that change is. That change must come.

As a nation, we must face the facts. We must assess our options, weigh our alternatives and select public policies, elected representatives and public leaders best suited to both face the future and to lead us there.

This is how to accomplish that goal.

Why Do You Hate America?

September 5, 2009 – 18:36

Our friend, Lee Wochner, recently [attended a town meeting on health care](#). It was, by his account, less scrum, and consequently more exchange of information, than other such events held recently around the country.

While there, Lee took some photos of the signs some of the attendees were displaying. When asked in his blog post's comments about it, Lee responded, "Yes, I took the photos. Nobody asked, but here's what they were all thinking: 'Why do you hate America?' Which is kinda what I was wondering about them."

Having spent much of the last six years outside the United States, I find these individual experiences and the state of politics in general here in America both intriguing and disheartening.

I find it intriguing because I am interested in the evolution of this culture and its societal manifestations, including its political parties.

I find it disheartening for two reasons. First, because I am witnessing the inexorable, terminal polarization of the traditional two party system and I'm not convinced what will evolve to take its place will be any healthier for the country than what we are burdened with today.

Second, I am very disheartened at the very low level of informed discussion and debate in the society as a whole, much less in the public policy arena.

Even given the media's singular focus on the most bizarre, extreme and non-representative people and opinions associated with any event, the ongoing display of behavior on both ends of the political spectrum of what boils down to "You disagree with me, so you hate America," does not bode well for public policy, be it at the local city council or U.S. national levels.

It is important to remember that the political spectrum in America is not, as is commonly represented, a conceptual line from left to right:



Facing the Future

Remember that the people on the extremes of both the left and the right claim exclusive knowledge as to what constitutes the truth and to what defines “American values, principles and character.” The extremes of both the left and the right, when left unchecked, have a demonstrated track record of destroying the property, and outright murder, of those who disagree with their political views.

In that sense, the polarized partisans, the zombies who march exclusively to the drum of the ideologues who create and disseminate their political tribe’s views, are not opposite ends of a line, they are a junction point on a circle:



The extreme left and the extreme right can reach out and shake hands with each other in solid agreement that everyone who lacks their exact views does not deserve to live, much less participate in discussing and forming social policy.

The percentage of Americans who belong to the extremes is not large, only 6.6% based on National Opinion Research Center data. Still, that percentage represents 19.8 million people, and that is more than enough to skew their respective parties, distort and dominate the discussion and, when necessary, unleash violence. What is cause for concern, if not alarm, is that the percentage of people who described themselves as either “extreme liberals” or “extreme conservatives” grew a stunning 35% from 1972 to 2004.

When asked, very few people self-identify as a radical-extreme left or right. According to Pew Research, Americans self-identify as 36% moderate, 38% conservative and 21% liberal. Most people, regardless of

Why Do You Hate America?

how much spittle they have just spewed, consider themselves to be fairly moderate, or, at most, simply solidly liberal or conservative.

At one time that might have been true, since in past eras people gained their information from a few relatively centrist sources, such as the major broadcast networks. Today however, people, especially those who are politically active, get most of their information from within their own political tribe, with very little information gleaned from outside a tightly closed environment that severely limits non-conforming messages.

As a consequence, the major parties are becoming more and more extreme in their views, platforms and agendas, as well as becoming increasingly isolated from mainstream America. In a recent Gallup pole 46% of Americans rated the Democrats as too liberal and 43% rated the Republicans as too conservative.

How do you rate yourself: center, left, right, far-left, far-right or ready to pull the trigger? Another way to ask that question is, “Where do you get most of your information?” Take a look at this grid and see where your sources of information line up on the spectrum:

http://www.skewz.com/source/compare_sources

If most or all of your sources of information are all red or all blue, then it is very unlikely that you have even a remote chance of arriving at an independent and fully informed opinion on social policy.

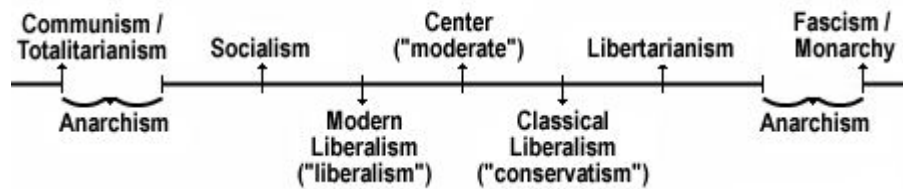
Information that comes from an ideological point of view is almost always either completely devoid of facts or based on cherry-picked facts, typically exceptions that prove the rule. Information from ideological sources serves only one purpose: To discredit, diminish or destroy the opposing ideology.

Your points of view, like everyone else’s, are shaped by what you put into your head. If what you put into your head is exclusively left or right, then your thoughts, attitudes and opinions are not really your own, they are whatever the thought leaders of those tribes want them to be. Is this really what you want on your tombstone: “Here Lies Another Sheep. I never made a fact-based, independent decision in my entire life.”?

Why should you care if things continue to get less and less informed, more and more ideological and we all continue down this slippery slope of extreme polarization? Because human history demonstrates that this path leads to very bad outcomes.

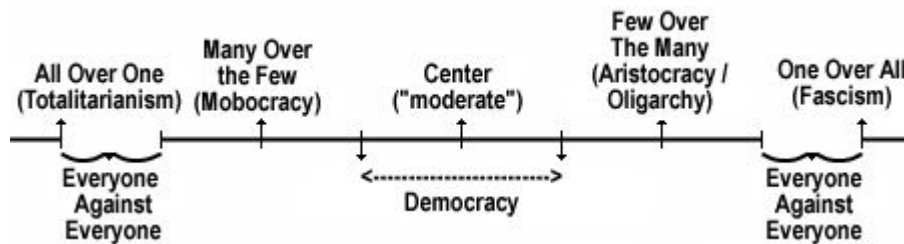
If we use the traditional illustration of the spectrum of political thought, but include a broader range of values, we yield:

Facing the Future



Note that the term “liberal” has undergone a transformation in common use within the relatively modern era of human civilization. Whereas it once defined what we would call modern conservatism, it now defines modern liberalism.

If we map the labels to current political systems, we yield:

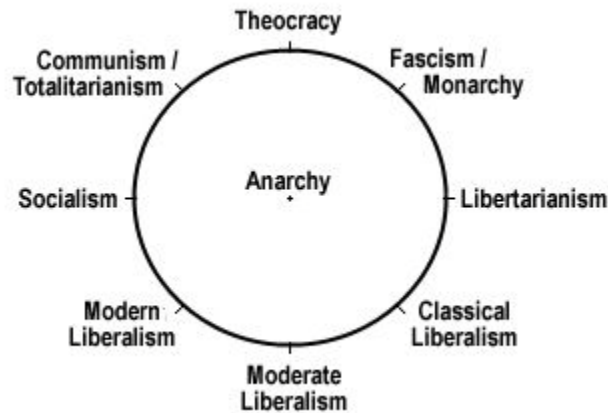


All of the political systems in this chart exist in the world today with the exception of “All Over One.” There has never been a true “All Over One” nation state in the modern world. All so-called Communist states have been and remain variations of the “One Over All” or “Few Over The Many” models, ruled by either a single dictator or a small clique.

The “ah ha” moment in this illustration is the realization that democracy is only possible within a very narrow band of the spectrum of political systems that exist now or have ever existed in human society. Democracy exists only within a very narrow window of opportunity. We are living within that very narrow window of opportunity. The question is, “Is the window closing?”

Why Do You Hate America?

If we join the ends of the line into the circle that is representative of how things manifest themselves in human societies, we get:



The disturbing trend is that in America, the percentage of people self-identifying as moderate has been trending downward for years. Democrats who self-identify as moderates has dropped from 43% to 37% and Republicans who do the same has dropped from 30% to 25%. Even more alarming, among those who claim no party affiliation, the official Independent voters, the percentage of those who self-identify as moderates has dropped from 47% to 45%.

Why should you care if things continue to become more and more partisan, more polarized, more pure-ideology driven in America? Because in human societies, the response to sustained chaos is always the selection of a perceived political solution that promises to re-impose order. Regardless of which political tribe you choose to re-impose order, right or left, you end up in very bad places: totalitarianism or fascism, which are two sides of the same coin.

Given prevailing political views that differed from yours, would you pursue that choice, left or right, to its logical conclusion? Would you join that bandwagon until your opinion, your beliefs prevailed?

There are two rules of life that affect this situation on an individual level. Rule One: A sustained series of small choices add up to big outcomes. What starts small can, when sustained over time and extrapolated over millions of people, lead to major outcomes. Your individual decisions to degrade your integrity and honesty will lead to broad adoption of those choices by those around you. Broad adoption of incremental degradation of honesty and integrity leads to negative social outcomes.

Rule Two: What you think is what you say is what you do. What you choose to think, and what you choose to put into your head to feed that thinking, is what will determine your message and your actions. What you think, and what reinforces that thinking, is what shapes your language and your communications. Your message, what you speak and write, forms the basis, the rationale, for your actions. Your actions form your future and the future of those around you.

Sustained incremental degradation of honesty and integrity, coupled with sustained actions formed by sequestered thought delivers you to a future very different than one based on honesty, integrity and fully informed thoughts, speech and actions.

Facing the Future

How do you know what path you are on?

On a personal level, would you repeat an allegation about an individual or a group just because it came from one of your preferred media sources? Would you parrot a label you heard or read on one of your favorite information sources? For instance, would you call a president you disagreed with a fascist or a Marxist? Would you do that just because everyone else in your political tribe was doing so? Is that how you want to live your life, as a thoughtless, blind, deaf and dumb follower?

And on an even more basic level, do you even know what those labels mean?

A Google search for fascism and George W. Bush yields about 1,590,000 hits. A search for fascism and Barack Obama yields about 1,080,000 results. A search for Marxist Barack Obama yields about 1,650,000 results, while a search for Marxist George W. Bush returns about 1,050,000.

These results illustrate that there are plenty of people who are more than willing to label George W. Bush and Barack Obama both a fascist and a Marxist, as well as very broad willingness to parrot a label even if people have no idea what that label means.

A fascist is one who supports and implements fascism, a political philosophy, movement, or regime that exalts nation and often race above the individual and that stands for a centralized autocratic government headed by a dictatorial leader, severe economic and social regimentation, and forcible suppression of opposition.

A Marxist is one who supports and implements the political, economic, and social principles and policies advocated by Karl Marx; specifically his theory and practice of socialism including the labor theory of value, dialectical materialism, the class struggle, and dictatorship of the proletariat until the establishment of a classless society.

As you can see, those two labels have almost exactly opposite meanings, to say nothing of their diametrically opposed social and economic implications.

How many times have you read or heard fascist or Marxist on your preferred media sources of political information? How many times have you used those labels when referring to a politician or a person who disagreed with your political opinion? How many times do you think those words were used accurately and fairly by the media you consume, by yourself or by others who share your political views?

While outside this country I spent time in countries that were totalitarian, if not fascist, and others that were socialist, if not Marxist. The reality of the world is very different from what you are told by radio, television and blogs. Based on my experiences, there is no one in the mainstream of American politics who is anywhere close to a fascist or a true Marxist.

However, there are millions of Americans who wrote, spouted and screamed that George W. Bush was an outright fascist and/or a closet Marxist and who today write, spout and scream that Barack Obama is a closet fascist and/or an outright Marxist. In large measure, neither group has the remotest clue what a

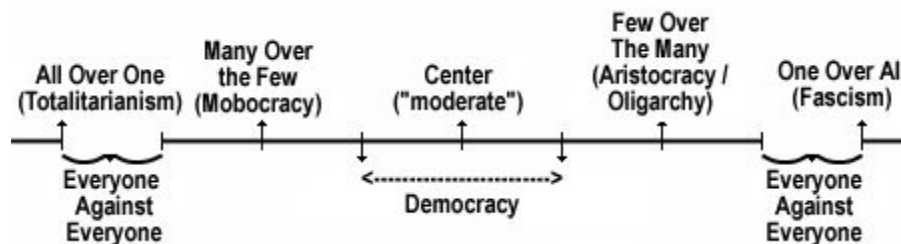
Why Do You Hate America?

true fascist or Marxist is, or has ever been in a country that was anywhere near totalitarian, much less fascist, or some form of socialist, much less Marxist.

During the previous administration, the conservative supporters of George W. Bush were outraged by the liberals who called him a fascist. Those very same people on the left who spent years labeling George W. Bush a fascist, are now outraged by those formally outraged conservatives who currently label Barack Obama a Marxist. Both groups are nothing but sanctimonious frauds, intent not on advancing the country, but instead advancing their narrow interests, and ultimately, their exclusive grip on power.

Both of these hypocritical, shallow, hyper-partisan tribes beat paths that lead to the same negative outcome: a country that has no room for anyone who does not espouse their exact views, beliefs and standards.

Remember this illustration:



Democracy exists only in a very narrow band within the full range of potential political systems.

The political system of the United States has only existed for a couple of hundred years. It is an extremely rare form of governance, never before sustained for extended periods in human history. For as long as there have been human societies, for thousands of years, those societies have been governed by other forms of government, almost always totalitarian in nature, and almost always devoid of freedom and liberty in any form or measure.

Because we have grown up with America always being what it is, we have very little to no appreciation how unique it is, how young it is, and, given the context of totalitarian history, how fragile and unlikely to endure it is.

On November 19, 1863 an American president stood before a gathering of his fellow citizens and said, "Four score and seven years ago our fathers brought forth on this continent, a new nation, conceived in Liberty, and dedicated to the proposition that all men are created equal.

"Now we are engaged in a great civil war, testing whether that nation, or any nation so conceived and so dedicated, can long endure."

Note that phrase, "testing whether that nation, or any nation so conceived and so dedicated, can long endure." The democracy of the United States is not a given. It is not an entitlement. Nowhere is it written in stone that the democracy of the United States, with its liberties and its freedoms, will endure.

Facing the Future

It is up to us, the inheritors of the democracy of the United States, to ensure that during our tenure, on our watch, this nation—this democracy—endures.

That same president, Abraham Lincoln, standing on the battlefield at Gettysburg, continued, “... and that government of the people, by the people, for the people, shall not perish from the earth.”

There is only one way to prevent our “government of the people, by the people and for the people” from perishing from this earth, and that is for us all to stop asking “Why do you hate America?” and start asking “Why do you love America?”

Sources:

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One Lap of America

January 5, 2009 – 18:36

Last year I met a European traveler in Argentina who spent six weeks in the United States a few years earlier. His six week visit gave him, in his opinion, total understanding of the U.S.A., its culture, its customs, its history, its flaws and, especially, its people.

We just returned to South America after spending seven weeks back in the United States for the holidays. Our trip consisted of a seven week lap of America, starting in New York City, looping across the upper Midwest, a dip down to the south, out to southern California, and back across to Miami. Along the way, I sampled local media, had lots of conversations and cast a view upon the society from a different perspective, a deeply ingrained and highly familiar, but nonetheless “outside-looking-in” external perspective.

Having spent 49 of my 52 years living in the U.S., I probably have an advantage over the European traveler and his six weeks sample set conclusions. Nonetheless, I also came away with some distinct impressions of my home country, impressions perhaps only possible after living outside the U.S. for a time.

It is, after all, almost impossible to have a valid perspective on the fish bowl when you are swimming around inside it. Only by moving outside the fish bowl can you accurately describe some aspects about it.

Here are some of my thoughts about the current fish bowl of America, and the fish swimming inside it.

In my view, today’s America is:

Over-stimulated

With the exception of the library, every single public space and every single private home was dominated by stimulation. Television was the prevalent form of stimulation, more rarely radio, and always, the ever-present cellular phones and Blackberrys (using the generic form of the term). The young text, the older email, the older still talk on their phones and they are all bombarded from all sides by stimulation, all day, every day, interrupted only by a few hours of fitful sleep during which their over-stimulated brains struggle to assimilate and process it all. Then they wake up and reach for some caffeine to begin the stimulation anew.

Over-regulated

One thing you don’t notice or appreciate until it is removed from your life is the suffocating amount of regulation associated with daily life, commerce and business in America. Everything has stacks of regulations, certifications and compliances hidden behind the scenes. From dinner forks to golf clubs, nothing happens or is utilized in the U.S. without countless bureaucratic check-offs, approvals and licenses.

Indoctrinated

Truly independent thought, voice and action are the rarest of human attributes and experiences. They are nowhere rarer than in the current day U.S. Like their counterparts in Western Europe, the population is nearly completely indoctrinated to a few narrow viewpoints and accepted paths of thought, expression, activity and action. What passes for innovative, independent and creative alternatives are more often variations on the same core themes; expressed more colloquially, same song—different verse.

Materialistic

The people of the U.S. have yet to discover they can never be satiated by material goods; they have yet to realize the material acquisition itch can never be fully scratched. In the U.S., the acquisition of material goods isn't the most important thing; it is the only thing, as evidenced by the trampling death of a store worker opening the doors for the shopping rush on Black Friday. Black Friday, indeed.

Abdicated

The people of the United States have abdicated teaching their children morals, ethics and acceptable behavior to Hollywood; instilling and imposing rules of right and wrong behavior to their children to the schools; role models for their children to narcissistic and shallow celebrities; and even more tragically, governance of their localities, states and the country to a small, inbred and corrupt ruling class. What do the American people do instead of parenting their children and governing their society? They watch TV.

Polarized

The first victim of war is the truth and the first victim of partisanship is the national interest. There is so little of the national interest left alive, it would be a miracle if it could be resuscitated. The last three decades of polarized partisanship have elevated seekers of naked power and notoriety to the peaks of opinion and thought leadership. Celebrity now masquerades for credibility, and stoking the flames of blind partisan loyalty is the only requirement for political leadership. Almost no one speaks of what is good for the nation; what is good for their party and bad for the hated opposition is all that matters.

Obese

According to the National Center for Health Statistics (NCHS) most recent study (2005-2006), more than 34 percent of Americans, more than 72 million people, are obese. The prevalence of obesity has more than doubled since 1980. Since 1994 the number of people morbidly obese has doubled from three to six percent. In May 2008 the Centers for Disease Control (CDC) reported 32 percent of American children were obese, with 11 percent morbidly obese. (While correlation does not equal causality, it is noteworthy that U.S. consumption rates of high fructose corn syrup (HFCS) strongly correlate with the rise in obesity over these same time periods.)

Post-developed

Humans are hard-wired for drama, as in “Honey, the saber-toothed tiger ate the kids,” and for the existential struggle for survival. When life gets easy—as in flip the switch and the lights come on, turn the faucet and clean, safe water comes out—we replace those life-and-death elements with substitutes to fill those needs in our bodies and brains for the drama and struggle. People in developed nations tend to use proxies of false drama (television, sports, celebrities, gossip, etc.) and acquisition of material goods to fill those hard-wired needs of drama and struggle. The proxies are an inadequate substitute, so developed societies are filled with anxiety, neurosis and many unhappy people spending their lives seeking fulfillment via routes and methods that will never succeed. America is the poster child for this phenomenon.

Coastal

The business, media, popular culture, entertainment, and power structures of the U.S.A. are dominated by the coasts. Residents of the coasts often consider themselves a higher form of life, a more evolved human, than people from the “fly-over” states. Little do the coasties know that the “fly-over” states contain all that remains of what once constituted the ideals, character and culture of the country, of what formed and created the many forms of bountiful wealth that the coasties enjoy and believe they are entitled to. It is true that compared to television, Hollywood and Wall Street the “fly-over” states don’t seem to have much that matters in today’s America. But perhaps that comparison deserves a fresh look.

Blameless

While back in the states I read an article in the New York Times that identified the cause and responsibility of the financial and economic crisis—it is all the fault of the Chinese. After all, the article claimed, if the Chinese hadn’t been willing to buy all those U.S. government bonds, thereby funding America’s spendthrift ways, we never would have had a negative savings rate, purchased homes we couldn’t afford, or run up galactic scale personal and national debt. That one story was the microcosm of one of the most important defining attributes of modern American culture: blamelessness. If an American walks up to a stranger on the street and shoots the stranger between the eyes, it is not the American’s fault. There is always someone or something else to blame. In America’s eyes, it is not the individual who is ever responsible for anything, it is always some external cause, person or entity that is to blame. Modern Americans are, above all else, personally and as a society, faultless, guiltless and blameless.

Financially Clueless

Every 24 hours the U.S.A. spends over \$2 billion more than it takes in. Every 24 hours the U.S.A. sends over \$914 million dollars overseas to buy oil. According to the U.S. Treasury, as of 30 January 2009 the U.S.A. had a public debt of \$10,632,005,246,736.97. That’s more than \$10 trillion, with a t.

Broken

As a percentage of GNP, the U.S.A. spends more than any other industrialized nation on healthcare yet falls significantly short on many measures of public health, such as having a higher infant mortality rate than Cuba. In 2000 there was one lawyer for every 264 people in the U.S.A., yet the country faces society-survival level challenges that can only be solved by science and engineering, not litigation. In

2004 the U.S.A.'s K-12 education systems cost more than \$500 billion, 4.5 percent of GDP, yet our student's performance and knowledge compared to other industrialized countries continues to fall. In 2005, more than 25% of American eighth graders scored "below basic" in reading and more than 20% scored "below basic" in math. The 2008 presidential election cycle is estimated to have cost the country more than \$5.3 billion, yet we expect our elected leaders to act in the citizens' best interest rather than in the interests of those who paid that \$5.3 billion to win the reins of power, influence and patronage. Many of the fundamental systems and structures of the U.S.A. are simply broken, and tinkering around the edges of the issues will not solve the problem.

Reactive

If I had to pick one characteristic that best describes America I would choose over-compensation. America does not plan ahead or act proactively. America reacts. And when America reacts, it almost always over reacts and over compensates. This is reflected in its tombstone model of governance—nothing happens until a bunch of tombstones pop up. Then it's Katy bar the door, we'll do whatever it takes to "ensure this never happens again." It's challenging to live, manage and govern in a modern world when, as a society, it is impossible to think or plan beyond the next day, week, month, or at the very limits, quarter.

Guideless

We happened to return to the states just after the terrorist attacks in Mumbai, India. To learn more about the attacks, I read a New York Times newspaper. Its coverage of the still fresh events consisted of one news story and a half-page reprint of blog posts on the topic. What once passed for journalism in America is dead, having been replaced by news-celebrities on television and the blogosphere, where credibility and loyalty is created by fervency and how bombastic the blogger is, not by facts. It is the ultimate irony that in an era where more Americans have access to more information than at any time in human history, they are very poorly informed and nearly entirely guideless when it comes to credible, fact-based, non-skewed, unfiltered information.

Self-absorbed

We get asked a lot out here why Americans seem so self-absorbed and out of touch with the world outside its borders. We patiently explain that the U.S. is so vast geographically you can spend a lifetime exploring its beauty and never run out of new places. We describe how the U.S. offers so much economic opportunity you can spend a career building businesses to serve unmet needs in the marketplace and never run out of unfilled niches. We enlighten them regarding the very limited amount of vacation time the average American enjoys, and how that limits their opportunities to explore the world. And lastly we point out that because in percentage terms almost no Americans experience the world first hand, Americans' world view is actually a media view. We show that Americans' perspectives and opinions about the world are essentially 100% a result of what someone else told them, not derived from direct evidence or personal experience. This filtered, packaged view of the world is how most Americans can be so tragically misinformed and indoctrinated about things ranging from religions to cultures to natural resources to energy to geopolitical agendas.

Unappreciated

It is a fundamental rule of human nature that you cannot miss what you never had. By the same token, it is impossible to fully appreciate what you've always had. The essential elements that make the U.S. the most desired life destination on the planet: liberty, freedom and opportunity, are simply incapable of being appreciated by almost every native born citizen. People who were born in the U.S. since WWII and have never spent any time in more repressive countries lack the ability to appreciate what they enjoy as basic elements of their existence. They consider them entitlements rather than privileges that must be earned and protected.

Inventive

Somewhere between seven and eight out of every 10 health care innovations, inventions and discoveries in the last 70 years came from America. American innovation and inventiveness didn't stop with the airplane, the light bulb or the mass produced automobile. Americans remain a creative people, constantly thinking up new ways to solve new problems. This is a good thing, because the challenges of the next few decades will need every bit of Yankee ingenuity we've got.

Unique

The United States of America remains a singular place, a unique nation on the planet Earth. There is no other nation that combines its republic form of government, constitution and bill of rights along with its society of immigrants. There is no other nation whose most important strengths and attributes arise from the combination of people from all over the world coming to one place and relishing its freedoms and seeking its opportunities. Everywhere we go in the world people express a desire to come to America. We've yet to meet anyone who wanted to live in China, Russia or even Europe. They all, every single one of them, wanted to come to America. They want to come and live, if even for only a moment, in a place where they are free to speak, free to worship, free to associate, free to seek opportunity and free to seek happiness. It is an irony that the uniqueness of America, the incredible, irreplaceable treasure that is America, is so blatantly obvious to everyone on the planet except most Americans.

We only had seven weeks back in the states to soak it in and compare the current reality with our lifetime of memories and experiences there. We only had seven weeks to form opinions and observations. And as with the European traveler I met in Argentina, six or seven weeks will never be long enough to learn everything, or in his tragic case, much of anything. But, in my case at least, it was long enough to learn enough about what the country is today.

Most fortunately, Americans are a very resilient, adaptive and inventive people. Other than perhaps their own potentially fatal myopia, I don't think there is a single challenge that they cannot overcome.

Ranking America

March 8, 2010 – 22:15

The United States of America enjoys many riches, inherent capabilities and positive attributes, as well as shortcomings, unresolved issues and a converging set of existential threats.

The challenge is to be aware of the upsides of the United States without becoming defiantly hostile to any discussion of specific shortcomings or ways the U.S. could improve, or, conversely, becoming so immersed and versed in America's downsides as to become blind to the unique positive capabilities, characteristics and opportunities the U.S. offers.

When you live in the United States, it often seems as if the U.S. is either all bad or all good depending on which political party is in power and which talk radio station, screaming cable channel or hyper-partisan web site or publication you are feeding into your head at the moment.

In addition, the United States has a long cultural history of and peculiar cultural affection for jeremiads, mournful and often bitter lamentations about the state of society and government. If you spend any time exposing yourself to discussion or media concerning public or foreign policy, it won't be long before you come across one form of jeremiad or another predicting the imminent doom of the country, accompanied by a long list of complaints and depressing statistics. However, as they say about paranoia, just because a jeremiad shouts that the sky is falling doesn't mean it isn't true. The challenge is to sort out the real threats from the partisan fueled hyperbole and opponent bashing.

Faced with so much hyper-partisan ideology and agenda-advancing content, it can be difficult to establish and maintain an assessment of where the country actually is relative to the rest of the world, much less where it needs to go.

Here are some objective facts to help achieve that goal.

Upsides:

- The U.S. **leads the world** in innovation, which provides incalculable benefits for everyone else on the planet. The modern world is filled with technology that was invented in the United States, from the personal computer to the laser. In addition to general technology, it is estimated that 8 out of 10 inventions and advancements in medicine and health care in the last 50 years originated in the United States. Just as American general technology innovations are used to drive productivity growth worldwide, American health care inventions and advancements are used by every country on earth to improve the health care of their citizens.

At the same time they are reaping the benefits of increased productivity and reduced costs, those countries have not needed to invest in the education, science, facilities, supporting infrastructure, tax credits and research and development that brought about those advances. In effect, the United States subsidizes the entire world by funding the invention and development of new technologies that are used worldwide to advance societies and increase productivity.

In addition to technologies, life saving drugs developed in the United States are often sold here for many times higher prices than elsewhere. We pay higher prices for those drugs to repay the pharmaceutical companies for the \$500 million to more than \$1 billion dollars required to discover, develop and bring a new drug to market. Other countries get those drugs for low prices, essentially getting all the research and development required to develop new drugs for free. The same is true for medical devices, such as diagnostic imaging, and medical procedures. In these ways, the U.S. effectively subsidizes health care for the entire globe. Consequently, other countries, especially the European Union, have enjoyed relatively low societal costs of health care relative to the United States.

- The U.S. **leads the world** in military spending, by a huge margin, spending nearly eight times as much as the next closest country, China. The U.S. spends nearly half of the world's total military spending at 45 percent. The upside of all of this spending is that it has guaranteed peace and security for countries from Europe to the oil producing Gulf states in the Middle East. The latter, maintaining stability in the Middle East, is often used as a negative example of American intervention, but the fact remains that nearly every oil importing nation in the world relies on Middle Eastern oil, and those oil dependant nations include most of America's harshest critics on this score.

The inherent threat of America's military muscle has enabled it to settle disputes between upstart nations, rogue regimes, regional enemies and global powers. Perhaps most significantly, it provided a shield that allowed multiple generations of Canadians and Europeans to grow and prosper within an artificial bubble that has never known conflict or war. This enabled Canada and Western Europe to build their nations while spending a tiny portion of their budgets on their military forces.

In the case of Europe, the money they would have otherwise spent keeping the Russians at bay went instead to building very generous welfare states, including cradle to grave benefits. As such, it is impossible to compare those societies, which have rebuilt or grown within the bubble of America's security shield, to the United States, especially in terms of social benefits and economic structure. Those European economies that have profited from the protection of the United States have never been required to have an economy that could fully support themselves, they have all been subsidized by American military spending. That American military spending not only negated the need for those nations to buy a viable and effective domestic military, but also subsidized the local economies through direct injection of billions of dollars via American bases, contracts and procurement. The colloquial version of this reality is the paraphrase of Margaret Thatcher's comment on socialism, "The problem with socialism is that eventually you run out of other people's money." In this case, the other people's money has been and continues to be provided by America's free market capitalist economy, a system often roundly derided by the very Europeans who have been profiting from its subsidies for generations.

Ranking America

The United States is also a leading nation in the world on multiple additional objective measures:

- Universities, **1st** in the world with 18 of the top 25 and 31 of the top 100 ranked institutions. In the top 100, the U.S. ranks ahead of (2) United Kingdom (UK) with 18 in the top 100, (3) Australia with 8, (4) Canada with 4 and (5) China with 3.
- Top 500 businesses, **1st** in the world with 140 of the world's top 500 companies, leading (2) Japan with 68, (3) France with 40, (4) Germany with 39, (5) China with 37, (6) United Kingdom (UK) with 26, (7) Switzerland with 15, (8) Canada with 14, (9) South Korea with 14 and (10) Netherlands with 12, including the world's largest company, Royal Dutch Shell.
- Top 100 software companies, **1st** in the world, with 74 of the top 100 companies, leading (2) Japan with 8, (3) France with 4, (4) United Kingdom (UK) with 4, and (5) Germany with 3.
- Internet hosts (a computer connected directly to the internet), **1st** in the world with 338 million, leading (2) Japan with 47 million, (3) Germany with 24 million, (4) Italy with 22 million and (5) Brazil with 16 million.
- Aid to developing countries (official direct aid (ODA)(2008)), **1st** in the world at \$25.4 billion, leading (2) Germany at \$13 billion, (3) United Kingdom (UK) at \$12 billion, (4) France at \$10 billion and (5) Japan at \$8.3 billion. Note that these numbers do not reflect direct private giving to charity, a category in which the United States leads the world, by far.
- Kilometers of railroad track, **1st** with 226,427 kilometers ahead of (2) Russia with 87,157, (3) China with 77,834, (4) India with 63,327, (5) Canada with 46,688, (6) Germany with 41,896, (7) Australia with 37,855, (8) Argentina with 31,409, (9) France with 29,213 and (10) Brazil with 28,857. Note that the railway systems of India, Argentina and Brazil were largely built during their colonial period with widely varying levels, often very low, of investment in maintenance since.
- Airports (airports or airfields recognizable from the air, may be paved or unpaved), **1st** with 15,095, leading (2) Brazil with 4,000, (3) Mexico with 1,744, (4) Canada with 1,388, (5) Russia with 1,216, (6) Argentina with 1,130, (7) Colombia with 992 and (8) Bolivia with 952. Note that Mexico, Colombia and Bolivia are heavily involved with the production and shipment of illegal drugs, thus leading to a very high density of airfields relative to their population and geographic size.
- Roadways (kilometers of paved and unpaved roads), **1st** with 6,465,799 kilometers, leading (2) China with 3,583,715, (3) India with 3,316,452, (4) Brazil with 1,751,868, (5) Japan with 1,203,777 and (6) Canada with 1,042,300. Note that many roads in the developing world, such as India and Brazil, are not what most Americans would term a road. Also note that Japan's roadways represent an extraordinary amount for such a limited geographic area, highlighting the hyper-developed nature of that country.
- Market value of publicly traded shares (price per share multiplied by the total number of outstanding shares, cumulated over all companies listed on the particular exchange on December 31 of the noted year), **1st** at \$19.95 trillion dollars (2007), leading (2) European Union at \$15.57 (2008), (3) China at \$6.23 (2007), (4) Japan at \$4.45 (2007), (5) United Kingdom (UK) at \$3.86 (2007), (6) France at \$2.77 (2007), (7) Canada at \$2.19 (2007), (8) Germany at \$2.11 (2007), (9) India at \$1.82 (2007) and (10) Spain at \$1.80 (2007).
- Gross Domestic Product (GDP), purchasing power parity basis(PPP), **2nd** with \$14.26 trillion dollars, trailing (1) European Union at \$14.52 and leading (3) China at \$8.77, (4) Japan at

Facing the Future

\$4.14, (5) India at \$ 3.55, (6) Germany at \$ 2.81, (7) United Kingdom (UK) at \$2.17, (8) France at \$2.11, (9) Russia at \$2.10 and (10) Brazil at \$2.02.

- Fixed telephone lines, **2nd** with 150,000,000, trailing (1) China with 365,600,000 and leading (3) Germany with 51,500,000.
- Imports (exchange rate basis), **2nd** with \$1,445 billion dollars, trailing (1) European Union with \$1,690 and leading (3) Germany with \$1,022, (4) China with \$ 922, (5) France with \$ 532 and (6) Japan with \$490.
- Movies produced annually, **2nd** with 611, trailing (1) India with 946 and leading (3) Japan with 310, (4) China with 212 and (5) France with 203.
- Annual household Income (purchasing power parity (PPP) adjusted), **2nd** at \$50,233, trailing (1) Switzerland at \$60,288 and leading (3) Canada at \$44,000, (4) New Zealand at \$41,000, (5) United Kingdom (UK) at \$39,000 and (6) Australia at \$38,000. Note that this metric can be difficult to compare as the value of various social programs may or may not be included in the source data for each country.
- Mobile (cell) phones, **3rd** with 270,000,000, trailing (1) China with 634,000,000, (2) India with 427,300,000 and leading (4) Russia with 187,500,000, (5) Brazil with 150,641,000, (6) Indonesia with 140,578,000 and (7) Japan with 110,395,000.
- Oil production, **3rd** at 8,514,000 barrels per day (bbl/day) (an oil barrel is 42 U.S. gallons or 159 liters), trailing (2) Russia at 9,810,000 and (1) Saudi Arabia at 10,780,000. The U.S. leads (4) Iran at 4,174,000 and (5) China at 3,795,000, (6) Canada at 3,350,000 and (7) Mexico at 3,186,000. The total North American oil production of Canada, Mexico and the United States is 15,050,000 bbl/day, although due to very low re-investment in equipment and exploration by their state owned and operated oil monopoly, Mexico's production has dropped dramatically in the last few years and will continue to dwindle until significant investments are made.
- Exports (exchange rate basis), **4th** with \$995 billion dollars, trailing (1) European Union with \$1,952, (2) China with \$1,194, (3) Germany with \$1,187 and leading (5) Japan with \$516 and (6) France with \$ 457.
- Steel production (2009), **4th** with 58.142 million metric tons, leading (5) India at 56.608 and trailing (3) Russia at 59.940, (2) Japan at 87.534 and (1) China at 567.842. In 2009, China produced 47 percent of the world's steel.
- GDP per capita, (PPP basis), **10th** at \$46,400. In this ranking the U.S. trails, (1) Liechtenstein \$ 122,100, (2) Qatar \$ 121,400, (3) Luxembourg \$ 77,600, (4) Bermuda \$ 69,900, (5) Norway \$ 59,300, (6) Jersey \$ 57,000, (7) Kuwait \$ 55,800, (8) Singapore \$ 50,300, and (9) Brunei \$ 50,100. Note that aside from the U.S., all of these countries except the city-state of Singapore are either oil producers, tax havens or off-shore banking centers often used to launder money for criminal activities and tax evasion. In the sense of normal nation-state economies, the U.S. leads this ranking.

In addition to these objective measures, the United States leads the developed world in diversity, integration of immigrants, and opportunity for upward mobility. The U.S. is among the world leaders in creativity, discovery and innovation as measured by patents, Nobel Prizes and other recognitions of scientific and creative achievement. Perhaps the most telling measure of all is that the United States leads the world in aspiration. More people perceive the United States as the best place to live than anywhere else on the planet. More people want to come to the United States to realize their dreams of prosperity and advancement for themselves and their families than anywhere else in the world.

Ranking America

But as we know, all is not sweetness and light in America. The United States has shortcomings, downfalls and persistent unresolved issues. Among them are:

Downsides:

- Oil consumption, **1st** at 19,500,000 barrels per day (bbl/day) (an oil barrel is 42 U.S. gallons or 159 liters), leading (2) European Union at 14,440,000 bbl/day, (3) China at 7,999,000, (4) Japan at 4,785,000, (5) India at 2,940,000 and (6) Russia at 2,800,000. Of these nations, only Russia produces enough oil to meet its current domestic needs. Both China and India are experiencing high growth rates in net oil imports. China and India's foreign oil dependency will be 61 percent and 85 percent respectively in 2010, meaning China will depend on foreign oil imports for 61 percent of their oil needs while India will depend on foreign imports for 85 percent of their needs. Due to limited domestic oil resources, both percentages are expected to rise as their respective economies continue to grow. By 2030 India will pass Japan to become the fourth largest consumer of oil.
- Science knowledge by 15 year olds (2006), **21st** at 489, trailing (20) Iceland at 491, (19) France at 495, (18) Denmark at 496, (17) Poland at 498 and leading (22) Slovakia at 488, (23) Spain at 488 and (24) Norway at 487. The top scoring country was (1) Finland at 563 trailed by (2) Canada at 534.
- In percentage of citizens living below the poverty line, the U.S. ranks **22nd** at 12 percent, trailing (21) Syria at 11.9 percent and leading (23) Slovenia at 12.9 percent. Among developed nations, the U.S. trails (20) Germany at 11 percent, (18) Canada at 10.8 percent, (17) Netherlands at 10.5 percent, (8) Ireland at 7 percent, (6) France at 6.2 percent and (5) Austria at 5.9 percent. Note that many countries use different methodologies to establish the poverty level, so these statistics are not viewed as necessarily reliable or "apples to apples" comparisons, especially by global organizations such as the United Nations and the World Bank. In addition, some countries statistics are viewed as unreliable and unrealistic, especially in the developing world.
- Infant mortality rate (deaths per 1,000 live births), 6.22, ranking **44th**, trailing (43) Northern Mariana Islands at 6.00 and (42) Cuba at 5.82 and leading (45) Faroe Islands at 6.32 and (46) Croatia at 6.37. The next highest ranking developed nation above the U.S. is Italy, at 5.51. Singapore holds the best ranking, 1st, at 2.31 and Sweden is 3rd with 2.75. Note that the infant mortality rate in some countries is skewed lower (better) due to forced abortions of suspected flawed fetuses, such as in Cuba.
- Life expectancy at birth, 78.11 years, ranking **49th** behind (48) Portugal at 78.21 among developed nations. The leader is (1) Macau at 84.36 years with (3) Japan holding the top developed nation spot at 82.12 years.
- Education expenditures as a percent of GDP, tied with Jamaica and Belize at 5.3 percent with a ranking **57th**, trailing (54) Ghana, (53) South Africa and (52) Austria at 5.4 percent. (16) Iceland leads the developed nations at 7.6 percent followed by (20) Norway at 7.4 percent.
- Public debt as a percentage of GDP (PPP basis), **64th** at 39.70 percent, leading (65) Dominican Republic at 41.50 percent and trailing (63) Yemen at 39.60 percent. The last spot is held by (129) Zimbabwe at 304.3 percent, with the worst developed nations trailing at (128) Japan at 192.10 percent, (123) Italy 115.20 percent, (122) Greece 108.10 percent, (120) Iceland 100.60 percent, (119) Belgium 99.00 percent, (114) France 79.70 percent and (113) Germany 77.20 percent. Note that the purpose of the purchasing power parity (PPP) adjustment is to create a

common unit of comparison between economies of different value. The public debt as a portion of GDP represented here is valid for some comparisons between disparate economies, but it is not related to the direct, unadjusted ratio of U.S. public debt to GDP commonly used in U.S. government departments, congress or the media.

On a non-PPP basis, the non-partisan Congressional Budget Office (CBO) projects that under the current proposed budget, debt held by the American public would grow from \$7.5 trillion (53 percent of GDP) at the end of 2009 to \$20.3 trillion (90 percent of GDP) at the end of 2020. As a result, net interest would more than quadruple between 2010 and 2020 in nominal dollars (without an adjustment for inflation). Net interest payments on the public debt would expand from 1.4 percent of GDP in 2010 to 4.1 percent in 2020.

- In income distribution, a measure of the degree of inequality in the distribution of family income in a country (using the Gini Index, a United Nations (UN) metric, best = 0, worst = 100) the U.S. ranks **92nd** at 45.0, trailing (91) Cameroon at 44.6 and leading (93) Uruguay at 45.2. The U.S. trails, by relatively modest margins, communist or recently communist countries, countries that would, at least in theory, be closest to the ideal score of zero by government and social structure design. Those current or recent communist countries include (81) Russia at 42.3, (79) China at 41.5 and (57) Vietnam at 37.0. Among non-communist developed economies, the U.S. trails (61) Japan at 38.1, (43) United Kingdom (UK) at 34.0, (37) France at 32.7, (35) Canada at 32.1 and (12) Germany at 27.0. Sweden leads the world at 23.0. Note that these results show that the goal of universal social equality that is the basis of communism has not been achieved by any country that uses or has used that political system. The closest to that ideal has been achieved by the democratic socialist countries of Western Europe, all of which have enjoyed subsidies from the U.S. in the form of technological innovation, health care innovation (drugs, products and procedures) and military protection.
- In gross fixed investment as a percentage of GDP, the measure of total business spending on fixed assets, such as factories, machinery, equipment, dwellings, and inventories of raw materials, which provide the basis for future production, the U.S. ranks **144th** at 12.50 percent. Rapidly growing economies rank highly, such as (3) China at 42.60 percent. More mature economies come in lower, such as the (98) European Union at 19.70 percent.
- Aid to developing countries as a percentage of GDP (PPP) (Official Development Assistance (ODA)), **dead last**, 22nd at 0.18 percent. The U.S. trails (21) Greece at 0.19 percent, (20) Japan at 0.20 percent and (19) Italy at 0.23 percent. (1) Sweden leads at 1.35 percent, trailed by (2) Norway at 1.32 percent and (3) Denmark at 1.29 percent. Note that these figures are official government ODA aid only and do not include direct private contributions to charity, of which the U.S. leads the world at \$307.6 billion in 2008. Adding allocations of private charity donations targeted to international aid to U.S. government ODA yields a ranking for the U.S. of 17th at 0.33 percent, leading (18) New Zealand at 0.30 percent and trailing (16) Canada at 0.36 percent.
- For weights and measures, the United States ranks **dead last**. The U.S. is the last meaningful economy to integrate with the way the world weighs and measures things using the easy to teach, easy to learn and easy to use metric system. The United States is one of three countries that have not officially adopted and implemented the metric system, the other two being Burma (Myanmar) and Liberia, two countries whose combined GDP is less than Delaware's.

Ranking America

More than six billion people use the metric system for weights and measures. The citizens and companies of the United States operate at an ongoing disadvantage of familiarity and extra costs required to comply with the global standard.

The loss of a \$125 million dollar NASA mission to Mars because U.S. measurements were incorrectly mixed with global metric measurements is the best known cost for clinging to the arcane inch / pound system. However, that \$125 million dollars is merely the tip of the iceberg. Based on other developed countries' experiences converting to metric, the U.S. spends an additional \$1.28 trillion annually in excess costs to maintain dual measurements in the production of private sector goods and services. That's \$1.28 trillion a year that could otherwise be invested in science, research and development, new life saving drugs, rebuilding the nation's infrastructure, education, etc. That \$1.28 trillion in annual costs does not include additional expenses related to public sector goods and services, such as the duplicative costs to public education in teaching every single pupil in the country two measurement systems.

In addition to these objective comparisons, the United States has its fair share of subjective and relative failings and shortcomings, including, but by no means limited to, cultural insularity, lingering racism, declining academic performance, deteriorating infrastructure, relentless federal deficits, skyrocketing public debt, inadequate financial regulation, massive illegal drug demand, dependence on foreign oil, declining public health, hyper-partisan political polarization and a paralyzed, ineffective government incapable of addressing, much less overcoming, the range of major challenges the country faces.

In summary, the United States is just like any other human or group of humans. The U.S. has its strengths and weaknesses, just like every other nation. The U.S. is neither as ideal and blameless as its most ardent supporters claim, or as degenerate and malevolent as its most shrill detractors assert.

One of its undeniable strengths is that the nation as a whole has proven again and again to have incredible powers to adapt to changing circumstances and rise to meet common challenges.

The question now is whether the nation, or more specifically, the people of the United States, can recognize the speed and scope of the changes and, even more of a challenge, reach common consensus on how to overcome those challenges.

Sources:

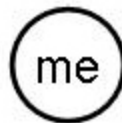
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- Congressional Budget Office (CBO)
- National Aeronautics and Space Agency (NASA)
- Organization for Economic Cooperation and Development (OECD)
- Gallup
- Xinhua News Agency
- International Energy Agency
- World Steel Association
- U.S. Metric Association
- USA Giving
- Metrication Matters
- US News and World Report
- Fortune
- CNN
- Internet Movie Database (IMDB)
- Wikipedia

Circles in Circles

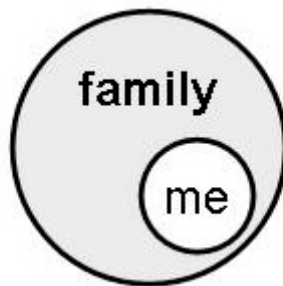
March 29, 2010 – 05:58

Much of the story of humans and groups of humans, as well as the challenges that face America, can be told with circles.

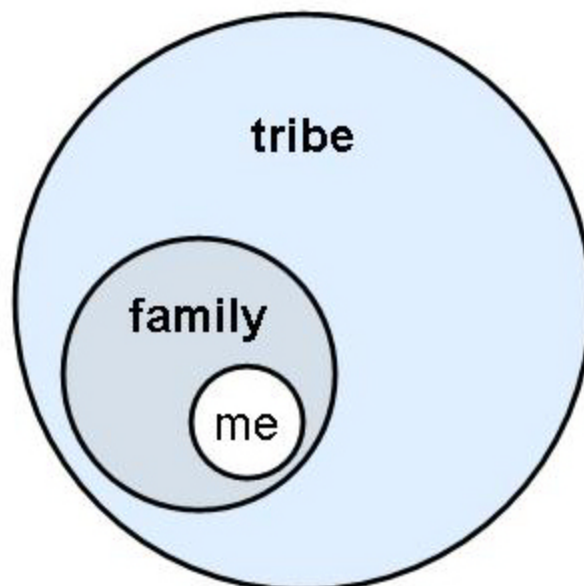
The core of the story is an individual.



The first unit of human organization is the family.

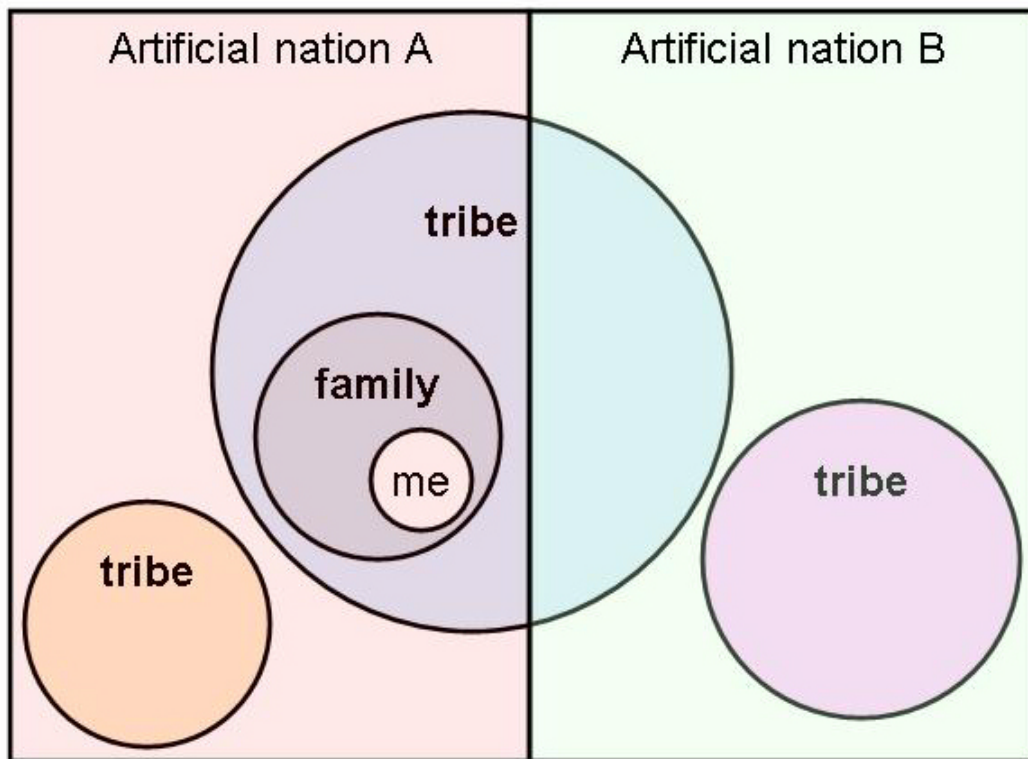


The next unit of human organization is tribe.



Tribe is the fundamental unit of humans everywhere in the world except the United States. Tribes define the most essential social unit for almost everyone on the planet except for Americans. Tribes don't exist in the U.S. because the nation is made up of immigrants who mixed together to create the society. Because true tribes do not exist in the U.S., it is nearly impossible for modern Americans to understand tribes and world events that are driven by tribal loyalties and conflicts.

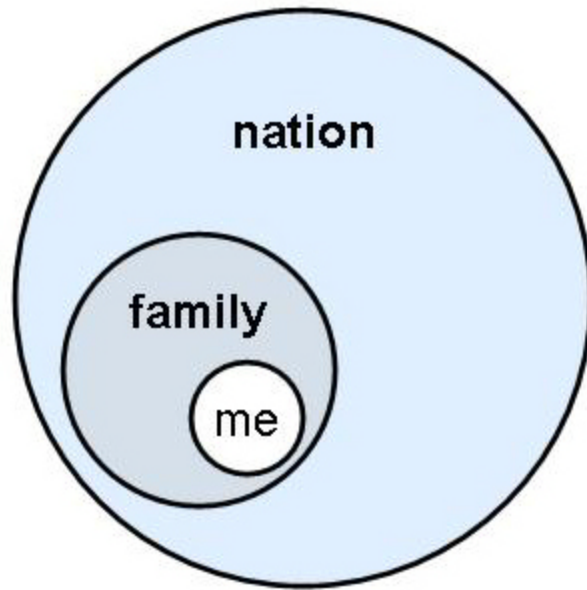
In particular, Americans struggle to understand events in countries that were artificially formed by the colonial European empires, empires that created multitudes of artificial borders and entire countries by whim, thereby dividing ancient tribal lands and forcing disparate tribes, often ancient blood-enemies, into shared artificial nation-states.



From Kashmir to Kurdistan to nearly the entire continent of Africa, where there is trouble, it is almost always traceable back to European colonialism and the wreckage the modern world has inherited because of it.

Circles in Circles

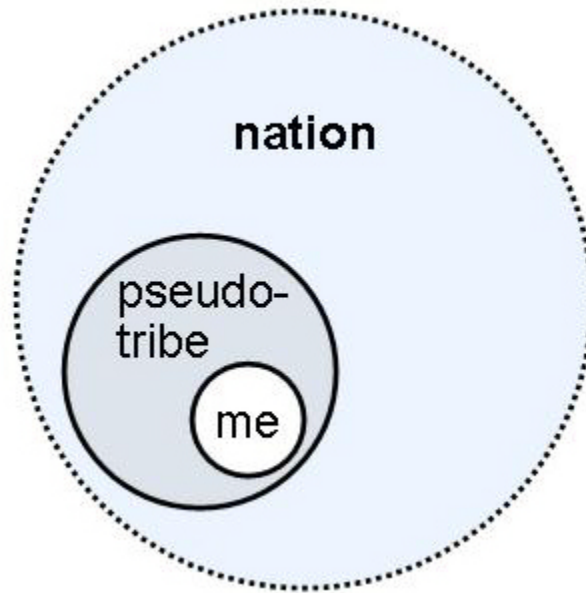
The United States, however, avoided this trouble. From the beginning of the nation, aside from the remaining native Americans, there was no true tribe in America, so the fundamental groups-of-humans units were simpler and more conducive to a nation state with a strong national identity.



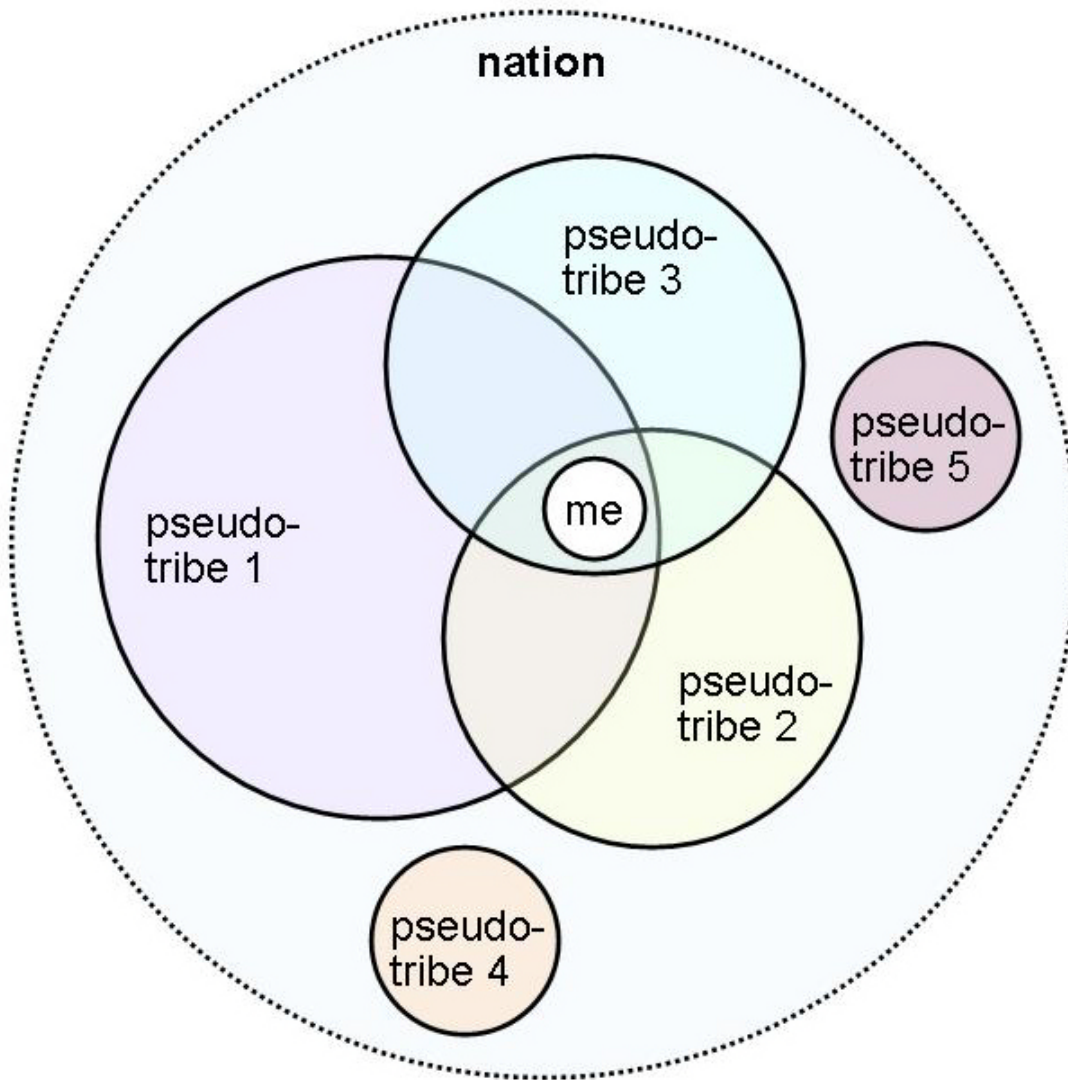
For most of its existence, the United States had a strong sense of overriding nationhood. Americans were Americans, first and foremost, because no tribal loyalties clouded or competed for the people's identity.

That all started to change when the fundamental building block, the family unit, began to disintegrate in the mid to late 20th century. As the multi-generational family unit weakened, stratified and crumbled it was replaced by pseudo-tribes.

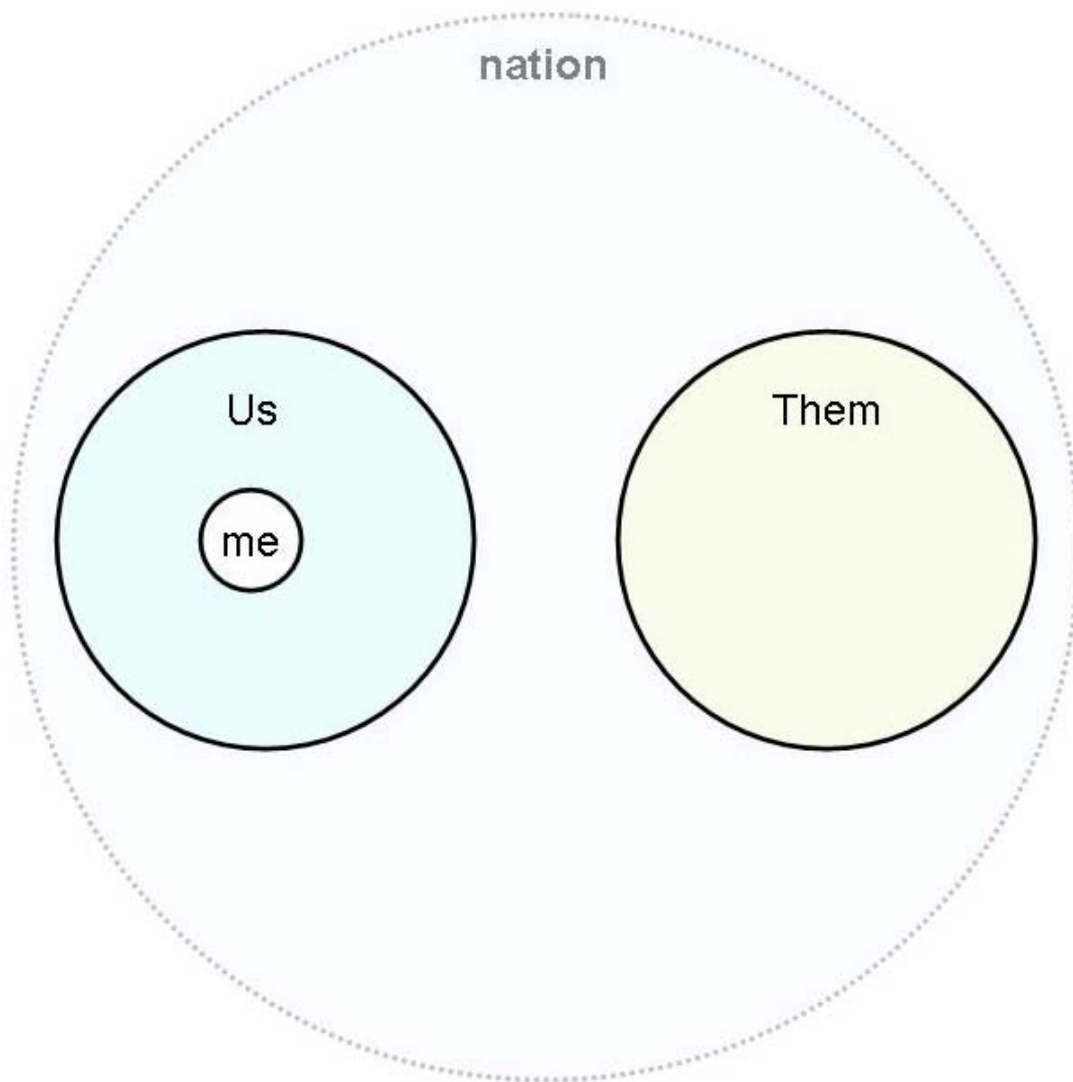
As the family became less and less a reliable structure in American life, pseudo-tribes filled the very basic human need for identity, status and protection. As pseudo-tribes rose in prominence, the nation state diminished in importance in terms of identity and definition.



Pseudo-tribes, such as gangs, institutions, organizations, brands and technologies came to define Americans' identity. People self-defined themselves as members of pseudo-tribes first and Americans second, third or a very distant fourth, if at all. For instance, people would commonly identify themselves as "gardener" or "Cubs fan" or "metal head" but you would be hard pressed to find someone who would self-identify first as "American."

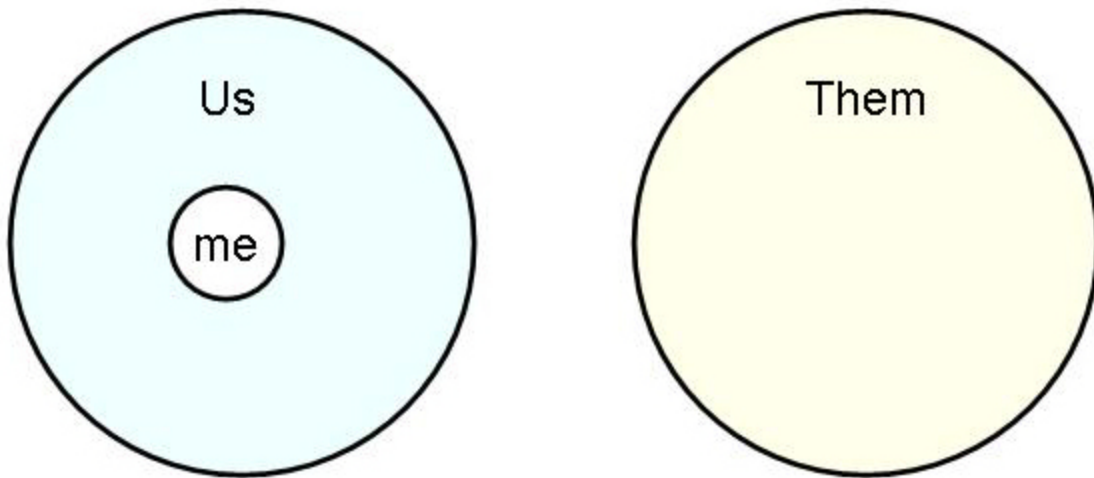


In today's America, pseudo-tribes have been replaced in dominance by bi-polarization that seeks to separate every single person into two very easily defined types, either us or them.



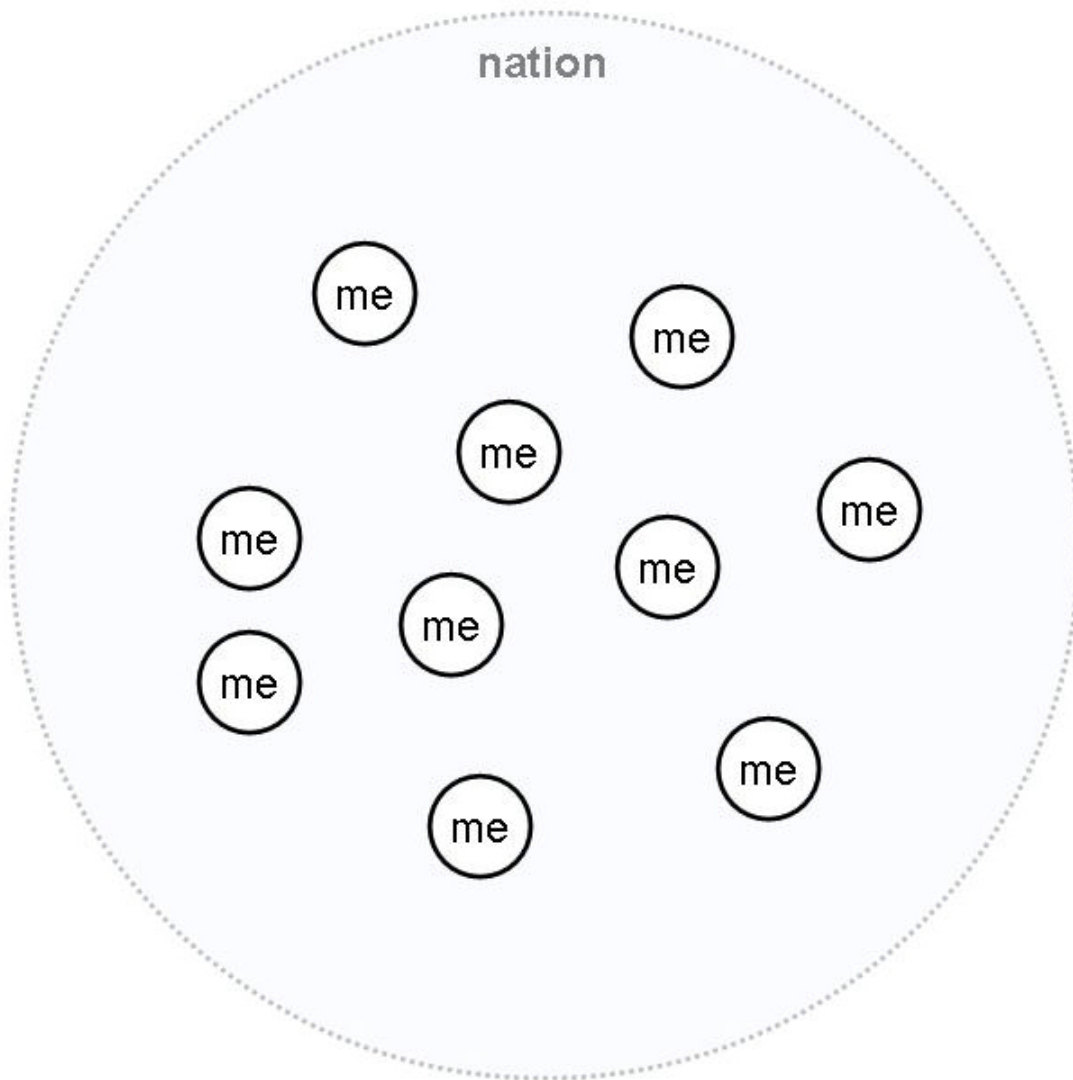
In today's world of us, meaning those who “get it,” those who understand, those who are paying attention, those who are aware, those who are tuned in, those who are in touch, and those who are true believers—and them, meaning everyone else—the nation has faded into insignificance.

Although both groups, us and them, regularly trot out the flag and claim exclusive rights to true patriotism, they both are merely dressing up in the costumes of Americans. Their vitriolic rants about being the only true patriots, the only true Americans, ring hollow. Despite their protestations to the contrary, it is obvious to any non-aligned observer that it has nothing to do with America; it has only to do with us and them.



It is clear that in today's world, there are only two entities. The nation has ceased to matter for either polarized group, whose only real purpose is the destruction of the opposing camp.

This leaves the few people outside the warring camps as the only ones who have any sense of nationhood, the only sense of what it used to be like to be Americans before us and them took over.



It remains to be seen if those few who remain outside the warring camps can rebuild the nation after the polarized combatants treat the country as collateral damage in their efforts to annihilate their opponents. At the rate the nation is devolving into partisan warfare, there may not be much left to work with.

While there is little doubt that individual people will survive the conflict, it is unknown if they will be merely individual circles or if the nation will survive to encompass them.

The Nature of Change

March 3, 2010 – 18:49

More than 9 out of 10 patients do not change their lifestyles in response to their doctor's recommendations.
More than 70 percent of corporate change efforts fail.

Humans hate change.

It's a simple fact of life. There isn't any easy way around it. In general, humans hate change.

That rule extends beyond individuals into groups of humans: families, tribes, organizations, companies, communities and nations. Humans hate change.

As individuals and groups, we tend to get locked into a way of doing things, a set of perceptions and a set of expectations. Anything that forces us to change anything about what we consider normal is usually resisted.

Even in the face of overwhelming evidence for the need for change, we will resist change. For example, the majority of people who suffer heart attacks do not make long term changes in their lifestyles to eliminate or limit factors that contribute to heart disease. In other words, even when it's a matter of life and death, humans hate change so much they won't change even to save their own lives.

There are university degree programs in change management; multiple national and global professional associations of practicing change management consultants; countless thousands of trained, certified and degreed change management practitioners and a cornucopia of books, videos, workshops and tutorials on implementing change. In spite of all this learning and all these resources, there has been relatively little improvement in change rates in humans or groups of humans.

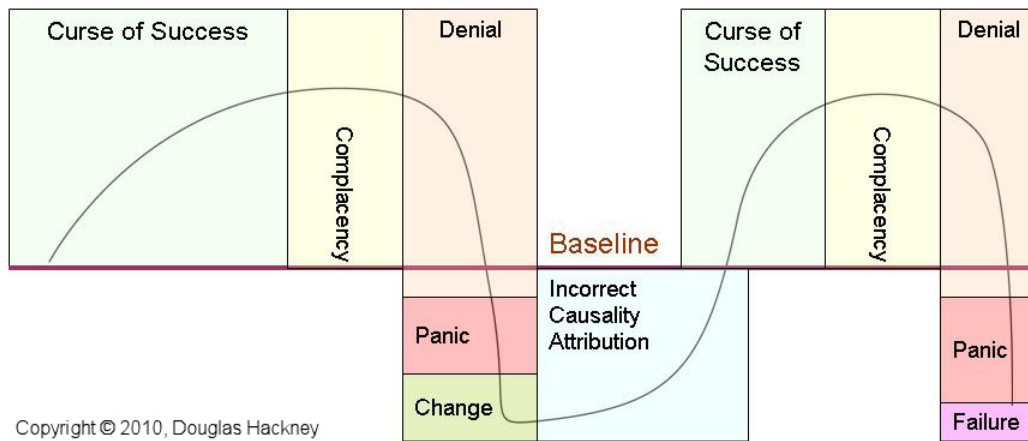
Why is this so?

The reason humans and groups of humans are so poor at making changes is that there is actually a very small window of opportunity for change in humans and groups of humans.

Most people and organizations consider themselves open to change. You could not begin to count the number of leaders who promote a culture of openness to change and constant improvement. Although this makes for good public relations, in reality humans and groups of humans are typically open to and accepting of change only during a very small portion of time relative to their overall existence.

(click image for larger size)

The Change Cycle



The lifecycle of humans and groups of humans, such as companies and countries, consists of cycles, cyclic periods of relative growth and shrinkage. During these cycles, humans and groups of humans such as companies and countries spend most of their time blocked off from being open to and accepting of change.

During growth periods, humans, companies and countries are in the cocoon of the Curse of Success. Everything is going great, so there is no need to be open to any external inputs, regardless of source. It is useless to attempt to provide advice, guidance or predictions of future challenges to humans, companies or countries during this period. From their perspective, they are succeeding, so they have no need of improvement; they are obviously the single and sole source of their success, so others have nothing to offer that could possibly be of value to them.

When growth slows, complacency sets in. Humans, companies and countries consider this a brief lull before inevitable growth returns. They use this period to relax and recover from the exertions of the high growth period. Again, it is useless to attempt to provide any suggestions for improvements or warnings of coming challenges during this period. From their point of view, they just had a huge run of success. If anyone should be offering advice, it is they who should be instructing others; their success had nothing to do with external factors or the overall environment; success was due to their unique combination of talents and abilities.

When things turn downward, humans, companies and countries engage in a long period of denial. During this period they attempt to apply solutions to past problems to the new challenges they face. They will continue to cycle through previous solutions to past problems until they pass through the baseline. Only then will they consider the possibility that they are facing new challenges that their old solutions won't overcome.

The Nature of Change

Once they are well and truly lower than the baseline where they started, they will panic and desperately apply any possible solution in an effort to return to the sweet days of growth and the lazy afternoons of complacency. This period is when individuals, companies and countries attempt “silver bullet” solutions, magic cures and radical reorganizations, often leading to outright failure. This period is a fertile market for purveyors of quackery, flim-flam artists, con men and get-rich-quick schemes on the individual and small group level and seemingly simple solutions to complex problems at the large group to country scale.

If they survive the panic phase, they will finally, albeit briefly, be open to and accepting of real change.

Real change requires real work. It requires real changes in processes, perceptions, activities, structures and organization. As such, humans and groups of humans attempt to limit the amount of real change as much as possible. During this period, they are enthusiastic about the concepts of change, but very resistant to fully adopting and implementing the nuts-and-bolts reality of complete change. If they succeed in not fully changing, they guarantee that they will soon revisit the downward slope and panic phase.

As soon as humans and groups of humans sense a shift in direction from plunging ever downward to leveling out, change stops. Lip service, platitudes and posters regarding change may still linger, but real change, complete change, ceases immediately.

The next step in the cycle is incorrect attribution of causality. For individuals or groups that survive the terrifying dive to near oblivion only to pull up just as they were staring directly at disaster, the only possible cause of their success is themselves. They immediately begin the process of self-congratulation and self-reinforcement of all the things they did right to save themselves. As they begin to experience growth, this loop becomes self-enabling, self-certifying and self-accelerating. The more they experience success, the more entrenched the legends of how they survived and triumphed over adversity become. The long drop off the cliff, the panic, the terror all fade into dim memories as they pass upward through the baseline and wall themselves off in the cocoon of the Curse of Success.

And the cycle begins anew.

As you can see, the window of opportunity, the period of time, when people are open to and accepting of change is actually extremely limited. That is the reason why humans and groups of humans are so miserable at effecting change in their lives, their tribes, their communities, their companies and their countries.

Where are you in this cycle?

Where is your tribe, your community and your company in this cycle?

And, of critical importance right now, where is your country in this cycle?

Sources:

- Texas A&M University
- Harvard Business Review
- Canadian Medical Association
- Enterprise Group, Ltd. www.eglt.com

Kodak and Our Future

October 15, 2007 – 06:37

Steven Sasson, the inventor of the digital camera, was inducted into the Consumer Electronics Hall of Fame today.

He invented the digital camera in 1975.

Steven didn't work for Nikon or Canon or Matsushita or Sony.

Steven worked for Kodak.

On October 10, 1975 Kodak dominated photography and traded for a split adjusted per share price of \$10.72. 32 years later, on October 10, 2007, Kodak closed at \$27.36. That's a 155% gain.

On October 10, 1975 the Dow closed at 823.91. On October 10, 2007 the Dow closed at 14,078.69. That's a 1,609% gain.

In those 32 years Kodak went through countless CEOs and layoffs accompanied by an equal or greater number of strategic, rebuilding, restructuring, acquisition and divestiture plans, all duly noted in an endless series of press releases ranging in tone from depressing to disastrous. Occasionally Kodak would score a small success in one of their markets, but most of the time the company flopped on the deck like a dying fish.

In the most recent example, in 2006 Kodak sold 2,183,000 fewer digital cameras in the U.S. than it did in 2005, losing 31% of market share along the way.

Kodak invented consumer photography. Kodak made photography accessible and affordable for every consumer of every income level and demographic segment. Kodak was the 800 pound gorilla of the U.S. photography market and fought toe to toe on the world market with Agfa and Fuji. Kodak invented, manufactured and merchandised nearly every single component needed for photography in nearly every single segment of the photography market. All of those products were analog.

The world has moved en masse to digital photography.

Kodak invented digital photography.

Kodak is a pale, shrunken, struggling shadow of its former self.

What happened?

In 1975 when Steven Sasson viewed the first low resolution image created by the first digital camera, every single photography product sold by Kodak was based on film, chemicals, paper and the electro-mechanical products required to utilize them. Kodak was a very large global company based on a

specific type of process using specific types of products. Kodak had been doing business this way, very successfully, since George Eastman, the founder, introduced the first roll film camera in 1888.

Doing things a specific way over a long period of time, and being pretty successful at it, leads to tremendous organizational inertia. It also leads to a specific set of expectations by stakeholders, in this case, customers, employees, shareholders and Wall Street.

You don't turn a battleship of that size, with that much mass, that much momentum, that much inertia, on a dime. In fact, you don't turn it at all, which explains why the company that invented digital photography essentially missed out on the digital photography revolution.

It is easy to look back at Kodak's executive leadership at the time and, with 20/20 hindsight, castigate them for being short sighted idiots for not pouring the company's resources into the development of digital photography technology and re-inventing the company around it.

However, an objective analysis reveals that if the CEO of the time had announced in 1975 that Kodak was on a road map to cease film camera production entirely and decrease film production over 80%, Wall Street and the shareholders would have burned him in effigy and run him out of town on a rail. They would have demanded that Kodak re-create the "give them the razor and sell them the blades" recurring revenue business model of analog photography in the digital realm. The management of the time was expected to keep pumping out profits every quarter and to not rock the cash-cow analog photography boat. They were not expected to lead the charge of revolutionary change.

And, even if they wanted to, they would have discovered as their successors did that Kodak was institutionally incapable of adapting to the revolutionary change of digital photography. Even when they saw the writing on the wall, even when they realized there was no other route to survival but revolutionary change, they could not turn the giant boat of Kodak. There had been too many good days, too many successes, too many accolades, too many years doing things the way they had always been done. The leaders of Kodak could not alter the momentum, the organizational inertia, of Kodak.

The reason they failed is large human organizations like Kodak, even when faced with certain doom, do not readily adopt revolutionary change. In general, large human organizations never get past the first three stages of human adaptation to change: shock, denial and anger. They rarely get to the last two stages: testing and acceptance. Instead, they loop through the first three stages, alternating between shock, anger and denial, until they are overrun, crushed and left behind by the new reality.

This applies equally to large businesses, communities, cities and countries.

It also applies to our immediate future.

The next great wave of opportunity is Green. As the U.S. finally wakes up to this opportunity the unique entrepreneurial environment here will give rise to remarkable innovations and life- and world-altering technologies.

Most will die on the vine. Most of the rest will die of neglect. Most that remain will be rejected.

Kodak and Our Future

They will not be immediately adopted or implemented for the same reason Kodak invented digital photography and subsequently watched the digital photography ship leave the dock without it: large human organizations do not turn on a dime.

Over the coming election cycle we will all be bombarded with candidates vying to out-Green each other. They will spout an endless stream of easy, simple solutions to our energy and environmental challenges. Their sound bites will sound very similar to the academic I recently read who proclaimed “We need to re-engineer our cities.” Right.

It is one thing to be a visionary. It is one thing to be innovative. It is one thing create new solutions.

It is quite another to understand how large human organizations, such as large companies, communities, cities and nations, test, adopt and propagate fundamental change.

On Friday, October 12, 2007, Kodak announced it would no longer be an Olympic sponsor. Kodak is pulling back from the world stage, no longer a world player. They are withdrawing behind our borders, becoming isolationist, hunkered down in their steadily shrinking bunker.

Steven Sasson invented the digital camera in 1975.

Steven Sasson worked for Kodak.

Let's hope that as entrepreneurs, companies, communities, cities and a nation we demonstrate better skills at adapting to change than Kodak. Let's hope we demonstrate the understanding required to both envision change and implement it. Let's hope that we retain our ability to stay engaged with and lead the world with innovation instead of inventing it, ignoring it, being crushed by it and finally withdrawing back into a shrinking hole.

Sources:

- Kodak
- IDG News Service
- Commodity Systems, Inc.
- Capital IQ
- New York Times
- ImagingInfo.com
- Consumer Electronics Association

Every 24 Hours

January 16, 2009 – 14:45

The United States of America imports 13,468,000 barrels— 565,656,000 gallons—of petroleum products.
Every day.

America imports 2,163,000 barrels of oil and petroleum products from Persian Gulf countries.

Every day.

America imports 5,980,000 barrels of oil and petroleum products from OPEC countries.

Every day.

America sends \$150,256,400 to the Persian Gulf countries and \$424,231,167 to OPEC countries.

Every day.

I'll save you the math. That's \$53,491,278,400 and \$151,026,295,333 to the Persian Gulf and OPEC countries respectively per year. That's 53 and 151 billion, with a b.

I am willing to state on the record, with confidence, that some of that money is being used to fund activities that are detrimental to the national interests of the United States.

Since I'm here in South America, I'll highlight Mr. Hugo Chavez, President of Venezuela, America's *fourth largest supplier* of foreign oil. The United States of America sends Mr. Chavez \$88,957,228 every 24 hours for his oil. That adds up to \$32,469,388,342 a year. That is 32 billion, with a b.

I, for one, do not think America can continue to send people like Mr. Chavez \$88,957,228 every day—\$32,469,388,342 a year—and not suffer ill effects.

I, for one, do not want to be a passport carrying member of the first society in the history of humans to fund their own destruction by hostile elements.

America imports 58% of the petroleum used in its economy.

The United States of America sends \$913,893,587 per day—every 24 hours—to other countries for their oil. That is \$325,346,116,853 a year. That is 325 billion, with a b.

That's \$325,346,116,853 that could have funded increased teacher's salaries, new roads and bridges, scholarships, technology research grants, alternative energy, tax relief, two starting pitchers for the Yankees, whatever—you pick it.

America sends \$2,003,287,671 more overseas for imported goods and services than it receives for its exports. Every day.

That's 2 billion, with a b. That adds up to \$731,200,000,000 a year that goes outbound over America's borders to pay other nations for their goods and services in excess of what America receives for sales to other nations for goods and services; it's called the current account balance. A negative current account balance is bad. America's is 731 billion, with a b. It is negative.

Where does all that money go America sends to the Persian Gulf and OPEC countries? Some of it is used to build the world's largest indoor artificial ski slope, the world's largest hotel and the world's largest residential tower. Some of it is used to build world class art museums and giant amusement parks. Some of it is used to buy fleets of luxury automobiles and build palaces with gold plated everything. Some of it is pooled into sovereign wealth funds used to purchase companies, real estate and other assets in the United States and elsewhere. Some of it is used to discover and extract more oil to sell to America. Some of it is used to bribe politicians and government officials, buy bonds, fund programs, influence elections, distort foreign and domestic policy and otherwise control neighboring and regional countries. Some of it purchases modern military systems and builds armies, navies and air forces. Some of it lines the pockets and fills the Swiss bank accounts of royal families and corrupt presidents, bureaucrats and their cronies. Some if it is used to fund overt and covert activities aimed at destroying America and western civilization. Some of it is used to buy U.S. Treasury Securities.

Oil exporting countries hold \$382,900,000,000 worth of U.S. Treasury securities. That's 382 billion, with a b. Coupled with China's \$477,600,000,000 of U.S. Treasury securities, America owes \$859,600,000,000 to those 19 countries. That's 859 billion, with a b.

America is faced with a wide range of domestic and foreign policy issues. These issues require public policy decisions from America's elected representatives, including congress and the president, as well as day-to-day functional policy decisions from the administrators and managers of the various departments of local, state and federal government. Not a single one of those people can make an independent decision regarding the challenges they face. Every single one of them, from the smallest town mayor to the president of the United States, must make those decisions with a revolver pressed up against their head with a finger on the trigger. That revolver is America's dependence on its most important strategic resource—oil—from foreign suppliers. That revolver of dependence on foreign oil eliminates independent decision making for domestic and foreign policy. Every day.

I am sure there is an argument out there that supports the continuation of this program of daily incremental national mass suicide. If so, I hope someone posts it as a comment so I can better understand the reasons why America should continue on this course.

Every 24 Hours

Until such time as those arguments change my mind, I will continue to advocate the position that America must become energy independent. If for no other reason than that the Yankees can always use more quality starters.

Oh, I forgot the bad news. All these numbers are from 2007. The numbers today are even worse.

Much worse.

Every day.

Every 24 hours.

Tick Tock.

Caveats:

- All calculations based on landed cost of crude by origination, average cost for year 2007.
- Total import volume is based on all petroleum products, e.g. crude oil plus refined products, cost calculations are based on crude oil prices, consequently resulting dollar totals are lower than actual dollars expended.

Sources:

- Energy Information Administration – official U.S. Government Department of Energy data
http://tonto.eia.doe.gov/country/country_energy_data.cfm?fips=US
http://tonto.eia.doe.gov/dnav/pet/pet_pri_land1_k_m.htm
- U.S. Department of Commerce Bureau of Economic Analysis
<http://www.bea.gov/international/ai1.htm#BOPIIP>
- U.S. Treasury Department <http://www.treas.gov/tic/mfh.txt>
- Calculated and derived data from DOE, DOC and Treasury source data

Definitions:

- Current Account Balance - The current account balance is defined by the sum of the value of imports of goods and services plus net returns on investments abroad, minus the value of exports of goods and services, where all these elements are measured in the domestic currency. (Econterms)

Facing the Future

- Oil exporting countries include: Canada, Mexico, Ecuador, Venezuela, Indonesia, Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates, Algeria, Gabon, Libya, Russia and Nigeria.
- Barrel – One barrel of crude oil equals 42 U.S. gallons or 158.987 liters.
<http://www.eia.doe.gov/kids/energyfacts/sources/non-renewable/oil.html>

What You Know – True or False

January 10, 2009 – 22:21

True or False Questions

1. ___T___F - The impact of two airplanes destroyed the World Trade Center on 9/11/2001.
2. ___T___F - TNT has more energy than gasoline.
3. ___T___F - Metal detectors detect metal.
4. ___T___F - A one kiloton atomic bomb detonated in Central Park would destroy New York City.
5. ___T___F - It is very likely a terrorist group, such as Al-Qaeda, will soon build a nuclear bomb.
6. ___T___F - It is much more difficult to engineer or alter a bacterium for a biological terror attack than to build or detonate an atomic weapon.
7. ___T___F - A biological weapons attack would be easy.
8. ___T___F - Liquid Hydrogen, the key fuel for the “hydrogen economy,” has 4.5 times more energy per gallon than gasoline.
9. ___T___F - Cars could be solar powered.
10. ___T___F - Cars and trucks use most of the petroleum in America.
11. ___T___F - Most of America’s energy comes from foreign oil.
12. ___T___F - Household solar panels will pay for themselves quickly.
13. ___T___F - The world will run out of oil.
14. ___T___F - Oil has never been more expensive than it was in mid-2008.
15. ___T___F - Natural radiation is harmless; manmade radiation is harmful.
16. ___T___F - Over 20,000 survivors of the Hiroshima atomic bomb died of cancer which was caused by the bomb.
17. ___T___F - The region around Chernobyl was destroyed by the nuclear power reactor explosion, which killed thousands of local residents, and will remain uninhabitable for thousands of years.
18. ___T___F - No citizen of the U.S.A. is exposed to radiation levels as high as those required after the cleanup of any radioactive spill.
19. ___T___F - Dental X-Rays cause cancer.
20. ___T___F - Iran’s nuclear program’s uranium enrichment centrifuge complex would be easy to target and destroy.
21. ___T___F - Nuclear fusion has never been achieved.
22. ___T___F - America’s atomic weapons design information is top secret.
23. ___T___F - Iraq never had a program to develop nuclear weapons.
24. ___T___F - A nuclear reactor used to generate electricity is the same as an atomic bomb; it is just waiting to explode.
25. ___T___F - It is impossible to design and build a safe nuclear reactor to generate electricity.
26. ___T___F - Generating electricity from nuclear power requires storing the spent fuel rods for 100,000 years in perfect safety.
27. ___T___F - Drinking water in the U.S.A. is safe from radioactive contamination.
28. ___T___F - Cold fusion is impossible.
29. ___T___F - Spy satellites can read license plates.

Facing the Future

30. ___T___F - The U.S.A. has enough spy satellites to capture an image of any place on the planet at any time in an on-demand basis.
31. ___T___F - The GPS system in your car or your backpack communicates with the GPS satellites to determine your position.
32. ___T___F - Stealth airplanes and ships avoid detection by absorbing radar.
33. ___T___F - It is warmer now than it was in 1998.
34. ___T___F - We will never have another ice age.
35. ___T___F - It requires huge temperature differences to change the climate on earth.
36. ___T___F - The earth's temperature was stable for the last 12,000 years until the industrial revolution.
37. ___T___F - The greenhouse effect is bogus.
38. ___T___F - There have always been natural fluctuations in the level of carbon dioxide in the atmosphere; current levels are just another natural variation.
39. ___T___F - Carbon dioxide (CO₂) is required by plants to make oxygen via photosynthesis, thus, more CO₂ is good for the planet.
40. ___T___F - Scientists' computer models can accurately predict global warming.
41. ___T___F - The U.S.A. is the world's largest producer of CO₂.
42. ___T___F - The earth has gotten much warmer.
43. ___T___F - The world's scientists are in consensus that global warming is indisputably true and caused by humans.
44. ___T___F - The melting of the Antarctic ice proves global warming is happening.
45. ___T___F - The cost of hurricane damage has been increasing for the last century; more extreme weather is a result of, and proves, global warming.
46. ___T___F - The number of hurricanes hitting the U.S.A. has increased over the last century; more extreme weather is a result of, and proves, global warming.
47. ___T___F - The number of severe tornados in the U.S.A. has been increasing; more extreme weather is a result of, and proves, global warming.
48. ___T___F - The number of wildfires in the U.S.A. has been increasing; more extreme weather related events are a result of, and prove, global warming.
49. ___T___F - Scientist Michael Mann's "hockey stick" chart of average temperatures in the northern hemisphere for the last 1,000 years conclusively proves global warming and its direct cause by humans.
50. ___T___F - If the U.S.A. cut its greenhouse gas emissions, there would be no global warming.
51. ___T___F - Hydrogen fuel will save us from global warming.
52. ___T___F - Conservative politicians killed the Kyoto Protocol in the U.S.A.
53. ___T___F - The U.S.A. is the most polluting country on the planet.
54. ___T___F - Fluorescent light bulbs and more efficient appliances are a waste of time and will have no effect on global warming.
55. ___T___F - The global population explosion will overwhelm any attempts to control global warming.
56. ___T___F - Corn based ethanol will save us from global warming.
57. ___T___F - A high technology solution will save us from global warming.
58. ___T___F - Wind turbines can save us from global warming.
59. ___T___F - Conservation can save us from global warming.

What You Know – True or False

- 60. ___T___F - If the U.S.A. disappeared tomorrow, the planet would be saved.
- 61. ___T___F - The world's problems are caused by petroleum.
- 62. ___T___F - Global warming is the greatest threat to our planet.
- 63. ___T___F - Global warming is happening, is man-made and is inevitable.

Answers

- 1. False. The fires from the jet fuel destroyed the buildings.
- 2. False. Gasoline has 15 times the energy of TNT.
- 3. False. Metal detectors detect magnets. The metal detector is a big electromagnet and thus turns any metal inside its loop into a magnet, and it then detects that magnet.
- 4. False. It would do little but blow out the windows in the buildings around the park. The blast radius of a one kiloton atomic bomb is only about 450 feet.
- 5. False. A nuclear bomb is extremely difficult to engineer, construct and successfully explode. Just ask North Korea. Their vaunted nuclear bomb test turned out to yield less than one kiloton, but was probably designed to yield at least 20 kilotons. In other words, the North Korean bomb was a dud.
- 6. False. Just about any graduate student can create a killer bug. As noted, it is very difficult to design, engineer, build and successfully detonate an atomic weapon.
- 7. False. It is challenging to successfully disperse a non-propagating (meaning one that infects and kills only the initial victim) biological weapon over a large population in lethal doses.
- 8. False. Gasoline has 4.5 times more energy per gallon than liquid hydrogen.
- 9. False. Solar energy is about one horsepower per square meter (roughly one square yard). Even if you covered every square inch of your car with 100% efficient solar panels, you could only produce a few horsepower.
- 10. False. Transportation, including aviation, uses 28% of the petroleum in America.
- 11. False. Foreign oil provides 29% of America's energy.
- 12. False. Electricity in the U.S.A. is very cheap to buy from utilities, consequently payback for solar panels with today's costs and efficiency (typically ~15%) would take about 22 years.
- 13. False. Due to the dynamics of supply and demand, diminishing supplies will cause higher prices which will enable alternative fuels, which will further reduce demand. In addition, market-price-viable oil can be created from coal at any cost of oil above \$50 per barrel, and we won't run out of coal for between several hundred and 1,000 years, depending on demand.
- 14. False. In constant dollars adjusted for inflation, gasoline cost the same in mid 2008 as in the early 1980s.
- 15. False. There is no difference between natural and man made radiation.
- 16. False. Humans have a 20% chance of dying from cancer even when exposed to no man made radiation. Of the 100,000 survivors, 20,000 died from naturally caused cancers. The radiation exposure from the bomb caused an estimated additional 800 cancer deaths.
- 17. False. Only the reactor itself was destroyed by fire, not an atomic bomb type explosion. The 30,000 residents evacuated received about 45 rem of radiation exposure. That level of exposure would have led to an additional 500 cancer deaths on top of the 6,000 naturally occurring cancers. The area is now showing a 1 rem per year level of radiation, a level some would no doubt define as an acceptable risk.

Facing the Future

18. False. In the event of a spill, the radiation must be reduced to a level of 0.025 rem. The average American is exposed to 0.2 rem of natural radiation a year.
19. False. Dental X-Rays have a dose of 1/1000 rem, about the same radiation your tooth (and body) receive in two days of exposure to the world's natural radiation.
20. False. A typical centrifuge plant has thousands of centrifuges but the entire collection fits easily into a building the size of a movie theater.
21. False. Thermonuclear (hydrogen) bombs, create nuclear fusion.
22. False. The information on the design and manufacture of America's atomic weapons was released to the public, and the world, in the 1950s "Atoms for Peace" program under President Eisenhower in exchange for the nuclear weapon non-proliferation agreements.
23. False. Iraq had an active nuclear weapons program prior to Iraq's invasion of Kuwait. Uranium enrichment equipment, specifically calutrons, were discovered and destroyed by U.N. inspectors subsequent to the war. The U.N. estimated Iraq had achieved 35% enrichment, and the remaining steps to bomb-grade U-235 are "easy," (at least for atomic weapons people) so the evaluation was that Iraq would have soon had an operational uranium based atomic weapon.
24. False. Nuclear reactors used for generating electricity are not capable of exploding like an atomic bomb.
25. False. A pebble bed reactor is intrinsically safe against meltdown, explosion and fire. In addition, the hundreds of nuclear power plants in operation around the world using older designs have operated for decades with only two major accidents: Three Mile Island (pump failure followed by human and process error) and Chernobyl (design flaws, operator and process error).
26. False. After 300 years the radioactivity of the spent fuel rods will have decreased by a factor of 10. At that point, the radioactivity will be 100 times as strong as the uranium mined out of the ground to fuel the reactor and the radiation levels will continue to decrease. That level of radioactivity and length of time is manageable with current technologies and known facts.
27. False. The Colorado River, a primary source of drinking water for Los Angeles and San Diego, is drained from a geologically active region, full of faults and fissures, containing about a billion tons of uranium. The radioactivity in this uranium is 20 times the legal limit for the proposed nuclear fuel storage facility at Yucca Mountain, Nevada.
28. False. Cold fusion, the fusing of atoms at low temperatures, was discovered in 1957 by Luis Alvarez using hydrogen nuclei and a muon particle. Scientists have been working ever since to sustain the fusion and create a chain reaction.
29. False. The fundamental physics of light prevent it from the altitude of a spy satellite.
30. False. Such capability would require a constellation of about 5,000 satellites.
31. False. GPS receivers are receivers, they only receive the signals of the satellites, they do not transmit anything.
32. False. The primary way stealth vehicles and devices accomplish that goal is the way they reflect radar signals, not by absorbing them.
33. False. Average temperatures have been lower in every year since 1998, but remain the highest they have been in 400 years.
34. False. Ice ages have happened roughly every 12,000 years on a quasi-100,000 year cycle due to variations in the earth's orbit and corresponding changes in the sunlight received by the Northern Hemisphere.

What You Know – True or False

35. False. There is only a 12 degree (F) difference between the last ice age and the average temperatures we've enjoyed for the last 12,000 years.
36. False. Temperatures have varied dramatically, by more than six degrees (F), since humans began cultivating crops 10,000 years ago.
37. False. The greenhouse effect is real and indisputable. It is the same phenomenon you experience when you walk into a greenhouse or get into your car on a sunny day with the windows rolled up. In the earth's case, the atmosphere forms a blanket that contains the planet's heat energy.
38. False. From around 800 C.E. until the late 1800s C.E. the carbon dioxide level in the atmosphere was 280 parts per million (ppm). Since the late 1800s the carbon dioxide level in the atmosphere has risen to 380 ppm. The industrial revolution, and the corresponding burning of carbon-based fossil fuels such as coal and petroleum, began in the 1800s.
39. False. More CO₂ makes the atmosphere's greenhouse blanket more effective, trapping more heat in the atmosphere. Some additional heat may be OK, but lots of heat is almost certainly going to disrupt life as we know it in meaningful ways.
40. False. The models are incapable of accurately modeling (calculating) cloud formation and systems, leading to huge uncertainties.
41. False. China is the largest producer of CO₂. China is building the equivalent of 50 to 70 new gigawatt (very large) coal burning electricity generating plants a year. Just one gigawatt coal plant burns a ton of coal every 10 seconds. That equals 3 tons of carbon dioxide emissions every 10 seconds for *every* plant.
42. False. The earth's temperature has increased two degrees (F) in the last century. The temperature has increased about one degree (F) since 1957.
43. Close, but false. The Intergovernmental Panel on Climate Change (IPCC), commissioned by the U.N. and the World Meteorological Organization, consists of hundreds of scientists, diplomats and politicians. It shared the 2007 Nobel Peace Prize for its work on global warming. It issues periodical reports on the global warming issue. In 2007, its conclusion was that they are 95% confident that global warming is happening and 90% confident that at least some of the global warming is due to human activity. That translates to a 10% chance that none of the global warming is due to human activity. In its 2001 report the IPCC stated that there was a 66% probability that at least some of the warming was attributable to human activity. Scientific standards for physics require 95% probability before a theory can be submitted as a paper in a peer reviewed scientific journal. Some scientists believe the IPCC has been swayed by political pressure from both the scientific community and societal politics. Some scientists believe the IPCC has been politically swayed to be incorrectly cautious and other scientists believe the IPCC has been politically swayed to be incorrectly over-ambitious.
44. Interestingly and counter-intuitively, false. Global warming climate models all agree that one effect will be increased moisture in the atmosphere. Even with dramatic warming at the poles, the poles will still be below freezing, so the increased moisture will fall as snow, and actually increase the polar ice cap.
45. False. Using constant dollars (adjusted for inflation), a standard requirement in business and any undergraduate college course, as well as adjusting for the increased number of people living near the coasts, costs for hurricane damage in the U.S.A. have not changed in the last century. [editor's comment: Knowingly using a monetary based timeline chart that does not include constant dollars to level out the effects of inflation would yield an F for a college undergraduate

student and the loss of your job as an analyst. It is simply the most fundamental thing in this analysis. The use of a monetary based timeline chart for the purpose of influencing public policy that does not include a correction for inflation in constant dollars calls into question motives and destroys the credibility of all concerned.]

46. False. Using a count of the number of hurricanes that made landfall, which is an unbiased, non-skewed data set unaffected by increased ability to spot and track hurricanes at sea, there has been no increase in hurricanes making landfall in the U.S.A. In fact, there has been a decrease, especially in the most violent storms, category 4 & 5.
47. False. Based on National Oceanic and Atmospheric Administration (NOAA) data, the number of strong to violent tornados (F3-F5) has been slowly decreasing for the last 55 years.
48. False. Based on National Oceanic and Atmospheric Administration (NOAA) data, the number of wildfires has been steadily decreasing for the last 26 years.
49. False. Although prominently featured in the 2001 IPCC report and in the movie *An Inconvenient Truth* that won Al Gore a share of the 2007 Nobel Peace Prize, the chart has subsequently been shown to be based on biased data created by minimizing data that did not support the “hockey stick” result, and emphasizing data that did. The National Research Council of the U.S. National Academy of Sciences conducted a review of Mr. Mann’s work and concluded that there was nothing in his work that they could support, other than that the use of the statistical method of principal component analysis (PCA) was a good idea, but Mr. Mann had not implemented PCA in its standard form or correctly utilized its algorithms.
50. False. If the U.S.A. permanently cut its carbon dioxide emissions to a level 20% below the level of 2000, the growth in output of carbon dioxide from China and India (primarily from burning coal) would cancel out the U.S.A.’s reduced emissions in three years.
51. False. Hydrogen is not a source of energy, it is only a method of transporting energy. We cannot mine hydrogen, we must produce it from other substances. Producing it requires energy. It is difficult to create hydrogen in a way that doesn’t cost more energy than the hydrogen yields. In addition, hydrogen is not particularly dense in energy, and it takes a tremendous volume to store meaningful amounts of it. For instance, if you fill a standard 15 gallon automobile tank with hydrogen gas, the tank would only yield an operational range of 15 to 45 miles, depending on the vehicle design.
52. False. Although signed by then Vice President Al Gore in the Clinton administration, the Kyoto Protocol was never presented for a ratifying vote by either the Clinton or Bush administrations. The only senate vote related to the Kyoto Protocol was a 95-0 passage vote, fully bipartisan, on the Byrd-Hagel Resolution that requires binding targets and timetables on developing nations, including China and India, prior to ratification.
53. False. The U.S.A. produces 0.55 tons of carbon dioxide per \$1,000 of GDP. The EU-15 produces 0.48. India produces 1.88 and China produces 3.14. The world’s developing countries currently produce about twice as much total carbon emissions annually as the U.S.A. and their rate of emission is rapidly increasing.
54. False. If the U.S.A. currently used 1974 era less-efficient refrigerators, 23 additional gigawatt electrical generating plants would be required to meet the demand. Little things add up, even light bulbs and especially appliances.
55. False. The myth of the population bomb is popular and widely held, but erroneous. When societies become developed and educated, they stop reproducing. The biggest single factor is the

What You Know – True or False

education of women, even to the 6th grade level. The societies of Japan and Western Europe are already declining in population. In addition, Russia's population is shrinking very rapidly. The U.N. estimates that the world population will peak sometime in this century at 9 to 10 billion people and then slowly decline.

56. False. Ethanol created from sugar cane is a viable alternative, but corn is not a terribly efficient feed stock for ethanol production. Unfortunately, unlike Brazil, which achieved energy independence using sugar cane based ethanol, the U.S.A. does not have a climate conducive to large scale production of sugar cane. Ethanol will be a much more viable and attractive alternative fuel once microorganisms are bioengineered to convert plant cellulose directly to ethanol or other alcohols, which will enable the use of plants such as switchgrass, which grow well in the climate of the U.S.A., as a feed stock.
57. False. The challenge is not in the carbon dioxide output of the high-tech-friendly developed countries such as the U.S.A., the challenge is in the carbon dioxide output of relatively low-tech China and India and other developing nations. Any solution must compete with the cost of coal in China, which is very, very low. Any solution must also compete on a strategic, geopolitical level with a very low cost fuel—coal—of which China has centuries of supply under its own soil.
58. False. According to an estimate by Nate Lewis, an energy expert at Caltech, it would be possible to generate 2,000 gigawatts around the globe using wind power. That is only about 15% of the world's current energy use.
59. True. From 1845 to 1998 the amount of energy required to produce a dollar of GDP in the U.S.A. dropped by an average of 1% a year. In response to the 1970s oil crisis, the U.S.A. increased conservation by 4% a year. We currently waste so much energy that with little effort, meaning conservation that is comfortable, that we wouldn't even notice and would not appreciably affect our comfortable lifestyles, we could sustain a 2% rate of increase indefinitely. Compounded over 55 years our energy efficiency would be tripled, meaning we would use only a third of the energy for the same productivity. Conservation works here and it works equally well in developing countries. It is low cost, in fact it pays economic dividends; as well as increasing rather than decreasing national security.
60. False. Even if the U.S.A. disappeared tomorrow, the rapidly increasing use of coal by the developing world would soon replace all of the U.S.A.'s carbon emissions.
61. False. Petroleum (oil) is not the problem. Coal is the problem. It is cheap, easy to obtain and easy to burn. It also has the greatest effect on the world's output of carbon dioxide, the primary component of greenhouse gasses. It is also in abundant supply in the countries that stand to use the most of it: China and the U.S.A., as well as Russia.
62. Possibly false. The acidification of the oceans caused by increasing carbon dioxide levels in the atmosphere may create an even greater environmental catastrophe, but it's a lot harder to get heart-rending video of a dying coral than of a polar bear.
63. Apparently, probably and false. There is clear and convincing evidence that temperatures are higher now than any time in the last 400 years. This may be a simple and normal cycle of temperatures that the earth goes through, or it might not.

But, it is hard for anyone to deny that pumping billions of tons of carbon dioxide into the atmosphere for centuries will have an effect on things. In that sense we are, in effect, playing

Facing the Future

Russian roulette with the atmosphere and the earth. We may be getting blank chambers in the revolver now, but the curves on the graphs of carbon dioxide concentrations in the atmosphere are nearly vertical, and we haven't even gotten China and India completely into the developed-economy game yet. Every few days, when a new coal fired generating plant comes online in China, we are pulling the trigger. Eventually the chamber in the revolver will be loaded. That doesn't mean we are helpless. We are an inventive and resourceful lot. Just as in going to the moon, all we need is a goal, a timeline, some motivation, a leader to inspire us and the sustained political will to reach the target, and we will get there.

America will, in its inimitable over-compensating way, inevitably get so green so fast it will make the Europeans look like energy spendthrifts. But, that won't be enough—we can't do it alone. We've got to bring the Indians and the Chinese along for the ride.

It's a pretty small planet when you look at it from space, surrounded by all that blackness and a background of stars. And from up there, you notice that there are no national border lines drawn on the ground.

We're all in this together.

How did you do? The point of this true or false quiz is not to change anybody's mind related to any of these issues, especially global warming. The point is to illustrate that what people think they know for sure—things they know are certain facts—about the issues that will define our nation and our planet for the next century, are mostly simply out-and-out wrong. It is important to realize that most of what we think we *know* is true is probably *not* true. Instead, much of what we believe is absolute fact are rumors, second and third hand knowledge, urban legends, assumptions, distortions, bias or blatant mistruths, the last few usually passed to us by fervent believers on one side of an issue or the other. Most of what we watch or read is equally wrong. Most of it is slickly produced propaganda generated by ideologues on one side of an issue or the other.

It is critically important to seek out the actual, proven, observed and tested facts on these and other issues. Do not settle for what you hear at work, what your friends think or especially what you read on the internet, in the newspaper, in magazines or what you see on television, regardless of the source. Do your own research, utilize multiple sources and draw your own conclusions.

Climate change is an excellent example of the challenge to build a fact based opinion. As illustrated in this short quiz, many of the beliefs related to the issue held as canonical fact by the majority of people, people on both sides of the issue, are in fact untrue.

What You Know – True or False

The sad part is, there is plenty of real, established and unbiased science to form a well founded opinion on global warming and other issues—you don't need the propaganda. All that the distortions and lies accomplish is to inevitably diminish or destroy the reputation and credibility of those who champion them once the truth comes out. And, very unfortunately and much more important, the distortions and lies alter the necessary public policy decisions regarding these vital issues.

Always remember the first three words of wisdom according to Chinese tradition: “I don't know,” and Mark Twain's advice about data and data analysis: “There are lies, damn lies and statistics.”

Seek your own truth. Establish your own facts. Avoid stridency and blind allegiance in all forms. And keep asking yourself the most important question: “When was the last time you changed your mind about something meaningful?”

Source - All true/false questions and answers, except for portions of the answers for 45, 55 & 61, are based on the book *Physics for Future Presidents, The Science Behind the Headlines* by Richard A. Muller.

Show Me Your Budget

February 20, 2010 – 01:25

In my book, [*How The World Works*](#), entry 512 is Priorities vs. Budgets.

It reads:

“As a business management consultant, I heard a lot about priorities. In the introductory meeting and group management team interviews, senior executives would drone on endlessly about the organization’s priorities. Top priority this and critical priority that; it was all I could do to keep my eyes from rolling back in my head.

If the senior executives started down that same path in my personal, one-on-one, interviews I would usually cut them off and say, ‘Don’t tell me about your priorities, show me your budget.’

People, teams, groups, tribes and organizations often make a big show of pontificating about their priorities. Very rarely does the investment of their resources reflect their stated priorities.

It comes down to fundamental honesty—honesty with yourself, with your team, with your organization, with your business. It is one thing to spout about priorities. It is another to live them.

Show me your budget.”

The same is true of countries. Their leaders and citizens often pontificate about the priorities of their society, but the truth is revealed in what they invest their resources in, especially their financial resources.

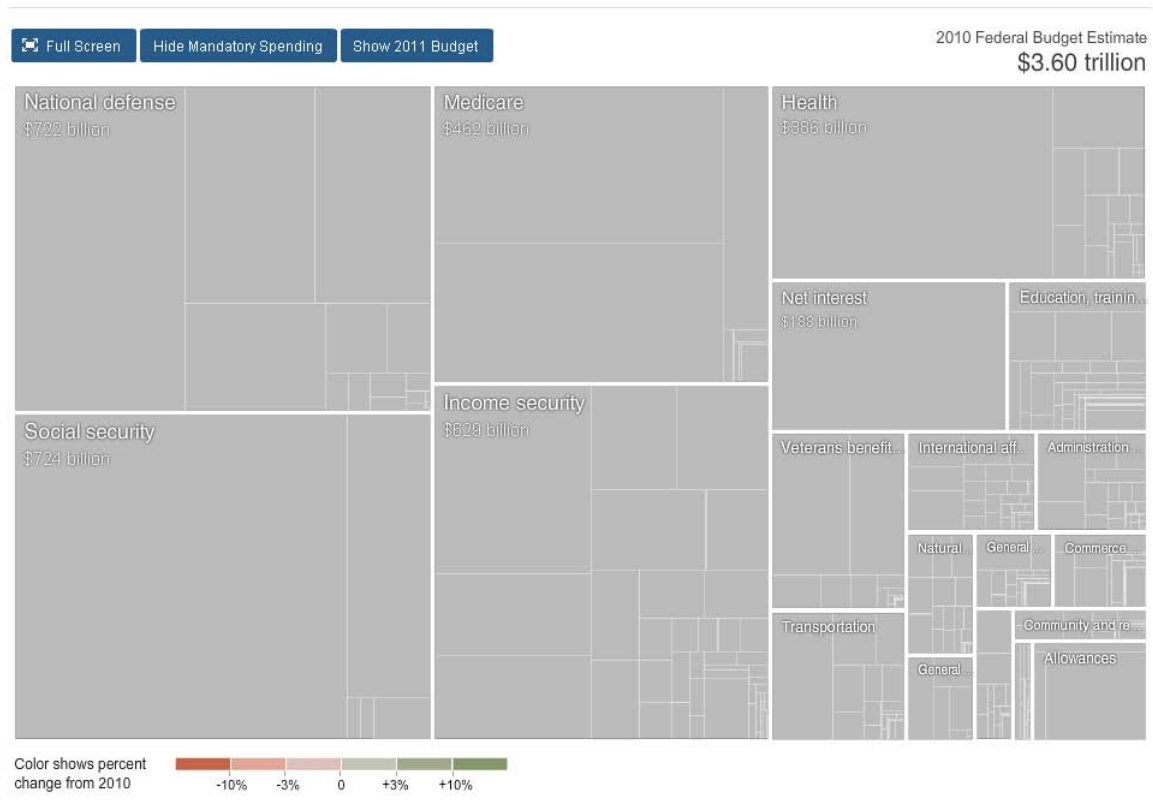
Facing the Future

The New York Times posted a fascinating interactive graphic that illustrates the current 2010 budget and the proposed 2011 budget here:

<http://www.nytimes.com/interactive/2010/02/01/us/budget.html?hp>

The various boxes are sized proportional to the amount of money allocated for that particular category of spending. The bigger the box, the more money invested there.

(click image for larger size)

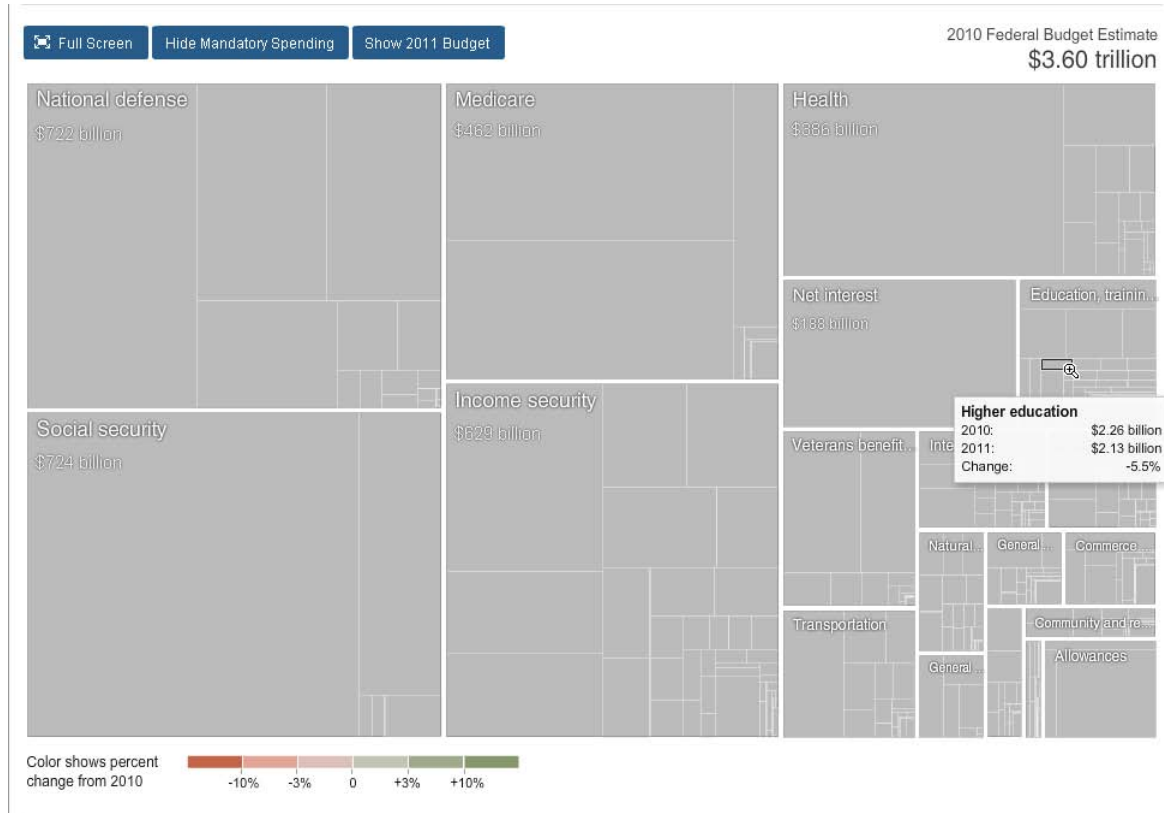


As you can see, social security and defense are the two biggest boxes in the 2010 budget. Everything else gets less money.

Show Me Your Budget

By positioning your cursor over various segments of the graphic on the New York Times web site, you can see how much money has been allocated for various departments and programs of the U.S. government.

(click image for larger size)



In this case, I positioned my cursor over the higher education budget segment and its details displayed, including the delta between the current 2010 budget and the administration's proposed 2011 budget for that expense category.

It's interesting to compare the budgeted amounts to what most people would consider reasonable priorities for their country.

For instance, most people would consider an investment in education to be a priority. After all, if we don't produce educated citizens, we won't have a viable and relevant work force to contribute to the tax base, much less be part of an informed, engaged electorate. Nevertheless, you can see that all of education is a pretty small box, and as illustrated, what is set aside for higher education is a pittance compared to the overall budget, less than one tenth of one percent, a mere .0628 percent of our overall spending.

Facing the Future

Considering the precarious state of the world, others might consider energy independence to be a national priority. Since we spend more than one billion dollars a day for imported oil and an unknown portion of that billion dollars a day is used to fund groups whose primary purpose is to kill us, energy independence seems a reasonable and desirable goal and an area worthy of sustained investment. Taken in the context of more than thirty five years of president after president and congressional leader after congressional leader stressing the need to achieve energy independence, it's interesting that we are currently investing less than one tenth of one percent of our spending to achieve that goal, .0933 percent, to be exact.

2010 Energy Independence Spending	
49,000,000	other energy conservation
790,000,000	nuclear energy R&D
260,000,000	energy preparedness
20,000,000	advanced vehicles
1,180,000,000	renewable energy
1,060,000,000	energy conservation
3,359,000,000	total energy independence
0.0933%	% of total 2010 budget

Given this ongoing reality, a cynic might suggest that the politicians are not really interested in achieving energy independence, and instead are a lot more interested in pocketing millions of dollars in influence payments, errr, of course I meant so say campaign contributions, from the oil industry. But I digress.

I encourage you to click on the link to the New York Time's interactive graphic <http://www.nytimes.com/interactive/2010/02/01/us/budget.html?hp> and move your cursor over the various boxes to learn what money is actually spent on various programs.

Pick your priority, whether food safety (\$1.02 billion, .0283% of total spending), refugee programs (\$1.74 billion, .0483%), Medicare health care fraud and abuse control (\$1.2 billion, .0333%), homeless assistance (\$1.85 billion, .0514%), disease control (\$6.24 billion, .1733%), the Federal Bureau of Investigation (FBI) (\$4.44 billion, .1233%), mass transit (\$8.36 billion, .2322%) or any other category. I think you will share my reaction to what we would consider to be our national priorities versus what we actually spend our money on.

Are we investing in what we need to invest in for a vibrant today and a better tomorrow?

When returning to the United States from the 43 countries I've visited, one thing that stands out is that just about everywhere else I've been in the world that country had a strong sense of national purpose. In some countries it is palpable, so thick you can cut it with a knife. However, when I return to the United States I realize that there is no sense of that here because America has no national purpose. There is nothing that this country is working to achieve; there is no direction this country is moving in; there is no goal that this country is striving to reach. Compared to other countries, the lack of national purpose here is haunting, troubling and does not bode well for our future. If you are not heading somewhere, you go nowhere.

Show Me Your Budget

That reality is reflected in this New York Times interactive graphic. While everyone from the politicians to your neighbor on the bar stool talks boldly about what our national priorities are, those priorities are not in any way reflected in how we spend our national budget.

You can tell me what your priorities are all you want, but in the end, when I want to really know what your priorities are, just show me your budget.

Sources:

- New York Times
- Derived calculations

Buying Boxes

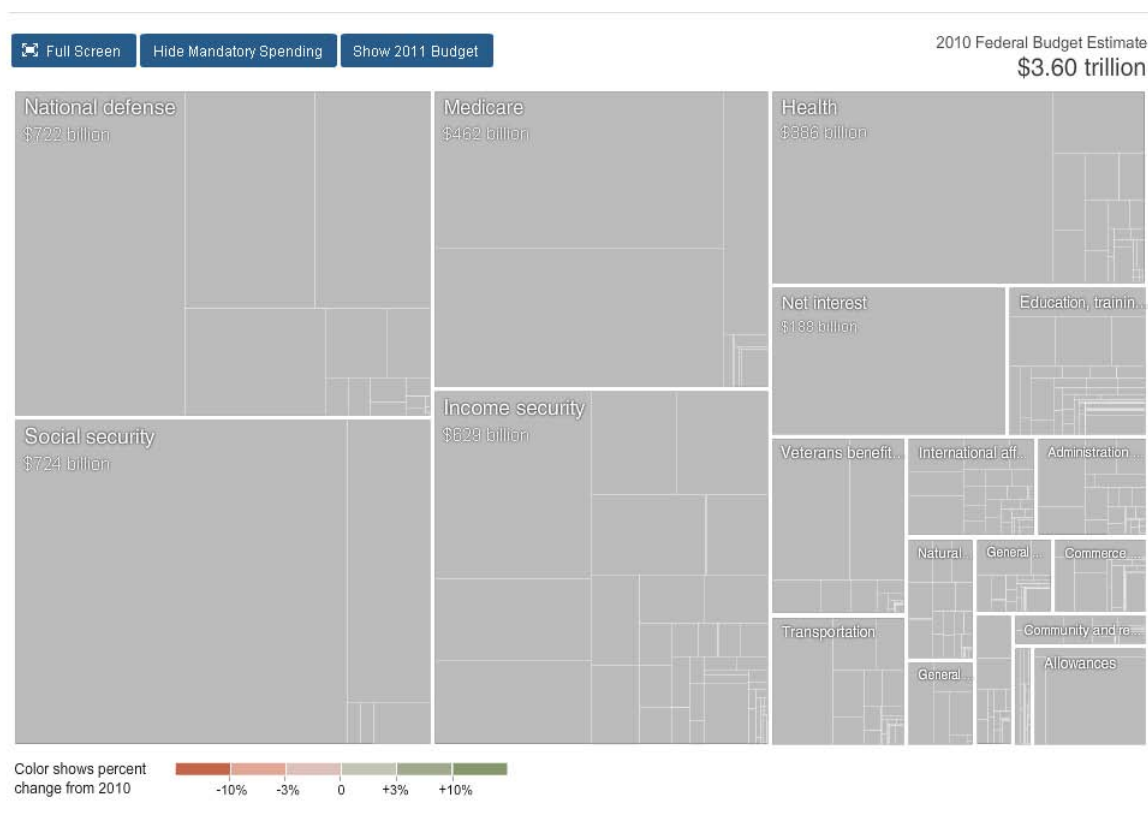
February 21, 2010 – 02:02

In the post [Show Me Your Budget](#), I addressed the U.S. federal budget via an illustration that used proportionally sized boxes to reflect spending priorities. What I didn't cover was how we pay for those boxes, both the overall box of the entire budget, as well as its constituent departments and programs.

When you get right down to it, as taxpayers, we purchase a set of goods and services from the U.S. government. In exchange for our taxes, fees and surcharges we get a campsite in a national park, an interstate highway system, a (supposedly) regulated financial system, an Army, Navy, Air Force and Coast Guard, a Border Patrol, CIA, NSA, FBI, DEA, TSA and countless other three letter acronym agencies, federal standards for everything from allowable amounts of insect parts in hot dogs to airplane tire performance and too many other goods and services to include in this post. We take most of these goods and services for granted, as we do how those goods and services are paid for.

Every one of those goods and services comes from one of the boxes in the illustration. What we don't think about is how we buy those boxes.

(click image for larger size)



Facing the Future

In the case of the United States government, we buy our boxes in two ways:

1. Government revenue via interest income, taxes, fees, duties, and other payments
2. Loans from willing lenders to cover the difference when what the government spends (outflows) exceeds what the government takes in (inflows)

When an individual or a family spends more than they earn, they typically cover the difference via credit cards or, more rarely, through loans. Those credit card debts are secured by the card holder's promise to pay back the debt, basically an IOU. Formal loans usually require collateral, a tangible asset that will be seized if the loan is not repaid, such as a house or a car. In contrast, the U.S. government does not put up any collateral when people loan it money, it just issues an IOU in the form of a bond or Treasury note. Both of those financial instruments promise that we, the American taxpayers, will repay that loan along with interest.

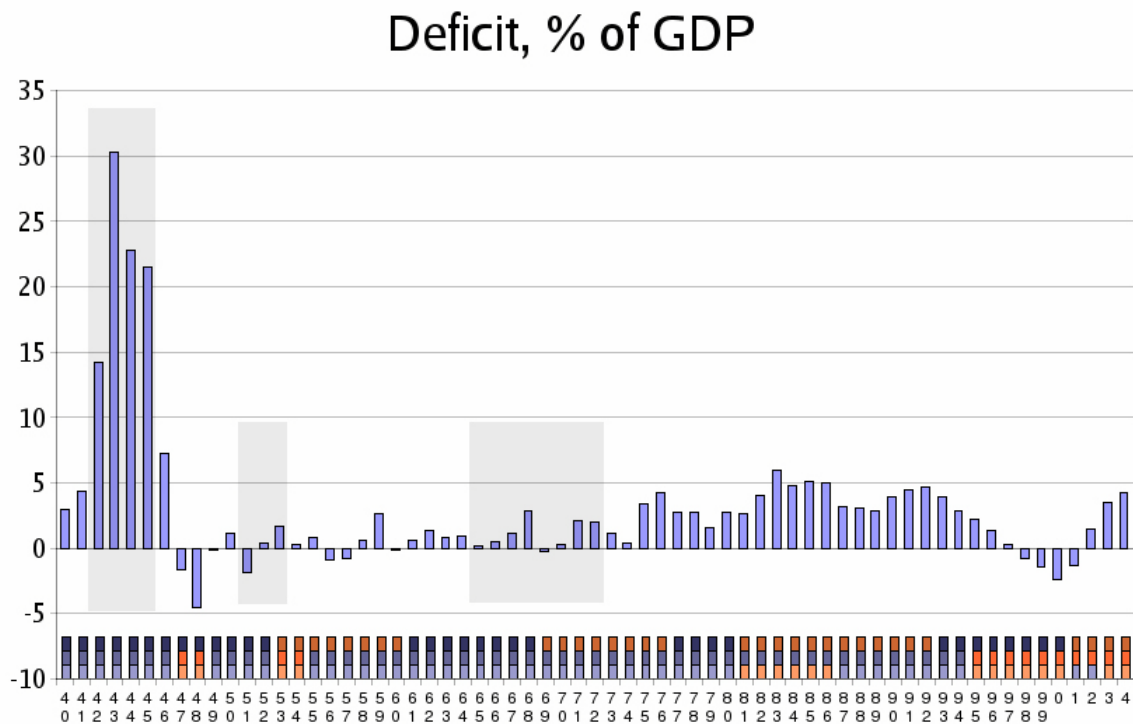
So far, the collective promise of repayment by the American taxpayers has been viewed as a valid, investment-class promise by everyone in the world who has funded our profligate ways by buying U.S. government IOUs. As long as they keep believing we'll eventually repay them and keep loaning us money, we keep spending more than we earn.

The United States government has spent more money than it earned for 47 out of the last 55 years. In each of those 47 years, the U.S. has needed to borrow the difference between its outflows, what we as a nation spent, and its inflows, what the nation took in. That difference, that delta, is commonly referred to as the deficit.

Buying Boxes

The U.S. government 2010 fiscal year deficit is projected at \$1.56 trillion, or 10.6 percent of gross domestic product (GDP – the total value of goods and services produced in our economy in a year). That means in the 2010 budget cycle we are spending \$1.56 trillion more dollars that we are taking in via interest income, taxes, fees, duties, and other payments. The United States has not seen deficits above 10 percent of GDP since World War II.

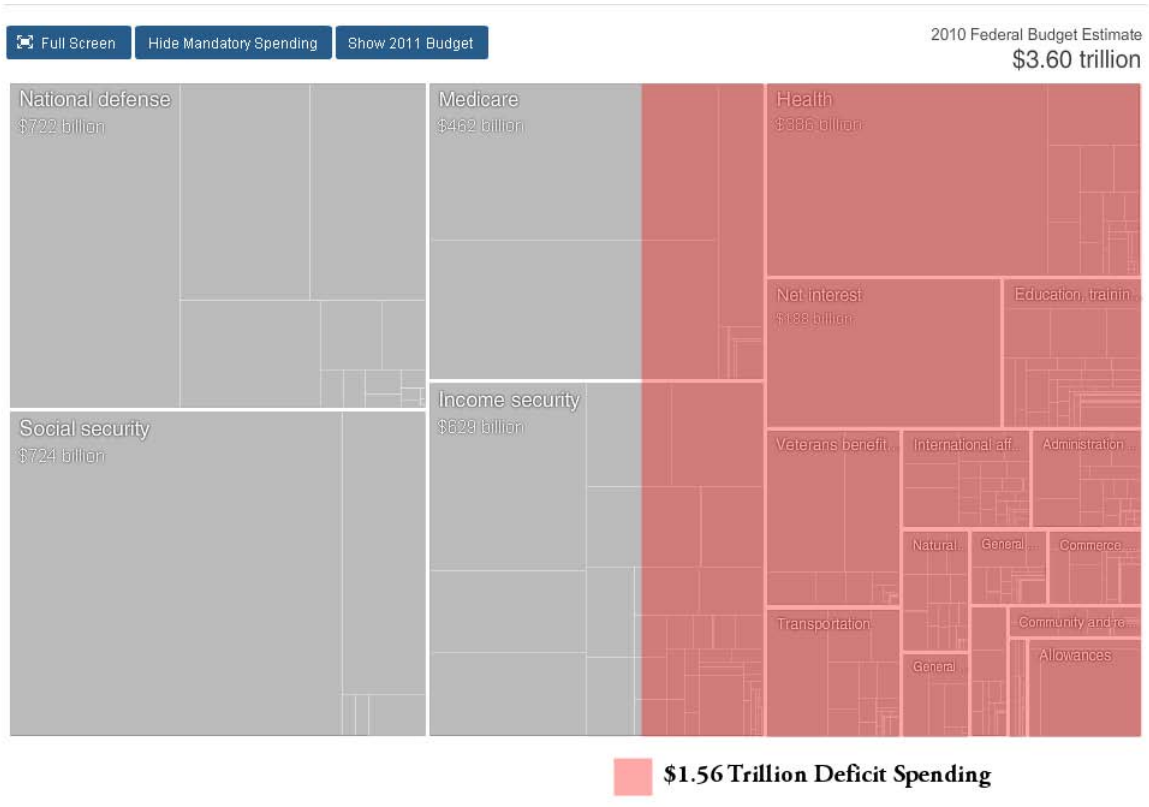
(click image for larger size)



Facing the Future

When the projected \$1.56 trillion dollar deficit (the red area) is overlaid on the 2010 budget, you get a visual idea of how much we can actually afford and how much we need to borrow to fund our collective lifestyles.

(click image for larger size)

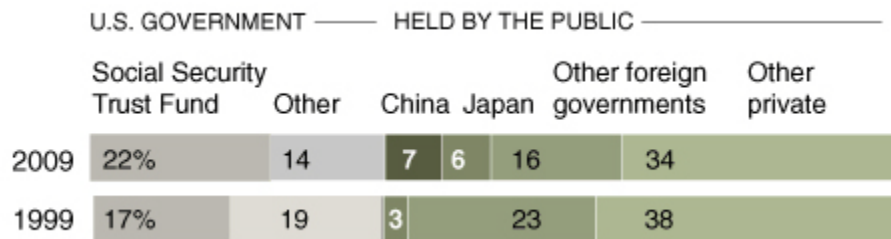


When the projected \$1.56 trillion dollar deficit is applied to the 2010 budget, you can see that the portion of government spending that we can actually afford leaves such basics as health, education, training, veterans benefits, international relations, natural resources, transportation, energy, commerce and administration unfunded, to say nothing of the interest payments on the \$12.394 trillion national debt we already owe.

Who is willing to loan this country, which is obviously incapable of living within its means, \$1.56 trillion on top of the existing \$12.394 trillion we already owe? Basically, the same people and methods used for the last 55 years.

Buying Boxes

U.S. debt is held by American individuals and companies, U.S. government controlled entities, foreign nations and foreign individuals and corporations.



You will note the graphic reflects that in 2009 22 percent of U.S. debt was owned by the Social Security Trust Fund. Due to its large size, while the Baby Boomer generation was working and contributing to the social security system that system ran huge surpluses. Those surpluses were supposed to be held in a trust fund to pay the bills when those same massive numbers of baby boomers retired. Unfortunately, the social security trust fund was accessible by congress, whose members either spent it outright on various boondoggles and earmarks, or used it to cover part of the deficit by purchasing the government's IOUs. As a consequence, there is no trust fund full of money waiting to pay for the baby boomers' social security costs. Instead, the social security trust fund owes more than it can pay, and owns 22 percent of the U.S. public debt in the form of government IOUs.

In addition to social security trust funds, surplus funds from other retirement trust funds controlled by the government, such as the retirement trust for government employees, were used to purchase government debt IOUs. These government controlled, non-social security trust funds own 14 percent of the U.S. public debt.

All told, 36 percent of U.S. government IOUs were purchased by government controlled retirement trust funds, funds that will now be short that money when it is needed to pay their retirees. In order to pay the IOU money back to the trust funds, along with the interest owed, the American taxpayers will need to pony up the money via taxes. In essence, the taxpayers put the money away for retirement via social security and withholding taxes, only to have that money misappropriated by congress to cover the deficits of the U.S. government. Now, when the money is needed to pay for the baby boomers' retirements, the very same taxpayers, or more precisely, the taxpayers' taxpaying children and grandchildren, will need to pay that same money again to cover the IOUs, along with interest. The retirement money was originally paid in taxes by the baby boomer retirees, it was misappropriated by the U.S. congress to cover congress' deficits in exchange for government IOUs, now the retirees' children and grandchildren will need to repay the IOUs via taxes to pay for their parents' and grandparents' retirement. Consequently, it will cost the American people more than double to pay for the retirement of everyone affected in the social security and government pension programs. This logic only makes sense if you are a United States Representative, Senator or President.

Among the foreign holders of U.S. debt, China and Japan lead with a total of \$1.524 trillion dollars, or 42.2% of the \$3.614 trillion total outstanding U.S. government debt held by foreigners. Other top foreign holders of U.S. debt include the United Kingdom (3rd with \$302.5 billion, or 8.4%); the oil

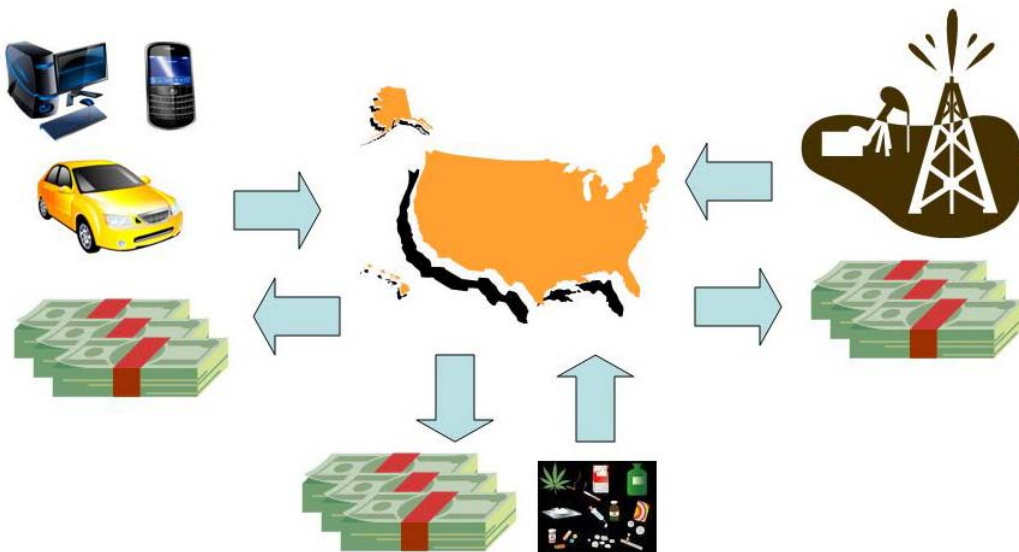
Facing the Future

exporting countries (4th with \$186.8 billion, or 5.2%); and the Caribbean Banking Centers (5th with \$184.7 billion, or 5.1%).

In addition to the foreign governments, an unknown amount of U.S. debt categorized as owned by “individuals” is owned by foreign nationals, ranging from despots diversifying their portfolios from their Swiss bank accounts to investment funds to shopkeepers.

At the national level, the system is a basically a barter exchange. The U.S. sends billions of dollars per day overseas in exchange for oil, illegal drugs and manufactured goods. This leads to a huge difference between the value of what we sell other nations compared to what we buy from them. This difference in trade, this delta, is commonly referred to as the trade deficit. In 2009 the U.S. trade deficit was \$380.66 billion, of which \$226.83 billion was with China (both totals were the lowest in years due to the global economic recession).

(click image for larger size)



Buying Boxes

For the last 55 years, those trade deficit nations have seen fit to turn many of those dollars around and used them to purchase U.S. government debt.

(click image for larger size)



This money laundering system has served as a bottomless ATM for the United States. We've spent most of the last 55 years living beyond our means and borrowing against our assets. In this case, an asset that is nothing more than a promise that the taxpayers would repay the IOUs. In that sense, it's very similar to how Americans lived during the recent real estate bubble, when many U.S. homeowners treated their homes like limitless ATMs, continually leveraging that asset via refinancing their mortgages to fund their spendthrift lifestyles. As we all know, that idea worked great until the real estate bubble burst.

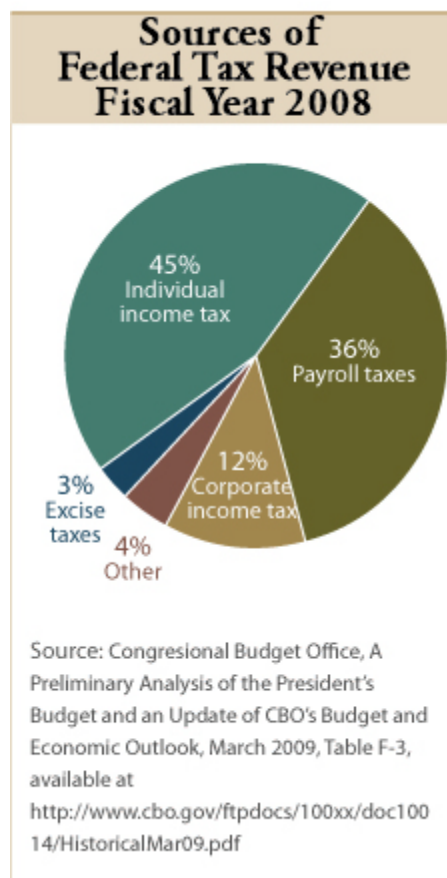
Will the U.S. national debt IOU bubble ever burst in a similar fashion?

For the U.S. national debt IOU bubble to burst, the nations, organizations and individuals selling us oil, illegal drugs and manufactured goods who have been willing to buy our IOUs would need to lose faith in our ability, or stated more accurately, our children's and grandchildren's ability, to repay those IOUs. If the people covering our deficits ever lost faith, and foreign nations, organizations and individuals stopped buying our U.S. government IOUs, interest rates would soar (to make the IOUs more attractive by providing high returns) and the dollar would collapse, along with the U.S. economy.

If other nations, organizations and individuals stopped buying the U.S. government's IOUs, we would have two choices. We could either double taxes, fees, duties and other sources of income to make up the \$1.56 trillion dollar deficit or we could shrink government spending until all the boxes of government spending fit into the area we can afford to fund ourselves.

Facing the Future

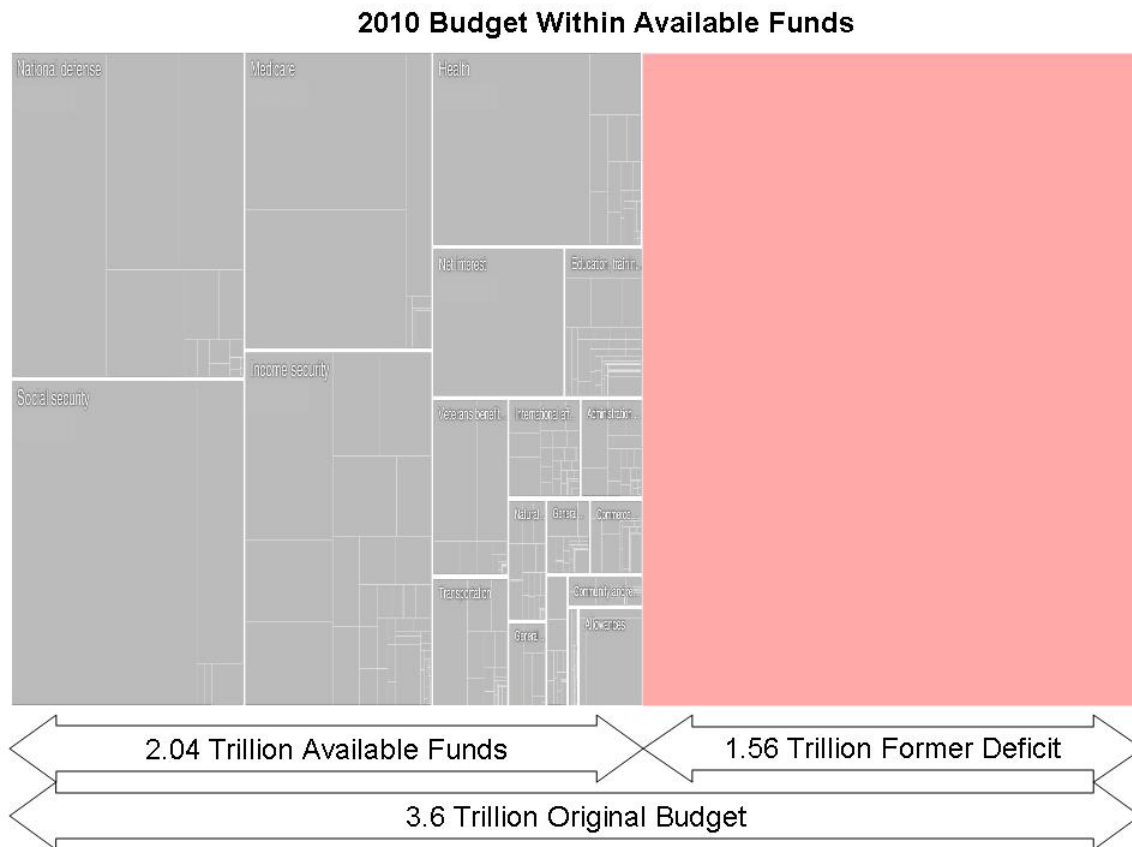
If you think doubling taxes, or, in the American way, taxing the rich to pay for the deficit, is the best approach, consider the following. If you doubled taxes only on the rich, they would be taxed at 70 percent of their income. Since only taxing the rich would probably not provide enough income to cover the \$1.56 trillion dollar deficit, you would probably need to raise that rate higher, perhaps to 80 percent or more. In states that add state income tax, such as California, the rich would be paying more than 90 percent of their income in taxes. Historically, such systems have not proven effective for the overall economy. For example, top marginal rates in the United Kingdom exceeded 80 percent in the 1970s and their economy nearly ground to a halt. And besides, individual income taxes make up only 45 percent of U.S. government income, so it may not even be possible to make up the deficit regardless of how much you tax the rich.



Buying Boxes

Since doubling taxes, even if only on the rich, probably won't work, we would need to dramatically reduce government spending to fit within a box we could actually afford.

(click image for larger size)



As you can see in the illustration, if you shrink the federal government down to where it can fit within a box the American taxpayer can actually afford to buy, some of the departments and programs start to get very small. We could end up with one guy with a cell phone and a laptop in charge of infectious diseases or an entire Navy rusting at the docks because we couldn't afford to fuel the ships or pay the sailors to use them.

In order to make this scenario work, as a nation, we would need to make very tough choices. That means our elected representatives would need to make very hard choices with what's best for the nation being the only criteria. OK, so that's obviously not going to happen.

Of the two options, doubling taxes, fees, duties and other sources of revenue would cripple the economy while cutting government spending enough to shrink all the boxes to fit into the area we can afford to fund would require decision making and leadership our current political ruling class is incapable of executing. If we could somehow implement either option or a blend of the two, it would be the end of living beyond our means and the beginning of an entirely new form of the United States of America.

Facing the Future

But we don't have to worry about that as long as other nations, organizations and individuals continue to be willing to buy our U.S. government IOUs in exchange for a promise that the American taxpayers, their children and grandchildren will repay the debt.

And that gravy train will never stop, right?

News Item: China liquidated \$34.2 billion of US Treasury securities in December 2009, initiating their previously communicated plan to “diversify” their more than one trillion dollars worth of primarily U.S. dollar denominated hard currency reserves.

Notes:

- United Kingdom includes Channel Islands and Isle of Man, well known offshore tax havens used by people and organizations seeking to hide and disguise assets.
- The oil exporting countries include Ecuador, Venezuela, Indonesia, Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates, Algeria, Gabon, Libya, and Nigeria.
- The Caribbean Banking Centers are nations often used as offshore money laundering operations for the drug cartels and other criminals and tax evaders: Bahamas, Bermuda, Cayman Islands, Netherlands Antilles and Panama and the British Virgin Islands.
- Foreign debt based on estimated foreign holdings of U.S. Treasury marketable and non-marketable bills, bonds, and notes reported under the Treasury International Capital (TIC) reporting system are based on annual Surveys of Foreign Holdings of U.S. Securities and on monthly data.

Sources:

- United States Treasury
- Internal Revenue Service
- Tax Policy Center of the Urban Institute and Brookings Institution
- MSNBC
- Daily Mail
- New York Times
- US Debt Clock.org
- Financial Times
- Reuters
- Wall Street Journal
- Traxel.com

Ever Bigger Boxes

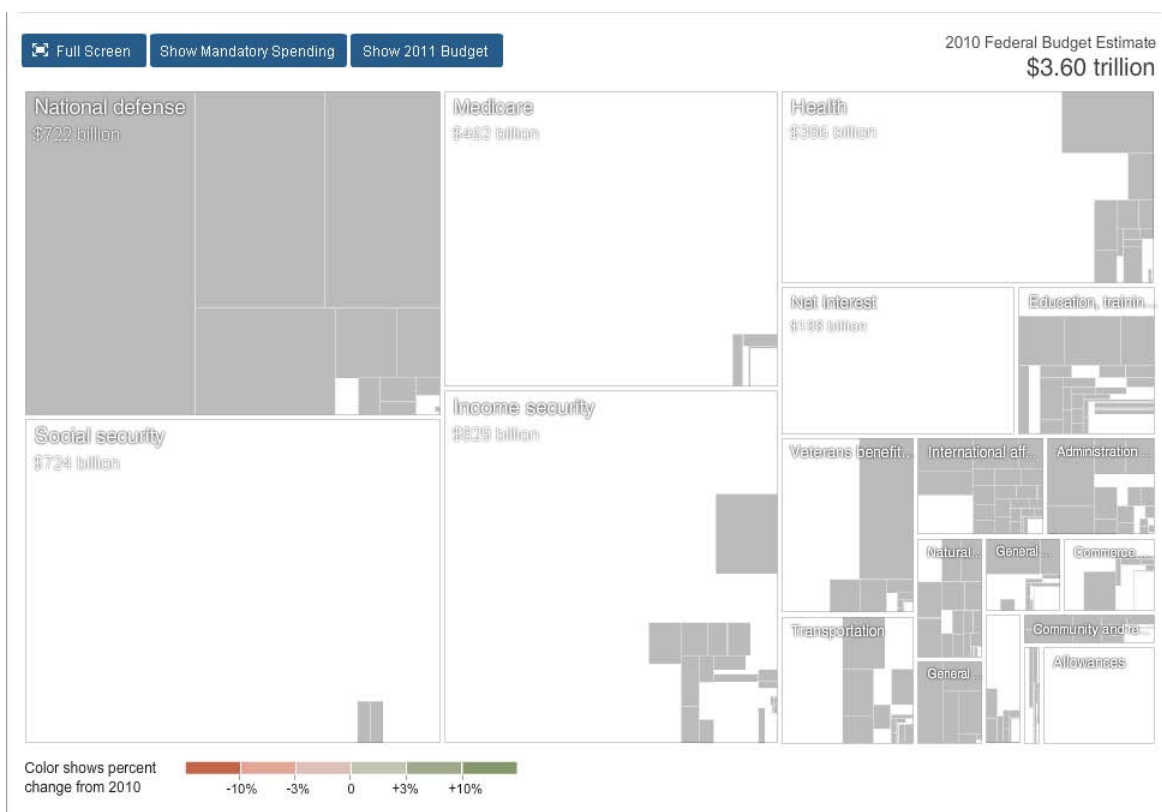
February 23, 2010 – 00:17

In the posts [Show Me Your Budget](#) and [Buying Boxes](#) I addressed the components and priorities of the United States government budget and how we as a nation pay for that budget. What I did not address are the components of that budget that are on rapid growth curves and the implications therein.

Of the overall United States government budget, very few components are actually under the spending control of congress on an annual basis. The elements of the budget that can be varied year to year are termed discretionary; the elements that cannot be varied by congress are termed mandatory. The following graphic illustrates the areas of the 2010 budget that comprise the discretionary spending components, with discretionary spending components colored gray and mandatory spending components in white.

(click image for larger size)

2010 Budget Discretionary Spending Components

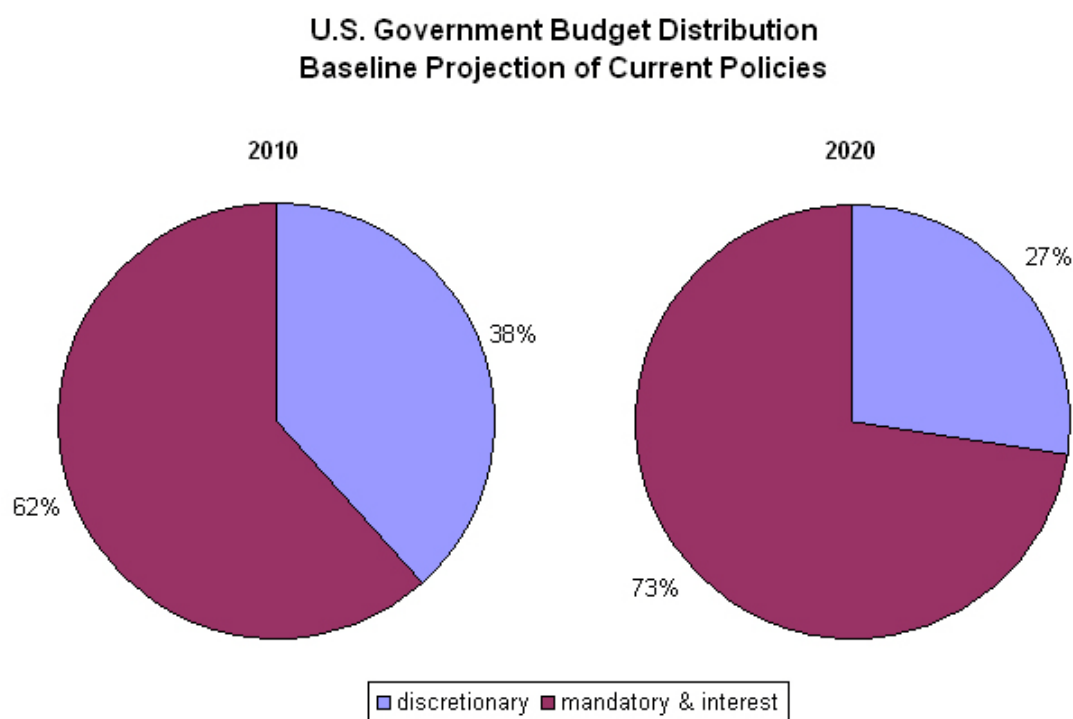


Facing the Future

As you can see, very little of the \$3.6 trillion dollar 2010 budget is discretionary. Mandatory items are “hard wired,” under our existing system, they cannot be varied by congress or the president. Most of the “hard wired” nature of mandatory expenses is political. No politician in their right mind would suggest cutting Social Security, Medicare or Medicaid. No elected or appointed official cognizant of their fiduciary duties would suggest defaulting on interest payments for the national debt. Consequently, mandatory programs tend to become permanent fixtures in the annual United States government budget; they form figurative “third rail” issues, much too hot for any elected official to confront. This fact doesn’t change regardless of which party controls the presidency or congress; no politician is going to alter mandatory programs unless they increase the program benefits and costs as a populist appeal to the electorate.

The political reality of the United States is that once a mandatory program is set in place, it is a permanent, ever-increasing part of the annual federal budget. The implication of this reality is that if the mandatory items grow in size faster than the overall budget, then the discretionary portions of the budget must shrink as they get squeezed out by the ever bigger boxes of expanding mandatory items.

(click image for larger size)



Under current policies, mandatory and interest spending will grow from 62 percent of the budget to 73 percent of the budget in the next ten years.

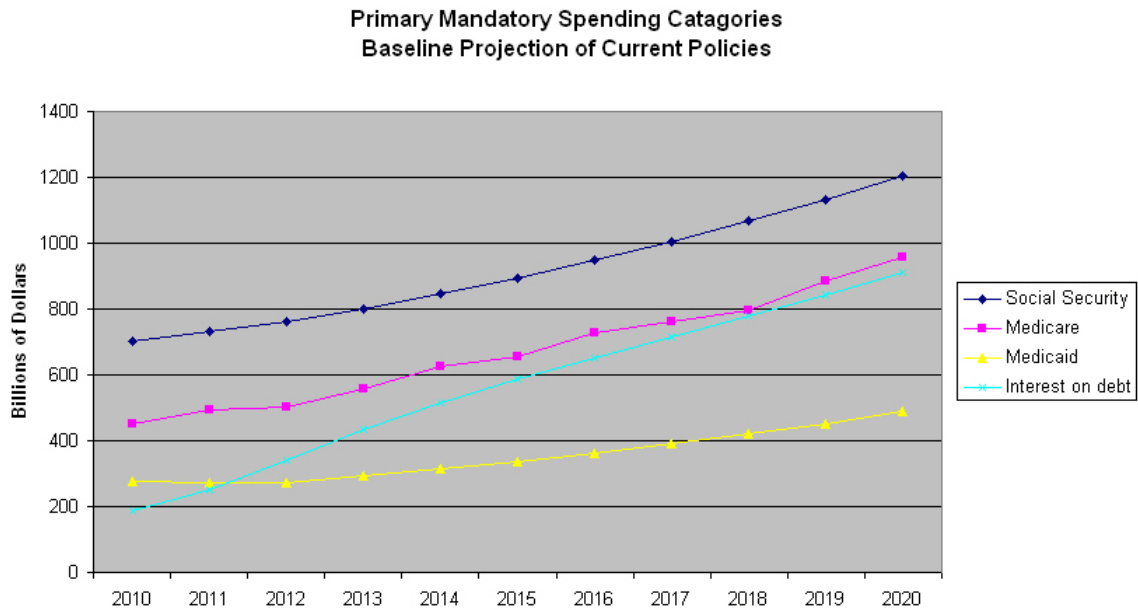
That growth in mandatory and interest spending means that unless the budget grows significantly, which implies increasing our national debt even more significantly, everything that is discretionary spending must shrink by 11 percent. That means everything from alternative energy development to

Ever Bigger Boxes

education to disease control to national defense must shrink by at least 11 percent during the next ten years.

In the case of the United States, the primary ever bigger boxes for the foreseeable future are Social Security, Medicare and Medicaid and interest payments on the national debt. Under current policies, by 2020 these four categories will grow by 34 percent.

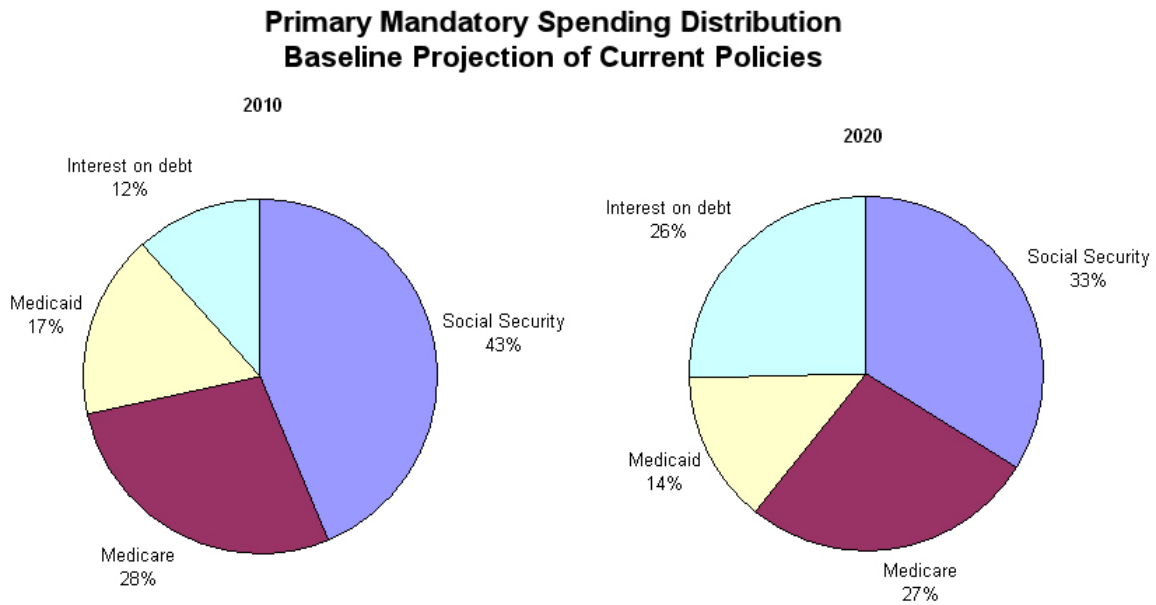
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Facing the Future

Of the four primary mandatory spending categories that will drive this expansion, interest payments on the national debt is the primary culprit. Over the next ten years, interest payments on the national debt will grow from 12 percent to 26 percent of the primary mandatory spending.

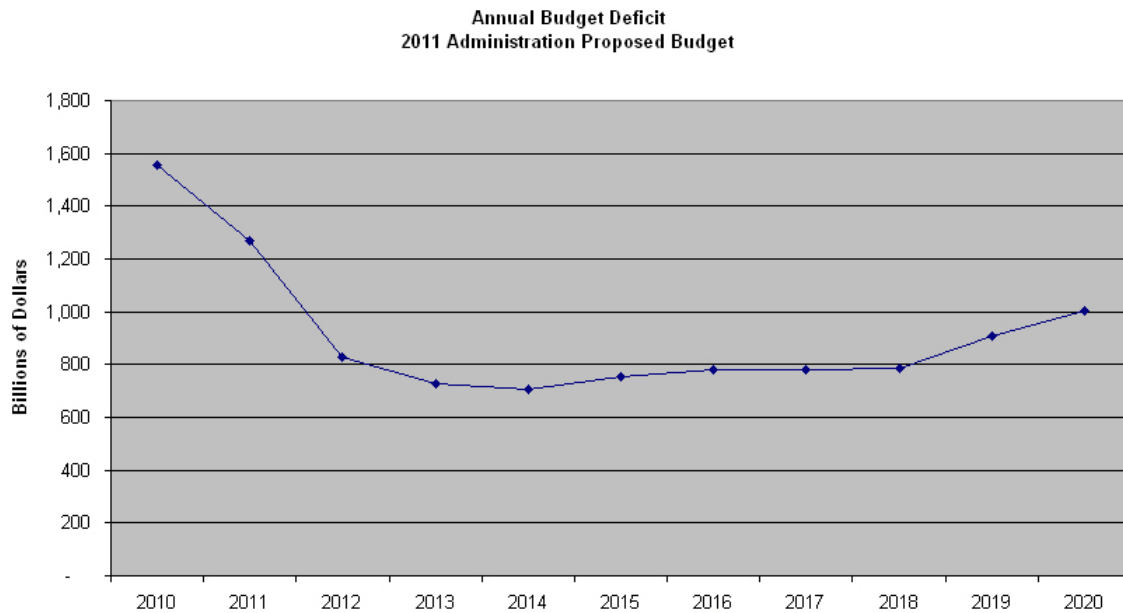
(click image for larger size)



Ever Bigger Boxes

The reason the interest on the debt will grow so rapidly and to such large proportions is that there are currently no plans to decrease the national debt. In each of the next ten years the U.S. government is projected to continue to run an annual deficit, leading to an increase in the overall national debt.

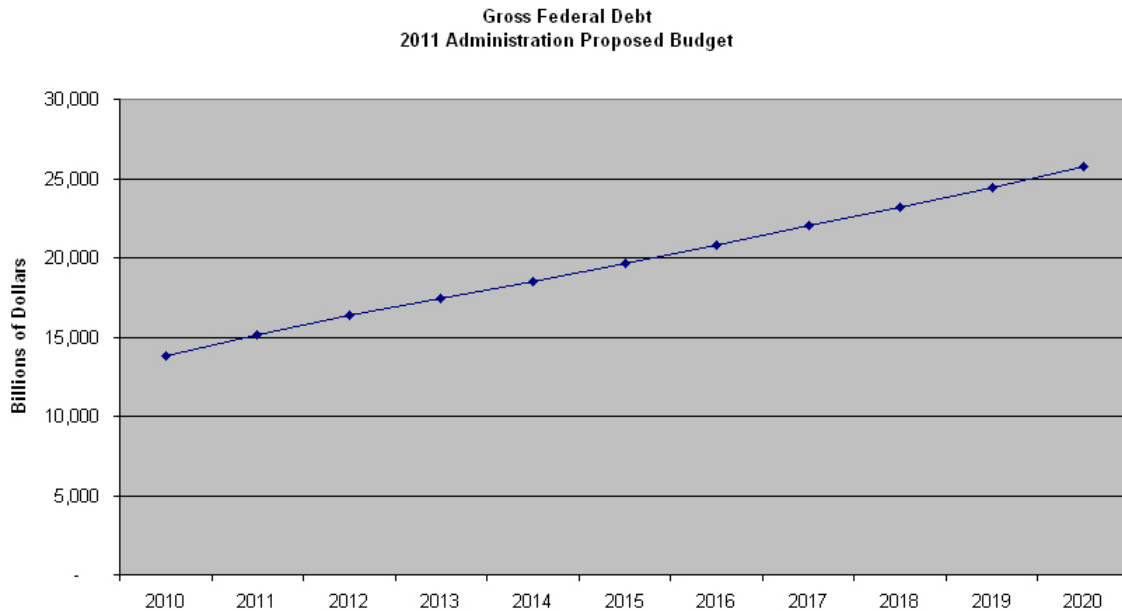
(click image for larger size)



Facing the Future

As a result of these ongoing deficits, the Office of Management and Budget (OMB) projects the United States national debt will increase to a total of \$25.76 trillion dollars by 2020.

(click image for larger size)



These future projections are troubling enough, but the really bad news is that they are almost certainly overly optimistic. The reason they are almost certainly optimistic is that they rely on rosy assumptions that are very unlikely to be realized.

For instance, the administration and OMB assumptions include GDP growth rates from 4.4 to 6.0 percent, beginning with a 5.1 increase in 2011. They also assume continued low inflation rates ranging from 1.9 to 2.1 percent from 2011 until 2020. In addition, they assume historically low to moderate Treasury bill rates ranging from 1.6 to 4.1 for the decade.

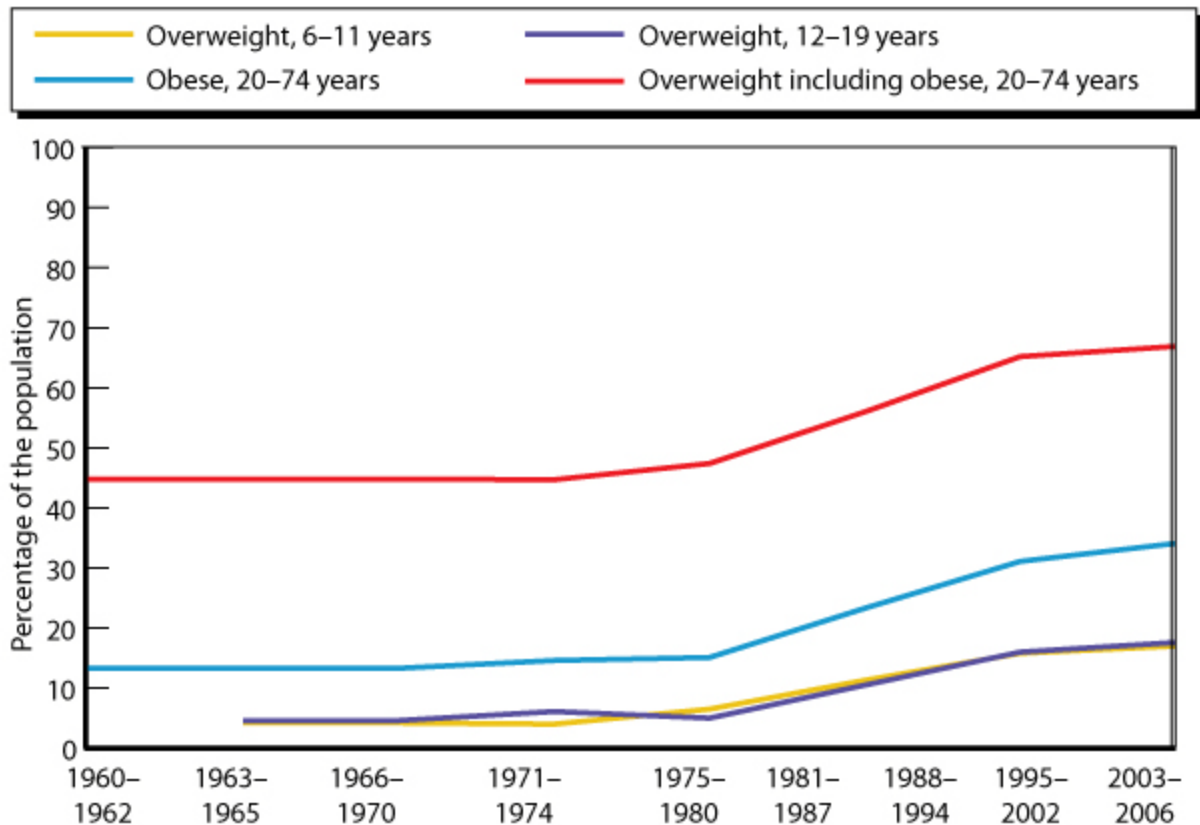
A more realistic projection may be arrived at by considering that in the quantity theory of money, if higher money supply does not raise output it causes inflation, more colloquially expressed as inflation equals money supply times velocity. During the financial crisis, unprecedented amounts of liquidity were added to the economy to stimulate activity. At that time, velocity was near zero and has remained sluggish. However, when velocity increases, it is questionable if available supply can be reduced fast enough to avoid high inflation rates. Once inflation ignites, it requires painfully high interest rates to tame.

Even shorter term, the costs for financing the national debt are likely to increase as interest rates rise from historic lows to more normal levels. Much of the additional liquidity pumped into the economy was financed with short term government debt. Because that debt was incurred when interest rates were very low, the cost to finance it was minimal. However, that short term debt is now coming due, \$1.9 trillion dollars worth within this year alone. And, since we don't have the money to pay that \$1.9 trillion dollars in debt, the U.S. government needs to roll it over into new, longer term debt. Longer

Ever Bigger Boxes

term debt will require higher interest rates, reflective of historical norms. As a result, the U.S. will be refinancing \$2.3 trillion of low cost debt into higher cost debt in the next two years. Along with that refinancing will come higher interest rates, thus, higher interest payments.

Aside from optimistic financial projections, the ticking time bombs of health care costs imbedded in Medicare and Medicaid often include best case assumptions. For instance, more than one third of adults in the United States are obese. Obesity nearly doubles the rates of debilitating, high cost chronic diseases and disability.



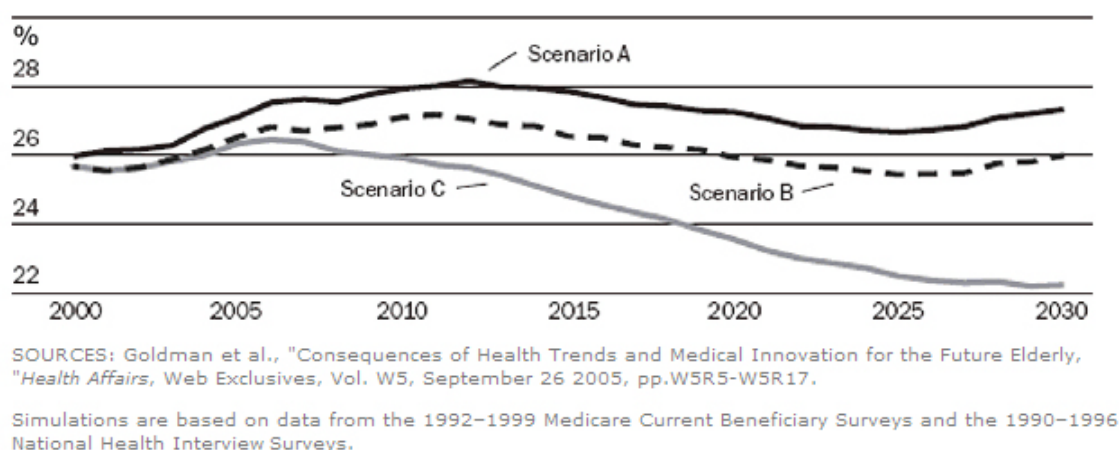
SOURCE: U.S. Department of Health and Human Services, 2008, p. 320.

When measuring the long-term costs of health care, chronic disease states and disability are among the most significant cost drivers. When these conditions are projected forward, multiple scenarios are often used based on varying assumptions. For instance, when projecting rates of disability among the elderly, RAND notes that the estimated prevalence of disability among the elderly varies substantially depending on the assumptions made about the health of specific age groups.

Facing the Future

In this example, for scenario A they take into account the health and disability of younger populations and project the effects of these characteristics into the future; scenario B assumes that future Medicare beneficiaries resemble today's beneficiaries; scenario C assumes that rates of disability will continue to decline among the elderly. It's an easy guess as to which of these scenarios is likely to be used in an effort to present a rosy picture of future health care costs in the federal budget—the rosiest picture—scenario C. In reality, the spike in obesity among the U.S. population will increase rates of disability among the entire population including the elderly, thus driving up long-term costs of care for the overall population—scenario A.

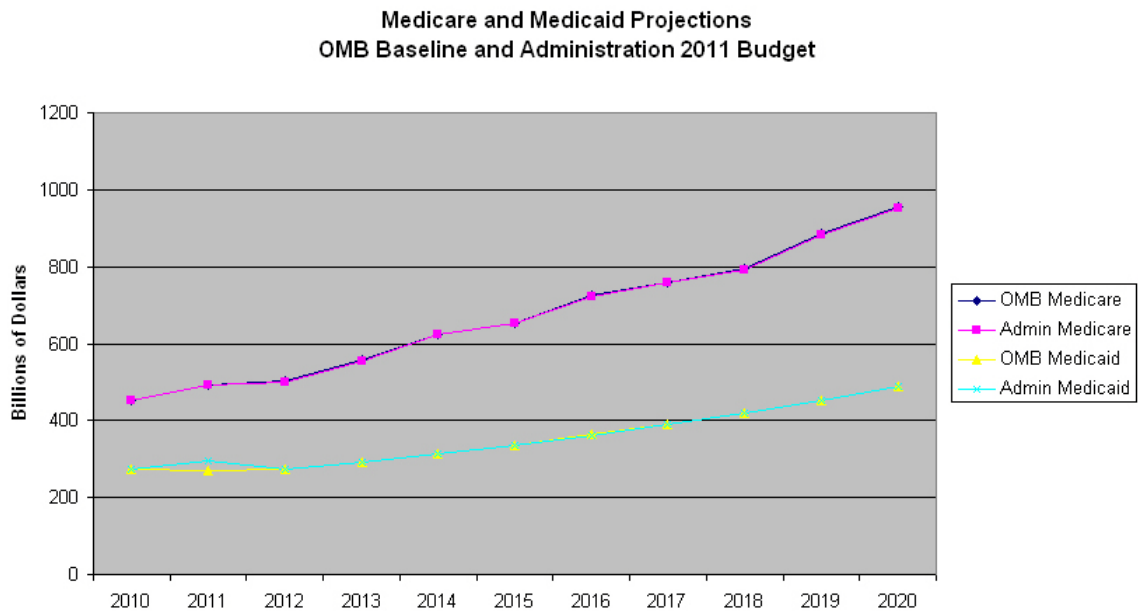
(click image for larger size)



When evaluating government budget projections, it is very important to understand what scenario is used for assumptions of future costs. In the following example, both the OMB's baseline projections and the administration's proposed 2011 budget projections make assumptions on health care costs that are more wishful thinking than reflective of the steep rise in obesity in the United States and the inevitable increase in society wide costs associated with that fact.

Ever Bigger Boxes

(click image for larger size)



Even under an optimistic scenario, in ten years mandatory and interest payment spending will consume 73 percent of the national budget, leaving 27 percent to pay for everything else the United States government provides, from defense to diaper standards. In ten years interest payments on the national debt will consume 26 percent of the primary mandatory spending. In ten years nearly 40 percent of the people in the United States will be obese, and most of them will also be afflicted with obesity-associated chronic diseases and disabilities along with the inescapable high costs of those conditions. In ten years the United States will owe \$25.76 trillion in national debt.

This is a near term threat. It is only ten years away. That's not far enough into the future to let future generations worry about it. Essentially everyone reading this will be alive ten years from now and will be suffering the consequences if these challenges are not addressed, confronted and overcome.

All of this adds up to a looming, existential threat to this nation.

All we need now is a ruling class capable of addressing and overcoming the challenges coupled with nationwide sustainable political will to implement and sustain the solution.

I'm not holding my breath.

Sources:

- United States Office of Management and Budget (OMB)
- Federal Reserve
- RAND
- New York University
- New York Times

Parallels

March 28, 2008 – 13:49

In the early 1900s, Argentina was the second richest country in the world. In subsequent decades its middle class enjoyed a very high standard of living. The country was rich in seemingly infinite natural resources, copious crop producing areas whose soils were as rich as any on the planet short of Iowa and vast, wide open spaces, ripe for exploration and exploitation.

In the subsequent decades the population of Argentina made a decision, whether it was conscious or unconscious is open to debate, but it was a decisive one, nonetheless. The large middle and smaller upper classes of Argentina decided to abdicate governance to a small ruling class while they enjoyed a life of leisure, decadence, and for many, a non-stop party.

The following decades brought a parade of one corrupt and incompetent regime after another, vacillating between right, then left, flavors of greed, fraud and ineptness.

The alternating conservative and liberal governments used common methods to divert the population's attention from their disastrous job of non-governance: radical partisanship, extreme nationalism, phony threats from across the borders and abroad, illogical wars, blaming all problems on foreign or world body institutions, etc.

All the while the population watched popular entertainment, cheered on their favorite football team and partied the night away.

Finally, after nearly a century, the party came to a halt. The country's public debts were enormous, unemployment rose, runaway inflation ensued, real GDP fell, the currency collapsed, the government defaulted on its bonds and the economy imploded.

Any parallels you may draw to a country you are closely familiar with are entirely up to you.

Wanna get rich? Get elected!

February 27, 2010 – 00:54

Americans often have suspicions regarding their elected officials and money. Specifically, what are the politicians doing with all that money they are swimming in, and does any of that money stick to their fingers?

It's difficult to not be suspicious when the 2008 elections rang in at a cost of \$5.3 billion dollars. Candidates for the House of Representatives raised \$1 billion dollars for the 2008 election, with the Senate candidates adding \$500 million dollars. That's more than \$1.5 billion dollars to buy the seats of Congress.

The least expensive seat you could buy in Congress in 2008 went to Representative Marcia L Fudge (D-Ohio) who spent only \$94,049 out of the \$1,323,209 raised by the three contestants. The most expensive seat in 2008 was Minnesota's senate seat, which cost \$46,175,432, of which the winner, comedian Al Franken, spent \$21,066,834.

In 2008 the 14,446 lobbyists who permeate the United States political system spent \$3.3 billion dollars influencing the government. In the same year, Political Action Committees (PAC) with foreign ties contributed \$6,456,465 to candidates and domestic PACs threw in \$413,093,959 to purchase access and shape public policy. In addition, the so called "527" groups, named for the section of the tax code that created the loophole they operate in, threw in \$439,210,000, every dollar of which was completely unregulated by the Federal Election Commission and subject to no limits. That added up to \$4,158,760,424 spent in 2008 to buy influence and shape public policy, and that's just the money that was officially reported.

When Americans ponder these billions of dollars flowing into the government, dollars whose only purpose is to buy influence with the people tasked with creating the laws and policies of the country, it's only natural to be concerned. When Americans compare the challenges the country faces to the lack of logical, pragmatic and timely action on the part of Congress, they grow frustrated, especially when they sense connections between the lack of action and the sources of the billions spent to influence the members of Congress. To then look at Congress and see a group of people whose average net worth ranges from more than \$4 million dollars for the House and \$12 million dollars for the Senate, it's not a big leap for Americans to wonder if any of the billions of lobbying, PAC and 527 dollars are ending up in the pockets of Congress.

Why isn't anything done on Capitol Hill about the challenges we face as a nation? What does all that money buy? And where does all that money end up? Those are natural questions.

Why isn't anything done?

For the cause of the lack of action addressing the major challenges the country faces, you needn't look much further than the PAC money that goes directly to members of Congress.

2008 PAC Influence Money		
1	labor	66,367,080
2	finance, ins, real estate	62,607,881
3	ideological	59,204,348
4	health	49,226,365
5	misc. business	35,455,457
6	energy	26,127,402
7	comms/electronics	23,097,719
8	agribusiness	22,973,075
9	transportation	22,227,075
10	lawyers	16,618,130
11	construction	16,407,130
12	defense	11,872,992
13	other	909,305
	Total	413,093,959

Note: The ideological category includes all the single-issue and partisan money that is used to decrease cooperation and increase division and gridlock. With the recent Supreme Court decision to allow unlimited influence payments by corporations and unions, that situation is destined to severely worsen.

PAC money is invested in members of Congress to ensure that a particular group's interests are protected. That means that meaningful change on any of the major challenges facing the nation is essentially impossible. Banking and finance system reform? Not likely when there's more than \$62 million paid to extend the status quo. Health care reform? Not a chance with more than \$100 million of health industry and ideological money to purchase gridlock. Energy independence? Good luck on that when the energy industry can buy their Representative or Senator of choice with a portion of the \$26 million they spent purchasing influence in 2008. And remember, this is just the PAC money; to fully understand why nothing ever happens in Washington, you've got to include the \$3.7 billion in lobbyist and 527 money flooding the corridors of power.




What does all that money buy?

The second question, "What does all that money buy?" is simple too. It buys whatever the purchaser wants. Want a special tax break for your market? How about a federal contract including specifications that only your product or company can meet? How about special terms or benefits in legislation for your union? It's all available—for a price.

Recognize any of the following names?










Wanna get rich? Get elected!

LEGEND:  Republican  Democrat  On the fence

	= Between 40% and 59% to both parties
	= Leans Dem/Repub (60%-69%)
	= Strongly Dem/Repub (70%-89%)
	= Solidly Dem/Repub (over 90%)

Rank	Organization	Total '89-'09	Dem %	Repub %	Tilt
1	AT&T Inc	\$44,225,588	44%	55%	
2	American Fedn of State, County & Municipal Employees	\$41,945,511	98%	1%	  
3	National Assn of Realtors	\$35,633,473	48%	51%	
4	Intl Brotherhood of Electrical Workers	\$31,544,407	97%	2%	  
5	Goldman Sachs	\$31,544,275	64%	35%	
6	American Assn for Justice	\$31,425,529	90%	9%	  
7	National Education Assn	\$30,162,867	92%	6%	  
8	Laborers Union	\$28,993,900	92%	7%	  
9	Teamsters Union	\$27,992,624	92%	6%	  
10	Service Employees International Union	\$27,933,232	95%	3%	  
11	Carpenters & Joiners Union	\$27,768,183	89%	10%	 
12	Citigroup Inc	\$27,150,883	50%	49%	
13	Communications Workers of America	\$27,047,896	99%	0%	  
14	American Medical Assn	\$26,307,905	39%	60%	
15	American Federation of Teachers	\$26,285,941	98%	0%	  
16	United Auto Workers	\$25,775,002	98%	0%	  
17	Machinists & Aerospace Workers Union	\$25,205,277	98%	0%	  
18	National Auto Dealers Assn	\$24,409,058	32%	67%	
19	United Parcel Service	\$24,232,224	36%	63%	
20	United Food & Commercial Workers Union	\$24,216,183	98%	1%	  
21	American Bankers Assn	\$22,420,216	41%	58%	
22	National Assn of Home Builders	\$21,865,155	36%	63%	
23	EMILY's List	\$21,323,348	99%	0%	  
24	National Beer Wholesalers Assn	\$21,151,845	32%	67%	
25	Time Warner	\$20,092,880	71%	27%	 
26	Microsoft Corp	\$20,072,830	53%	46%	
27	JPMorgan Chase & Co	\$19,994,097	51%	48%	
28	National Assn of Letter Carriers	\$19,408,684	88%	11%	 
29	Verizon Communications	\$18,723,152	40%	58%	
30	Morgan Stanley	\$18,537,554	45%	53%	
31	Lockheed Martin	\$18,529,257	43%	56%	
32	AFL-CIO	\$18,177,346	95%	4%	  
33	FedEx Corp	\$18,048,666	40%	59%	

Facing the Future

34	General Electric	\$18,019,219	51%	48%	
35	National Rifle Assn	\$17,304,346	17%	82%	
36	Credit Union National Assn	\$17,268,614	48%	51%	
37	Bank of America	\$17,153,498	47%	52%	
38	Ernst & Young	\$17,098,986	44%	55%	
39	Sheet Metal Workers Union	\$17,027,913	97%	2%	
40	Pfizer Inc	\$16,583,437	30%	69%	
41	American Dental Assn	\$16,565,904	46%	53%	
42	Blue Cross/Blue Shield	\$16,502,293	40%	59%	
43	American Hospital Assn	\$16,489,791	53%	46%	
44	Plumbers & Pipefitters Union	\$16,378,601	94%	5%	
45	Operating Engineers Union	\$16,362,050	85%	14%	
46	International Assn of Fire Fighters	\$15,962,143	82%	17%	
47	Deloitte Touche Tohmatsu	\$15,957,970	35%	64%	
48	Air Line Pilots Assn	\$15,782,527	84%	15%	
49	PricewaterhouseCoopers	\$15,574,943	36%	62%	
50	Natl Assn/Insurance & Financial Advisors	\$15,086,355	42%	56%	

Source: Center for Responsive Politics www.opensecrets.org

Note: The American Association for Justice is the rebranded Association of Trial Lawyers of America (ATLA)

Those are the top 50 purchasers of influence in Washington over the last 20 years. The next time you wonder why change doesn't ever seem to happen in Washington but some industries, companies and unions always seem to come out OK, check this list for stakeholders who profit from the status quo.

But how do those stakeholders get a return for all the money they invest in purchasing influence in Congress? One popular way for Congress to dole out repayment for all the billions of dollars invested in influence payments is through earmarks. Earmarks are additions to legislation to assign funding to specific individuals, organizations or companies or that exempts those same individuals, organizations or companies from taxes, duties or fees.

In 2008, the United States Congress enacted 43,524 earmarks for a total of \$2,657,220,000.

In addition, the Congress made countless new laws and changes to the collection of regulations affecting every business, organization, union, city, community, farm, man, woman and child in this country. Every one of those laws and regulations was written not by our elected Representatives and Senators, but by their staff members and lobbyists, many of whom trade places on a regular basis. Consequently, those laws and regulations are not a product of what is best for the country or what the country needs to overcome the myriad of challenges we face. Instead, those laws and regulations are what is best for the people paying billions to purchase influence on Capitol Hill.

That is what all the money buys—what is best for the people paying billions to purchase influence on Capitol Hill.

Where does all that money end up?

As any tin pot dictator or drug lord can tell you, billions of dollars have to go somewhere. With all the billions of dollars spent on purchasing influence in Washington, D.C., it's natural to wonder where it ends up.

Americans' suspicions are aroused when they learn of politicians such as Bobby Jindal, who worked for one year out of college in 1995 and then spent the rest of his career in politics earning modest salaries. When Jindal left the U.S. Congress in 2007, 12 years later, he was debt free and worth more than \$2.5 million dollars.

So where does all that money end up? Does any of it stick to the fingers and line the pockets of the members of Congress? That question is difficult to answer precisely because the financial reporting requirements for members of Congress are very loose, and allow wide ranges in reporting categories. Ranges are as much as \$25 million dollars as well as one top category of \$50 million or more. Thus, it is impossible to know if a particular asset held by a member of Congress is worth \$25 million or \$49 million, or \$50 million or \$500 million. In addition, it is extremely easy for members of Congress to hide assets with spouses, family members or structures such as trusts that are exempt from reporting requirements. Nonetheless, it is possible to get a reasonable picture of the net worth of members of Congress.

To determine if any of the billions of dollars used to purchase their influence sticks to them, I analyzed the current group of Representatives and Senators who are retiring outright in 2010, meaning they are not seeking any further political office.

Facing the Future

(click image for larger size)

2010 Congress Outright Retirees																		
Congress member	party	chamber	graduate college year	prior career	career years	career end year / elected state	US congress elected year	retired year	years served	elected Net Worth	retired Net Worth (2008)	growth rate	2009 Earmarks	last campaign spent	opponent last campaign spent	PAC money last campaign	career campaign raised	# of staffers
Brian Baird	D	H	Washington	1964 psychologist	14	1998	1998	2010	12	60,000	1,047,488	1646%	68,002,500	741,621	78,385	381,777	7,727,923	4
Bart Gordon	D	H	Tennessee	1973 lawyer	11	1984	1984	2010	26	172,500	2,962,520	1617%	7,041,750	1,123,083	-	1,221,117	11,299,808	5
John Tanner	D	H	Tennessee	1968 lawyer	8	1976	1989	2010	21	182,500	6,544,019	3486%	23,220,500	923,816	-	1,242,909	6,733,554	6
Vic Snyder	D	H	Arkansas	1982 doctor	8	1990	1996	2010	14	145,000	419,507	189%	68,889,875	307,060	-	153,035	4,662,516	2
Marion Berry	D	H	Arkansas	1965 pharmacist	21	1966	1996	2010	14	1,057,000	3,974,505	276%	110,919,643	848,986	-	807,796	7,657,179	6
Diane Watson	D	H	California	1956 education	22	1978	2001	2010	9	5,000	136,502	2610%	5,668,500	229,692	5,773	164,545	2,186,983	2
Patrick Kennedy	D	H	Rhode Island	1991 N/A	-3	1986	1994	2010	16	110,000	1,207,501	986%	53,655,522	1,791,870	-	465,414	14,129,386	2
Robert Wexler	D	H	Florida	1965 lawyer	5	1990	1997	2010	13	(21,000)	(63,499)	-202%	11,589,196	2,372,548	61,352	543,796	7,724,974	1
Henry Brown, Jr.	R	H	South Carolina	1955 management	30	1995	2000	2010	10	3,395,000	5,939,010	75%	31,424,000	1,267,308	2,228,511	296,800	3,686,785	1
George Radanovich	R	H	California	1978 winemaker	16	1994	1994	2010	16	30,000	239,003	697%	9,456,000	712,277	-	350,805	6,242,402	6
John Shadegg	R	H	Arizona	1975 lawyer	19	1994	1994	2010	16	227,500	187,500	-18%	-	2,911,880	1,813,648	973,107	8,226,766	8
Lincoln Diaz-Balart	R	H	Florida	1982 lawyer	4	1986	1992	2010	18	357,500	172,006	-52%	44,179,100	3,390,478	1,881,108	688,749	7,111,938	3
Vernon Ehlers	R	H	Michigan	1960 physics	22	1982	1993	2010	17	980,000	1,486,011	52%	14,635,385	319,953	4,209	190,690	3,493,549	2
Stephen Buyer	R	H	Indiana	1984 lawyer	8	1992	1992	2010	18	180,000	365,004	103%	11,820,500	969,469	830,680	564,169	5,904,383	1
Chris Dodd	D	S	Connecticut	1972 lawyer	2	1974	1994	2010	16	15,000	1,139,509	7497%	145,202,574	5,667,015	1,400,367	1,376,167	48,507,871	17
Byron Dorgan	D	S	North Dakota	1966 management	2	1968	1992	2010	18	292,500	633,518	117%	194,670,091	3,099,969	374,025	1,393,737	13,248,933	20
Evan Bayh	D	S	Indiana	1981 lawyer	5	1986	1998	2010	12	1,155,000	2,169,011	86%	77,121,760	2,886,255	2,242,526	1,543,507	26,804,217	9
Christopher Bond	R	S	Missouri	1963 lawyer	6	1969	1996	2010	24	560,500	1,489,026	166%	320,569,991	6,334,800	3,553,458	2,237,087	21,408,117	10
Jim Bunning	R	S	Kentucky	1962 baseball	27	1979	1998	2010	12	1,045,500	607,501	-42%	45,968,175	6,542,940	2,865,615	2,007,040	18,066,803	7
Judd Gregg	R	S	New Hampshire	1975 lawyer	4	1979	1992	2010	18	5,843,000	6,574,540	13%	99,985,000	2,516,901	177,199	1,784,680	6,511,455	13
George Voinovich	R	S	Ohio	1961 lawyer	6	1967	1998	2010	12	1,050,000	1,483,026	41%	137,428,820	9,978,829	1,166,538	1,682,963	21,197,275	8
counts																		
Average House	14		1974		13	1987	1994		16	491,500	1,758,291	258%	32,893,034	1,260,717	493,119	574,622	6,913,439	4
Average Senate	7		1967		7	1975	1994		16	1,423,071	2,013,733	42%	145,849,487	5,575,243	1,691,390	1,717,883	22,220,667	11
Average All	21		1972		11	1983	1994		16	802,024	1,843,438	130%	70,545,195	2,712,226	892,543	955,709	12,015,848	6
Democrat average	11		1975		9	1983	1994		16	288,500	1,833,596	536%	89,634,719	1,817,446	383,857	844,891	13,680,304	7
Republican average	10		1969		14	1993	1994		16	1,366,900	1,854,263	36%	71,546,697	3,696,484	1,452,097	1,077,609	10,184,947	6
Lawyer average	11		1974	42%	7	1982	1992		18	883,864	2,092,969	137%	79,832,654	3,734,088	1,198,807	1,259,841	15,566,386	7
Consumer average household																		
Fed survey base							1995	2008		57,800	98,892	71%						
Fed flow of funds							1995	2008		286,041	458,743	60%						
Fed average												66%						
Notes:																		
- Partial term retiring Senators Roland Burris (Illinois) and Edward Kaufman (Delaware) appointed after the 2008 election are not included.																		
- RD (revolving door) staffers are staff members who have worked for lobbying firms or other entities that purchase congressional influence.																		

The analysis reflects that the retirees' average tenure in Congress was 16 years, from 1994 to 2010. More than two thirds, 67 percent, of these elected officials had higher growth in their net worth than the average American citizen during that period.

Some members of Congress showed remarkable, even astounding, growth in their wealth, such as Chris Dodd, whose net worth increased 7,497%, from \$15,000 to \$1,139,509, in only 16 years. He achieved that amazing feat while maintaining a home back in Connecticut and a residence in Washington, D.C., one of the most expensive cities in the world. And, he accomplished all of this on his relatively modest government salary.

Another noteworthy member is John Tanner of Tennessee, who in 21 years achieved 3,486% growth in his net worth, from \$182,500 to \$6,544,019, again while maintaining two homes and on a relatively modest government salary.

And while there are members who never could figure out how to manage money, such as Robert Wexler of Florida, who entered the House deep in credit card debt and left the same way, all more common are members such as Brian Baird, who turned \$60,000 into \$1,047,488 in 12 short years.

Those three Congressmen, Dodd, Tanner and Baird, accounted for \$236,425,574 in earmarks in 2009. Together, they raised \$62,969,348 in direct payments during their careers, not including lobbying, PAC and 527 money. They turned a starting collective net worth of \$257,500 into \$8,731,015 on modest government salaries each while maintaining two homes, one each in very high cost Washington, D.C. and one each back in their home states.

Where does all the money go? Does any of it stick?

Wanna get rich? Get elected!

You be the judge.

Regardless of how much or how little of the billions of dollars spent in Washington to buy influence sticks to the fingers of Representatives and Senators, one thing is certain: the United States and what is best for the country's short- and long-term future is not the top priority of our elected representatives. Money is.

In 2008, PACs, lobbyists, 527s and others spent \$21,066,834 to buy a comedian a Senate seat. Obviously, under the current system, the joke is on us.

Sources:

- Data provided by Center for Responsive Politics [opensecrets.org](http://www.opensecrets.org)
<http://www.opensecrets.org/index.php>
- Web sites of Senators and Representatives included in this analysis
- The Federal Reserve Board
- United States Census Bureau
- Office of Management and Budget
- Washington Post
- Wall Street Journal
- Wikipedia

Who's Driving The Bus?

March 1, 2010 – 23:06

The federal government of the United States of America is divided into three branches: executive (the president and vice president), judiciary (Supreme Court and federal judges) and the Congress (the House of Representatives and the Senate). Of these three, two branches are elected, the executive and Congress, while the judiciary is appointed by the president and approved by the Senate.

The judiciary affects public policy, and therefore day-to-day life, only when a case is brought before it and the court rules on the case based on legal precedent and interpreting the U.S. Constitution. The president has a range of executive powers and can implement some policies and changes in regulations without any involvement of Congress, but for almost everything important, nothing happens with public policy (spending, laws, regulations and requirements) in the United States without Congress.

For instance, a president can propose policies and laws all he or she wants, but nothing happens until Congress both passes the law, and, of critical importance, allocates funds to pay for that law. As the saying goes, “Congress controls the purse strings.” No matter what a president does or doesn’t do, in the end, Congress determines how much money will be spent and what it will be spent on. Consequently, when you’re looking for responsibility related to government spending, the buck stops with Congress. The same goes for public policy in general. When you’re looking for responsibility for what’s going on in the country and where the country is headed, look no further than Capitol Hill.

Since Congress creates and funds the laws of the country, it is primarily responsible for the state of governance in the United States. Congress creates and implements the public policies that determine the day-to-day realities of every person in the country. Congress’ leadership and vision, or lack thereof, determines the short-, mid- and long-term fate of the nation.

In short, Congress is driving the bus, and the quality of the job they do driving our bus determines if the bus makes it to the station or goes over a cliff.

So, who are these people driving the national bus?

The current Congress, the 111th in the nation’s relatively brief history, is composed of 435 members of the House of Representatives, allocated by the states’ population; and 100 members of the Senate, two per state, regardless of the state’s population. In the House, if a state has a higher population, that state is proportionally allocated a larger number of seats of the 435 available, thus giving the more populous states more votes. In the Senate, since each state gets two Senators, low population states have just as much power as high population states.

The original Congress of the United States, like the electorate (the people eligible to vote), was restricted to white male land owners. Those early Congresses did not accurately reflect the population

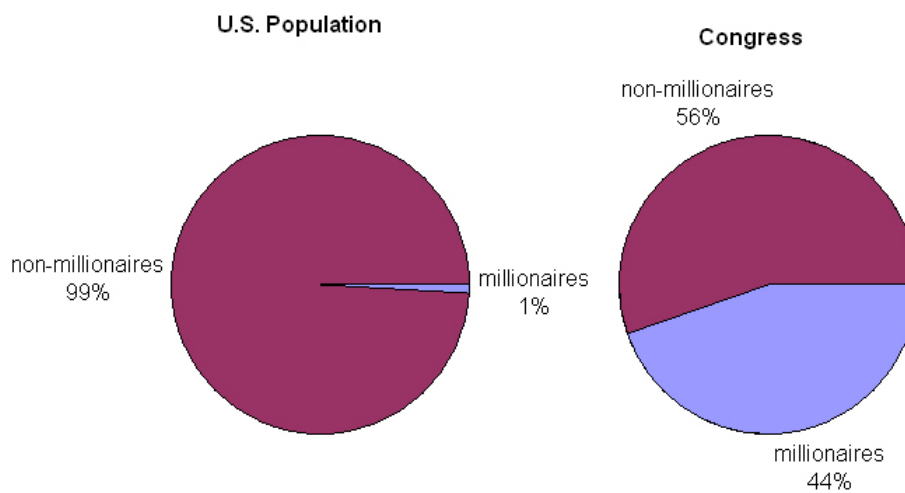
Facing the Future

of the country, which included women and minorities. Today's Congress, while including women and minorities, still does not reflect the population of the United States.

For instance, today's congress is much different financially than the U.S. population.

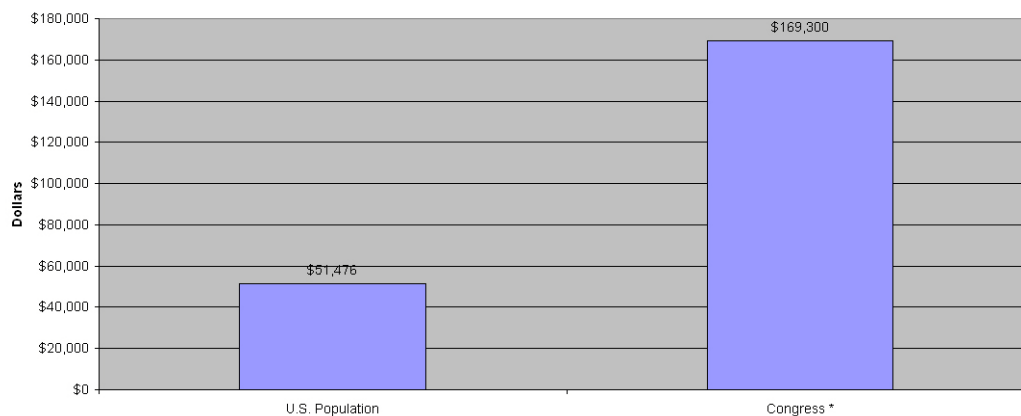
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2008 Millionaires U.S. population vs. Congress



(click image for larger size)

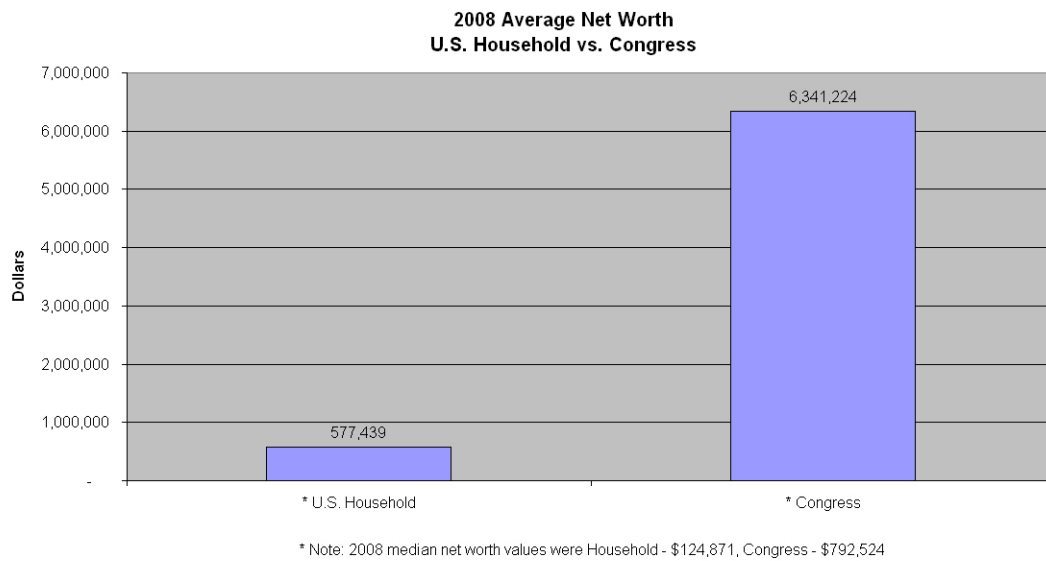
2008 Income U.S. Household Median vs. Congress



* Note: Congress income is government salary only, does not include investment or other outside income.

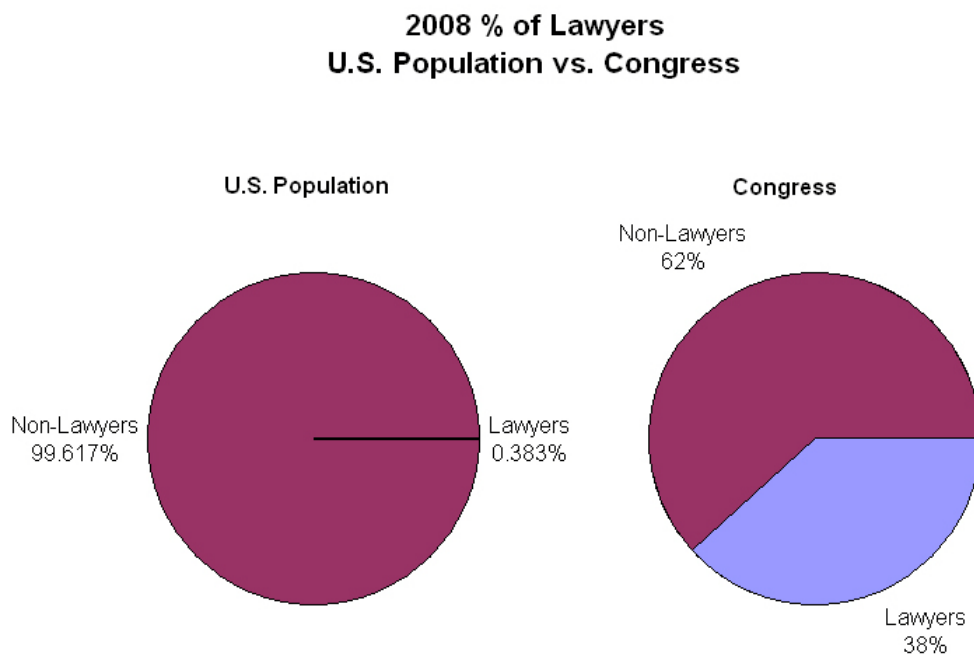
Who's Driving The Bus?

(click image for larger size)



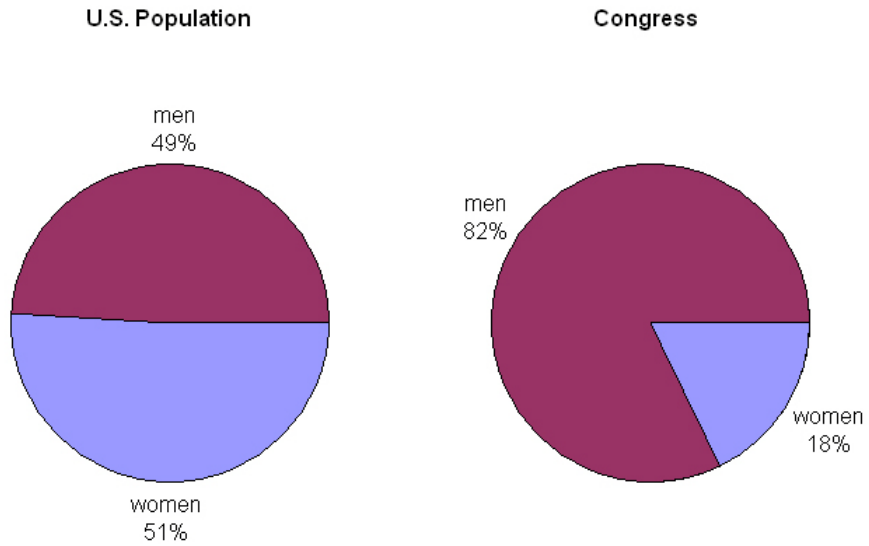
The current Congress is also very different demographically than the United States population.

(click image for larger size)



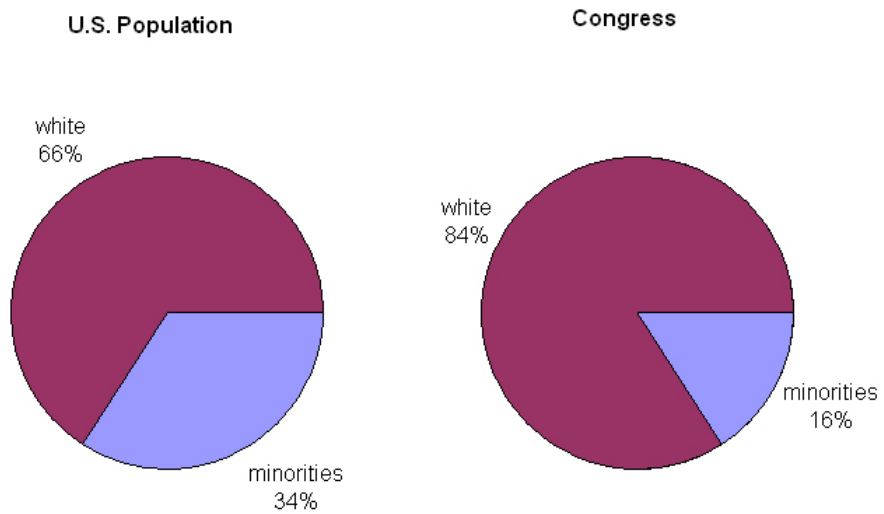
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**2008 Women %
U.S. Population vs. Congress**



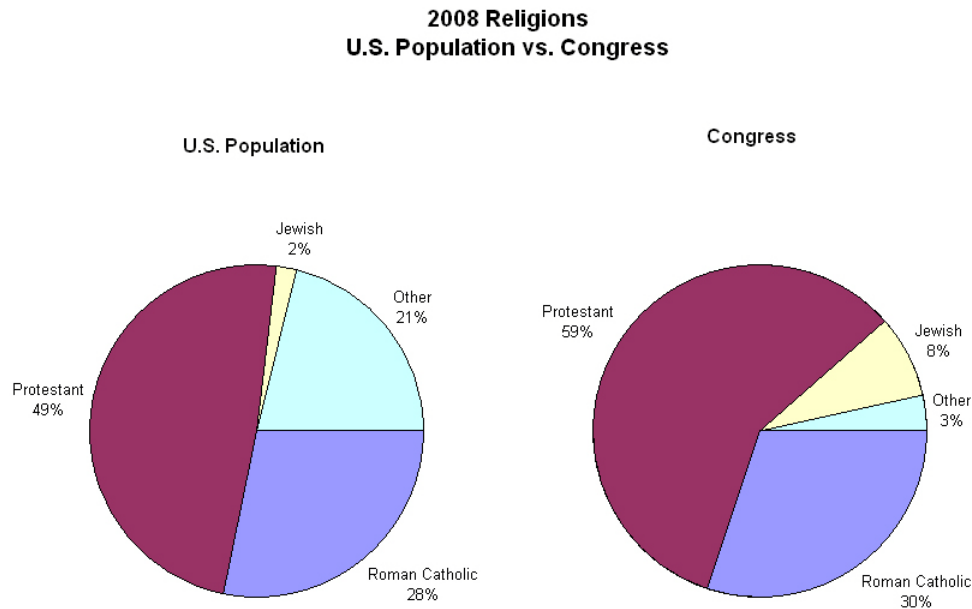
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**2008 Minorities
U.S. Population vs. Congress**



Who's Driving The Bus?

(click image for larger size)



Can a Congress whose members are significantly different from their constituents financially, professionally and demographically properly serve those voters? Can a Congress so wealthy, so lawyerly, so male and so white provide leadership and establish public policy that serves the public instead of other interests?

Apparently, the American public doesn't think so. A February 11, 2010 poll showed that fewer than two in ten Americans believe that government is run for the benefit of all the people. Almost eight out of every ten people believe that Congress and government are operated for the benefit of a few big interests.

Given those views, it's no surprise that the same poll revealed more than four out of every five Americans believe it is time to vote every last member of Congress out of office and start over with all new Representatives and Senators.

The American people believe it's time for a shift change; it's time for a new team of bus drivers to take the wheel.

The key question is, "Will the new ones be any different than the ones thrown off the bus?"

Sources:

- United States Senate
- United States House of Representatives
- Congressional Research Service
- United States Census Bureau
- United States Department of Health and Human Services
- Federal Reserve
- Congressional Quarterly
- Center For Responsive Politics www.opensecrets.org
- Pew Forum on Religion and Public Life
- American Bar Association
- CBS/New York Times Polling

Getting From A to B

March 2, 2010 – 20:40

As any school kid can tell you, the quickest way to get from point A to point B is a straight line.

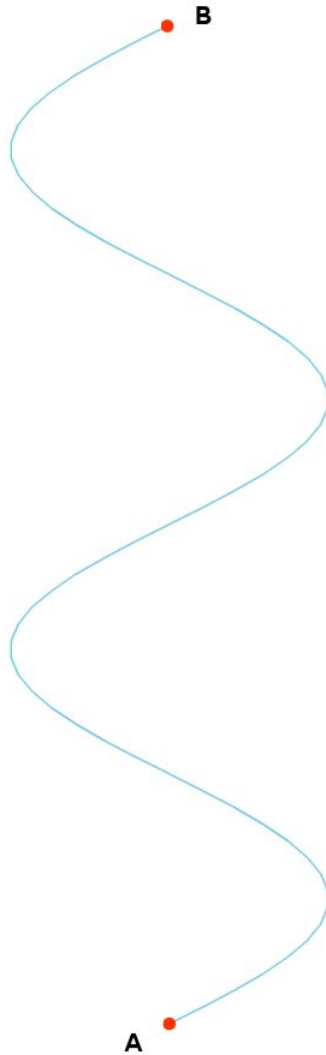
However, life doesn't usually work in straight lines, and just like driving a car, getting anything from A to B is usually a long series of slight corrections: a little right, a little left, repeat.

In doing so, you get from A to B with a minimum of time and effort.



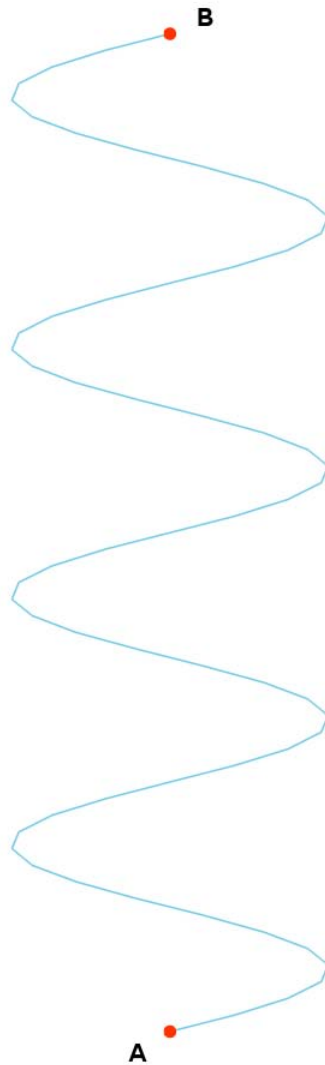
Facing the Future

If you make bigger changes of direction along the way, you can still get to point B, but the repeated changes in direction add distance to the journey, so you must travel much further and it takes more time and energy to arrive at the goal.



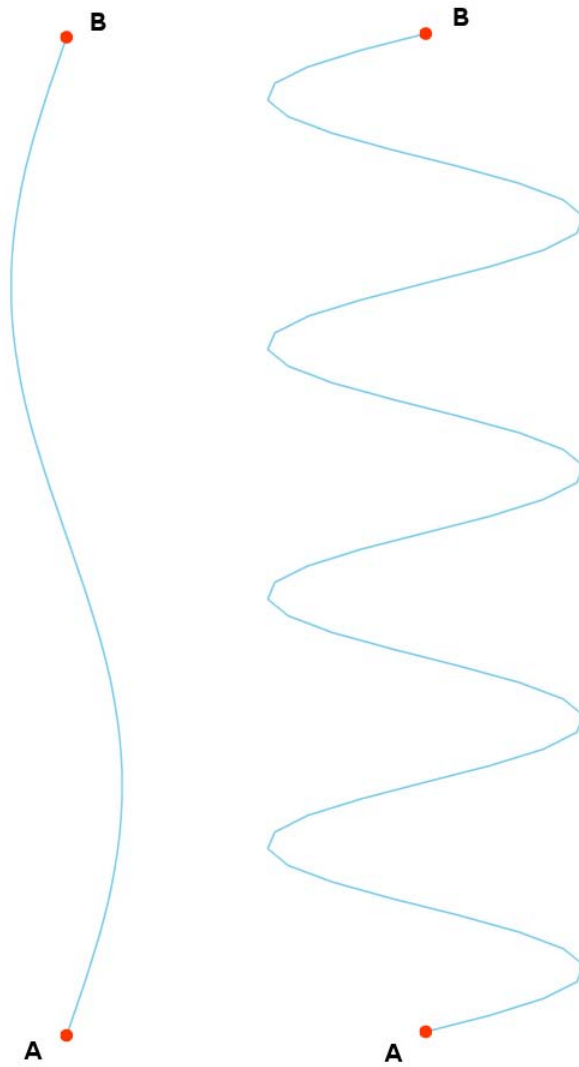
Getting From A to B

If you make repeated abrupt changes in direction you spend most of your time alternating between right and left, with very little energy invested in actually moving towards your goal.



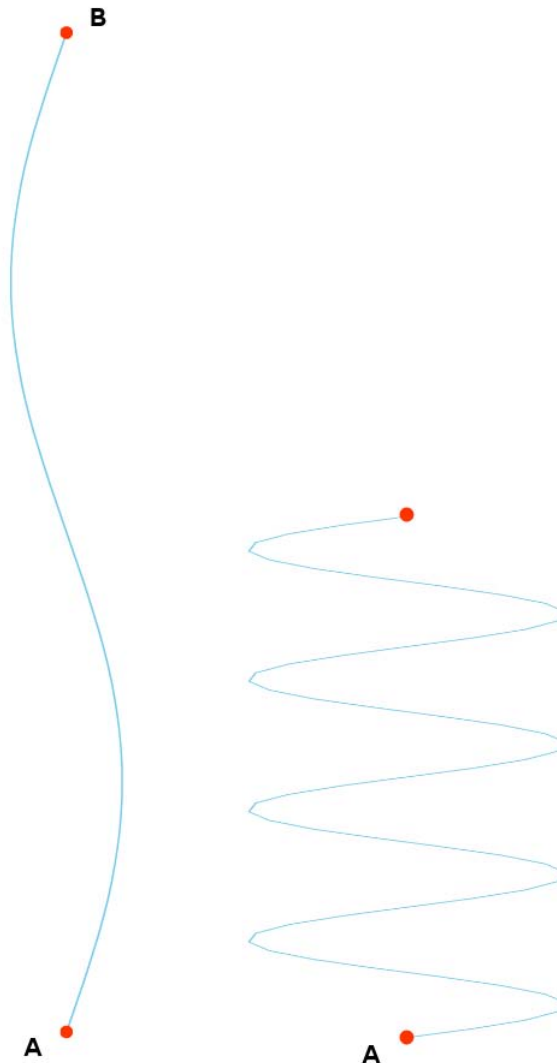
Facing the Future

When you compare the two methods, gentle mild corrections right to left with severe vacillation between extremes, it's easy to see which way is more efficient.



Getting From A to B

But that image is misleading because it implies that both methods yield the same results in the end. Actually, alternating between extreme right and extreme left will never get you to the same goal. If you alternate between extreme right and extreme left you spend so much time and energy going back and forth that the clock hits zero, you run out of energy and everyone else operating more efficiently simply passes you by. You never get to point B.



And that, simply put, is what has happened to government in the United States of America.

Historically, the two major parties stayed on a fairly moderate course, alternating between center right and center left, but always finding a way to move the country forward, getting us from point A to point B.

However, in the last few decades, and especially the last decade, the parties have moved steadily toward the extreme ends of the political spectrum. As they've spent more time swinging the country wildly from far right to far left and back again, we've made less and less progress forward until now governance

is at a standstill, in total gridlock. Point B remains far over the horizon, while other nations, operating within moderate political parameters, steadily pass us by.

How did this happen? How did we move from a position of “can-do” global political leadership to stuck-in-the-extremist-mud also ran?

It all began with a mythical creature discovered in 1812. That year, Massachusetts governor Elbridge Gerry redrew the boundaries of the districts used to elect the state legislature to favor his Democratic-Republican party over the opposing Federalists. Governor Gerry’s goal was to create districts that would guarantee his party victory and cripple the opposition. To accomplish that goal he created a bizarre electoral district by connecting otherwise disparate and unassociated areas of Essex County.

The Boston Gazette opined that the elongated district created by Governor Gerry resembled a salamander. The editor of the Boston Weekly Messenger responded, “Salamander? Call it a Gerrymander!” Weekly Messenger cartoonist Elkanah Tisdale took the concept and produced the first known illustration of the now-famous political animal, the Gerrymander.



Since 1812, the word gerrymander has been used to describe the process of creating distorted electoral districts to ensure that the controlling political party faced no effective opposition. A gerrymandered district belongs to a single party, the controlling party can never be defeated in an election in that gerrymandered district.

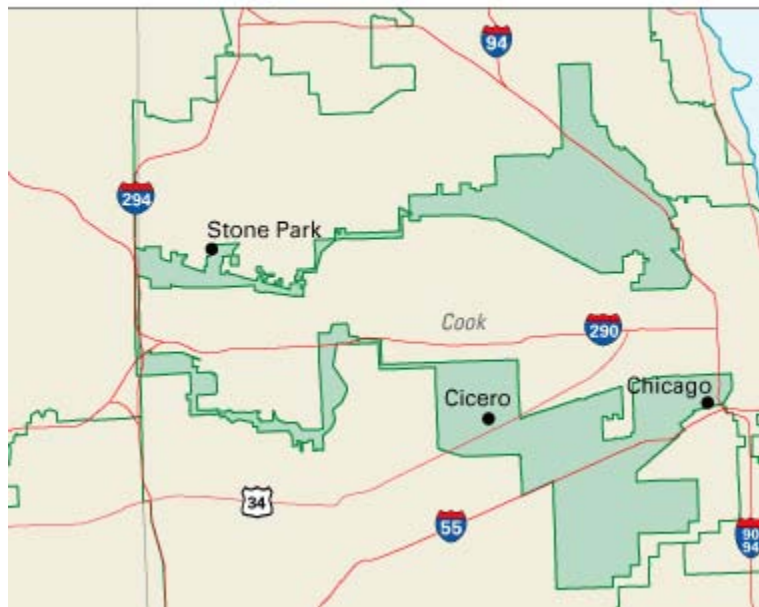
Getting From A to B

The practice lives on today, as these examples show:

Congressional District 38



Congressional District 4



Congressional District 12



Why are gerrymandered districts so bad? Gerrymandered districts create short term issues and long term trends that destroy the prerequisites of representative democracy. Here's how.

Short term, gerrymandered districts create “safe” seats for a political party. “Safe” seats mean that within a gerrymandered district, the candidate of the favored party will always win. In an American gerrymandered district, an election is exactly the same as an election in Putin's Russia, the Communist party's China, or Chávez's Venezuela. The chosen candidate is going to win. Period.

Longer term, gerrymandered districts inevitably drive political parties toward ideological extremism. This is due to the lack of contested general elections between the parties, causing the “winning” candidates to be chosen in the primary election.

Candidates for the general election held in November are selected in a primary election held earlier the same year, typically in late winter or early spring. When a party knows that their candidate can never be defeated in a general election, the primary election becomes the de-facto contest to determine the winner for that district.

Very few voters turn out at the polls for primary elections, especially in non-presidential election years. For instance, in 2008, a presidential election year when primary election turnout is at its highest, an average of 31 percent of eligible voters turned out for the nation's primaries, compared with more than 63 percent for the general elections later that same year. In non-presidential election years, it is not uncommon to have fewer than 20 percent of eligible voters participate in a primary election.

The voters who do participate regularly in primary elections are mostly party activists, hard-line extremists and ideologues. Very few moderates show up to vote in primary elections.

Getting From A to B

What this adds up to is that a candidate who wants to win the primary election must appeal to, if not pander to, those same party activists, hard-line extremists and ideologues. A moderate candidate has essentially no chance to win a primary against a radical candidate who espouses the views of the party activists, hard-line extremists and ideologues who dominate voting in primary elections.

In a gerrymandered district, there is no competition in the general election. It's just like Russia, China and Venezuela, the winning party has already been determined. In a gerrymandered district, the only competition is in the primary election. In the primary election, the only candidates who can win are those who appeal to party activists, hard-line extremists and ideologues. The more hard-line extremists and ideologues are elected, the less compromise is possible and the more gridlock seizes the government.

The bad news is that more and more districts in the United States are gerrymandered or "safe." Since 2000 the number of contested seats, meaning those not gerrymandered or "safe," in the House of Representatives has dropped from 154 to 104, a reduction of 53 percent. In the 2010 election, 331 of the 435 House seats, 76 percent, are rated "safe" or gerrymandered. Considering what happens in "safe" or gerrymandered district primary elections, 331 hard-line extremists and ideologues are likely to be elected to the House in 2010.

Given those numbers, is it any wonder we should expect yet another violent turn of the steering wheel, yet another radical change in direction, yet another tangential path perpendicular to where point B lies? Given those numbers, is it any wonder we should expect more entrenched ideologues? Given those numbers, is it any wonder we should expect more non-functioning government?

The current state of government in the United States is rancor, dispute, bitter partisanship and gridlock. Even the participants and long time observers feel that way, as reflected in these quotes:

"I've been around Washington for 40 years, immersed in the politics of Congress and the White House. And it's nasty and brutish, as much or more as I've ever seen." – Norman Ornstein, resident scholar at the American Enterprise Institute

"This past year was – by several measures — the most partisan ever — or at least since Congressional Quarterly began taking stock in 1953." – National Public Radio

"The problem is the combination of highly ideologically polarizing political parties..." – Thomas Mann, congressional scholar at the nonpartisan Brookings Institution

"Challenges of historic import threaten America's future. Action on the deficit, economy, energy, health care and much more is imperative, yet our legislative institutions fail to act. ... There are many causes for the dysfunction: strident partisanship, unyielding ideology, a corrosive system of campaign financing, gerrymandering of House districts, endless filibusters, holds on executive appointees in the Senate, dwindling social interaction between senators of opposing parties and a caucus system that promotes party unity at the expense of bipartisan consensus." – moderate Senator Evan Bayh (Democrat, Indiana), in an editorial regarding his resignation from the Senate

Facing the Future

“They insist on moving to the left or moving to the right, and I think you’re seeing over the years the moderates have disappeared and continue to disappear.” – Former Senator William Cohen (Republican, Maine)

“If you’re on either fringe of the party, you have an easier time raising money.” – Senator Arlen Specter (Democrat, Pennsylvania)

“Moderates are going the way of the dinosaur.” – Darrell West, vice president and director of governance studies at the Brookings Institution

“What it means is the most partisan elements of our society, those on the left and right who believe their party is right and the other guy is always wrong, are electing, to the best of our count, almost 350 members of the 435 members here in the House. People are responsive to the people that elect them, so you have the left and the right here, and there’s very little in the middle.” – Representative John Tanner (Democrat, Tennessee)

“80 [percent] of the members come from districts where their race is their primary, it’s not the general election. They don’t get rewarded for compromising; they get punished if they compromise with the other side.” – Representative Tom Davis (Republican, Virginia)

“And to use the politics of fear and division and hate on each other — we are at a point right now where it doesn’t make a damn whether you’re a Democrat or a Republican if you’ve forgotten you’re an American.” – former Senator Alan Simpson (Republican, Wyoming)

“I used to think it would take a global financial crisis to get both parties to the table, but we just had one. These days I wonder if this country is even governable.” – G. William Hoagland, fiscal policy adviser to Senate Republican leaders

Almost nine out of every ten Americans, 86 percent, believe the government of the United States is broken.

Electing more hard-line extremists and ideologues in rigged elections perpetuates the brokenness and makes us no different than voters in rigged elections in Russia, China and Venezuela.

Electing more hard-line extremists and ideologues ensures nothing more than yet more violent swings from right to left and back again.

Electing more hard-line extremists and ideologues does not advance us from point A to point B; it does not advance us forward.

It just puts us further behind.

Getting From A to B

“In 2001, John Zogby, the pollster, told our Republican caucus, ‘There is a burgeoning centrist third party waiting to be formed.’ Either party could make a strategic decision to capture the center, he said, or both could wait for a third party to fill the vacuum.” – former Senator Lincoln Chafee (served as a Republican, Rhode Island, currently Independent)

Sources:

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A Perfect Storm

March 7, 2010 – 17:39

“...our fathers brought forth on this continent a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal. Now we are ... testing whether that nation, or any nation so conceived and so dedicated, can long endure.” – Abraham Lincoln, Gettysburg Address

The United States of America faces an unprecedented combination of challenges in the coming decade. Bankrupt finances, political extremist and ideologues, government gridlock, a decaying infrastructure, dependence on foreign oil, declining education standards and results, loss of credible information sources, public health and geopolitical decline relative to rising powers all promise to change the very nature of life as we know it.

Consider the following list of facts, and also consider the implications of these facts, which will all combine in the next ten years.

(click image for larger size)

Table 1: Challenges Affecting the Federal Budget in the Near Term

2008	Oldest members of the baby-boom generation became eligible for early Social Security retirement benefits
2008	Medicare Hospital Insurance (HI) outlays exceeded cash income
2010	Social Security runs first cash deficit since 1984 ^a
2011	Oldest members of the baby-boom generation become eligible for Medicare
2014	45 percent of Medicare outlays funded by general revenue ^b
2016	Social Security begins running consistent annual cash deficits and redeeming trust fund assets (i.e., nonmarketable Treasury securities) in order to pay beneficiaries
2017	Medicare HI trust fund exhausted. Income sufficient to pay about 81 percent of benefits ^b
2020	Debt held by the public under GAO's Alternative simulation exceeds the historical high reached in the aftermath of World War II

Source: GAO.

^aBased on CBO's January 2010 baseline projections.

^bBased on *2009 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds* (May 12, 2009). Projections showing the percentage of funding from general revenue reaching 45 percent by law trigger a "Medicare funding warning," requiring a proposal from the President in response.

Facing the Future

This year, in 2010, the United States government will borrow \$40 of every \$100 it spends. The majority of that debt will be due for payment within five years.

If things continue as they are, in 2020 the United States will have a public debt of \$21.5 trillion dollars, up from \$12.5 trillion dollars today.

By 2020 the annual federal deficit is projected at \$1.3 trillion dollars.

Annual interest payments on the public debt in 2020 are expected to reach \$723 billion.

If things continue as they are, the public debt will continue to rise, since the United States cannot afford to pay for the programs it is committed to. Those promises that can't be paid for, unfunded liabilities primarily in the form of Social Security, Medicare and Medicaid, add up to a minimum of \$75 trillion dollars.

The Congressional Budget Office (CBO) calculates that entitlement spending (primarily Social Security, Medicare and Medicaid) will grow from 9 percent of Gross Domestic Product (GDP) today to 20 percent in 2025.

In America, more than 10,000 baby-boomers will become eligible for Social Security and Medicare every day for the next two decades.

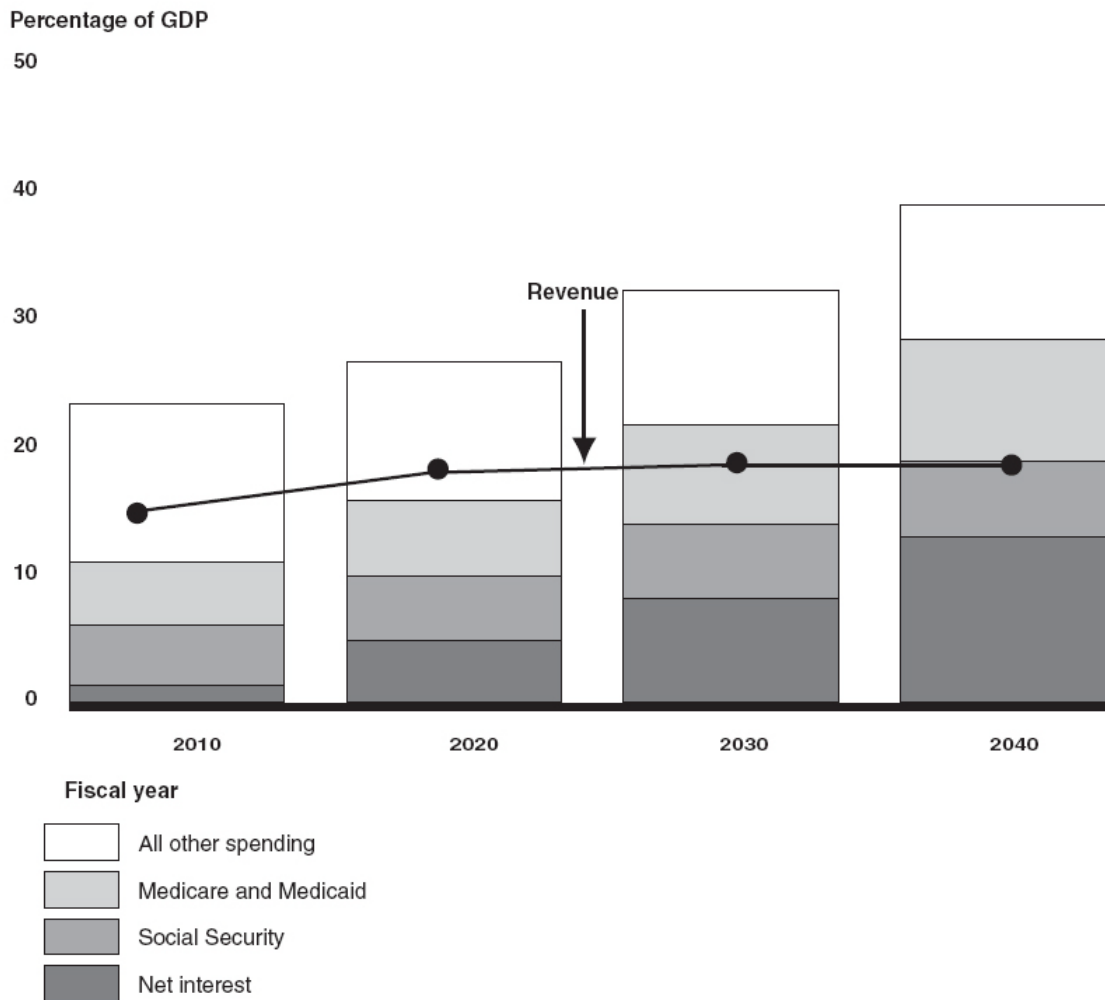
If health care costs continue to grow at their historical rates, Medicare and Medicaid will double as a share of spending on Federal programs within the next 30 years.

A Perfect Storm

As illustrated in the following column chart, unless major policy changes are implemented, in just 10 years the United States will spend almost its entire income, every penny taken in via taxes, fees, duties, etc., just paying for Social Security, Medicare and Medicaid and the interest on the public debt. There will be no money left to pay for the rest of government as we know it—everything from the military to milk standards.

(click image for larger size)

Figure 4: Potential Fiscal Outcomes under the Alternative Simulation: Revenues and Composition of Spending



Source: GAO.

Note: Data are from GAO's January 2010 analysis based on the Trustees' assumptions for Social Security and Medicare.

In February 2010, nationally, 4.58 percent of mortgages, 13.6 percent of high yield bonds and 11.2 percent of credit cards were in default.

Facing the Future

In September 2009, United States consumers held \$917 billion dollars in credit card debt and \$69 billion of it was past due.

One of every three American consumers carry credit card balances up to \$10,000.

According to the Federal Reserve Bank, 40 percent of American families spend more than they earn.

Between 2007 and 2009 7.2 millions jobs were lost in the U.S., with 1.6 million lost in construction.

Between 1997 and 2009 six million American jobs were lost in manufacturing.

In February 2010 the U.S. lost 36,000 jobs and the national total unemployment rate, which includes discouraged workers and people forced to hold part-time jobs, hit 16.8 percent.

Even as the unemployment rate climbed toward 10 percent, three million U.S. jobs went unfulfilled in 2008 because the U.S. workforce lacked necessary skills.

Nearly one in three American workers will be over 50 by 2012.

More than 26 percent, or one in four, of the nation's bridges are either structurally deficient or functionally obsolete.

Worn-out water systems leak away 20 gallons of fresh water per day for every American, more than 6 billion gallons of water per day is wasted.

The average dam in the United States is 50 years old.

The cost of bringing the nation's infrastructure up to adequacy is estimated at \$2.2 trillion over the next five years, or twice as much as is now budgeted by all levels of government.

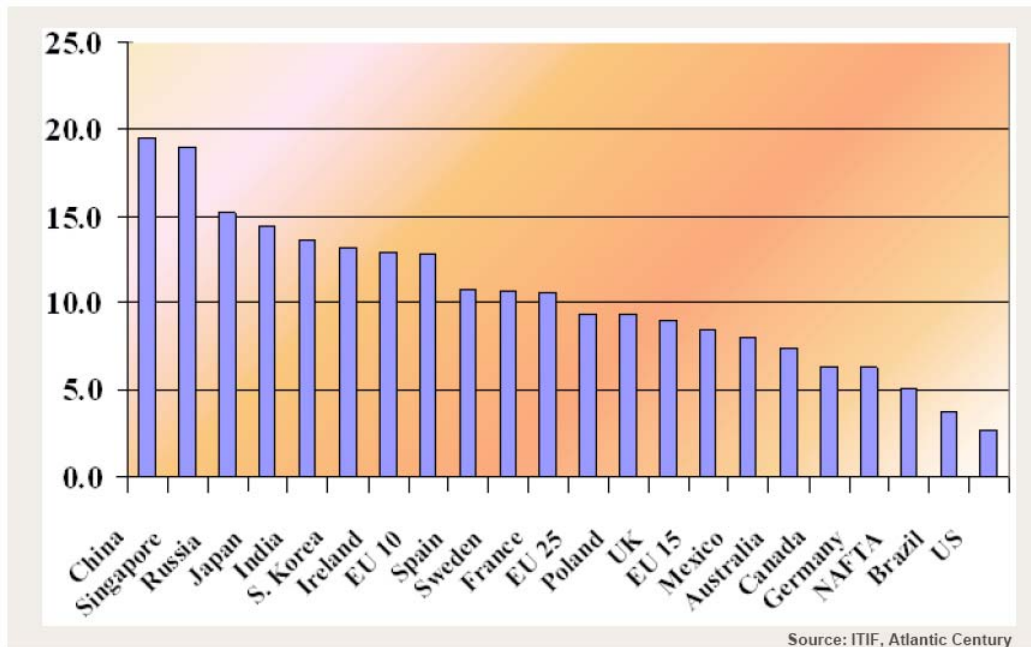
Sixty-eight percent of members of the National Academy of Public Administration surveyed said that the U.S. government was "less likely to successfully execute projects than at any time in the past."

A Perfect Storm

The United States ranks last of 40 nations in the rate of change in innovation capacity over the last decade.

(click image for larger size)

Rate of Change of Innovation Capacity Prior Decade



It can cost \$1 billion more to build, equip, and operate a factory in the United States than it does outside the U.S., with 70 percent of the cost difference accounted for by lower taxes, and 90 percent of the cost difference explained by government policies (including grants and tax credits), not wages.

Out of 104 nations, in 2009 the U.S. ranked 27th in health, 19th in safety and security, 16th in governance and 7th in education.

In 2008 68 percent of men and 72 percent of women were overweight or obese in America.

Since 1980, the prevalence of obesity has tripled among school-age children and adolescents.

More than three in ten American children are overweight or obese.

Health effects of obesity include high blood pressure; diabetes; heart disease; joint problems, including osteoarthritis; sleep apnea and respiratory problems; cancer; metabolic syndrome; and psychosocial effects. Most of these conditions are chronic and can more than double the lifetime cost of health care compared to a non-obese citizen.

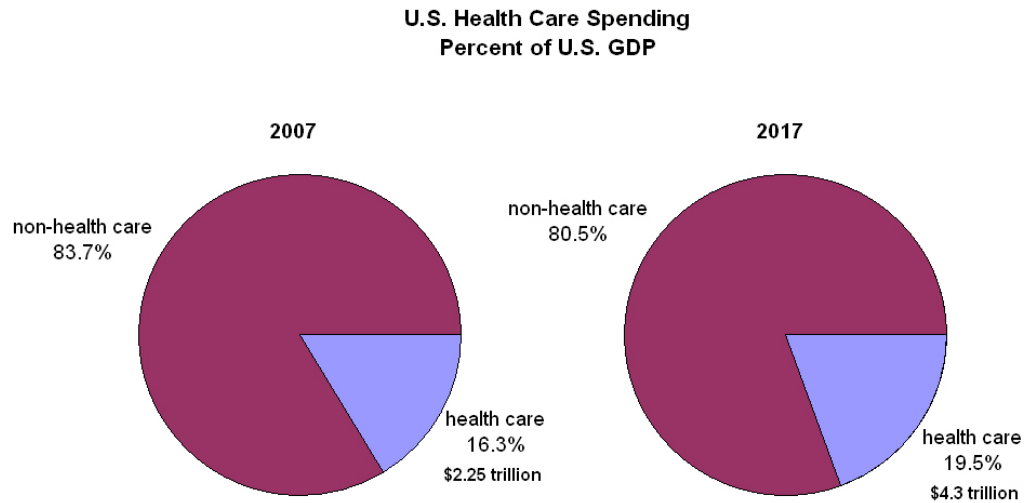
Most, if not all, of the mid- and long-term cost projections for U.S. health care do not accurately reflect the increased chronic condition costs of America's overweight and obese population.

Facing the Future

Life expectancy in America is below the average for 30 advanced countries measured by the OECD and the obesity rate in America is the worst among those 30 countries, by far.

If left unchanged, by 2017 U.S. health care spending is projected to reach \$4.3 trillion dollars and comprise 19.5 percent of GDP. That means by 2017 \$20 out of every \$100 dollars spent in the United States will be on health care.

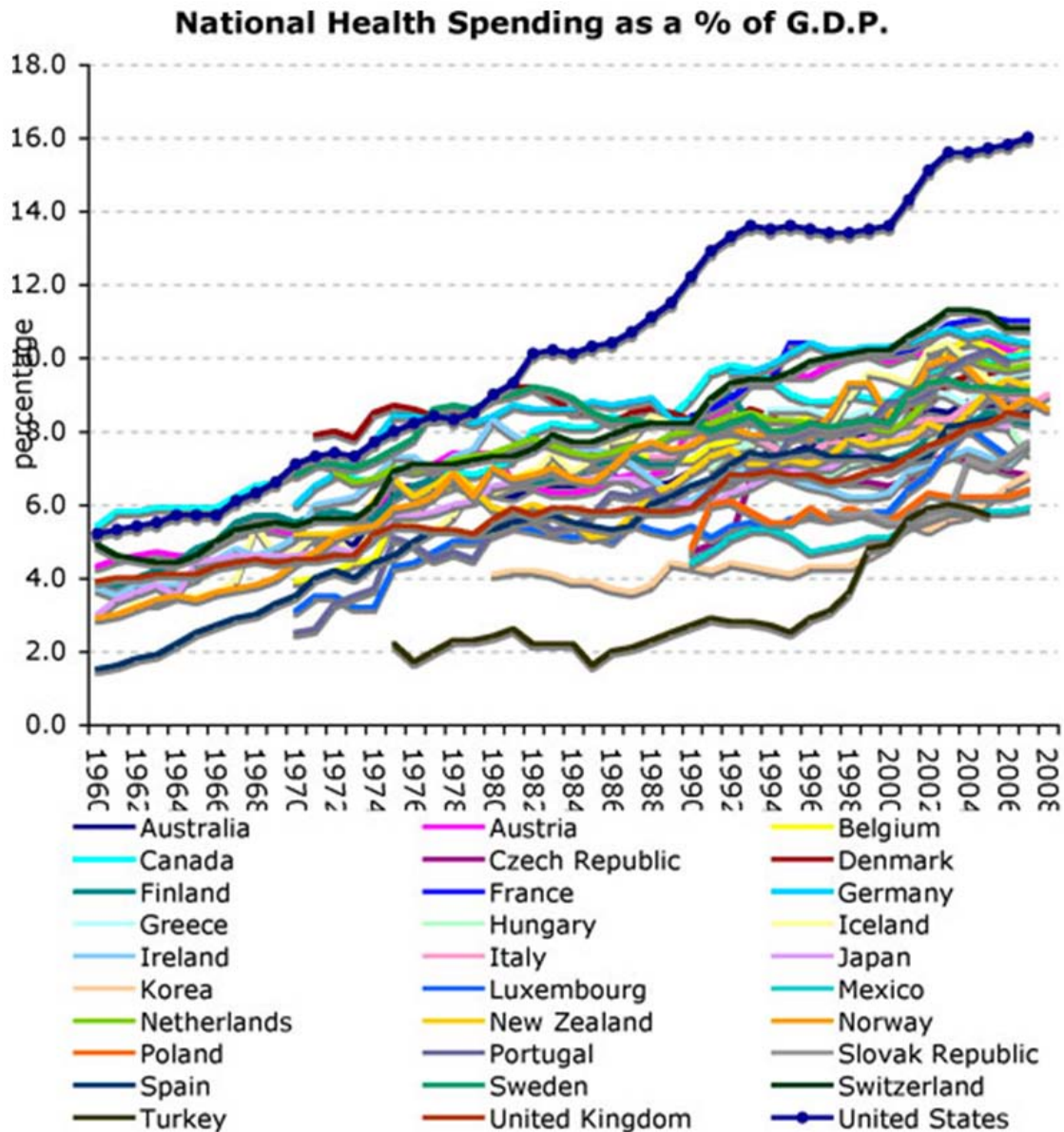
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A Perfect Storm

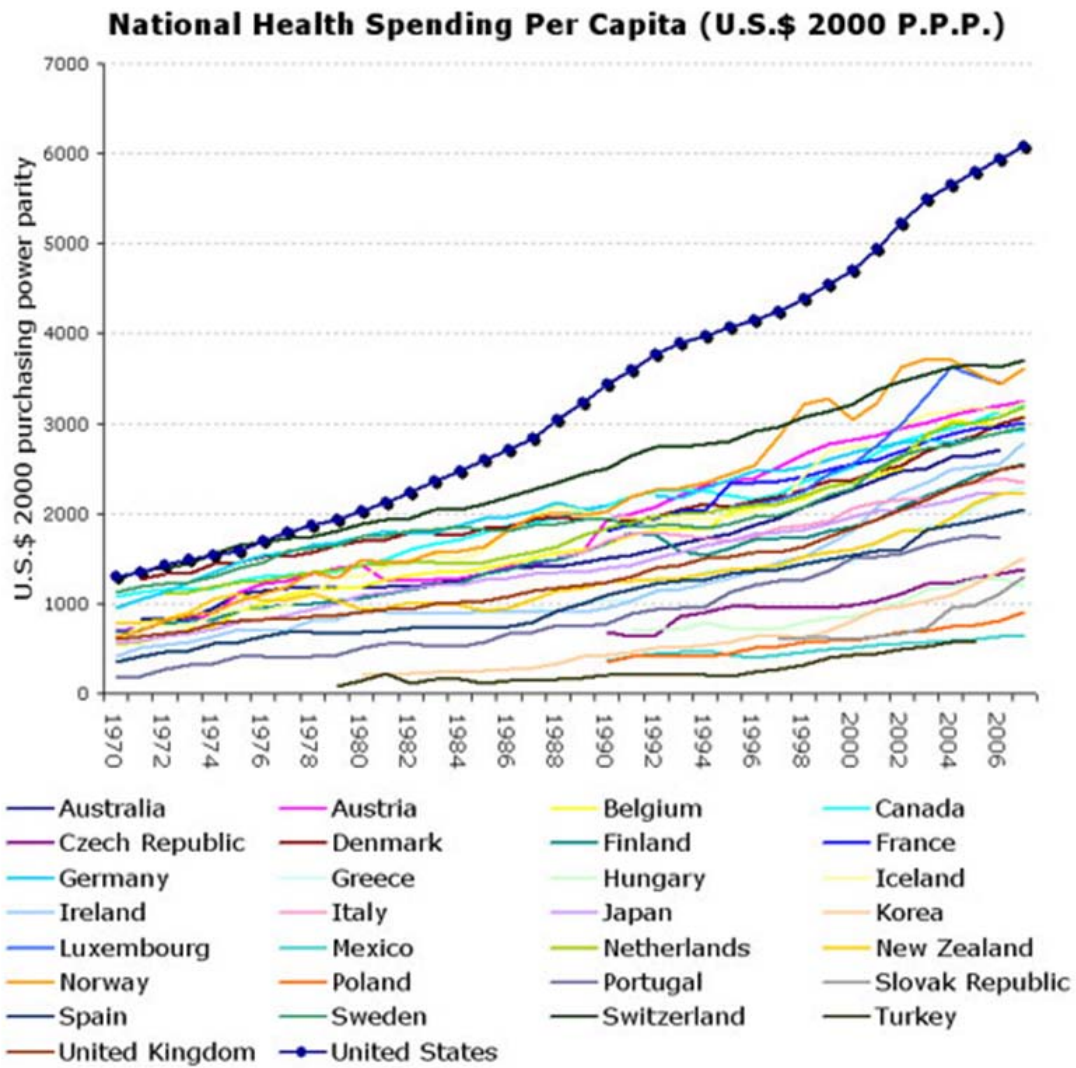
The U.S. spends more as a percentage of GDP and per capita for health care than any other developed nation while nearly half, 45 percent, of all American patients do not receive the care they have been recommended. In addition, outcomes, quality of care and life expectancy all score lower in the U.S. than the rest of the developed world.

(click image for larger size)



Source: Organization for Economic Cooperation and Development

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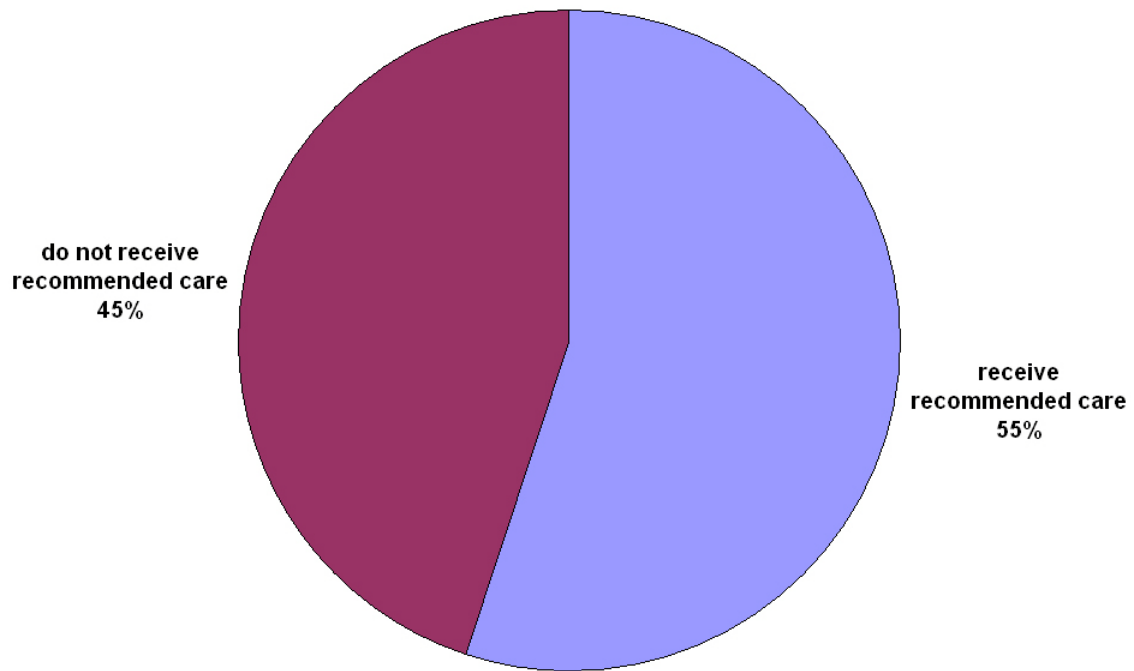


Source: Organization for Economic Cooperation and Development

Data shown are in United States 2000 purchasing power parity dollars.

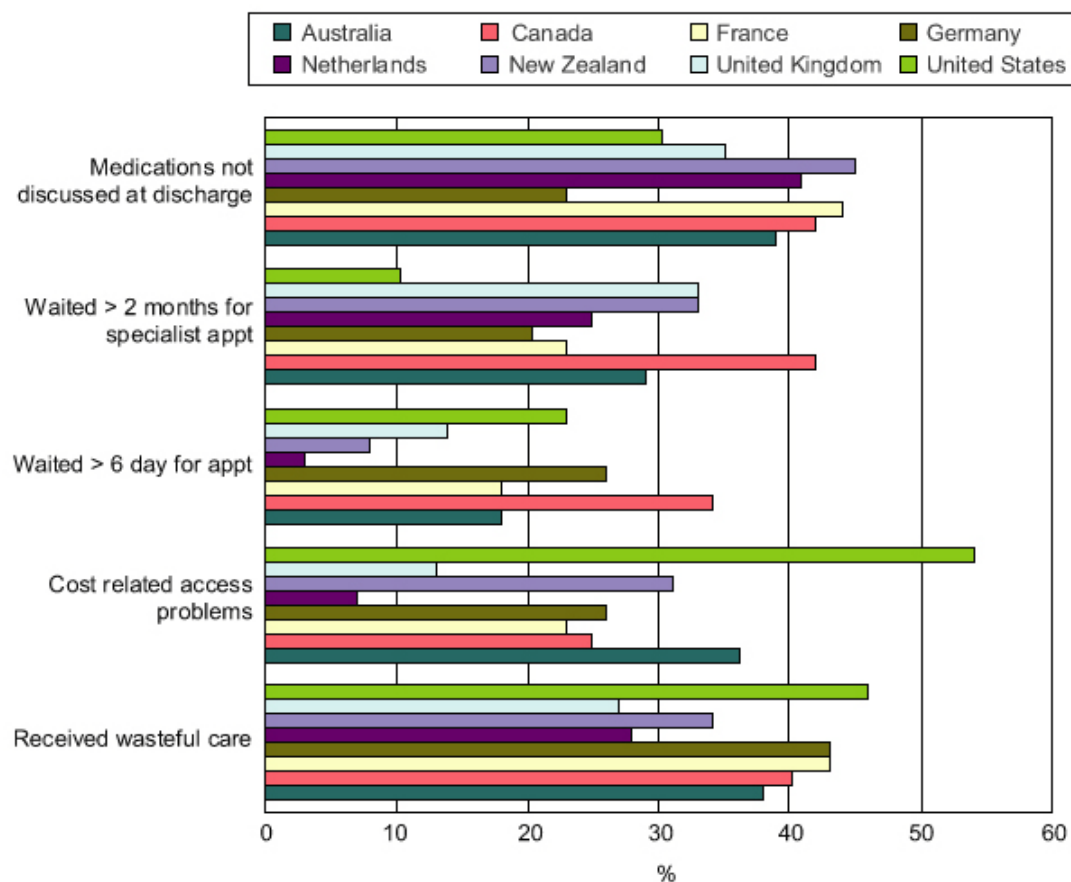
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Percentage of Recommended Care Received by U.S. Adults



(click image for larger size)

Figure 9. International Comparisons of Chronically Ill Patients' Experiences with Care



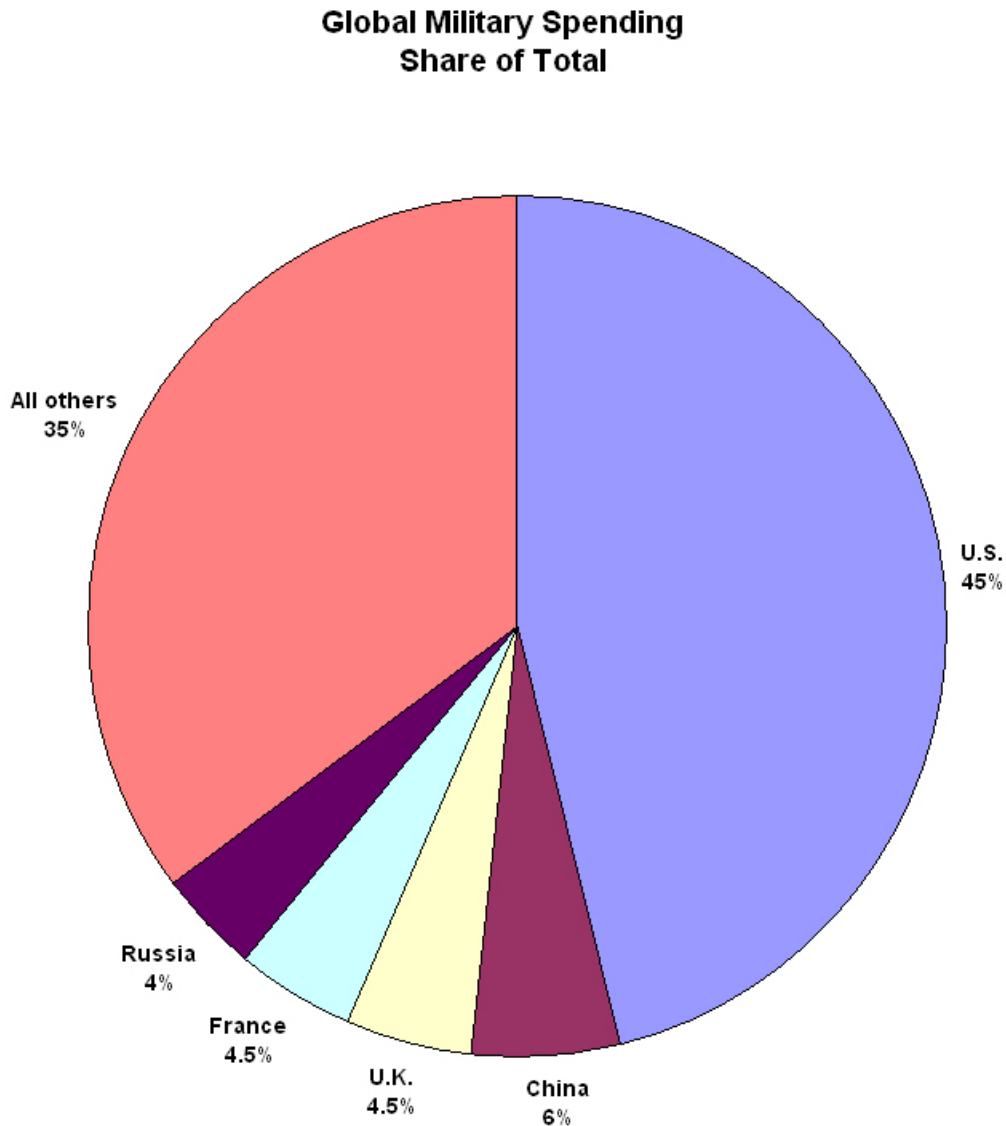
SOURCE: Based on data from Schoen et al., 2009.

A Perfect Storm

In August 2008, U.S. steelmakers accounted for only 5 percent of global steel output compared to 49 percent for Chinese steelmakers.

U.S. military spending represented 46 percent of \$1.46 trillion global military spending in 2008, compared with 5.8 percent for China, the United Kingdom and France at 4.5 percent and Russia at 4 percent.

(click image for larger size)



American oil imports since 1981 have nearly doubled, up by 96 percent. 1981 was two years after the second oil crisis that severely affected the U.S. economy and led to repeated calls for energy independence.

The United States currently spends more than \$1 billion dollars per day to buy foreign oil.

Facing the Future

There are 15,000 registered lobbyists in America who spent \$3.5 billion dollars influencing elected officials in 2009.

The total spent in 2009 purchasing influence in Washington was about \$9 billion dollars. This total includes money spent for grassroots organizing, coalition-building, advertising, advocacy on the internet and \$3.5 billion spent on lobbying.

In 2008, the U.S. had 37 universities in the top 100 and 58 in the top 200. In 2009, that dropped to 32 and 54, respectively.

Currently, 55 percent of U.S. PhD engineering students and 45 percent of the graduate physicists working in the U.S. are foreign born.

More than 30 percent of American Nobel Prize winners in medicine and physiology between 1901 and 2005 were foreign born.

More than two thirds of Americans are unable to identify DNA as the key to heredity.

Nine out of ten Americans do not understand radiation and what it can do to the body.

One in five American adults is convinced that the sun revolves around the earth.

Between 1989 and 2007, adult Americans' knowledge of current events dropped by 8.3 percent.

Among adult Americans, 25 percent cannot name any First Amendment rights and 62 percent cannot name the three branches of the United States government.

Of Americans age 18-24, 74 percent believe English is the primary language spoken by the most people in the world; 48 percent cannot locate the state of Mississippi on a U.S. map; 47 percent cannot locate India on a map of Asia; 75 percent cannot locate Israel on a map of the Middle East; 70 percent cannot locate North Korea on a map of Asia; 60 percent cannot locate Iraq on a map and 33 percent cannot locate the direction "northwest."

Overall, about 67 percent of American high school seniors read below the proficient level.

Fewer than half of Americans over age 13 read a book in the last year.

Romance novels are the largest share of the American book market.

One in seven American adults cannot read. That equates to 14 percent or 32 million U.S. adults who are illiterate.

In the Los Angeles city school system during 2008-2009, 58 percent of fifth-graders were reading below their grade level and 47 percent could not perform at their grade level in math.

A Perfect Storm

American children aged 2-5 spend about 25 hours watching live television and over 32 hours a week on average in front of the TV screen.

American children aged 6-11 spend about 22 hours watching live television and over 28 hours a week on average in front of the TV screen.

American adults spend an average of 8 hours per day exposed to television, 56 hours per week

But a list of factoids does not tell the whole story. While possibly illuminating, they lack personal perspective. As such, consider the following series of quotes, and the implications of these quotes, all of which will combine in the coming decade:

“The physical infrastructure of big East Coast cities was mainly built by the 1880s; of the industrial Midwest by World War I; and of the West Coast by 1960. It was advertised to last 50 years, and over-engineered so it might last 100. Now it’s running down. When a pothole swallows an SUV, it’s treated as freak news, but it shows a water system that’s literally collapsing beneath us.” – Stephen Flynn

“After almost a century, the United States no longer has the money. It is gone, and it is not likely to return in the foreseeable future ... The American standard of living will decline relative to the rest of the industrialized and industrializing world ... The United States will lose power and influence.” – economists J. Bradford DeLong and Stephen Cohen

“America needs a government as good as its people.” – former President Jimmy Carter

“Year by year special-interest groups inevitably take bite after tiny bite out of the total national wealth. They do so through tax breaks, special appropriations, what we now call legislative “earmarks,” and other favors that are all easier to initiate than to cut off. No single nibble is that dramatic or burdensome, but over the decades they threaten to convert any stable democracy into a big, inefficient, favor-ridden state.” – paraphrase of Mancur Olson, author, economist and social scientist

“153 state or federal [elected] positions in California were at stake in the 2004 election. Not a single one changed party.” – Troy Senik, author and former presidential speechwriter

“In terms of size, speed and directional flow, the transfer of global wealth and economic power now under way — roughly from West to East — is without precedent in modern history.” – Thomas Fingar, Chairman of the National Intelligence Council (NIC)

“I don’t think that America’s political system is equal to the tasks before us... Our [system] is great for distributing benefits but has become weak at facing problems. I know the power of American rejuvenation, but if I had to bet, it would be 60–40 that we’re in a cycle of decline.” – Dick Lamm, former three-term governor of Colorado (Democrat)

“If Washington continues to thumb their nose at the American people, you know, who knows what might come out of that?” – Texas governor Rick Perry (Republican) regarding Texas secession from the United States

“Whenever you have just the furthest left elements of the Democratic party attempting to impose their will on the rest of the country—that’s not going to work too well. For [the Democratic party left,] it may take a political catastrophe of biblical proportions before they get it.” – U.S. Senator Evan Bayh (Democrat, Indiana)

“He was Judas to the Republican Party in the state of Florida and across the country.” – Robin Stublen, co-state coordinator for the Florida Tea Party Patriots, regarding moderate Republican Florida governor Charles “Charlie” Crist

“To those people who are pursuing purity, you’ll become a club not a party. Conservatism is an asset. Blind ideology is not.” – U.S. Senator Lindsey Graham (Republican, South Carolina)

“Our companies and entrepreneurs are matchless in their power to adapt. We lead in many categories the private economy can handle by itself. But where you need any public-private coordination, we’ve become handicapped. I worry that our companies can adapt, but our [political] system can’t.” – Robert Atkinson, director of the Information Technology and Innovation Foundation

“Senior foreign government delegations still frequent the U.S. on technology visits, but they come increasingly infrequently to the U.S. to learn about innovation policy; there’s much more for them to learn in Europe and Asia.” – Greg Tasse, senior economist for the U.S. National Institute of Standards and Technology (NIST)

“We are the United States of Deferred Maintenance. China is the People’s Republic of Deferred Gratification. They save, invest and build. We spend, borrow and patch.” – Thomas Friedman, columnist and author

“The financial crisis is a major geopolitical setback for the United States and Europe... [It will] accelerate trends that are shifting the world’s center of gravity away from the United States.” – Robert Altman, former Deputy Treasury Secretary

“We are willfully making ourselves stupid. When was the last time we faced up to a major national problem? We would do well to focus on the issue of public paralysis.” – Ralph Nader, former third party presidential candidate, consumer activist, author

“This is a phenomenon that goes beyond the military sphere to the political and economic sphere. I think it would be easy for common-sense Americans to draw up a list of big things that would seem to demand concerted effort. Deficits are too big. Health costs are unacceptable. Oil. And yet we have a political system that seems to be constantly consumed with trivial things. We cannot seriously grapple with the big issues. Tactics consume strategy.” – Andrew Bacevich, West Point graduate and career Army officer who now teaches at Boston University

A Perfect Storm

“Ronald Reagan managed to equate criticism with anti-Americanism, and render unintelligible bad news about America.” – Rick Perlstein, author, historian and journalist

“Ideologues hold stoutly to a worldview despite being contradicted by what is generally accepted as reality. The offspring of ideology and theology are not always bad but they are always blind. And that is the danger: voters and politicians alike, oblivious to the facts.” – Bill Moyers, journalist, former White House press secretary

“Governing institutions always lag behind the social exigencies of any era; and in periods of rapid change... the gap widens between society’s needs and the institutional capacity to meet those needs.” – paraphrase of Thorstein Veblen, author, sociologist and economist

“Through the country’s history, government has had to function correctly for the private sector to flourish. John Quincy Adams built the lighthouses and the highways. That’s not ‘socialist’ but ‘Whiggish.’ Now we need ports and highways and an educated populace.” – Kevin Starr, author, historian, professor

“America’s ignorance of the outside world is so great as to constitute a threat to national security.” – Strategic Task Force on Education Abroad

“Part of the mind-set of pre-Communist China was the rage and frustration of a great people let down by feckless rulers. Whatever is wrong with today’s Communist leadership, [domestically] it is widely seen as pulling the country nearer to its full potential rather than pushing it away. America is not going to have a Communist revolution nor endure “100 Years of Humiliation,” as Imperial China did. But we could use more anger about the fact that the gap between our potential and our reality is opening up, not closing.” – James Fallows, writer, journalist, former presidential speech writer

“The world has no leadership. The U.S. was the last resort and hope for all the nations. Today, we have lost that hope.” – Lech Walesa, former president of Poland and leader of Poland’s independence movement from the Soviet Union

“Our long-term simulations show that absent policy changes the federal government faces an unsustainable growth in debt. The longer that action to deal with the federal government’s long-term fiscal outlook is delayed, the greater the risk that the eventual changes will be disruptive and destabilizing.” – United States Government Accountability Office (GAO) [emphasis added]

“I am a little worried that by the time we wake up to the crisis we will be in the abyss.” – Paul Otellini, President and CEO, Intel

As you can see from these facts and quotes, the United States faces a set of challenges that, taken together, arriving simultaneously, threaten the ongoing viability of the country.

Facing a period of extraordinary challenge is nothing new for the United States. The nation has faced challenges before and overcome them.

What makes this next decade unique is that the country faces major existential challenges from multiple sources, all arriving at the same time, at a time when the country is perhaps less equipped to deal with them than at any other point in its history.

Government

Politically, the nation is at a standstill. Its ruling class has proven, through its pervasive corruption and extremist driven gridlock, that it is incapable of effective governance, long ago trading power and personal riches for any sense of civic responsibility and personal integrity. Government is at a standstill, held hostage by fringe ideologues from both ends of the political spectrum.

The underlying political system of exchanging money for influence that the ruling political class has inculcated and nurtured has created an environment universally corrosive to anyone who enters. People who are elected to local, state and national offices may start out well meaning and honest, but they quickly become introduced to the realities of politics in America in which there is only one goal—money.

The United States spends more on buying influence with politicians (\$9 billion) than it does for flood control and coastal emergencies (\$30 million); mining (\$146 million); training law enforcement (\$278 million); health care research and quality (\$611 million); the forest service (\$757 million); military family housing (\$1,822 million); technology innovation (\$80 million); adult education (\$612 million); radioactive waste management (\$197 million); elderly housing (\$274 million); fighting organized crime (\$579 million); veterans employment and training (\$262 million); the Peace Corps (\$446 million); pipeline and hazardous materials safety (\$174 million); financial crimes enforcement (\$100 million); veterans cemeteries (\$251 million); polluted land assessment and cleanup (\$138 million); aeronautics, aerospace and science education (\$146 million); science research equipment and facilities (\$165 million); small business loans (\$169 million); social security fraud and abuse (\$106 million) and social innovation (\$60 million) combined (\$7.403 billion).

Given these priorities of the political class, with the nation spending more on buying politicians than buying government products and services, it is clear who our elected representatives and their parties serve—themselves.

Fewer than half of Americans trust government, more than 80 percent disapprove of the job congress is doing, 83 percent are dissatisfied or angry with government and more than 93 percent believe there is too much partisan fighting between the two ineffective, detached and self-serving political parties. There are loud voices from many quarters, left, right and center, echoing the message that the current political system and its members have proven incapable of governing the country and that the elected representatives of the United States are disconnected from honesty, integrity, ethics, the country and its people.

Tellingly, for the first time in modern history, there are reports from developed nations of concern of “political instability” in the United States.

If we don't fix government, if we don't create a system that separates money from politics, if we don't find people who are honest enough and capable enough to govern, it is game over.

Finances

Financially, the nation is effectively bankrupt. The United States government has spent more money that it earned for 47 out of the last 55 years. Consequently, it is in debt up past its eyeballs; and, worse yet, it is in hock to its major geopolitical rivals who now control America's fate. About one in three dollars of U.S. foreign debt is held by China, drug cartels and oil producers. China alone holds more than \$895 billion dollars in U.S. debt, more than 24 percent of the total held by foreign nations.

"China is now the largest creditor nation to the United States," noted Victor Gao, a former top official in the Chinese foreign ministry, in a recent CNN interview. "Just imagine if China buys less of the Treasury bonds or stops buying the Treasury bond for a couple of months." The outcome of even a couple of months diminishment or suspension of China buying America's IOUs would cripple the U.S. economy and destroy the dollar. It doesn't take Einstein to figure out who is the puppet and who is holding the strings in this relationship.

Things won't get better financially any time soon. If things stay the way they are, in seven years the U.S. will be spending 20 of every 100 dollars on health care. Even more ominous, the United States has no way to pay for its major social entitlement programs: Social Security, Medicare and Medicaid. Unless major cuts are made to the entitlement programs, huge tax increases are levied, or both, in 10 years the country will be spending all of its revenues, every last penny of taxes, duties, fees, etc., to fund those entitlement programs and pay the interest on the public debt, leaving nothing left to pay for the entire rest of the government (defense, law enforcement, safety, education, science, etc.).

If we can't gain control of health care costs, if we can't come to grips with our spending and stop racking up more and more debt, if we can't get our entitlement programs under control, in ten years it is game over.

Geopolitics

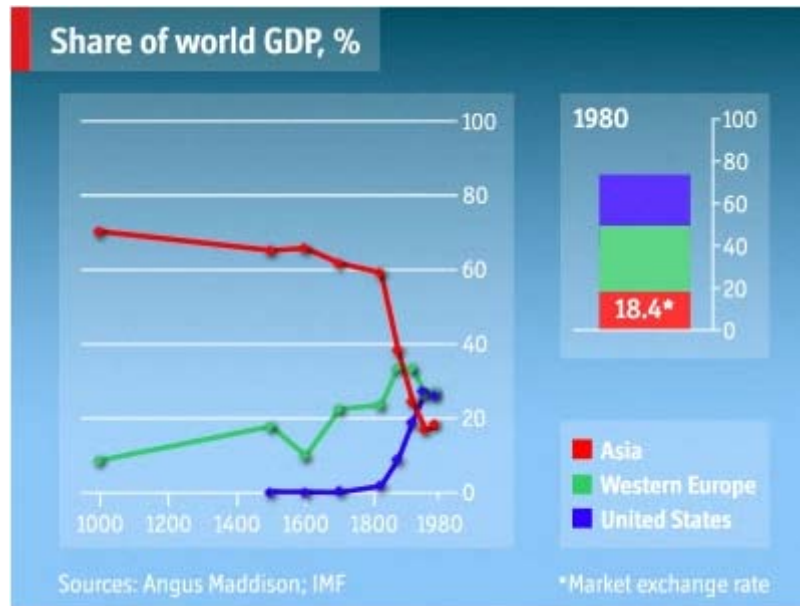
Geopolitically, America's dominant position on the world stage is being displaced by rising global superpowers such as China and resurging past empires such as Russia (Soviet Union) and Iran (Persia).

China is America's primary debt holder, and, as such, has the power of life and death over the United States. Should China simply stop buying further IOUs from the United States or flood the market with even a portion of its U.S. debt holdings, the U.S. economy and the dollar would collapse. While that collapse would cost the Chinese most of their nearly trillion dollars in U.S. debt holdings, even if they lost every penny of their investment they could crush the United States and become the world's sole superpower for less than it has cost the U.S. to fight the Iraq and Afghanistan wars. China would become the world's sole superpower for a relatively bargain price, all without firing a shot.

Asians in general, and the Chinese in particular, have a very different perspective on history than the United States. Asians plan in periods of 10, 50 and 100 years. Americans plan in periods of 3 months and two year election cycles. Asians view history in periods of hundreds and thousands of years. Americans view history in periods of 30 minutes, the news cycle, and four years, a presidential term.

Facing the Future

Due to this difference in perspective, it can come as a surprise to Americans that Asia, predominantly China, was by far the world's largest economy for much of the last two millennia. As pointed out by Chris Patten, the last British governor of Hong Kong, **China was the globe's top economy for 18 of the past 20 centuries.** While Europe stumbled through the Dark Ages and fought disastrous religious wars, while North America was populated by indigenous peoples, while the Islamic world peaked and declined, Asia and China created the largest economies and the highest standards of living in the world.



A Perfect Storm

From our perspective here within the United States fishbowl we tend to think the world is, should be, and always will be, as it has been since we've been alive. However, from the Chinese perspective, the idea of China dominating the world is not a change in reality to something unusual; it is merely the return to what always was and always should be.

China's current geographical area



China's recent geographical area



Maximum territory during the Mongol Empire



The world outside the borders of the United States continues to evolve rapidly. Due to the growth and development of other nations, it is inevitable that the U.S. will no longer dominate relative to their growing strengths and capabilities. Just as the first tree that matures towers above the later trees, as the surrounding saplings grow to maturity, they stand equal with the initial tree. The return to global power and influence of historically major empires such as China and Russia (Tsarist Russia and the Soviet Union), and to an initially lesser extent, Iran (Persian) and Turkey (Ottoman), means the U.S. must adapt to a new role and new relationships with a multilateral world of countries with current or soon-to-be peer level geopolitical influence, if not economies and capabilities. This does not mean that the U.S. must decline relative to itself, but it does mean that the U.S. must find within itself an identity and purpose relevant to and compatible with a new world of multiple major geopolitical players.

If we cannot find a way to transition into a new geopolitical order as one of many powerful nations, if we cannot find a way to get out of debt to our major global competitors, if we cannot find a way to form and sustain effective coalitions, it is game over.

Education

Educationally, in 2006 American 15 year old students ranked 23rd in science and 32nd in math among developed and developing countries on the OCED Program for International Student Assessment (PISA) education skills survey. In 2009 American fourth graders were surpassed by five countries that placed behind the U.S. in earlier reading tests.

From 1990 to 2006, total expenditures per student in American public elementary and secondary schools rose 31 percent in constant dollars. That 31 percent increase in spending bought decreases of 38 percent to 33 percent of fourth graders reading at or below basic level, 31 to 26 percent of eighth graders reading at or below basic level, and more than one out of four freshmen who never graduate high school, a drop out rate of 27 percent nationally.

A Perfect Storm

In some quarters those statistics, a range of one quarter to one third of fourth and eighth graders who cannot read above a basic level and more than one quarter of high school students dropping out, were a cause for celebration and accolades. Others were less sanguine.

U.S. Secretary of Education Arne Duncan perhaps said it best, “Our students have stagnated educationally, putting our long-term economic security at risk.”

If we cannot find a way to educate our young to produce effective, intelligent, flexible, problem-solving workers and citizens, it is game over.

Information

All of these problems coming to a head simultaneously would perhaps be less of an existential threat if the American public could meet the requirements of a representative democracy: an engaged, educated and informed electorate.

Given the duplicity, greed and incompetence of the ruling class, it is extremely challenging to be engaged. Considering the ongoing failure of the education system to produce capable citizens fully informed of how the world and their government works, one is hard pressed to make a case for educated. And lastly, though we are literally drowning in information, the electorate is perhaps less effectively and accurately informed than at any time in the nation’s history.

In 2009 there were more than 40,000 newspaper jobs cut. Since 2001, roughly 25 percent of the industry’s news workforce has been lost. This is not just an abstract issue, it can directly affect the nation on a societal level. For instance, Mary Schapiro, chairperson of the U.S. Securities and Exchange Commission (SEC) said, “It’s an absolute worry for me because I think financial journalists have in many cases been the sources of some really important enforcement cases and really important discovery of practices and products that regulators should be profoundly concerned about.”

As what remains of journalism that watched over politicians, financiers, defense department contractors, local governments and business withers away, it is being replaced by new forms of information procurement and dissemination. In addition to “citizen journalism” created by people with no training in discerning facts from rumor, whose level of perceived credibility is typically directly proportional to their level of bombast, there is now “journalism” based on stories assigned to yield maximum popularity and advertising sales.

For instance, AOL is launching “the newsroom of the future” in which reporters are assigned stories based on what is popular on the web and what will attract the most advertising. According to Business Week, stories are frequently assigned to explore such popular topics as “How to Open Champagne.” There are plans to pay reporters bonuses based on web page views instead of the quality, accuracy, relevance and impact of the content they create. Given a choice between creating a story on a Hollywood celebrity guaranteed to attract millions of page views and a story on congressional bribery, there is little doubt which story a reporter trying to make their rent and car payments will choose.

What this means is that the average American will be left with the info-celebrities and shrieking ideologues that populate television; the write-what’s-popular web based “journalism;” and “citizen

journalism” consisting primarily of hyper-partisan zombies repeating the same rumors, distortions, lies and half-truths they picked up from another hyper-partisan blog. Given that mix, it is extremely challenging, if not essentially impossible, for a voter to stay informed in anything close to a non-partisan, balanced manner.

While the entire world’s collection of information and up-to-the-second news feeds are as close as the average American’s smartphone, accurate, unbiased, unfiltered, un-agenda-ed, fact-based information is the rarest of all commodities. Like a castaway’s water on a desert island, we have never been surrounded by more information only a touch away, with more of it completely useless and counterproductive.

If we cannot find a way to keep ourselves informed and educated via unbiased, accurate, fact-based, reliable information sources that we can easily access and identify in the overwhelming chaos of available information, and use those information sources to make effective and informed decisions about our lives and our nation, it is game over.

Leadership

For more than 450 years Europe dominated the world, moving from systematic rape and plunder of the globe to repeated, all encompassing, internecine attempts to destroy each other along with the known world. Once the Europeans finally burned themselves out, literally and figuratively, the United States spent the last half of the 20th century, its brief moment of world leadership, degenerating into a political pig sty and shallow materialism. All of the good things America did in the world during that period, from defending allies, such as winning the Cold War, to feeding the world, such as supplying India with donated food after its independence, were outweighed by America’s long spiral down into political ineffectiveness, cultural arrogance and profligate spending.

As former U.S. Representative Charles Wilson (Democrat, Texas), of *Charlie Wilson’s War* fame, said of the 1950s, “We were undisputedly the kings of the world, and everybody knew it. We were arrogant sons of bitches.”

That attitude and its manifestations did not pass from the memory of the world along with the era of Elvis. American foreign policies reflecting that ethos are long remembered, and remain a raw nerve for other nations. It is telling that while people in the rest of the world nearly uniformly admire and like Americans, many are hostile to U.S. government foreign policies. The legacy of “kings of the world; arrogant sons of bitches” as national foreign policy still haunts today.

Even as the U.S. carried that burden into the current era—and perpetuated it by creating new versions of the attitude and foreign policies to match—the world continued to change around us. Although American society and its leaders largely assumed that everything outside the borders had remained static since Ozzie and Harriet and that the outside world largely remained in fealty, in reality, the rest of the world had rapidly advanced and changed. Those advancements and changes gave rise to a set of new challenges that the United States was dramatically unprepared for on nearly all levels. Most importantly, those decades of predominantly willful “ignorance is bliss” outlook about the rest of the world led the United States to elect and perpetuate a governing class that was entirely incapable of leading the nation in a changed, post black-and-white-television world.

A Perfect Storm

The defining moment of America's post-war world and national leadership was the greatest missed opportunity for vision and leadership in modern political history. Immediately after 9/11, the United States, from political ruling class to nearly every single citizen, stood united and ready to take on any challenge. The nation was briefly open and receptive to fundamental change and stood poised to adopt and push forward a Manhattan project, an Apollo moon shot, a defining transformative initiative of our age. Instead of being challenged to accomplish something meaningful, something ambitious, something dramatic that would fundamentally improve the country and its people for today and the future, such as energy independence, then President George W. Bush asked instead for us to go shop.

There could be no better example of the void of leadership, vision and capability of the governing class of the United States, regardless of political party, regardless of ideology, than that mandate: go shop. There could be no better illustration of what passes for both political leadership and what is guaranteed to be appealing to the American people: go shop. There could be no better lesson in the political class' choice between challenging goals that move the nation forward and meaningless populist drivel enticing to the masses: go shop. There could be no better sample of what is viewed among the ruling class as capitalizing on a once in multiple generations opportunity for a fundamental leap forward for the nation, the chance to leverage a brief moment of unity and potential sense of national purpose: go shop. There was a tiny window of opportunity to elevate the national purpose of America from materialism to a higher plane, such as guaranteeing a viable future for our children and grandchildren. Instead, the political class, the ruling class, trotted out the best they could muster: go shop.

If we cannot instill, identify and develop leadership, leadership capable of understanding the world as it is, not as it was or as we wish it to be in some utopian form; if we cannot bring forth leadership with vision, courage and integrity, leadership willing and able to lead the nation for the sake of leadership alone; then it is game over.

A Perfect Storm

In the coming decade, the United States faces a perfect storm of financial disruption, geopolitical tectonic shifts, technology transformation, energy transition, declining public health, inadequate workforce education, ideological extremism, lack of leadership and pervasive political corruption and ineptitude.

It is clear from their track record over the last 50 years that the current political class of the United States is not equipped with the ethics, integrity, intelligence and skills required to take on, meet and overcome these challenges.

Countless times over the brief history of the United States the people of the country have proven themselves capable of rising to any challenge, especially if given even a modicum of leadership. It remains to be seen if in its current state of health, education, awareness and priorities the people of the United States can set aside the trivial distractions of their lives and pay attention long enough to meet and overcome this decade's existential challenges for their country.

Abraham Lincoln, perhaps more than any other politician of his time or since, recognized that the United States is not the permanent fixture that we assume it to be simply because it's always been the way it is during our lifetimes. Lincoln recognized that the U.S. was a novel and new experiment in

Facing the Future

citizen self-government, in representative democracy. He perceived that the United States is much more fragile, much more brittle, than we consider it today. He also realized that without tremendous levels of ongoing effort by both its citizens and its elected representatives, the republic would founder.

Perhaps Lincoln never forgot the words of his predecessor, John Adams, who said, “Remember, democracy never lasts long. It soon wastes, exhausts, and murders itself. There never was a democracy yet that did not commit suicide.”

It remains to be seen if we as a people have the foresight and fortitude of Lincoln, who fought for and preserved the United States, or if we allow our corrupt, incompetent ruling class and a distracted, disinterested population to drive us to the collective societal suicide of Adams.

“... that government of the people, by the people, for the people, shall not perish from the earth.” – Abraham Lincoln, Gettysburg Address

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What We Can Afford

March 29, 2010 – 01:28

During America's brief tenure atop the world's pecking order between the end of WWII and the beginning of the current era, the country enjoyed an unprecedented run of prosperity and abundance. The country was so successful while producing copious wealth and endless opportunity, it could afford to take on costs and burdens that would have crippled any other country in the world.

As Europe slowly rebuilt from the ashes of war, the Islamic empires continued their long slumber, India scuffled through its often chaotic early democracy, Latin America swung wildly from far-right to far-left despots and China suffered unspeakable suffering under Maoist extremes, the United States bobbed cheerily along the sunny seas of prosperity.

During this time, the U.S. took on cost after cost, burden after burden, both domestically and internationally. From supporting the world's largest, most expensive military, to feeding internal parasites that sucked economic vitality like a lamprey eel, America endured all the costs and burdens, yet kept on growing.

Once the Soviet Union fell, the United States stood well and truly alone atop the world, the sole superpower, capable, so the story went, of doing whatever it wanted, wherever it wanted, whenever it wanted.

During the decades from the end of WWII to the end of the century, the American population came to expect endless growth, ever-increasing prosperity, an always better life for their children and unchallenged global precedence.

Today, just 10 years into the new century, all of those expectations, and all of their accompanying assumptions, are being challenged. America is no longer the unchallenged global leader. America's world standing and reputation have been severely dented. America's prosperity has stopped, and in fact reversed, in the most severe downturn since the great depression. For the first time ever in its long history of endless optimism, a majority of Americans think their children will have a worse life than they did. And if that wasn't enough, America can no longer afford many of the costs and burdens it currently bears financially, socially and politically.

There are many ways to decide what can be done to restore American prosperity and ensure a better life for our children and grandchildren. As a nation and as individuals, we can make those choices by any number of criteria. I believe the way forward consists of a very simple test: we can only keep what we can afford.

As a nation, we can no longer afford:

- Money in Politics

Money has irretrievably corrupted the political process in the United States. Elected representatives are now engaged in full time fund raising from the point they choose to run for office until the point they lose their last election. The work of actually governing the states and the nation was delegated to staffers and lobbyists long ago. The politicians do one thing and one thing only: pursue money. Nine billion dollars was spent in 2009 buying political influence in Washington, D.C., alone, to say nothing of what was spent at the state and local level.

Under this system, we elect the people who can demonstrate they can best spend unlimited amounts of money. The more influence they sell, the more money they take in, the more they can spend. We end up with the people who know the least about how to manage money and the most about how to spend it. This fact goes a long way to explaining why our public debt and runaway spending on entitlement programs is destroying the country's finances and undermining our economic and national stability.

It doesn't need to be this way.

Wouldn't it be better to elect people who demonstrate they can make the most of a fixed amount of money, a specific budget, very similar to how you run your household—making do on the money you have? This is how other successful industrialized countries run elections. Those countries give each candidate a fixed, specific amount of money and watch to see who makes best use of that money. They elect people who are the most efficient, effective and creative using the money they have available.

I believe that is the best way forward for America. We can no longer afford money in politics.

The solution is to give each candidate a fixed amount of public money per election. Outlaw all other money in politics: private, business, union, PAC, special entity, international, etc.

Yes, there will still be crooked politicians. Yes, there will still be individuals, businesses, unions and organizations who buy off politicians. We will still need to arrest and prosecute those people. It will still be better than it is today.

We can't afford money in politics anymore; it has corrupted our political system. We must eliminate money in politics.

- Gerrymandering

Gerrymandering is the process of creating distorted electoral districts at the state level to ensure that a particular political party will always win the elections in that district. The resulting rigged elections in American gerrymandered districts are no different than rigged elections in Putin's Russia, Chávez's Venezuela, or Communist China. Just as in those places, the winner in an American gerrymandered district has already been determined.

Gerrymandering ensures "safe" districts for one or the other of the two political parties. As long as gerrymandering continues, America is not run by the people, it is run by the political parties.

Gerrymandering means that there is no contest in the November elections, when most voters go to the polls. Instead, the winner of the spring primary elections determines who will win that district. The people that vote in the primary elections are predominantly party activists, extremists and fringe ideologues. Those extremists elect extremist, ideologue candidates. Gerrymandering guarantees that political extremist ideologues will be elected and dominate Congress.

In the 2010 election, 331 of the 435 House seats, 76 percent, are considered "safe" or gerrymandered. Those "safe" seats will go to unyielding ideologues that are incapable of the compromises required for governance. If they compromise with the few remaining moderates in their own party, much less the opposing party, they will lose the next primary election. Gerrymandering guarantees a gridlocked, non-functioning government.

We can't afford gerrymandering anymore. It has created a Congress filled with extremist ideologues incapable of governance. We must eliminate gerrymandering.

- A Permanent Ruling Class

In exchange for the material and social success of the latter half of the 20th century, the American people abdicated governance to a fixed, permanent political class. This political class almost all hailed from the same families, neighborhoods, social circles, elite colleges, law schools and informal and formal networks. As long as the prosperity kept flowing and the good times kept rolling, the American people let the ruling political class have their way with running the government and the country. Although elections were held and the token outsider occasionally slipped into office, the same group of people, the ruling political class, ran the show. They were, and are, the undisputed drivers of the American bus.

The inevitable outcome is not unexpected and is reflected of the maxim, "Power corrupts. Absolute power corrupts absolutely." The longer the ruling political class stayed in power, the more the country was shaped to ensure their continued power and economic success.

Facing the Future

America was founded by a ruling political class of wealthy, white, male land owners. It remains a political ruling class primarily of wealthy, white men. While only about one in a hundred Americans is a millionaire, more than 44 of every hundred congress members are millionaires. The average net worth of a member of Congress is more than \$6.3 million dollars, more than ten times the average net worth of an American citizen. Women make up 51 percent of the U.S. and only 18 percent of Congress. Minorities are 34 percent of the U.S. but only 16 percent of Congress.

The same permanent ruling political class has been running the United States for a long time. Their priorities have put the country exactly where it is right now. No one else is more responsible for where we are as a nation than this small group of people. They can't point the finger at anyone else—they've been driving this bus for generations. Where we are now is a result of their collective priorities.

The ruling political class thinks they deserve to run the country because of birthright. Their parents ruled the United States, so they believe they deserve to rule the United States. The United States was founded on the principal that no one gets anything, least of all political power and control, due to birthright. We fought a war with a ruling King to establish that principal, enshrined in our country's independence.

The ruling political class thinks they deserve to run the country because they are elites, residents of the pinnacles of society. They attended all the right schools, they obtained all the right degrees, they worked at all the right places, and they know all the right people. The U.S. is, theoretically, a meritocracy, where people earn their place in life due to their abilities and their efforts. The U.S. is, theoretically, where one can be smart and hard working and rise up through society all the way to the top, including positions of political power and control.

The ruling political class thinks they deserve to run the country because they are so smart. Firstly, if they are so smart, how did we end up where we are right now? Secondly, there are plenty of smart people in the United States, of which the vast majority are outside the ruling class.

The permanent ruling political class has been controlling America for generations.

They put us in the position we are now. They had their chance and this is what they made of it.

I believe we should give some other smart, hard working Americans an opportunity to drive the bus.

We can't afford a permanent ruling class anymore. We need a different set of bus drivers.

- A Nation of Lawyers

One negative effect of a fixed, permanent ruling political class is that the United States became more and more a tangled web of laws and regulations that ensured that the ruling political class's dominant profession, lawyers, were required for even the most trivial engagement with business or society. Fewer than one half of one percent of Americans are lawyers while more than 38 percent of Congress are lawyers. More than half of all presidents, including our current president, have been lawyers. Over its history, the United States slowly but inevitably transitioned to a nation of the lawyers, by the lawyers, for the lawyers.

The solution does not lie in a Shakespearian outcome, as in, "The first thing we do, let's kill all the lawyers." – Dick, the butcher, Henry VI, part II, act IV, scene ii, lines 83–84.

We need laws. We are, after all, theoretically a country of laws, not men. With no laws, we have no civilization.

We need lawyers to provide service within those laws. We cannot function without lawyers.

In my view, it is wrong to paint all lawyers with a broad brush as the source of all of our problems. Not all lawyers are inherently evil. In fact, one of the people I admire most is a lawyer. Over my career I have worked with many lawyers of very high merit, character and integrity.

The solution is not in a blanket condemnation of lawyers. The solution is in a society that is not run for the ongoing, structurally entwined and integrated, nearly exclusive, benefit of lawyers.

American doctors state that more than 30% of surgeries, testing, procedures and prescriptions in the United States are done due to "defensive" medicine to protect doctors and hospitals from lawsuits. The U.S. spent \$2.4 trillion dollars on health care in 2008. You can do the math.

Various studies estimate the overall cost to the U.S. economy due to its excessively litigious environment related to legal liability at 10 to 20 percent. In 2009 the U.S. gross national product was \$14.462 trillion. You can do the math.

There was a time when the U.S. economy was so robust and growing so fast that we didn't notice, much less care, that we were spending 30 dollars out of every hundred of health care costs and 10 to 20 dollars out of every hundred in the entire economy on unwarranted litigation, or, in colloquial terms, on ambulance chasing lawyers.

We are no longer in those endless boom times when we didn't notice and it didn't matter.

We can no longer afford a country of the lawyers, by the lawyers, for the lawyers. We must reign in the lawyers and end excessive litigation.

- Foreign Oil

In 2008 the United States spent \$1,024,483,750 per day for foreign oil. That's more than \$1 billion dollars—per day—every 24 hours—sent overseas.

That's one billion dollars a day that could be improving our country and fixing our problems. Instead we sent one billion dollars a day to other countries.

In all of 2008 we sent \$373,936,568,750, that's \$374 billion dollars, overseas to buy oil.

Included in that year's total amount was more than \$201 billion dollars sent to Algeria, Angola, Ecuador, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates and Venezuela, the countries that make up the Organization of Petroleum Exporting Countries (OPEC). Iran is also a member of OPEC, but we don't currently buy any oil from them due to U.S. economic sanctions.

The nations of OPEC control 76 percent of the world's proven reserves of oil. The nations of OPEC also enjoy the receipt of \$201 billion dollars in oil revenue a year from the United States. That revenue buys power and control for the despots and royal families that control nearly all of the OPEC countries.

In exchange for this extraordinary wealth and the military protection provided by the United States over the oil rich countries of the Middle East, some of those autocrats and royal families have been very friendly and helpful to the U.S.; others have been publicly helpful, but dubious to antagonistic to outright hostile behind the scenes. Some, such as Iran, are openly hostile.

It is alleged that some of the OPEC countries use a portion of their oil income to fund terrorist organizations such as Al Qaeda, a group committed to the destruction of the United States, its society and its people. Among the OPEC members in our own hemisphere, Hugo Chávez, strongman ruler of Venezuela, has called for the outright destruction of the United States as we know it, while his protégé, Rafael Correa, president of Ecuador, a fervent anti-yanqui nationalist, supports Chávez in his efforts while initiating his own.

In 2008, the U.S. sent more than \$80 billion dollars to the Persian Gulf oil countries, of which an unknown amount was diverted to people doing everything they can to kill every last American.

In 2008, the U.S. sent more than \$40 billion dollars to Hugo Chávez, who leads the world in anti-American zealotry and vitriol, and \$7.5 billion dollars to his South American sidekick in America bashing, Rafael Correa.

In addition, in 2008 the U.S. sent more than \$15.7 billion dollars to our old Cold War foe and resurgent world power, Russia, to buy their oil.

What We Can Afford

All told, in 2008 the U.S. sent \$143.2 billion dollars to people who in one way or another, to one extent or another, to one degree or another, are trying to kill us.

We are the first civilization in the history of mankind to fund its own destruction.

We can no longer afford to spend over one billion dollars a day to buy foreign oil. We can no longer afford to fund our own destruction. We must end our dependence on foreign oil.

- Partisanship

“...it doesn’t make a damn whether you’re a Democrat or a Republican if you’ve forgotten you’re an American” – former Senator Alan Simpson (Republican, Wyoming)

The two American political parties, the Republicans and the Democrats, have held power in this country in their present form for over 150 years. For good or for ill, they have created the nation we live in today.

In recent times, thanks to gerrymandering, both parties have drifted towards their respective radical fringes, becoming little more than holding tanks for extremist ideologues. Having lost nearly every moderate member, the parties are no longer capable of finding common ground with each other. The ideologues that control the parties are incapable of seeing the world in any way other than pure black and white. In the view of the extremists, the world is divided between party loyalists who drank the Kool-Aid and will march to any tune the party leadership calls and 100 percent deserve-to-die, evil enemy.

There is little, if any, social interaction between members of the opposing parties in Congress. There is little, if any, meaningful cooperation between members of the opposing parties. There is little, if any, concern for anything other than achieving and retaining power for their party’s sake between members of the opposing parties. There is little, if any, effort put into governing the country they were elected to serve between members of the opposing parties.

Protected by their safe, gerrymandered districts, extremist ideologues have seized control of the two political parties that control the United States. These hard-line extremists cannot compromise or they will be voted out in the next primary election, thus they are incapable of anything but hard-line agendas. Since they cannot compromise in any form, by any means, these politicians are not equipped to function in the real world of politics, which is, by definition, the art of the possible, not the realm of the rigid.

Increasingly solidified into distant, opposing camps incapable of communication, much less governance, preoccupied by plotting the downfall of their rivals above all other concerns, the parties have abandoned the helm. The ship of state has been set adrift, free to be blown upon the rocks by the winds of a rapidly changing world and battered into splinters by the crashing waves of our country’s enemies.

Facing the Future

The two parties, as they have amply demonstrated over the last decade, are incapable of addressing, much less overcoming, the major threats the country faces, such as the economy, public debt, annual deficits, energy, education, effective financial regulation, health care costs, etc.

Because they are incapable of the compromises required to govern in any form short of a totalitarian dictatorship, the parties have proven themselves unsuited to participation in the representative democracy used in the United States.

The two parties must reform or be replaced. The politicians of the two parties must rediscover that they are not elected to serve their parties, they are elected to serve their constituents, and all of their constituents at that. The two parties must break from their current operating credo of “Destroy the other party at all costs, including the country if required,” and return to a mission of being Americans first and party members second.

We need a functioning government. We have serious, existential threats to this country that must be overcome in this decade. We cannot afford gridlock.

We cannot afford the two parties in their current form. Partisanship must be ended.

- Couch Potatoes

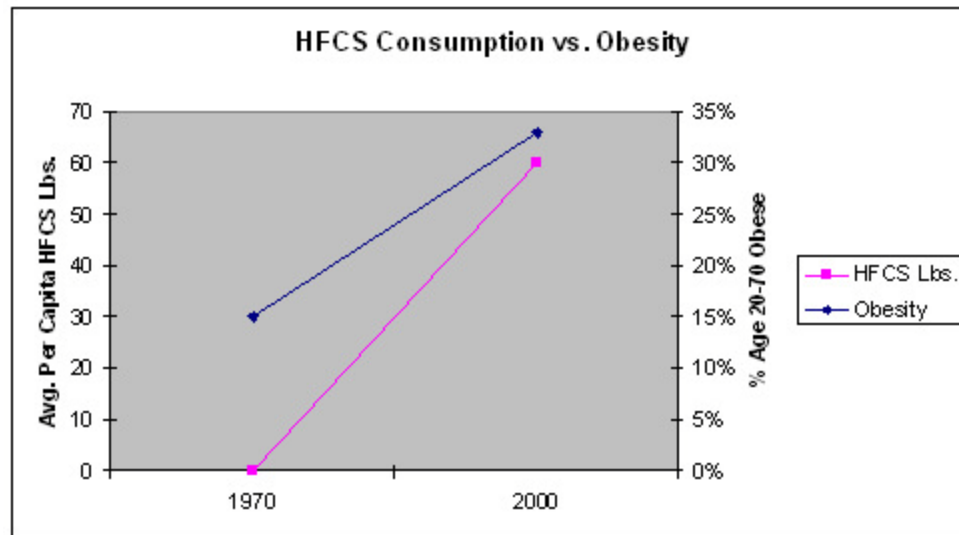
Starting in about 1970, the U.S. food industry enthusiastically adopted High Fructose Corn Syrup (HFCS). They liked it so much they basically stopped using real sugar in processed food and drinks. Until recently, HFCS was the only sweetener used in non-diet soft drinks, e.g. sport drinks, fruit juices, cola, pop, and soda. HFCS is also widely used in other food products such as soups, condiments, deserts, crackers, cereals, etc. In fact, it is often challenging to find a single processed food that does not contain HFCS.

HFCS is cheaper than sugar and it tastes much sweeter. That was a powerful combination for the food and beverage industry and the American consumer. So powerful, in fact, it proved irresistible.

Consequently, average annual per-capita consumption of HFCS in the U.S. went from zero in 1970 to over 60 pounds (27.22 kilos) today. That means that every single American you know consumes an average of over 60 pounds (27.22 kilos) of HFCS every year.

In 1988 Taco Bell introduced unlimited soda refills and 7-Eleven unveiled the 64 ounce “Double Gulp.” Consumption volume of drinks and other processed foods skyrocketed as a consequence of these and similar “super-size” market offerings.

Since the introduction of HFCS and the “super-sizing” of food and drink portions, obesity in America has more than doubled.



More than one third of adults in the United States are obese.

Since 1980, the prevalence of obesity has tripled among school-age children and adolescents.

More than three in ten American children are overweight or obese.

Health effects of obesity include high blood pressure; diabetes; heart disease; joint problems, including osteoarthritis; sleep apnea and respiratory problems; cancer; metabolic syndrome; and psychosocial effects. Most of these conditions are chronic and can more than double the lifetime cost of health care compared to a non-obese citizen. Long term, obesity nearly doubles the rates of debilitating, high cost chronic diseases and disability.

Due to their poor overall health, and specifically due to high rate of obesity, citizens of the United States face a drop in average life expectancy for the first time in the nation's modern history.

We can no longer afford a nation of overweight, unhealthy adults and children. We can't afford the loss of productivity among working adults due to chronic health conditions brought on by poor health. We cannot afford the costs of health care for an unhealthy nation, now, or in the future.

We cannot afford a nation of couch potatoes. Poor health and high obesity rates must end.

- Agriculture Subsidies

The United States spends more than \$20 billion dollars per year on farm crop programs, including direct subsidies. However, this amount dramatically understates the total cost of artificial pricing and subsidy programs because it does not include other costs and economic effects.

Primary forms of agriculture subsidy include:

- Direct payments to farmers and landlords
- Price supports implemented with government purchases and storage
- Regulations that set minimum prices by location, end use, or some other characteristic
- Subsidies for such items as crop insurance, disaster response, credit, marketing, and irrigation water
- Export subsidies
- Import barriers in the form of quotas, tariffs, or regulations

In total, the average rate of “producer support estimate” for the heavily supported commodities in the United States ranges from about 55 percent of the value of production for sugar to about 22 percent for oilseeds. For the less-supported commodities the rate is usually below 5 percent.

Direct subsidy programs typically transfer income from consumers and taxpayers to farm operators, especially to owners of farmland and other resources used in farm production. Farm subsidies stimulate additional production of government-favored commodities by raising incentives to use land and farmer resources on some crops rather than on others.

Farm subsidy programs distort markets by creating false pricing levels for products, creating surpluses of subsidized crops and creating false demand, thus driving overproduction of targeted crops and underproduction of others. These effects are not limited to the domestic market alone.

Perhaps the most unfortunate and illogical manifestation of agriculture subsidies is their harmful effects on developing economies. Developing nations cannot move their economies and their people directly from subsistence farming to designing and manufacturing televisions and airplanes. The first step up the ladder for an economy is from subsistence farming, where the farmer produces only enough to feed their family, to surplus farming, where the farmer produces more food than their family needs.

When a farmer achieves surplus, the farmer can sell the surplus crops to market, thus generating cash. It is the first step in a market based, cash economy. That cash economy creates and sustains a merchant class, which supports a tax base, which can pay for building a country.

Domestic U.S. crop subsidies create false low prices for American crops such as corn and cotton. Coupled with the efficiencies of modern agriculture production, the direct and other forms of crop subsidies put American crops onto the world market at artificially low prices,

lower than they actually cost to produce. In the case of cotton, world prices are as much as 20 percent lower than it costs to grow and market the crop due to U.S. cotton subsidies. Even a cotton farmer in West Africa who lives in a hut cannot compete with those prices.

Since that West African farmer is competing head to head with American cotton selling for a lower price than he can produce cotton, even with his extremely low costs, he cannot compete in the cotton market. Since he cannot sell any cotton, he cannot generate any cash from the market. Since he has no cotton sales, he cannot use his cotton sales cash to buy any other goods from the market. Since the farmers have no cash for the market, the merchant class remains constrained. Since the merchant class has very little money, there is very little tax base to grow and develop the country. Consequently, that farmer and his nation stay stuck in a cycle of endless poverty, generation after generation.

American foreign policy views that continuous cycle of poverty as a negative condition that can foster a sense of hopelessness that often leads directly to political instability, revolution and terrorism. As a result, the U.S. pours billions of dollars of cash and food aid into the farmer's country. When the U.S. aid cash falls out of the sky, it is often pocketed by strong-man leaders, creating a permanent cycle of corrupt regimes. Normally, very, very little direct cash foreign aid ever reaches the people on the ground, people like the cotton farmer.

In addition to U.S. aid cash, America provides food to feed the destitute, poverty stricken population. The food aid the U.S. provides by the boat load is, of course, free, so it destroys whatever local market price there was for locally grown food crops. Now the cotton farmer, who could not compete with artificially low-priced American cotton, can not even use his land to grow food crops that he could sell at market. Those food prices have also been undermined by all the free American food being distributed.

Usually, the cotton farmer gives up and joins the long stream of migrants heading for the steaming, swarming slums of the cities to seek a better life. As he walks away, he leaves his productive land, land capable of producing good crops of market-grade cotton or food, to bake in the sun.

In our current system, the United States taxpayers pay for direct cash payments to American farmers, the taxpayers pay higher prices for food and other products protected by U.S. trade barriers and the taxpayers pay industry subsidies to distort agricultural markets. As a result of these same policies, farmers, merchants and markets in developing nations are bankrupted, crippled and/or destroyed, leading to U.S. cash and food aid, which initiates endless cycles of poverty and hopelessness, engenders permanent corruption, ensconces despots and cultivates terrorism.

Americans pay taxes that fund cash payments to large agriculture corporations to distort markets, Americans pay higher consumer prices for tariff affected goods, Americans pay taxes to support foreign aid to save the rural farmers destroyed by the artificially low prices our domestic subsidies create, Americans pay taxes to purchase food to ship to suffering countries destroyed by our domestic agricultural policies, Americans pay taxes to fund foreign financial aid diverted

to the corrupt dictators we create by showering them with money, and, often, Americans pay taxes for the military and covert operations needed to suppress the terrorists that arise out of the same, now crippled, developing economies. Those terrorists are often created from the very farmers destroyed by the agricultural subsidies in the first place.

This logic only makes sense to agriculture lobbyists, short-sighted agricultural interests and American presidents, senators and representatives who sell their influence to the agricultural lobbyists and the interests they represent.

We cannot afford the direct costs of agricultural subsidies, or the short-, medium- and long-term effects those subsidies have on our world. Agriculture subsidies must end.

- Drug War

“You can never reveal my name, but I can tell you that what we’re doing doesn’t work and never will work.” I was speaking with a retired FBI field agent and former FBI / DEA liaison who spent most of his FBI career working with the DEA in South American drug producing countries. He grew up in a U.S. / Mexico border city and started his law enforcement career as a policeman there. “It was open warfare when I was a cop,” he continued. “It was us against the bike gangs, who were making millions moving speed.”

The retired FBI agent’s drug wars with the motorcycle gangs took place decades ago, not all that long after President Richard Nixon declared the “War on Drugs” in 1969. That war has raged non-stop ever since. It is estimated the United States federal government currently spends over \$15 billion dollars a year on the drug war and that does not include spending by state and local governments, which carry the primary burden.

Like any other market, the illegal drug market consists of two components: demand and supply. As proven throughout human history, as long as there is a demand, if there is enough profit to justify meeting that demand, there will be a supply.

When the FBI agent referred to “speed,” he was not referring to velocity, he was using the street term for amphetamines and methamphetamines. These illegal drugs have long been popular and widely available in the United States. They are difficult to eradicate, methamphetamine in particular, because it can be produced in an inexpensive portable kit that easily fits in a bathroom. The cost to produce a batch of methamphetamine is very low and its street price is very high, leading to profit margins of thousands of percent, and thus, high motivation to participate in production and distribution.

The 2007 wholesale price for a kilogram of heroin in Afghanistan was about \$2,405; in Colombia, the 2006 wholesale price of a kilogram of heroin no. 4 was around \$9,992; in the United States in 2007, the wholesale cost of a kilogram of heroin no. 4 was \$71,200. That’s a gross margin per kilogram of between \$61,208 and \$68,795 depending on the source.

What We Can Afford

In 2004, a kilogram of cocaine in Colombia typically sold for \$1,713; in Peru in 2004, a kilogram of cocaine typically sold for \$1,000; in the United States in 2004, a kilogram of cocaine typically sold for \$23,000. That's a gross margin per kilogram of between \$21,287 and \$22,000 depending on the source.

The United States is the world's largest market for cocaine and Colombian and Mexican heroin. Obviously, there is enough potential profit to justify the risks inherent in supplying the demand.

And, like any other market, if demand remains constant and you reduce supply, then the price increases.

The U.S. spends most of its money attempting to diminish supply. In fact, since 2002, the portion spent on reducing demand has fallen from nearly half (45.6 percent) of all money spent to about one third (34.3 percent). The current administration continued that trend, lowering the amount spent on demand reduction from 35.1 percent in 2009 to 34.3 percent in the 2010 proposed budget.

In 2010, the U.S. will spend \$10 billion dollars at the federal level to reduce the supply of illegal drugs. In the last nine years the U.S. spent \$71.6 billion dollars to reduce the supply of illegal drugs. Again, that does not include the money spent at the state and local level.

If the U.S. was successful in reducing the supply of illegal drugs, just as in any other market, prices would steadily increase. However, despite more than \$71.6 billion dollars spent to reduce supply, prices for illegal drugs have not increased. For instance, between 1990 and 2003, wholesale prices for cocaine sold in the U.S. fell by two thirds in constant dollar terms (adjusted for inflation), a broad trend that continues today.

In addition, if the money the U.S. spends on the drug war, domestically and internationally, was effective, then the size of the world's overall market for illegal drugs would shrink, both due to shrinking demand and diminishing supply. The opposite is true. The number of people using and producing illegal drugs has not diminished in absolute or relative terms over the last few decades.

If it has had no material effect on the demand for or the supply of illegal drugs, what has the War on Drugs yielded the United States?

- Up to half of all police officers convicted as a result of FBI-led corruption cases are convicted for drug-related offenses.
- In 2007 the individual states spent a total of \$6.2 billion dollars a year to incarcerate drug offenders.
- In 1982 the justice system employed approximately 1.27 million persons; in 2003 it reached over 2.3 million, nearly doubling in size.
- In the 16-year period 1987-2003, the total of judicial and legal employees grew about 101% to over 494,000 persons.

Facing the Future

- The total number of state and federal inmates grew from 403,000 in 1982 to over 1.4 million in 2003. The number of local jail inmates more than tripled from approximately 207,000 in 1982 to over 691,000 in 2003. Adults on probation increased from over 1.4 million to about 4.1 million persons. Overall, corrections employment more than doubled from nearly 300,000 to over 748,000 during this same period.
- The number of people in state prisons for drug offenses has increased 550 percent over the last 20 years, from 1989 to 2009.
- The percentage of offenders incarcerated for drug offenses accounted for the largest percentage of total growth in prison population, 49 percent, between 1995 and 2003.
- At the retail level, in 2005 the global illegal drug industry was larger than the gross domestic product (GDP) of 88 percent of the world's nations. At the wholesale level, illegal drugs were a larger market than global exports of ores and other minerals.
- In 2009, over 15 million people used illicit opiates (opium, heroin and morphine) annually. The value of the global opiate market is estimated at US\$ 65 billion.
- In 2008, an estimated 994 metric tons (2,191,372 pounds) of cocaine was produced in Bolivia, Peru and Colombia, most of it bound for the United States. At typical wholesale prices, that represents about \$22 billion dollars in gross margin for the drug cartels for cocaine sales alone.
- In 2008, an estimated 5,249 metric tons (11,571,945 pounds) of marijuana was grown in the United States out of the estimated 98,681 metric tons (217,552,133 pounds) grown worldwide. At typical wholesale prices, that represents about \$23 billion dollars in U.S. sales to the drug cartels, not including what is smuggled in across the borders.
- And, despite the efforts of the retired FBI agent fighting the motorcycle gangs along the border early in his career, in 2007 global production of amphetamines and methamphetamines was estimated at 435 metric tons (959,001 pounds), with an estimated 3.8 million regular users in North America alone.

What has the drug war yielded?

- It has yielded the United States having more people in prison than any other nation; on any given day more than 2 million people are incarcerated in the United States, almost one in every hundred Americans. Over the course of a year, 13.5 million people spend time in prison or jail in the U.S., over four percent of the population. Most of them are there for drug related offenses, including the property crimes committed to purchase drugs.
- It has yielded a prison recidivism rate of 67 percent of former prisoners rearrested within three years of their release and 52 percent re-incarcerated. After attending "criminal college" in prison, about a fourth of those initially imprisoned for nonviolent crimes are sentenced for a second time for committing a violent offense.
- It has yielded a global market that pumps more than \$8 trillion dollars a year into drug cartels and organized crime. Those same drug cartels have used that \$8 trillion dollars a year to destabilize governments in every major drug producing and transshipment

What We Can Afford

country in the world, institutionalizing corruption and undermining human rights and democracy.

- It has yielded insidious corruption among U.S. federal, state and local law enforcement departments, agencies and personnel.
- It has yielded U.S. federal, state and local bureaucracies, case loads and expenditures that dwarf those for any other aspect of crime or criminal behavior.
- It has yielded no material effect on either the demand for illegal drugs or the supply of illegal drugs.

We can no longer afford to enrich the drug cartels and organized crime, as well as undermine governments and human rights in drug producing and transshipment countries.

We can no longer afford to spend more than five times as much on failed drug enforcement as we do on drug treatment, the only thing that can reduce drug abuse, drug crime, arrest and incarceration. We must aggressively intervene with drug treatment to reduce demand in the only sustainably possible way.

We can no longer afford to incarcerate, and then quickly re-incarcerate, almost one percent of our population in an endless cycle of creating, indoctrinating and producing an ever more violent class of criminal.

We can no longer afford to have illegal drugs, something we can never stop, pass unregulated and untaxed through our economy. We must tax illegal drugs, we must regulate illegal drugs and we must create a taxed and regulated international market that directs the money in this market to foreign governments, not foreign drug cartels and organized crime.

We can no longer afford the War on Drugs. The War on Drugs must end.

- Exceptionalism

“I do not think so much of America. You make movies and music. And you have the big military. After that, what?” This quote is from a German traveler I interviewed in South America. The comment reflects a common attitude amongst many of the Europeans I have known and interviewed.

This comment and outlook is diametrically opposed to the principal of American exceptionalism that has defined U.S. foreign policy and domestic culture since the days of Alexis de Tocqueville. During America’s brief reign at the top of the world’s pecking order after WWII, American exceptionalism has been used as a sword, a shield, a fig leaf and, most recently, been redefined in ways to nearly make irrelevant its orthodox historical meaning.

Historically, American exceptionalism was the principal that the United States was uniquely different from other nations and cultures due to its principles and beliefs, historic origin, natural resources and multi-racial, multi-cultural makeup. Due to the country's founding by religious puritans, there were often divine attributes and mandates that were intertwined with the concept of American exceptionalism.

In recent history, a neo-exceptionalism has arisen that supplanted the traditional definition of American exceptionalism with a strident, often outright jingoistic version used as a generic rationalization for international unilateralism and cultural arrogance.

American exceptionalism, in both its traditional and neo-variation form the boundaries and foundation for many popular media touchstones in American culture. In music, in folklore, in movies and in television, the principles of America's superior virtues are introduced at an early age and continuously reinforced throughout childhood and adulthood. Thus, the concept of inherent American superiority is deeply ingrained within its citizens.

There is little to no perceived need to question what is part and parcel of the American experience, and attempts to do so can be branded as both heresy and treason by those who lean toward neo-exceptionalism.

In addition, Americans have very little external perspective on their country or their culture. Only 27 percent of Americans have valid passports. Of those Americans who do travel outside their own country, the majority take short vacation trips to Canada, Mexican and Caribbean vacation resorts and, at a much lower rate, the United Kingdom (U.K.) and France.

Again by large margins, Americans prefer international destinations that require as little cultural adjustment as possible, such as Australia, the U.K., Ireland, Scotland and Canada. Because American vacations are typically limited to two weeks, there is often an attempt to cram as many tourist destinations into as little time as possible. Tourist destinations very rarely offer the opportunity to truly learn about foreign cultures or interact in a meaningful way with the people of other nations. As such, of the Americans who do travel internationally, extremely few have the opportunity to gain a representative outside perspective of their own nation and culture.

Given the deeply rooted and repeatedly reinforced theme of American exceptionalism and the widespread lack of external perspective, it can be no surprise that policies and actions taken under the mantle of exceptionalism are viewed by most Americans as not only justifiable, but just.

However, if you step outside the fishbowl that is the United States and view the concept of American exceptionalism from an external perspective, it is possible to arrive at a different conclusion.

America is indeed unique in many ways. It is alone among nations in being a nation of immigrants. That attribute, in fact, is one of the nation's primary differentiators and sustainable

global competitive advantages. The United States, historically, has been an unsurpassed engine of innovation. That innovation is due, in no small measure, to the mix of cultures and ideas that springs from the “nation of immigrants” characteristic, as well as the free enterprise economic system and the concept, if not reality, of a national meritocracy. The U.S. is also viewed by the people of the world as the fountainhead of opportunity, the single best place where anyone can, with hard work and commitment, achieve success. To a greater or lesser extent, historically, America has also been viewed as the nation that best reflected its bill of rights and freedoms enshrined in its Constitution.

The challenge America faces is that these unique attributes, these characteristics that can form the basis of a moderate, positive form of American exceptionalism, are not those that dominate the popular and current conception of exceptionalism. Instead, in recent form, American exceptionalism has been debased into a variation of jingoistic hyper-nationalism and hyper-patriotism, often rooted in divine rights and mandates.

In the 1950s, things were different for the U.S. than they are now. U.S. Representative Charles Wilson (Democrat, Texas), of Charlie Wilson’s War fame, said of 1950s America, “We were undisputedly the kings of the world, and everybody knew it. We were arrogant sons of bitches.” The world has changed since the 1950s, when the U.S. and the Soviet Union squared off in a geopolitical battle of good versus evil, black versus white, capitalism versus communism. In today’s world, the U.S. is not the rock-solid superpower, the towering, dominating geopolitical, economic and cultural force, or the stable and reliable touchstone that it was then. In the 1950s, it was easy for most Americans to form and sustain a view of the U.S. that was indisputably exceptional in nearly every way.

But this is not the 1950s. The world is very different now, as is the United States. In many ways, the rest of the world has caught up or is gaining rapidly. In many ways, the U.S. is not as inherently exceptional using the same metrics as those which formed the basis of Americans’ exceptional view of their country in the 1950s.

America remains exceptional in that it is the world’s only immigrant nation. America remains exceptional in that it is the world’s hotbed of innovation. America remains exceptional in that it is the best place to achieve prosperity, to reach goals, to achieve a dream. America remains exceptional in that it is still an ongoing experiment in representative democracy of the people, by the people, for the people.

People in totalitarian countries, those recently freed from the yoke of oppression and those fearing the same tend to continue to view America as exceptional for the principles, rights and freedoms embedded in the Constitution of the United States. People in other countries, especially those who have no cultural memory of living under the boot heel of oppression or who have geopolitical reasons to oppose the U.S., often insightfully observe that American exceptionalism is limited to America’s popular media and its military power, viewing the remainder as a hollow shell of boastfulness and hype.

Facing the Future

America's challenges are that its internal cultural view of what forms American exceptionalism, typically the 1950s version, is often at odds with those national characteristics that remain exceptional, and that much, if not most, of the rest of the world holds a very different view of contemporary America's unique characteristics than the typical American.

Blanket American exceptionalism, especially neo-exceptionalism, leads to an ever more isolated and insular America. An insular U.S. is increasingly prone to both economic and cultural isolationism and over-reaction to perceived international lack of cooperation and hostility. A neo-exceptionalism America is, by definition, predestined to disastrous foreign policies and unilateral actions.

In an ever more integrated, increasingly level-playing-field world, we cannot afford to be insular, isolated, or over-reactive.

We cannot afford 1950s American exceptionalism, especially neo-exceptionalism. Neo-exceptionalism and 1950s American exceptionalism must end.

As citizens, as an electorate, there is a long list of things we can no longer afford, including, but not limited to:

- Quick-fix solutions
- Short term thinking
- Blind materialism
- Business as usual
- Simple solutions to complex problems promoted by those with vested interests

While each of these, in and of themselves, could spell our doom as a society, none threaten us as much as abdication.

- Abdication

As a people, we have abdicated governance to a permanent, corrupt ruling class. We have abdicated thought to a craven, hyper-partisan media. And, most damaging of all, we have abdicated personal responsibility in its entirety.

Abdication of Governance

During the long era of prosperity between the end of WWII and the recent great recession Americans couldn't be bothered with worrying about government and public policy, there was too much fun to be had, leisure time to be enjoyed and money to spend to waste time on how the society was formed and governed. We just didn't have the time, energy or interest to spare

What We Can Afford

on what was really going on with government and what was really happening with all the billions of dollars that flowed into our state capitals and Washington, D.C. to buy influence. With gadgets, endless forms of entertainment and ever busier lives, who had time to care about such things as who owned our elected representatives and what they did with all that power and influence.

That time is now over. It is no longer a time when things are so good we don't need to pay attention. The world we face today requires our full and undivided attention, and that includes our government.

We can no longer afford to abdicate governance to a permanent, corrupt ruling class. As citizens, we must reclaim governance.

Abdication of Thought

America has long depended on authority figures to explain how the world works and how it affects them. Whether it was the pastor in the pulpit, the local newspaper editor or the nightly newscaster, Americans trusted their authority figures, especially those in the media, to boil down the issues and challenges of the day into understandable, bite size chunks that were both palatable and easily digested. Unfortunately, that journey has digressed to the point that the only palatable and digestible chunks of information America can handle consist of "It's not your fault," and "The other side are idiots."

As a consequence, America is now left rudderless in the sea of information, with no one at the tiller of the ship and no way to steer it if there was. Americans still turn to the media for guidance, but now find the cupboard stocked only with ultra-partisan fare, tasty only to those who seek one flavor of information: that which tells them they are super-smart for thinking the way they do and that anybody who thinks differently is today an idiot and tomorrow is likely not to be worthy of living.

The media is no longer equipped to interpret and communicate the events of our time. The media is no longer capable of providing unbiased content valid for forming even-handed opinions and policies.

We can no longer afford to abdicate thought to the media. As individuals, we must seek out facts and form our own opinions, make our own decisions and determine our own fates.

Abdication of Personal Responsibility

There was a time in the United States when personal responsibility was not the exception; it was the social norm in American society. In that era, people were expected to stand up and take responsibility for their actions. In our current times, Americans are most noted for dodging personal responsibility. America is no longer known as a place where people stand up and take responsibility for their actions, now it is known as a place where we sue the people who sell us hot coffee when we spill it on ourselves. America is known as a place where we expect the

Facing the Future

schools to teach our children values and morals. America is known as a place that no matter what the situation, no matter what the circumstances, it is always somebody else's fault—somebody else's responsibility. America is known as a place where it is a newsworthy event, the rare exception, when a person takes responsibility rather than eludes it.

This long, slow slide from responsibility has delivered us to a place where every single American has an adamant and fiery sense of entitlement to what they believe they are guaranteed regardless of if they have done anything personally to earn it. Every single American believes they are entitled to everything from free speech to clean water to a chicken in every pot, but very few Americans actually put themselves on the line to produce or ensure those things. What Americans do instead is sidestep that line, hedge that line, dance around that line, do anything but step up to that line of personal responsibility for their choices and their actions.

We can no longer afford to abdicate responsibility. As individuals and as a country, we can no longer evade responsibility for our choices and our actions. We must step up, stand up and take responsibility.

The brief era when the United States generated so much prosperity it could afford to take on any cost and bear any burden while its people abdicated governance, thought and responsibility is long over. The Bacchus days of party and song are over. Now it is time to pay the piper and clean up the mess. Our reality is not a time of boundless national wealth and endlessly increasing prosperity.

As a nation and as individuals we need to face reality as it is, not as it was or as we wish it to be. Our reality is one of crushing national debt, ineffective education, rising geopolitical competition and listless, indifferent national leadership. Our reality is that we can no longer afford many financial and cultural costs we adopted in our heyday.

The coming challenges in this decade require us to make hard choices. The first of those choices must be to keep what we can afford and eliminate that which we can no longer afford.

Notes:

- Cost of foreign oil is based on average cost of imported oil per barrel at the refinery.
- Full disclosure: I grew up in Iowa, an agricultural state in the United States. Many of my family were farmers or directly or primarily dependent on the agricultural sector of the economy. I currently own farmland in Iowa that is used to produce grain. Members of my family are directly affected by agriculture subsidy programs.

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Elia Kazan's America

May 31, 2010 – 19:06

As part of our effort to reintegrate into American society and its culture, we're spending part of our summer in the air conditioned retreat of the Paramount, a faithfully restored theater originally built in 1915 to host vaudeville as the Majestic and transformed in 1930 into a Baroque Revival movie palace, its present form.

The theater provides a retreat from both the heat and day-to-day reality into the bygone eras of Hollywood and foreign film classics. The films are replete with villains and heroes defined by art direction, staging and dialog that shorthands races, roles, conflicts, attitudes and passions into nifty set-piece scenes. This foreshortening of life's challenges and irresolvable conflicts into tightly packaged, neatly wrapped, emotionally digestible, bite sized chunks contrasts with later eras' films that showcased, if not celebrated, the irredeemable flaws of humanity on individual, societal, planetary and galactic scales. This latter film genre, while undoubtedly more accurate and reflective of the true nature of life, is much more challenging material, and over time often leads to a retreat into the simpler, soft-focus, pursuit of the nostalgia of a "simpler time."

As tempting as the seductive, simple packaging of human and national characteristics in film classics can be, they can also serve as a useful lens through which to view our modern world. For instance, this weekend's fare included the celebrated artistic convergence of producer / director Elia Kazan and a troupe of talented actors, writers, composers, cinematographers, art directors and production professionals: 1951's *A Streetcar Named Desire* and 1954's *On The Waterfront*.

Since I often retain an outside-looking-in perspective on the U.S., I sometimes derive different views of cultural artifacts than others around me here in the United States. Consequently, the primary roles in the two films, viewed back-to-back as a double feature, couldn't help but jump out at me as parallels of the roles the United States is often cast in by the various countries on the geopolitical scene where we've spent time during the last decade.

The world's rapidly developing economies, such as Brazil and Russia, as well as the merely developing nations, often see the U.S. as Father Barry, the righteous priest, constantly goading others to do the right thing, as he defines it. At best, the developing nations emphasize Father Barry's courageous stand for virtue, freedom, honesty and integrity. At worst, they note that their labors in brutal conditions enable Father Barry's institution its power, position and wealth.

Western Europe often casts the United States as Stanley Kowalski, the crude brute, ruled by his adolescent emotions, too intellectually immature for his physical strength, capable of little beyond browbeating, manipulation and abuse. Unequipped to rise beyond his commonness, he surrounds himself with equally low-life immigrants and rejects the only example of higher breeding, culture and lofty education he encounters.

Bombastic socialists, such as Hugo Chavez, popularize the identity of America as Johnny Friendly, the corrupt mob boss who rules his domain with an iron fist, brutally subjugating the masses through intimidation, economic marginalization, violence and death, while he and his henchmen wallow in wealth and power.

Other nations in Latin America are more nuanced in their casting of America as mobster. Many other nations in the region put the United States in the role of The Boss of Bosses, who makes but a brief cameo appearance as the puppeteer behind the Johnny Friendlys of the world. In their view, America as The Boss of Bosses silently and mysteriously pulls the strings that control economies, rainfall and whether or not you have a flat tire on the way to work today through the omniscient, omnipresent and omni-powerful CIA.

Islamists portray the United States as Stella Kowalski, debauched and decadent, wife of Satan himself, ready and willing to bring forth further generations of depraved, bestial, godless Stanleys to further pollute the world. Stella, unable to resist the sinful allure of Stanley's Satan, legitimizes all that is unclean and unholy and therefore has no place in a sanctified realm.

China and other nations, tribes and individuals vested in the current century's geopolitical realities place the United States solidly in the starring role of Blanche DuBois. Blanche, born into unimaginable wealth, power and prestige, joined her forbears in squandering her remaining wealth. Relevant only in her own fantasy world, trapped in addiction and unable to face reality, she ends in a downward spiral of decay, denial and collapse.

People who view the United States in a positive light, and there are many more of them out there than the two dominant world-view narratives extant in America allow to be known, tend to cast the United States as Terry Malloy. Sure, Terry is simple minded, and he's made some mistakes by choosing the wrong friends and being overly loyal to people he thought he could trust; but, then again, his *is* loyal and he *is* trusting and he *is* a guy who *is* willing to fight for, and lay his life on the line for, what he believes in. In fact, if Terry believes in you, he'll lay his life on the line for you as well. Terrys are very rare on the geopolitical scene.

If Americans picked a role for the United States, they might pick good-hearted Harold "Mitch" Mitchell, who perhaps too late realizes he can't go it alone and needs a partner, narrowly avoids being hoodwinked by a wily deceiver, but in the end stands up for his values and rejects his suitor as unworthy. That would be a fairly subtle reading of the role as applied to the United States, and Mitch is difficult to see as purely heroic.

Consequently, most Americans would probably also pick Terry Malloy, the closest role to purely heroic outside of the courageous, saintly Edie Doyle.

In the Hollywood ending to the movie *On The Waterfront*, Terry Malloy rises from his pummeling by Johnny Friendly's gang, shakes off his injuries and triumphantly leads the newly independent dockworkers into a fresh, cleansed-of-past-sins era (cue swelling music in the Leonard Bernstein score).

Elia Kazan's America

In Budd Schulberg's original screenplay and his subsequent novel version of the story, Terry Malloy is brutally murdered by the mob, the realpolitik power of the docks.

Only time will tell what role best suits the United States. And, which ending will apply.

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232 Times

July 4, 2008 – 12:00

It's been exactly five years since I sent out my message titled "[Independence Day](#)." In the intervening 60 months, we learned a few lessons about our own independence, our freedom, mostly related to how precious it is, how much we prize it and how we consider it the most important attribute of our lives. In the same intervening 60 months we witnessed citizens of other countries of the world long for and dream of freedom, or cling to and prize what little freedom their governments offered. In contrast, in those same intervening 60 months, most Americans continued to take their freedom for granted, consistently showing by their words and actions that alternatives such as entertainment, materialism and celebrity worship rank much higher on their value scale than the freedom their country provides.

As our freedom morphed from an initial year to another to something longer, finally totaling 1,827 days, we spent more and more time considering and discussing how hard we worked to get it, what we gave up to obtain it and what we sacrificed to keep it. Conversely, in those same 1,827 days, as we alternated our location between the U.S.A. and the rest of the world, we saw clearly, again and again, that most Americans had little to no idea of how hard their freedom was to obtain, what was given up to obtain it or what was sacrificed to keep it.

Obviously, you can't miss what you've never had. By the same token, you can't fully appreciate what you've always had, regardless of the price others paid to win it and sustain it. It is also true that what is not appreciated, what is not maintained, what is not continuously invested in, will deteriorate, decay, and dissolve away.

We spent the last six months in two countries that recently experienced multi-decade dictatorships. We are just about to cross the border into three countries where governments of wildly varying levels of repression change as often as calendar pages. Most Americans smugly believe that the U.S.A. is immune to anything but the status quo of freedom. Very few Americans have any sense of history, much less knowledge of it, so they don't know how often the country has been close to losing its freedom during its brief lifetime. Up to now, America's freedom has dodged the bullets of economic crisis, attack from without, attack from within, disinterested citizens and entrenched, alternating party, government by highest bidder. The future cannot be so certain.

The American post war generations were blessed with the closing decades of the American century and mostly spent their time enjoying the party, with precious little reinvestment in the enterprise. Our global travels have demonstrated clearly that the immediate, near, mid and long term future, in contrast, will be filled with a never ending string of existential threats and challenges unlike anything the last 60 years have seen. What we are in and what is coming will make the Cold War look like just another

beautiful day at the beach. There will be no simple solutions, no magic bullets, and no superhero or cavalry charging over the hill to save the day. The challenges are many, massive and life-, culture-, society- and world-threatening. No single person, no single group, no single party, no single nation, no single continent, no single hemisphere has all or even a few of the answers. This contest will be long and the stakes are the highest they have ever been. The contest is already under way, but very few Americans ever heard the opening bell; it's like that when you're at a party, the music is too loud and the distractions too many to notice the oncoming threats.

Our international exposure has also reinforced one fundamental maxim, one universal law, one inescapable fact of government: A democracy requires an educated, informed, engaged and motivated electorate. Without one, a democracy simply cannot govern efficiently or effectively. It inevitably becomes just another variation of a nation controlled by a separate, ruling class, which is in turn owned and controlled by power brokers and financial interests. It is just another variation of the revolution that overturns a privileged, ruling class only to replace it with another privileged, ruling class. A democracy without an educated, informed, engaged and motivated electorate is either well on its way to becoming ruled by a privileged, ruling class or already is one, albeit one usually equipped with the means to keep the electorate distracted from that fact. The overwhelming evidence of multi-decade, bi-partisan non-leadership; multi-decade, bi-partisan non-governance; and multi-decade, bi-polar partisan sideshows strongly support the latter scenario for modern America.

Just over four months from now America will elect a new president. That election is not a guarantee of another four years of freedom, another year of freedom or even another month of freedom. The new president does not sign a contract to provide or protect freedom, their contract is to "preserve, protect and defend the Constitution of the United States." The only time the word freedom appears in the constitution is in the Bill of Rights, guaranteeing the freedom of speech.

Freedom is not codified as any politician's job, anywhere, not even the president. Not a single elected politician is required to provide your freedom or maintain it. No elected politician gets up every day with the mission, goal or defined task of providing or sustaining your freedom.

Your freedom is up to you. You earn it, you sustain it, you preserve it, you protect it, and you pass it down to the next generations.

The way you do that is to be part of an educated, informed, engaged and motivated electorate. Educate yourself on the facts of the issues by getting your information from multiple sources: left, right and center. Stay informed without becoming indoctrinated by getting your news from multiple sources: left, right and center. Get and stay engaged with the issues by discussing them in depth with people of all political persuasions: left, right and center. Become and stay motivated by demanding real action from all elected politicians: left, right and center.

My World View

America has muddled through the last 60 years mostly running on autopilot with a distracted, disinterested, misinformed, disengaged and increasingly psychotically polarized, partisan electorate. America will not survive the next six years on autopilot, possibly even the next six months. America, your country, needs you – now. Become part of an educated, informed, engaged and motivated electorate.

Today is July 4th, 2008, the 232nd anniversary of congress adopting the Declaration of Independence.

232 times the American people have gathered together to celebrate their freedom.

How many more July 4th celebrations of freedom can you guarantee your children and grandchildren there will be?

My World View

December 21, 2009 – 23:12

“Your world view is, well, wrong.”

Those were the last words I ever heard from a guy I’d been friends with for more than 30 years.

That was back in late 2004. At the time, I was sitting in Beijing, China, and had recently posted an essay about China and its rise to world prominence, if not domination.

My erstwhile friend was on the opposite side of the world, and as far as I knew, had never even been to China. But even though he’d never been there, and his chief claim to a world view was that he occasionally read *both* the USA Today and the New York Times, he was absolutely certain of one thing: my world view, formed by spending weeks to months in the places I wrote about, was, well, wrong. He was very, very sure of that fact.

This month, almost exactly five years later, a poll was released by the Wall Street Journal and NBC. The poll showed that for the first time, a sample of the American people believed a nation other than the United States would be the world’s leading nation. That nation is China.

Is this my opportunity to smugly gloat, in sanctimonious vindication, that I was right? While I admit that there have been times in the last six years I’ve been convinced that absolutely no one was listening, even to the point of threatening to name our planned sailboat the Cassandra, I don’t think that’s a healthy approach.

Instead, I think this is an opportunity to recognize that the American public is starting to wake up to the fact that the future that lies ahead, along with its opportunities and challenges, is in a vastly different geopolitical and economic context than for our parents’ generation or for ours.

We are now a post-development, post-industrial society. We don’t talk about development, we talk about redevelopment. We don’t talk about engineering our society and infrastructure, we talk about reengineering it.

Our societal, cultural and physical structure is in place. Consequently, our momentum is more often inertia, and that momentum which does exist is often tangential to the trends of the world as a whole. This is a very different context than when the country was being built out, when our momentum was not only aligned with, but riding the wave of, if not defining (at least in our view), the trends of the world.

We are often cited as the world’s sole superpower and that’s how we generally view ourselves. But in reality that label is only true if you limit the criteria to military power. And, with all due respect to our friends and family that have or now serve, only then if you limit that criteria to the ability to fight the last century’s wars. In the asymmetrical wars of this era, America’s military does not often have the opportunity to play to its technological and logistical strengths.

Facing the Future

To buttress the argument of the world's sole superpower, the United States is often cited as the world's largest economy. Yet, the European Union (EU) is now the world's largest market by Gross Domestic Product (GDP).

Meanwhile, as of October 2009, we owe foreigners \$3.5 trillion dollars, which is an amount that the human mind is literally incapable of comprehending. Among our top eight creditors are China, the oil exporting nations and Russia. In particular, China and Hong Kong hold \$940.9 billion of U.S. Treasury marketable and non-marketable bills, bonds, and notes, to say nothing of their U.S. corporate, municipal and other bond, equity, debt and other financial instrument holdings.

In addition, among the world's economies the U.S. ranks 193rd in GDP growth rate, 10th in GDP per capita, 138th in gross fixed asset investment, 154th in industrial growth rate (-2%), 19th in gold and foreign exchange reserves (\$1.877 trillion less than China) and 190th (dead last) in current account balance.

In contrast to those rankings, the United States can point to two number one positions in global economic statistics; the U.S. is number one in the world in external debt with \$13,750,000,000,000 (that's \$13.75 trillion, with a t) and we spend \$2,510,479,500.00 *per day* for imported oil (that's \$2.51 billion, with a b). As to the latter, this is the first time in recorded human history that a society has sent \$2.51 billion dollars *per day* to nations and individuals whose stated primary goal is to destroy that funding society. That funding society would be us. But I digress.

In non-economic metrics, globally the U.S. ranks 57th in percent of GDP spent on education, its students score below Organization for Economic Co-operation and Development (OECD) industrialized countries averages in math and science and ranks 19th in literacy rate. The U.S. ranks 50th in life expectancy, 45th in infant mortality rate, 103rd in HIV/AIDS adult prevalence rate and spends more than double per capita on health care than the OECD industrialized economies median.

Reflecting these realities, the same Wall Street Journal / NBC poll showed that across the demographic and economic spectrum, 66 percent of Americans said they believed that life for their children's generation would be worse than it had been for their own. This is a remarkable result from a nation whose primary defining characteristic since its birth has been its unbounded optimism.

Ponder that survey result for a moment. Two out of three Americans polled, regardless of race, sex, or economic status, stated they believed their children faced a diminished life compared to their own.

Does all this mean we should give up, roll over, fold our tents and otherwise withdrawal?

I don't think so. Instead, I think the dawning of this new decade gives us the opportunity to look for ways to better ourselves, our culture, our society and our country. It gives us a chance to reassess what we're doing with our lives and our country in light of our strengths, our weaknesses and the new realities of the world. It gives us the opportunity to make some changes to better the chances for our children and grandchildren to have a better life than our own.

My World View

For instance, of the 6.3 billion people in the world, 6 billion of them use a system of weights and measures based on multiples of ten. It is easy to teach, easy to learn and easy to use. That common system of weights and measures ensures that things that are made and sold in one economy can be easily sold in another. We are the only people in the world who use a system based on inches, teaspoons and pounds. Are we proving that we are somehow more intelligent than the other six billion people or are we proving that we are somehow more archaic, more reactionary and more close minded?

In another example of close-mindedness, for around the last 150 years the same two political parties have been running this country. They have delivered us to the place we are in now. They alone have been in power, in control, and have made every single decision that has created this current-day reality. They alone have provided the leaders who have brought us here. Is the United States as good as it could be or worse? Have the two parties worked harder to nurture and better the country or to achieve and retain individual and party power? Have the two parties made the tough decisions that true leadership requires, where the destiny of the society is paramount, or have they consistently sold out the country in exchange for re-election?

The same two parties have crafted a system that enables elected officials to accept millions of dollars from contributors in exchange for influence and control of public policy. In any other circumstance or profession it would be called influence peddling or the more common term, bribery.

In the 2008 elections, 93 percent of House of Representatives races and 94 percent of Senate races were won by the candidate who spent the most money. In simple terms, our house and senate seats are for sale to the highest bidder, and the winning bidder then determines the laws and policies that define our society.

Are we better served by people who are in office because people bought their seats for them with unlimited funds or by elected representatives who proved they could use a fixed election budget most effectively and efficiently? Would we be better off electing people who prove via their efficient management of a fixed campaign budget they can most efficiently manage our tax dollars or by the current system that installs people who prove nothing more than they can buy their position by spending unlimited amounts of money?

In a further example of misspent funds, if you were president, how would you spend \$2.5 billion dollars a day? Would you invest it in infrastructure, education, research, foreign aid, health care or reduced taxes? You would have \$913 billion dollars a year to invest in growing, improving and advancing the country. How would you spend it? That's how much money you would have to invest in the United States, its economy and its people if we didn't send \$2.5 billion dollars a day overseas for imported oil.

Lastly, if you were president, speaker of the house or senate majority leader, would you like to have the opportunity to make domestic and foreign policy decisions without being controlled by foreign governments? Right now, none of the people who ostensibly lead the United States can make a decision without considering the two pistols pressed to their temples. One pistol is labeled "dependence on foreign oil" and the other is "foreign debt." If the people who we send \$2.5 billion dollars a day decide to crimp our oil supply, our economy collapses. If the people who we owe money either stop buying our debt or dump our debt into the system, our economy collapses. In reality, our leaders are not our

Facing the Future

leaders, they are mere puppets on a string; our country is controlled by those who sell us oil and those who buy and hold our debt.

Where does the U.S. stand today? Our president had to barge into a meeting between the leaders of China, India and Brazil to have input into the agreement at the most prestigious non-economic policy conference of world leaders yet this century. This is the new reality.

Yes, the U.S. certainly still leads the world in the export of culture via music, television and movies. But, like a movie set, the U.S. is increasingly viewed not only by the world but by its own people as an impressive but false front, with nothing of substance backing it up.

This new century gives us, the citizens of the United States, the Americans, an opportunity to change that story, to establish a new narrative of what this country is, what it stands for, what's its goals are, who leads it, how they lead it, how they achieve office, and what they do when they get there.

We can do that by establishing, for the first time since the early sixties, a discernable sense of national purpose. We need to establish a national purpose to be fully integrated into the world and its markets. We need to establish a national purpose to elect leaders committed to improving this country, not just bleeding it to enrich themselves and their parties. We need to establish a national purpose to gain control of our own destiny, and not have it controlled by our foreign oil providers and debt holders.

In short, we need to establish goals that will improve the lives of our children, not continue to erode their future.

We can no longer abdicate our thinking to the media and our republic to the politicians. Ultimately, this is our responsibility. In the past century, as citizens, we chose to abdicate our responsibilities to others while we enjoyed the party. In this century, we must educate ourselves and we must activate ourselves to reclaim the destiny of this country and the future of our children.

Our goals must be to become an integrated part of the world and its economies. Our goals must be to elect people who work for us and our country—for our agendas—not theirs. Our goals must be to deliver a future to our children that they can control, not one that is controlled by others.

You may disagree with these goals. You may consider them an anathema to what you hold dear.

You may choose to email me the missive “Your world view is, well, wrong.”

And that will be OK. I’ve heard it before.

I’ve also lived to see my world view proven, well, right.

Sources:

- United Nations
- Organization for Economic Co-operation and Development (OECD)
- U.S. Department of Energy
- U.S. Department of Education
- U.S. Census Bureau
- U.S. Treasury Department
- Central Intelligence Agency (CIA)
- Programme for International Student Assessment (PISA)
- University of Maine
- Center for Responsive Politics
- Wall Street Journal / NBC

Notes:

- The cost per day of imported oil is based on the most recent data available from September, 2009.
- Student performance is based on the most recent PISA tests from 2006.
- Wall Street Journal/NBC News poll methodology

The Wall Street Journal/NBC News poll was based on nationwide telephone interviews of 1,008 adults, including a sample of 104 interviews with people who only use a cell phone. It was conducted December 11-14 by the polling organizations of Peter D. Hart and Bill McInturff.

The sample was drawn in the following manner: 350 geographic points were randomly selected proportionate to the population of each region and, within each region, by size of place. These individuals were selected by a method that gave all telephone numbers, listed and unlisted, an equal chance of being included. The cell phone sample was drawn from a list of cell phone users nationally.

One adult, 18 years or older, was selected from each household by a procedure to provide a balance of respondents by sex. The data's margin of error is plus or minus 3.1 percentage points; sample tolerances for subgroups are larger.

Fixing It

This collection of essays asserts several key positions:

- The United States faces multiple existential scale challenges within the coming decade
- The ruling political class of both dominant parties lacks the honesty, integrity, vision and leadership to overcome these challenges
- It will remain impossible to overcome these challenges until fundamental changes are made, including eliminating non-public money in politics and eliminating gerrymandering
- The responsibility for the state of education, public health, health care, energy, competitiveness, public policy and elected representatives in this country lies solely with the people of the United States of America
- Change will come only by the choices the people of the United States make individually and collectively

Change is needed. If change does not come, then any single one of the challenges we face, from competitiveness to education to health to energy to deficit spending to the national debt can literally destroy this nation. Since we face multiple simultaneous existential challenges in the coming decade, doing nothing is equivalent to declaring national dissolution.

Change is inevitable, even if nothing is done. The present course of the nation leads to fundamental failures on multiple fronts, e.g. economic, education, public health. With failure comes change.

Change is unavoidable. Change will come via denial and delay, as part of a package deal with the resulting crisis. Change of that type is not change by choice, but change imposed on the unwilling and unready. Change will also come via vision, courage and leadership. Change of that type is change by choice, selected and implemented by the willing and the ready.

Regardless of how it arrives, in a saddlebag of the four horsemen or a feature of a desired future, change in America is inevitable.

When change comes, those who bring that change will discover three sobering facts:

1. It's easy to be against, and very, very difficult to be for
2. Public policy is hard work
3. Today's politicians don't make the laws, policies and regulations

It's easy to be against, and very, very difficult to be for

It's very easy to oppose whatever there is that you decide needs opposing, from day-care vouchers to Naval warfare strategy, from the cost of bread to proportional representation, from toll roads to energy policy. It's easy to be against.

It's so easy to be against, we might as well all be Johnny in the 1953 film, *The Wild One*.

Mildred: What're you rebelling against, Johnny?

Johnny: Whaddya got?

It's easy to be a rebel. It's easy to be against. It's a lot harder to be for something, especially to be for something for as long as it takes to make it work. Being for inter-urban mass transit during the decades it can require to become viable is challenging. Being for sustainable legal immigration policy for the years it would take to implement is tough. Being for energy independence through the long years of higher fuel prices required to pay for it is a heck of a lot harder than being against whatever you choose to oppose this week.

Being against is easy. Governance requires being for things, and being for them for a long, long time.

Public policy is hard work

Crafting, implementing and sustaining equitable and affordable public policy is very hard work. It's hard when you are sitting on the city council determining zoning boundaries. It's hard when you're in the state legislature determining social safety net levels and durations. And, it's very, very hard when you're one of the people in the room tasked with keeping the nation's lights on, its drinking water flowing or its 250 million passenger vehicles filled with fuel.

Waving placards, shouting slogans and mouthing support for broad concepts such as freedom, justice and liberty is easy. Sitting in the room and determining how to turn those concepts into a just society is not so easy.

It's not so easy because public policy is the art of the possible. That means it requires compromise, compromise that extremists are, by definition, incapable of accomplishing.

That lack of compromise-ability is what eliminates the political and ideological extremists from the potential solutions to our problems. We elect people to be the representative, senator, governor and president of all the people they represent, not just the tiny sliver of voters who turned out in the primaries to get them on the ballot in their safe, Gerrymandered district, where they were guaranteed election and thus guaranteed to deliver nothing but spittle and spite to the electorate. At this stage of the game, we don't need spittle and spite; what we need is accountability and solutions. Extremists from

the far ends of the political and ideological spectrum will never deliver a solution other than the final solution. We don't need extremists; we need capable leadership and effective, pragmatic and efficient governance.

Public policy is very hard work, much too hard for extremists from either end of the spectrum. That leaves the rest of us, all of the people in the middle, to do the hard work of public policy.

Today's politicians don't make the laws, policies and regulations

It's a little known fact that the elected representatives of the United States know practically nothing about the laws, policies and regulations they impose on the citizens of the country. Most voters are surprised to learn that very few elected representatives have even a passing understanding of, much less expertise in or deep knowledge of, the laws, policies and regulations they enact.

The natural question is, if the politicians don't know enough to write them, where do all these laws, policies and regulations come from? The answer is that most of the laws, policies and regulations in this country are proposed, written and organized by legislative staffs and lobbyists.

What that means is the expertise, the knowledge, the experience and the judgment required to create rules complex enough to regulate a \$14 trillion dollar economy, as well as the actions and relationships of every member of that economy, resides in the career staff of the congress and the lobbyists who arguably own congress.

This reality of American governance brings to light two challenges. The first challenge is retaining the competency while removing the complacency, entitlement and larceny of the current ruling class. The second challenge is ensuring an honest and equitable path to influence for those who seek to create and shape public policy.

The first challenge, retaining competence, is also an unintended consequence of term limit laws. By the time an elected representative gains any familiarity with an area of public policy, such as education, health care or energy, they are termed out by term limit laws. In states with term limit laws, this constant state legislator turnover further entrenched knowledge and expertise in the only remaining components of the public policy system: staff and lobbyists. Consequently, in states with short legislative tenures governed by term limits, legislators have even less incentive to, and are even less interested in, learning about areas of public policy. Instead, they are almost exclusively incentivized to seek and interested in which office they will run for when they term out of their current seat. While the legislators plot their next career move, the lobbyists deliver the next batch of laws, regulations and policies to the legislative staffs, who dutifully prod their legislator, after suitable campaign contributions are deposited, to introduce the legislation and advance it into law.

People in the “throw the bums out” camp need to keep this reality in mind. There is no doubt that the current crop of United States representatives and senators is much more knowledgeable about how to manage their billions in lobbying money payoffs than managing the country. There is no doubt they deserve to be tossed out, en masse. The challenge is in retaining the expertise captive in the staffs and lobbyists and transitioning their knowledge and capability into a system that does not feature elected representatives spending almost all their time selling influence rather than crafting public policy.

The second challenge is perhaps more daunting. The United States political system has devolved to a system of pay to play. If you don't make a campaign contribution to a politician, then you have no access to power. The more you pay the more influence you gain. The more influence you have, the more you can shape public policy (laws, policies and regulations) to favor your union, profession, industry, company, organization, institution, ethnic group, interest group, locality, geographic area, etc. We've ended up with a system that is extremely efficient in selling public policy to the highest bidder.

When a proposed bill is making the rounds for co-sponsors, all it takes is the right amount of money in the right places to get legislators signed on. When a bill is stalled in committee, all it takes is the right deposits in the right accounts and it magically moves to the floor. When a key vote is needed to break a parliamentary logjam, a campaign contribution greases the skids. Need a law tweaked to favor your industry or union? Just pass over the cash. In economic terms, it's a highly fluid system with very little friction. It is, indeed, the best government money can buy.

The problem arises when you take the money out of the system. Outlawing non-public money in politics takes away the coin of the realm. If you take the money out of politics, there is no longer any way for people in need of influence to buy that influence (not that taking money out of politics would eliminate bribery, but it would then be patently criminal instead of patently obvious). Idealists will maintain that in this bribe-less scenario, laws and policies will be created and enacted to advance the country instead of advancing the agendas of unions, industries and interest groups. In reality, changing a very profitable market that efficiently matches supply (public policy) and demand (favoritism) is not a simple task and cannot leave behind a vacuum.

There must be a process for matching those with interests (and expertise) with public policy. Conceptually, that happens in public hearings, town hall meetings and personal appeals to legislators. That sounds nice in theory but in economic terms it is inefficient and contains a lot of friction. In today's system, the match between supply and demand happens with wire transfers (for the sophisticated) and paper bags of cash (for the tragically less sophisticated). It is folly to attempt to simply remove money from the system of selling influence without replacing it with an equivalent that is comparably efficient and friction free.

The goal is to achieve capable leadership and effective, pragmatic and efficient governance without a drive-through window to exchange money for influence. This, obviously, is a significant challenge, but one that I believe we can overcome.

The Toughest Challenge

A much tougher challenge in achieving capable leadership and effective, pragmatic and efficient governance is that so few members of the U.S. electorate are willing to invest the time and energy into insisting that it happen. The easy way out is to seek and settle for easy answers to complex challenges, and that is what most Americans choose—the easy way out.

Instead of educating themselves on issues, they accept as holy writ whatever their partisan news channel tells them. Instead of reading, watching or meaningfully discussing opposing viewpoints, they isolate themselves with like-minded people and spend most of their time congratulating each other on how smart they are to think alike. Instead of forming their own opinions based on facts and multiple reasoned positions, they parrot as indisputable whatever rants their favorite ideologue spouts. It all adds up to the easy way out.

In a republic, it is essential to remember the insight of George Friedman, “Where knowledge is limited, and the desire to learn the complex reality doesn’t exist, public opinion can be shaped by whoever generates the most powerful symbols.” America’s current political, societal and cultural landscape is dominated by ideological symbols, not the underlying facts essential to understanding the complex realities that form our world.

It is important to note that we are the most educated citizens this country has ever had. We have more access to information than any citizens this country has ever had. We have more non-work leisure time than any citizens this country has ever had. In short, we have the tools to be the best citizens, the best electorate, the United States has ever had. It’s up to us to use those tools and live up to our potential as citizens.

As an electorate we have a very specific choice to make. We can choose to blindly accept, repeat and support the filtered, skewed, hyper-partisan, simple to understand and easy to digest versions of reality spoon-fed to us by those with vested interests in preserving the current system. Or, we can choose to reject the easy answers to complex challenges, educate ourselves, thoughtfully consider alternative viewpoints and learn the difficult realities required to truly understand our challenges and the possible solutions. In short, we can choose to be mindless zombies believing whatever our ideological masters tell us or we can re-establish our freedom by seeking our own facts, our own answers and our own leaders.

There is no easy way out. The easy way out—the blind acceptance of partisan ideology—leads to nowhere but disaster. As American folk wisdom states, the only way out is through. That means the only way out is through the vested interests, through the challenges, through the tough work of change.

The lesson here is that, yes, we must change what we’ve inherited. The existing system has been so corrupted, and its participants become so corrupt, that we must make a change.

Facing the Future

However, we must be under no illusions that this change will be easy or that what follows—the formation, implementation and sustaining of public policy—will be easy.

It will not be easy, but it must be done. To do nothing is to ensure the inevitable loss of this country, that this country will, in Lincoln’s words, “perish from the earth.”

What is past is truly past. It is not 1950. The United States of America is a vastly different country in a vastly different world. This new world requires us to meet new demands, new challenges and overcome new fears.

No matter how much we’d like to grab the remote and bury our heads back in the sand, we cannot avoid the threats and challenges that promise to overwhelm us.

We must stand up these threats. We must rise to these challenges.

We must equip ourselves and our country with the tools, the processes, the structures, the skills and the leaders required to overcome our challenges, to forge our destiny and to face the future.

Almost nine out of every ten Americans believe the government of the United States is broken.

Let’s fix it.

About the Author

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