

US Economy: Need for a Focused Stimulus

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The one thing I have always said to people when faced with a large complex daunting problem. Dissect the problem into smaller problems and tackle each one as independently as possible. The same is true when it comes to the problems of the US Economy. We have a mess on our hands. But instead of tackling the problem one piece at a time, Congress has decided to appropriate an unprecedented and somewhat unimaginable amount of money for expenditures to stimulate the economy. How it will be spent and what mechanisms are in place to prevent it from being misused is one set of questions. The bigger set of questions include the effect it will have on the economy today and the effect on the economy it will have in the future when the taxpayers are asked to pay for this spending spree. With the corruption on Wall Street, the in your face wasteful spending by top executives on lavish perks, and the out of control “Old Boys Network” bonuses being handed out is there any wonder why the American tax payer has no faith at all in the system?

If you round the stimulus package up to \$900B and take into consideration there are around 300 million people living in the US, one might simply ask – would it stimulate the economy more if the US Government would send ever man, woman, and child in the country a pre-paid VISA card for \$3,000 and tell them they had to use it within the next 12 months to buy US made products? Or how about just not collecting taxes for a year and printing a dollar for every dollar we would have collected in taxes. Ok scream out loud that it would cause inflation. But would it really and would the result be any worse than asking China to buy another trillion dollars worth of our debt? My biggest fear is that what has really been passed is a huge bill with a lot of pet projects being funded and very few things that will stimulate growth. In a few months, I expect the

US auto companies will be back in Washington asking for yet more money. I don't want to sound like doom and gloom, but the US auto industry cannot continue operate as they do today. The industry has evolved from a handful of companies having a monopoly on the market to a mature global industry where competition abounds. Sometimes old fat and stupid companies need to fail and be replaced with newer companies which are more innovative and more agile.

I don't think we have at all addressed the underlying cause of the problem that we are in as a country. I hear the TV business shows talk about people jumping back in the market and "investing" in various companies and sectors. These are the same "quick buck" professionals that got us into this mess. I have been in the market for over 25 years, and I have concluded the market is not investing at all but nothing more than legalized gambling controlled by hedge funds and other very large investors. It is also driven with media hype. How many times have I turned on the TV in the morning to see a financial show analysts standing on the floor of the stock market hyperventilating that good or bad things are happening. They look as stupid as those CNN anchors that stand out in the rain in a middle of a hurricane and say look at me I am an idiot. Quite frankly, I am not sure how much if any of my money is going back into "the market." I think I would do just as well with a lemonade stand in my front yard.

On top of all the sub-prime issues we have energy dependence issues, loss of jobs via outsourcing, a continued illegal immigration issue, and out of control health care costs. Our education system is in a shambles as well. Just watch Jay Leno's "Jay Walking" some time and you will realize that many most Americans are plain stupid. One of my favorite shows was when he had a teacher standing in front of the Lincoln Memorial and she didn't know who the president was during the Civil War. That in itself says it all. On top of these issues we have a group of people running around saying to world is warming – the world is cooling – and everyone has to go

green – and by the way... buy my products that helps the world go green. I hate to break it to these people but the world has been going through temperature cycles and environmental changes since life first appeared on earth. It will continue to do so. Yes we need to conserve our resources and not waste energy but the media hype is out of control.

With all my apparent rambling, I wanted to make it apparent to the reader that there are a lot of issues and a lot of problems that need solving. Whether you agree with any of my comments is not important. I frankly would have focused the country on a national commitment to accomplish one of these problems rather than throwing lots of money at a bunch of pet projects of the individual legislators and lobbyists which wrote the legislation. I would choose communication and energy Independence as the main focus. From that we could create new technology, new jobs, and perhaps a new manufacturing base to bring a focus of manufacturing back to the US. We now often claim we are a “data society” – I push back and say that is a fancy way of saying we have become a “paper pushing” society with very little real value. We have and sell insurance, stock options, mortgage refinancing, home warranties, surveys, marketing data, tax preparation, medical records entry and data entry in general, financial planning, frivolous law suits, patent trolling and many other things which in themselves produce nothing.

I would like to see a national focus on:

- Broadband Communications
- Energy Independence

Communication could be broadband to every home and business with multiple vendors eliminating monopolies and encouraging new on demand services. It may be wireless (e.g. WiMax) or it could be fiber optics cable. This infrastructure would require jobs in every community for installation and would allow every person in the country to see how it could benefit them. This infrastructure would assist schools, government, business, and individuals. The

increased communications could be used for entertainment, security, and general next generation interaction.

With such an infrastructure we can have more people working from home using video conferencing. This in itself will reduce the burden off of our roads which are already crowded in most metropolitan areas. This will also result in fewer cars on the road which will reduce greenhouse gases and fuel consumption.

We can potentially see new car companies arise that are only producing the best electric (battery or fuel cell based vehicles) along with natural gas based vehicles. We do need better battery technology which might be something the US Government might want to help with in regards to research. And we could fund our semiconductor companies such as Intel, AMD, and IBM to develop solar cells technology and manufacturing within the US.

That same communication network can help us monitor energy usage on a nationwide basis – from the number of electric cars being charged to the electric power demand being requested by every home in the country. I end with one last statement and thought. If we truly want to move the country into that next technologically advanced place to live, we have to eliminate the notion that we can just go drill some more off the coast of California or in Alaska. This is not the answer and the only people saying it is are those that can financially benefit from these actions. Think about the US next year if there was a culture change. Think about every NASCAR race, Formula One Race, and Monster Truck Show where there is absolutely no combustion engines allowed. Imagine if they were all electric vehicles. If you reject that thought then we haven't hit bottom yet with our addiction to foreign oil.

The world isn't ending but we as a country have to stop being so stupid. We cannot feed the world, police the world, offer free healthcare to all – and at the same time give our jobs and technology to offshore companies along with all of our monies in

regard to unbridled debt creation and expenditures on consumable substances such as oil.