President Obama – Headed For the Wrong Goal Posts

Contributed by Paul Smith 03 April 2009

In the game of American football, a player might retrieve a fumbled ball and head for the wrong goal posts. President Obama has made a similar mistake when he retrieved the Bush Administration fumble and headed with determination in the wrong economic and environmental direction.

Obama's fundamental mistake is his failure to recognize that the current economic contraction is a permanent contraction. Unfortunately, President Obama's team mates are also confident that he is on the right course and are consequently cheering him on.

Since the beginning of the Industrial Revolution, the principal economic premise has been that perpetual growth – growth without end, is possible and beneficial. That concept prevails to this day and it is the driving force adopted by Obama as he strives to end the present economic contraction.

The idea that there are limits to growth has not even been considered. The basic cause of our unsustainable condition is that economic growth and consumption has reached its limits, and our leaders, the corporations, the media, and the people in general have yet to accept and act based on that fact.

In order to provide necessary perspective with respect to our current economic situation, it is helpful to review the economic progression that has occurred since the year 1800 and especially since the year 1900. The perpetual growth people have been very much in control since the year 1800.

During the period from 1776 to 1800 James Watt developed a number of functional steam engines. That led to the development of railroads, and steamships. In 1859 Edwin Drake drilled an oil well near Titusville, Pennsylvania, which marked the beginning of the U.S. oil industry. The internal combustion engine was developed around the year 1900 leading to the car culture, farm mechanization and the consequently unsustainable consumption that we now have.

In 1950 the U.S. population consisted of 150 million people. Fifty years later, in the year 2000, that population had doubled to 300 million consumers. In 1950 the world population was 3 billion people. Fifty years later, in the year 2000, it too had doubled to over 6 billion consumers.

Not only was there an enormous numeric increase in the number of consumers during that fifty year period, but there was also, due to the technological advances, a significant increase in consumption per person. One would only need to view the expansion of automobile and air travel since 1950 to appreciate both of those factors.

The amount of world consumption has bumped up against (maybe crashed up against) the available natural resources that nature can provide. The pro-growth, pro-production, pro-consumption and pro-profit people don't wish to accept that conclusion, but continue to maintain the premise that perpetual growth is the natural order of human existence.

However, like it or not, over time the status quo will have to give way. The party is over. The present economic contraction isn't going to go away just because the government throws money at it. Like a sick person who gets a quick medical fix, the money that the government is now supplying may provide a temporary boost, but only that.

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President Obama and his economic team have failed to comprehend and appreciate the growth and consumption limitations. Consequently, if they haven't accurately established the cause of the economic contraction, they can't accurately prescribe the cures. If Obama and team truly appreciated and accepted the idea that the present economic contraction is permanent, the legislative remedies that they could have submitted would be much different than those that they have now advanced.

Since the creation or saving of jobs is obviously beneficial, the Obama team could have accepted the probability that along with the economic contraction, the overall amount of employment is also being permanently reduced. It might have been far more beneficial and inexpensive if President Obama had simply advocated a policy of distributing the available employment more evenly.

That might be accomplished by legislating that the now prevalent 40-hour week be reduced to a 35 or 36 hour week. That is about a ten or twelve percent reduction in the work week. The hourly rates under the new legislation could, with the exception of minimum hourly rates, be determined as it is now through private industry agreements.

That one simple measure might have eliminated much of the need for the enormous expenditures of hundreds of billions of dollars that the Obama Administration has spent in order to reduce the high unemployment. The idea of reducing the work week in order to provide more employment to the otherwise unemployed is not on any table. In fact, it is not even under any table. At the most, it is down in some box in a closet. The idea should at least be discussed.

The sharing of available employment is only one possibility. There are probably other measures that could be employed to promote a sustainable economic condition. But first, as a prerequisite, our leaders and indeed the people in general, must accept the fundamental conclusion that a certain amount of permanent economic contraction is inevitable and necessary in order to achieve a long-term, sustainable national economy.

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Dissatisfied with urban life, Paul Smith moved to Paradise, a town located in the Sierra foothills about 100 miles north of Sacramento. There for many years, he has pursued his interest in stabilizing the population and the economy of the nation of which he is a part.