

If it bleeds, it leads or so the old saying goes in the news business. Nothing sells like bad news and is the United States now in a complete and total mess. The economy is falling apart, capital markets are sinking, our military is overmatched, and politically we are in gridlock. OK, maybe that is laying it on too thick. Yes there are problems, problems that can be solved, but it is not the end of days. At last check, many more people are attempting to come to America, both legally and illegally, to improve their quality of life than there are people renouncing their US citizenship and leaving.

What is the real problem right now and going forward? It is simply a lack of leadership and a willingness to make the sacrifices to both fix and prevent problems from reoccurring. Too often the short-term fix leads to longer-term pain. Look at the amount of money that it takes to put together a campaign for the House of Representatives. According to the Federal Election Commission, in 1996, the winning candidates spent approximately \$686,000. Ten years later, that figure increased to \$1.3 million. For a seat in the Senate the figures are \$3.9 million and \$8.8 million. Let's not even look at the cost of a presidential election. With politicians scrambling for cash and knowing the costs of elections in 2010 and 2012 will increase, what politician has time to study issues and find solutions when there is so little time needed to raise cash for the next election? Money has polluted our political system and we as citizens have nobody to blame but ourselves for not paying closer attention to important matters and demanding more of political leaders. Becoming better informed and more knowledgeable on the issues, along with holding all government officials responsible is a major step in the right direction.

Here is why the concern about government. First, we can not expect nor look to any government to be the solution, be it at the federal, state, or local levels. Government actions tend to be reactive and cause more harm then solve of prevent problems. In a time of economic slowing, the drumbeat from government is to raise taxes. Federal, state, and local governments have made commitments that they must honor and the easiest place to find money is the taxpayer. Raising income taxes at either the Federal or state level will slow spending and investment as is shown in basic economics. The "rich can afford it" is at best a weak argument and will not solve the problem in the long run. Tax cuts usually result in government collecting more revenue as people have incentive to work harder and earn more money. Couple a tax cut with a hard examination of government spending to institute reduced expenditures would go a long way towards fixing current problems and putting us back on the right path. Taking money away from government, the money that has been earned by taxpayers, would encourage government to operate and spend money more prudently. Those of us that have had to put gas in our cars or went to the supermarket have had to learn to do more with less. Why not the same with our governments?

For the record, the economy has yet to fall apart and it is unlikely that it will. Our problems may deepen, but we have an excellent system for people who want jobs and are willing to work hard. They will be able to earn money and have a decent standard of living if they educate themselves and make good decisions. Capital markets, like the economy, go through cycles. The present cycle is a negative one. Who knows where or when the bottom will come. Many people will lose money playing this guessing game. There will be a few fortunate ones who will guess correctly and make money. They will be hailed as geniuses. A little like being thought of as financially savvy for having purchased a winning lottery ticket. The real winners are those that understand cycles and know how to ride through the ups and downs.

If we can obtain the leadership from government that we deserve, and then maybe a sound energy policy will position the country to become more self reliant and oil prices will fall as we diversify our sources of energy. If the rest of the world would follow our lead, with less dependence on oil from the Mideast, our troops could be reduced sooner and countries could learn that cooperation rather than agitation offers more favorable outcomes. Maybe, government regulators and leaders could better balance and understand their roles. It is hard to imagine anyone in Congress not remembering the oil shocks of the early 1970s and again in the early 1980s. Maybe if somebody asked simple questions, like is lending money to people with a history of bad credit a good idea? What makes you believe they will pay it back? If they do not, do not expect government to bail you out. Basic common sense would have prevented the “sub-prime crisis” and the “mortgage meltdown”. Maybe if government officials pay attention to math, they will learn they cannot spend what they do not have. Somewhere along the way, we the voters and taxpayers have to understand it is our money that is being seized from us and demand that politicians are held to a higher standard as to how our money is being spent.

Just maybe, if there were better leadership in our government that truly sought and was willing to sacrifice for the good of the nation, we could make a great nation even greater. More people worldwide would benefit from the US providing technology and healthcare. More people would learn self-sufficiency and have a better quality of life. Someday, but not in the near future, as there is an election to be won in November and then the cycle to raise funds for the next election immediately begins again.