



## IN THIS ISSUE:

### CAN WE REPLICATE IN THE 21ST CENTURY WHAT WE ACCOMPLISHED IN THE 20TH? NOT IF WE HANDCUFF OURSELVES

Can the American republic replicate in the 21st century what its people accomplished in the 20th: widespread economic prosperity at home, the conquering of tyrannies and fascist ideologies abroad, the application of science to eradicate disease and improve life? These accomplishments took great efforts and costs, but the benefits were extraordinary. Are we up to the challenges we face now?

I have been optimistic my whole trend-forecasting career, alerting my readers, clients and audiences to positive and promising trends so as to 1) identify growth opportunities and 2) determine successful strategies and policies, e.g. what “works.” But as I look over my nearly 30 years’ worth of newsletters, journal articles, research reports, white papers, keynote presentations and the rest, I realize that my optimism has been based in part on the assumption that common sense and acceptance of the obvious must, in the end, eventually prevail. Now I am not so sure. Hence, it has become harder to be optimistic.

We come to the close of the first decade of the 21st century confronted by profound economic, social, political and international challenges. Of course we differ on what policies to pursue, as has always been the case. But more worryingly, we differ on fundamental goals, purposes and world-view. There is no longer a national consensus on the positive benefits of pursuing prosperity through free-market, private-sector economic growth and development, for example, or of conquering tyranny and fascist ideologies. And science, which used to be the objective pursuit of truth, has become politicized.

This is a very different world than that experienced by my parents. They experienced a “typically extraordinary” rags-to-riches 20th-century American story. Born around the time of the First World War to first-generation parents, they lived in meager circumstances and worked continuously and constantly from a very young age while going to school, and of course handing their earnings over to their moms to help cover expenses. (I remember my dad telling me one of his earliest memories is a paint brush in his hand and a rope tied around his waist, being lowered into a tight spot his father, a housepainter, could not reach.)

Dad worked his way through college and optometry school, attending nights and weekends to shorten the route; he wanted to be a surgeon, but this was the fastest path to being called “doctor.” (He was rejected by the Army, ironically, for extreme poor eyesight.) They married young, started a family and moved to the suburbs. Dad started his professional practice and would work all day, come home for family dinner every night, then shoot downstairs and see patients until the rest of us were all in bed asleep. Mom was a wonderful homemaker to us four kids, and was also quite active in community and volunteer activities. When the last of her four kids was in middle school, she went back to work. At 50 years old she started commuting to New York daily, taking the bus into the Port Authority and then walking cross town to her job.

Yes, they lived the American dream.

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Their legacy: putting all four of us through college (two through graduate school!), and watching all of us, all in long-time first marriages ourselves, do the same for our kids, their grandchildren. And giving us all wicked work ethics as well! Not bad, mom and dad, not bad. We could never thank you enough.

Could they do it again today? I wonder. They benefited from public education, public transportation, a military that kept us safe, and a free market economy that provided opportunity and rewarded work, thrift, and responsibility. That was a lot, but compared to today, that's limited government.

## **HOUSING**

Mom and dad bought their house in 1946 for \$30,000 and lived in it for nearly 50 years. They had to scratch together every dime they had to come up with the 25% down payment, and were lucky to get the loan at all (I remember my father telling me the loan officer got cold feet at the last moment). But it was a good bet for both the

*Paula Selbert was laid to rest at Riverside Cemetery in Rochelle Park, NJ on December 12, 2010, next to Harold, her beloved husband of 60 years, who passed away in 2003.*

bank and my parents. Federal government policy promoted a stable family home market, stable house financing, a growing economy, private sector employment, etc. Local government was responsive and responsible; property taxes were reasonable. They paid off the loan on time, and in what used to be an American milestone, owned it outright (with no debt).

Today the housing market has exploded, and then imploded. Government policies have promoted instability, speculation, leverage, unimaginable debt, and irresponsibility. Would I advise my daughter, at a comparable stage of life, to buy a home? Not in these circumstances.

## **EDUCATION**

Dad graduated from City College in New York when expectations and results were of a far higher standard than what exists today. He went to the Southern School of Optometry because it was the cheapest he could find, with the shortest route to graduation. He worked his way through school when it was still possible to do such a thing; he did not go thousands of dollars into debt, let alone tens of thousands, to get an education.

Today the education industry has wildly inflated prices, and produces poorer results. Would I advise my daughter to go into thousands of dollars of debt to get a degree? Not in these circumstances.

## **STARTING AND RUNNING A BUSINESS**

Dad benefited from low barriers to entry and operation of private businesses. He was not inundated with laws, regulations, permits, fees, taxes

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and a minefield of liabilities covering every single action he could possibly take.

Today all businesses are. According to Philip Howard, chair of CommonGood.org and author of [\*Life Without Lawyers: Restoring Responsibility in America\*](#), a flood of statutes, rules and regulations is killing the American spirit. Legal mandates have accumulated like sediment in a harbor, robbing small business entrepreneurs of the opportunity to serve us all by hiring, producing goods and services, and thriving.

Would I advise my daughter to start a business? Not in these circumstances. As Howard writes:

“Small business owners face legal challenges at every step. Municipalities requires multiple and often nonsensical forms to do business. Labor laws expose them to legal threats by any disgruntled employee. Mandates to provide costly employment benefits impose high hurdles to hiring new employees. Well-meaning but impossibly complex laws impose requirements to prevent consumer fraud, provide disability access, prevent hiring illegal immigrants, display warnings and notices and prevent scores of other potential evils. The tax code is incomprehensible.

“Doctors are conditioned by our lawsuit culture to see patients as potential plaintiffs and practice medicine wearing blinders of reimbursement bureaucracy. Every incentive is upside down. ...

“Schools are bureaucratic viper pits. Good teachers quit, surveys show, because they don’t feel free to do what’s right, or indeed, even to be themselves. ...

“Government itself is choking on accumulated law, much of it obsolete. The simplest choices take years. Accountability is nonexistent. Firing an insubordinate civil servant is even harder than firing a teacher. ...”

The very idea of progress today is slowly being strangled. In each of the examples listed above, all of which are keys to our future prosperity and well-being – housing, education, and small business – government intervention has made matters worse. Often designed, ironically, to help those who need it, government policies and programs have had a perverse effect, resulting often in the opposite of what was intended. These policies have stifled, not encouraged, self-reliance and self-sufficiency; punished, not rewarded, thrift, responsibility and frugality; accentuated, not alleviated, poverty and inequality. And they have done so at a staggering cost to future generations.

So, to return to our original question: Could We Do It Again?

Economic prosperity? How can that happen, when our elites have crippled us with debt, deficits, taxes, regulations and open-ended “entitlement” obligations for millions of citizens and non-citizens?

Conquer fascist ideology? How can we when our elites won’t even speak its name, and instead of confronting our enemy, instead subject us to pointless “security theater”?

Eradicate disease? Are you kidding? How can we when our elites, based on ideology and junk science, invite eradicated diseases back into our lives? We watch millions die of malaria around the globe every year, and suffer bed bugs in our own major cities, because we refuse to use DDT, one of the miracle inventions of modern man. Because it is unsafe and harmful? Not at all; only because supporting its ban is an ideological litmus test for our progressive elites. Can we at least hope of curing cancer? No, according to James Watson, one of the nation’s “most indefatigable and productive scientists” (according to the *Wall St. Journal*): government regulators, bureaucrats and lawyers are making that eventuality a lot less likely.

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Science, like education, has been politicized, hijacked for political purposes in the furtherance of “the greater good” (as defined by the Political Class). Of all their sins this may be the greatest, for future progress is based on objective, dispassionate truth, not the banning of dissent. The “global warming” fiasco is proof positive of the politicization of science. Endless repetition of the mantra that the science is settled does not make it so.

And yet, on the other hand, this is still America.

Seven months ago, in the May issue of *Growth Strategies*, I listed 11 reasons to be optimistic about the American future. They all still apply:

1. SIZE: a large, growing and dynamic (not static) nation
2. DEMOGRAPHICS: a large, growing and melding (not melting but melding) population
3. MANUFACTURING, INDUSTRY, TECHNOLOGY & EXPORTS (still the world leader in all these categories)
4. ENERGY & NATURAL RESOURCES (plentiful, if we have the political will)

5. CAPITAL (traditional and non-traditional sources)
6. LAND & AGRICULTURE (plentiful and fertile)
7. MILITARY POWER & PROWESS (not to impose our will but to protect our interests)
8. ENTREPRENEURSHIP, INNOVATION, CREATIVITY (they are in our DNA)
9. EDUCATION, R&D (we realize their value and prioritize them)
10. CONSUMERS GOTTA SPEND (we are as acquisitive as conditions allow)
11. THE CULTURE (Americans will not settle for an unsatisfactory status quo)

Would I advise my daughter to be optimistic, not give up, to go forward and work to better herself and her wonderful country by fighting to change harmful policies?

You bet I would.

I bid you a happy new year.