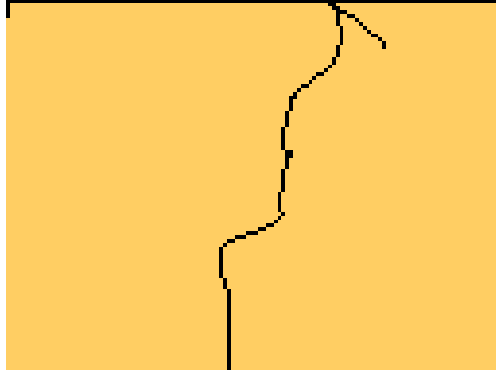
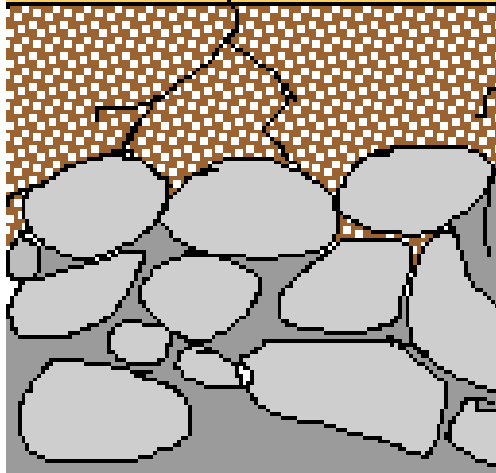


THE STRATAS OF AMERICA EDITION  
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## Layers in America



## Bedrock Principles

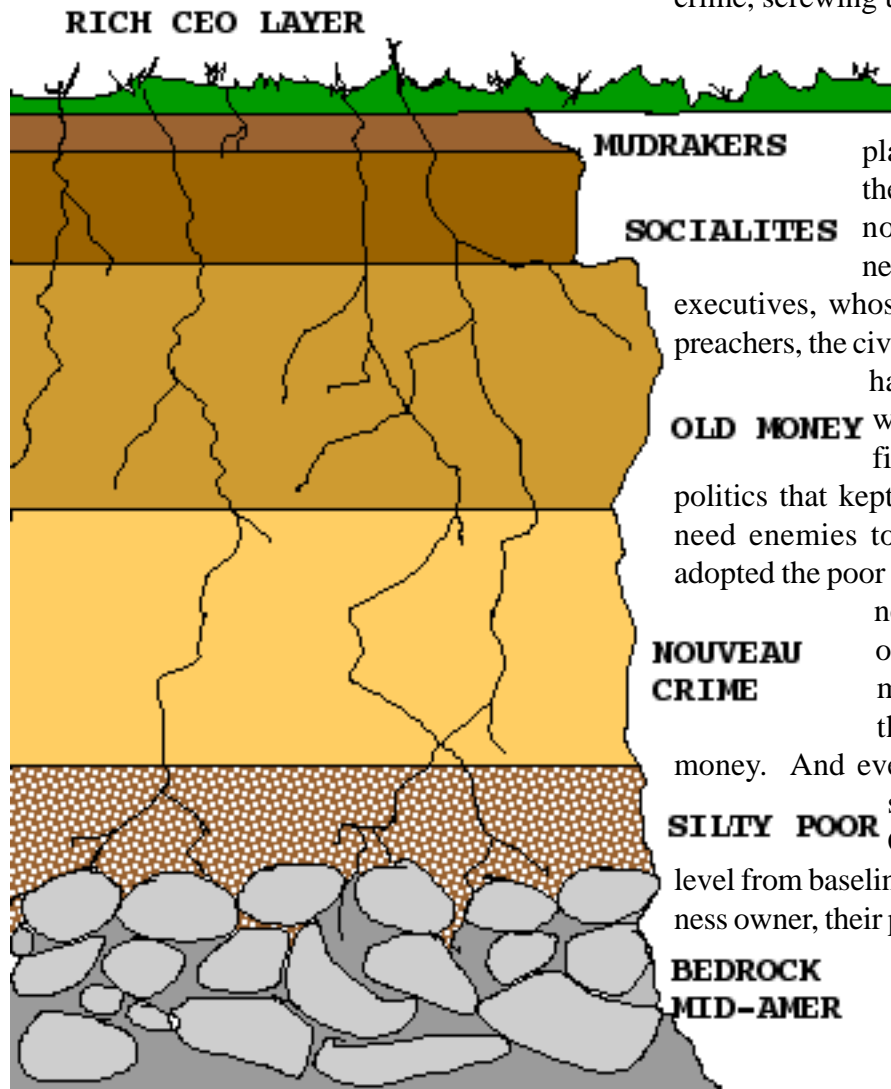


## Journey to the Center

# Layers in America

America is no longer a melting pot of several different cultures with the same guiding principles of individual opportunity in a new land. America has stratified itself into layers of conflicting social and political muck. One layer compresses another while feeding off others. It does not have traditional political labels, but revs on the status attained in the new American society. It is a

murky class structure built upon the old guard. We still have black and white, Old Hollywood ideals that are supposed to be in place. But those traditional values of honesty, integrity, respect and morality seem to have eroded away casting the underbelly of society to the limelight of attention. Success is now gauged by celebrity status. It does not matter if you did your job well, it is more important on how bizarre you made your splash into mainstream consciousness, whether by stupidity, crime, screwing up a high profile case, or running



with the right crowd. Some would say that segregation still exists, but the race card is played more by the preachers than the flock. There is a growing minority middle class of entrepreneurs, factory owners, businessmen, executives, whose success was made not by the preachers, the civil rights advocates or government hand-outs but by their own hard work, intelligence and grit. They find themselves at odds with the politics that kept them back, because politicians need enemies to keep power. The Democrats adopted the poor and blamed the Republican businessmen for closing the doors of opportunity. But most business men are color blind: the only color that matters is the color green; money. And everyone's American dollar is the same color. Imagine that.

Once a minority group gets to a level from baseline worker to management or business owner, their perspective changes dramatically.

They have to pay the double taxes (employment FICA, unemployment taxes) and the benefits (health care, insurance) for their employees. It is money out

of their pockets because employees get paid first, and after expenses, what's in the cash register till is the owner's to keep. It is a life lesson not lost when the subject of taxation is discussed openly.

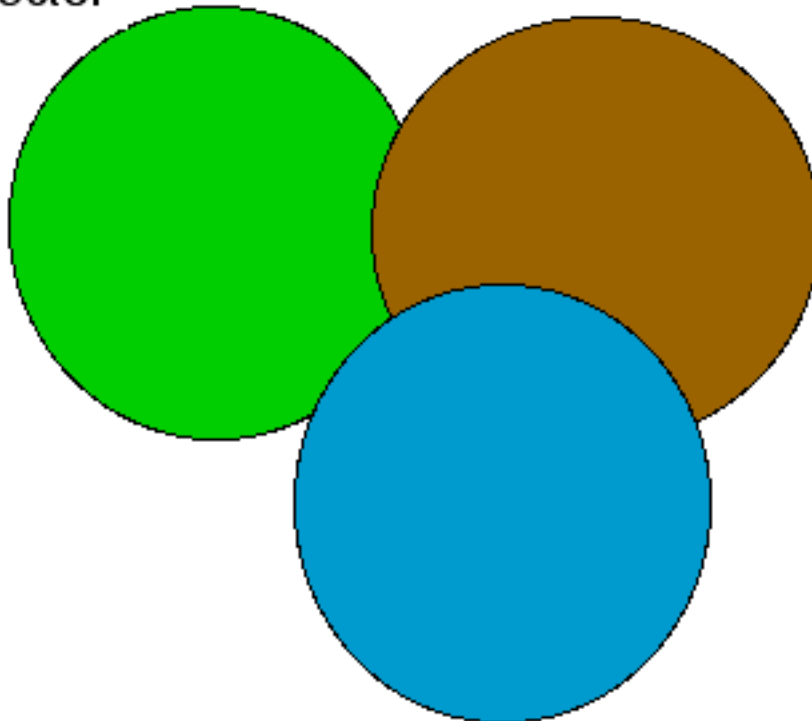
# Bedrock Principles

America has three sectors. Only two are regularly covered by the press. There is the private sector where America's root of opportunity was sown. The private sector creates the most jobs, and the most wealth. It is the economic engine that keeps consumer spending through recessions. There is the growing public sector which is a parasite that feeds off the wealth and profit creation of the private sector. The IRS is still the feared bogeyman to most law conscious Americans. They pay (and overpay) they taxes with the clockwork of a fine watch. But the entanglement of the public sector and growing government need (at all levels) of revenue is strangling the growth engine of the private economy. It is also in direct violation

of the bedrock principle that Americans are individualists, who fall and stand on their own two feet. Politicians, in order to maintain their alleged importance in society, make absurd promises that they can solve all of life's ills for you. And it won't cost you anything. They can guarantee your comfortable retirement, they can make your boss like you, we can pick up your garbage for free, we can make all dreams come true. It is a farce. Since the founding fathers and first election, narcissistic men have fought hard to be the center of power (and the corresponding wealth that flows from being a Senator, Congressman, etc.) It is easier to make speeches than plow 40 acres with a mule. People are getting fed up with this snake oil sales. They are dropping out of the private sector and into the

Public Sector

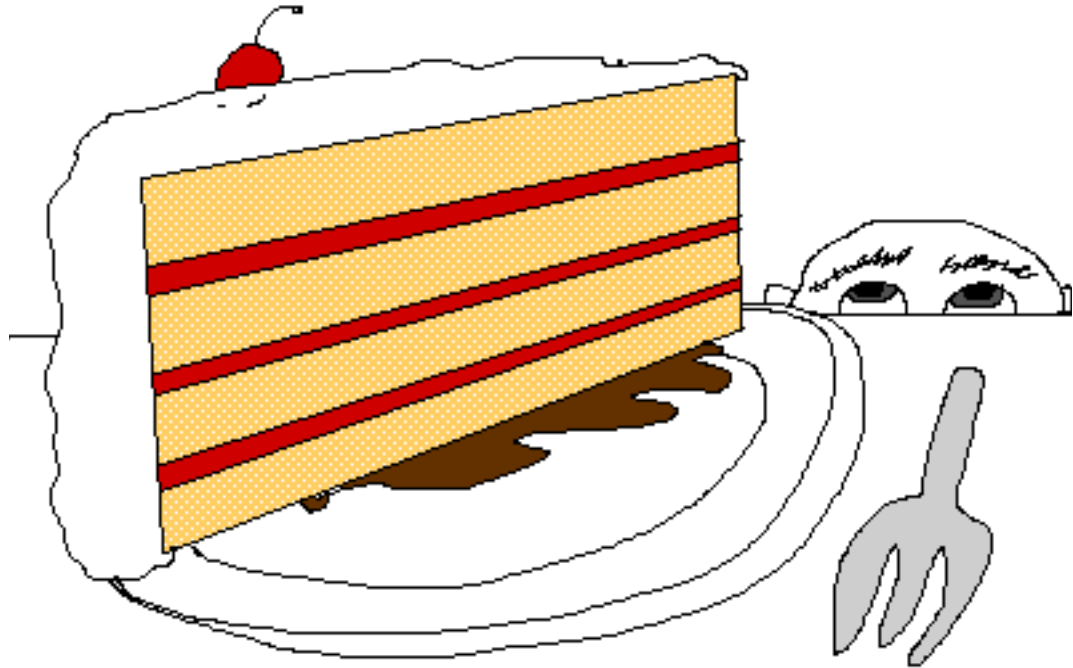
Private Sector



Underground Economy



## HOW AMERICA IS VIEWED BY THE REST OF THE WORLD



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### *Journey to the Center*

underground economy. The underground economy used to be the haven for the criminal society. The purist form of capitalism resides in this place. The international drug cartels have a vertical, integrated oligopoly that meets all channels of production and distribution. But now, business and corporations are heading off-shore, out of U.S. tax jurisdiction, to get away from the politics and high taxes. Instead of calling them unpatriotic, the press should consider the other side--- why would so many people be leaving America? The journey to the center of capitalism has been boobytrapped like an Indiana Jones movie. Has the opportunity to succeed been taxed to death?

It is not a good thing to have the middle

(class) suddenly weaken and collapse the bridge between the Democrats and Republican platforms. But the difference between the politics of the two parties is minimal; they both spend beyond their means; they pile on pork barrel projects like no tomorrow; and they are career politicians only worried about maintaining their power.

Without a strong middle class of happy, successful, content taxpayers, America slips into a Second World status.

The new immigrants come from tyranny and distrust government. They are also a part of the underground economy, whether here legally or illegally, overstaying their student visas in cash labor positions. They are not hear to jump into the melting pot; they hide in the shadows.

The government economic numbers never add up correctly. For example, jobless claims rise, but during the same period the unemployment rate falls. It is smoke and mirrors statistics. They pass balanced budgets but appropriate or spend beyond the budget criteria. State and local governments, sitting on a huge revenue windfalls from the stock market wealth creation only two years ago, are now drowning in red ink and huge deficits. But with no explanation of where the money really went.

Labor unions are growling for huge raises since they missed out on the good times. But government claims to have no money. Revenue is drying up so they are tacking on new taxes (on utility bills, phone bills, real estate transfers, vices) without much fanfare. The billions in tobacco litigation settlement funds suddenly went up in smoke, and states are not paying their Medicaid providers for years.

The largest area of growth in jobs was in the government sector. In Chicago, eight of the top ten employers are governmental agencies, including the post office. The basic problem is that government services do not create tangible economic wealth for the general public. Government does not add value to a product like a manufacturer of a car does from a sheet of raw steel and a box car of component parts. Thousands of persons add value to the construction of a car, at a profit. When a private sector dollar is passed along in a local economy, it creates four to five times more wealth than a government expenditure.

Increasing government means less productive private sector dollars pumping up the economy. It drains dollars from private hands to feed the beast called regulation. Government needs to act like its busy, creating laws, collecting taxes, bidding out road projects, terraforming the American landscape. But it has gone beyond its principles of public safety and defense into land development and social engineering.

When the Supreme Court ruled school vouchers were a legal means of parental choice, the gasp from government was loud. Public education was the bread and butter tax base for politicians to control. The biggest voting block, teach-

ers, would be at risk if there was competition from the private sector.

Those in the private sector, the friends of the pols, are getting rich on the prevailing wage concept of public works projects. A building that would cost \$100 per sq. ft in the real world costs \$300 per sq ft in the public sector. It should be the opposite, but the system has been turned inside out on purpose. It is no longer the bedrock middle American ideal of public service was a short reprise from your normal job; public service has turned into private gain for career politicians. And no one challenges them because they have their voting hands in everything, including media licensing.

America has always had a strong foundation. It was based upon basic needs of food and shelter. The technological improvements on food (plows, mechanical tools, reapers, transportation to new markets) lead to bigger and better farms, better production yields, cash crops, better housing and free time to spend in crafts, services, town interaction and education of children in the fundamentals of math, science, reading and writing.

The principle of giving the next generation a better life was hard fought and still exists today. The problem is that national education is not giving employers the skilled workforce it needs to compete. Most businesses have to spend a great deal of time and money training new hires with the fundamentals. The student drop-out rate is high, meaning that the teachers are not keeping their charges interested in learning. And the waning interest of youth is not served well as the movie idol ideals of quick scores, nonrecourse teen drinking/drug use, and limitless safety nets become their keystones. Others are spending their inheritances before their parents even retire. There is a growing segment of unproductive zombies.

There is a growing gap between the haves and have-nots. Some of it is by choice. Some of it is by interference or regulation. Some of it is mindset. Some of it is blissful ignorance. Some of it is by stupidity. In sum, it will erode the cultural principles key to keeping America the first tier economic power.