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## The Great Depression II?

By naegeleblog



By [Timothy D. Naegele\[1\]](#)

It is being asserted these days that “[h]ome-building is so far down it has nowhere to go but up,” which is patently absurd. Such nonsense was preached after 1929 too, and those who believed it probably bid on a bridge in Brooklyn as well. The U.S. economy as well as economies around the world have been going through wrenching experiences already, but much more is likely. Home prices have fallen substantially, though there will be relatively brief respites from the downward trend, such as we are witnessing now.

Anyone who thinks that the bottom is close to being reached, or that the so-called “Stimulus Package” devised by Team Obama and the Democrat-controlled Congress will solve the problems, has never taken a college course in economic history. It took years for the housing bubble to reach its staggering proportions; and when it burst, an economic tsunami was released that has been rolling worldwide with devastating effects, stretching well into the next decade. The Great Depression did not end until the onset of World War II; and the painful experiences that the U.S. and other global economies are witnessing today may take just as long.

The bailout legislation helped Wall Street, the banks, GM and Chrysler, home builders, and others, but there has been no relief for the American people, and they know it in spades. There are lots of rude awakenings yet to come, both in the U.S. and abroad. Barack Obama remains euphorically optimistic, but neither he nor the leaders of other countries can hold back an economic tsunami; and Americans are realizing more and more that he has lied to them.

Vernon L. Smith, Nobel Laureate in Economics, and Steven Gjerstad have written: “The events of the past 10 years have an eerie similarity to the period leading up to the Great Depression.” Years from now, economic historians may look back at this era and conclude that global market forces ultimately determined the depth and duration of the economic meltdown, not the politicians in Washington or anywhere else. The tsunami that was released when the housing bubble burst may not run its course until about 2017-2019, and its effects will be devastating worldwide.

While U.S. politicians and their counterparts in other countries have been trying to convince their electorates that they

have the answers, they are simply holding out false hopes that real solutions are at hand; and Americans are in the process of realizing this as the elections of 2010 and 2012 approach. America and other nations are in uncharted waters; and their politicians are facing backlashes from disillusioned and angry constituents that will be unprecedented in modern times.

The latest highly-respected Rasmussen Reports national telephone survey—which was released on December 14, 2009—found that just 40 percent of American voters favor the health care plan proposed by President Obama and congressional Democrats. Fifty-six percent of Americans oppose it, which is the highest level of opposition found in six months of polling. Perhaps more significantly, 46 percent of U.S. voters Strongly Oppose the plan, compared with 19 percent who Strongly Favor it. Yet, Obama and the Democrats are in the process of trying to shove it down the throats of Americans.

Obama's poll numbers have been falling like a rock. The Rasmussen Reports daily Presidential Tracking Poll for December 15, 2009, shows that 26 percent of the nation's voters Strongly Approve of the way he is performing his role as president. However, 41 percent Strongly Disapprove, giving him a negative Presidential Approval Index rating of -15. Tragically, the legacies of former Fed Chairman Alan Greenspan—who is to blame for the domestic and global economic meltdown<sup>[2]</sup>—Obama and the Democrat-controlled Congress will haunt the United States and the American people for generations to come, as the economic tsunami continues to roll worldwide.<sup>[3]</sup>

ObamaCare, which the American people strongly oppose, Obama's war in Afghanistan and his failing economic policies, and his failure as a president may cost the Democrats both houses of Congress and change the course of American history.

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<sup>[1]</sup> Mr. Naegele was counsel to the U.S. Senate Banking Committee; and chief of staff to Presidential Medal of Freedom recipient and former U.S. Senator Edward W. Brooke (R-Mass), the first black senator since Reconstruction after the U.S. Civil War. He practices law in Washington, D.C. and Los Angeles with his firm, Timothy D. Naegele & Associates ([www.naegele.com](http://www.naegele.com)). He has an undergraduate degree in economics from UCLA, as well as two law degrees from the School of Law (Boalt Hall), University of California, Berkeley, and from Georgetown University. He is a member of the District of Columbia and California bars. He served as a Captain in the U.S. Army, assigned to the Defense Intelligence Agency at the Pentagon, where he received the Joint Service Commendation Medal. Mr. Naegele is an Independent politically; and he is listed in Who's Who in America, Who's Who in American Law, and Who's Who in Finance and Business. He has written extensively over the years. *See, e.g.*, [www.naegele.com/whats\\_new.html#articles](http://www.naegele.com/whats_new.html#articles)

<sup>[2]</sup> *See, e.g.*, [http://www.americanbanker.com/issues/173\\_212/-365185-1.html](http://www.americanbanker.com/issues/173_212/-365185-1.html)

<sup>[3]</sup> *See, e.g.*, [http://www.realclearpolitics.com/news/tms/politics/2009/Apr/08/euphoria\\_or\\_the\\_obama\\_depression.html](http://www.realclearpolitics.com/news/tms/politics/2009/Apr/08/euphoria_or_the_obama_depression.html)

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1.  [naegeleblog](#) Says:  
December 17, 2009 at 7:48 pm | [Reply](#) [edit](#)

See [http://www.forbes.com/2009/12/16/great-depression-economy-finance-opinions-columnists-mikka-pineda.html?partner=daily\\_newsletter](http://www.forbes.com/2009/12/16/great-depression-economy-finance-opinions-columnists-mikka-pineda.html?partner=daily_newsletter)

This is an interesting article that touches on the issues that I addressed above, as well as what I wrote about in the American Banker and for the McClatchy Newspapers and McClatchy-Tribune News Service. See [http://www.americanbanker.com/issues/173\\_212/-365185-1.html](http://www.americanbanker.com/issues/173_212/-365185-1.html) AND [http://www.realclearpolitics.com/news/tms/politics/2009/Apr/08/euphoria\\_or\\_the\\_obama\\_depression.html](http://www.realclearpolitics.com/news/tms/politics/2009/Apr/08/euphoria_or_the_obama_depression.html)

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