End of Nuclear Energy Bottleneck Will Power Enormous

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It is important that we understand that the stock market is not the economy. Even people who are not investors tend to make this mistake. It's easier to make that mistake if you're personally invested. On the surface, however, it's obvious that economies don't change as dramatically as the market does. Paper losses can be painful, but they don't translate directly into the destruction of real assets.

I am pointing out the obvious because I'm so sick of mainstream media's economic coverage. We know, in fact, that our so-called Fourth Estate has the collective IQ of an underachieving adolescent. We know this because the mainstream media utterly failed to cover the oncoming credit crisis. They did so even as rational analysts were screaming that **Fannie Mae** (NYSE:FNM) and **Freddie Mac** (NYSE:FRE) were headed for a cliff. When the media spin current events, remember how wrong the pinheads were until now.

So let me quote someone who is not a pinhead: economist Thomas Sowell. He wrote a great piece recently criticizing the media's constant connection of the 1929 stock market crash and the Great Depression.

"Let's start at Square One, with the stock market crash in October 1929. Was this what led to massive unemployment?" Sowell asks.

He then presents the fact that the unemployment rate was at 5% in November 1929, a month after the stock market crash. "It hit 9% in December - but then began a generally downward trend, subsiding to 6.3% in June 1930.

"That was when the Smoot-Hawley tariffs were passed, against the advice of economists across the country, who warned of dire consequences.

"Five months after the Smoot-Hawley tariffs, the unemployment rate hit double digits for the first time in the 1930s.

"This was more than a year after the stock market crash. Moreover, the unemployment rate rose to even higher levels under both Presidents Herbert Hoover and Franklin D. Roosevelt, both of whom intervened in the economy on an unprecedented scale."

So the real question is will the Obama administration duplicate the Hoover and Roosevelt fiasco? Frankly, I don't think it could if it wanted to. I say this for several reasons.

One is Obama's choice of economic advisers, a group praised by free-market economists and criticized by those who want a new deal. Moreover, there are significant international factors driving economic growth that simply didn't exist in the 1930s. Specifically, India, China and the old Soviet satellite countries have been growing at double-digit rates for years.

In many ways, policymakers in these countries are smarter than their American peers. This is because they are playing catch-up for populations that demand real economic improvements. In fact, our portfolio will expand this year to include breakthrough technologies in these unstoppable markets.

In this month's newsletter, I go into more detail about the Obama administration's impact on nuclear energy. What I will say here, though, is that "Only Nixon could go to China." That famous catchphrase has come to refer to the fact that sometimes only opponents of policies have the ability to change them. Bill Clinton, for example, ended entitlement status for welfare.

Therefore, the Obama administration has the power to end the influence of the anti-nuclear energy movement. His science adviser, in fact, has stated that he intends to do just that. More importantly, he has been personally involved in researching next-generation nuclear technologies.