

272 billion reasons to feel depressed

Written by Bruce Enberg

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In case you've missed the good news on the corporate media; the total GDP of the US is now greater than it was before the Bush crash. Not surprisingly, President Obama gets no credit for this. Just saving the auto industry is a big deal. Let's cut through the Republican crap on this; the loans to GM and Chrysler weren't designed to save those companies per se.

Detroit automakers could have in theory recovered using traditional bankruptcy protections, in other words by stiffing their creditors. The problem with this "solution" is that it would have in fact killed not only GM, Chrysler and Ford; but Toyota had said flatly that they would cease North American operations under the Republican solution pushed by Mitt Romney and Senators from the southern states.

The reason for this bleak outcome is that the huge debt load that the car makers were carrying was mostly owed to their parts suppliers, and as creditors they would have been wiped out in bankruptcy. Why Toyota? They were using even more American made parts than the so-called US companies.

Entire industries have disappeared from the US economy over the past 30 years; Obama can rightly claim this hasn't happened on his watch, at least not so far. However, there is a fly in the recovery ointment. We are producing this larger GDP with 6 million fewer workers. Many of these jobs were lost from the housing collapse that began in 2006, but many more workers were given pink slips the day after the 2008 election. These were planned layoffs that were replaced by workers in Asia that had been put in place well in advance. Still more jobs simply dried up with the recession.

Another supposed bright spot is the news that we are exporting 40% more to China than before the crash, but the bright light is really an onrushing bullet train (made in China). Our trade deficit with China is just as high now as before the crash. We import four times as much as we export to China for a net loss of \$272 billion last year. And that's just China, - there's the oil deficit too.

You shouldn't make too much of the huge sums of money we owe or the massive deficits; it's all just paper. The point is that this money really doesn't exist; the goods and services it represents have already been produced, consumed and forgotten. It amounts to nothing more than an excuse for some rich guys who did nothing to earn the money, and paid no taxes on the profits, to keep screwing with us, and taking away our real wealth. If we would put people in charge

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who actually worked for us instead of the 0.1 percent, the books could be made to balance.

It's true that rebuilding America will be a big job. Much of the industrial heartland of this country looks like we were the losers of WWII instead of the winners. The actual losers have rebuilt and are thriving, so it can be done. Of course their heavy machinery was salvageable in the ruins, where ours has been crated up and sold to China. Their workers still knew how to use the machines, as we've gone a full generation without training replacements for the retiring workers.

We still need to be "liberated" and the people responsible must be taken to trial. The problem is that most Americans don't grasp their situation, the propaganda still flows, the criminals still wield great power, and millions believe the bad guys are really the good guys. The good news is that we have a growing "occupation" that is making it clear to more Americans everyday who the bad guys really are. Can we move beyond that to a post war rebuilding period? It's too early to tell.

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