

The Decline and Fall of the American Empire

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The United States Government and its prostitute media have wasted time and energy creating hysteria over a non-existent “debt ceiling crisis.” After reading the “news” in the Ministry of Propaganda and witnessing the stupidity of the US government, the rest of the world is struck dumbfounded by the immaturity of the “world’s only superpower.”

What kind of superpower is it, the world wonders, that is willing to go to the eleventh hour to convince the world, which holds its banking reserves in US Treasury debt, that the US government will default on the debt?

Every country in the world now worries about the judgment and sanity of the country with the largest nuclear arsenal in the world.

This is the achievement of the Republicans, who took an ordinary commonplace increase in the debt ceiling limit, an event that has occurred routinely many times over the course of my life, and turned it into a crisis threatening the world financial system.

To be clear, there was never any risk whatsoever of US default as President Obama has power established by President George W. Bush’s Presidential Directive 51 to declare default a National Emergency and to set aside the debt ceiling limit and Congress’ power of the purse, and to continue to issue the debt necessary to fund the US government and its wars.

That the American press ever took this highly-hyped “crisis” seriously merely demonstrates their prostitute status.

The US public debt is rising too rapidly against US GDP, although it is still below the percentages during World War II. The problem that is ignored by the idiots in Washington and the prostitutes is that the debt is rising relative to the economy because the economy is not rising, but war expenditures are.

Why is the economy not rising?

It is not rising, because it has been offshored. What formerly was US GDP produced in Gary, Indiana, St. Louis, Detroit, Silicon Valley, and other US locations is now GDP for China, India, Indonesia and other countries where manufacturing labor and professional services can be hired below US rates.

What happens with offshoring? The answer is clear. US GDP, consumer income, career opportunities, and tax base leave the country. Corporate profits and bonuses rise due to the lower labor costs.

Who is this good for?

The answer is that it is only good for Wall Street, corporate shareholders, and corporate management. Their incomes go up, and the GDP goes down along with the employment opportunities of Americans and the tax base for government.

The other destroyer of American economic prospects was the deregulation of the financial sector. Economists theorized that markets were self-regulating and created the illusion that greed was never a problem. This was music and dollars to Wall Street's ears. Federal Reserve Chairman Alan Greenspan and the Wall Street-owned US Treasury jumped on board. Those, who like Brooksley Born, were empowered by US law to regulate derivatives, were driven out of office by the Federal Reserve Chairman, the US Treasury Secretary, and the Securities and Exchange Chairman.

Financial institutions freed from Glass-Steagall, freed from capital requirements, and freed from oversight, immediately took debt leverage on highly unrealistic bets to amazing heights. When the schemes collapsed, the Federal Reserve lent US and foreign banks \$16.1 trillion dollars, a sum larger than the US national debt and larger than the US GDP.

Where did the Federal Reserve get \$16.1 trillion to lend? The Fed created it out of thin air with a stroke of a computer entry.

While the Federal Reserve created \$16.1 trillion in new loans for private banks, the bailed out banks bulldoze the foreclosed homes of the evicted Americans. <http://news.yahoo.com/bulldoze-way-foreclose-102000063.html>

So in America, the light unto the world, American citizens are thrown out of their homes in order that banks can bulldoze their homes.

Only in America does this makes sense.

And it is not only Americans who are being made homeless by US policies. Afghans, Pakistanis, Iraqis, Yemenis, Somali, Libyans are also consigned to homelessness by American policy. Moreover, America's wars against these peoples together with the supporting military/security budget account for 75% of the US budget deficit. Indeed, the cost of these wars exceed the planned future budget savings from the debt limit deal.

In other words, the cost of the wars that make millions of foreigners homeless use up revenues that the federal government could have used to keep Americans in their homes and teachers in the schools. As much as many Republicans profess to be concerned about the US public debt, Republicans were not sufficiently concerned to address their issue by cutting back the \$1.2 trillion military-security budget or by raising the low tax rates on the mega-rich.

Look at these July 30 headlines, just two days prior to the default deadline, from the online group, Stop NATO:

US Military To Be Based In Australia To Confront China

Call To Expand American Counterinsurgency Operations In Philippines

US Could Upgrade Polish Warships For Baltic Sea

Bulgaria: Pentagon Continues Upgrading Military Bases

US Uses Romanian Air Base To Supply Afghan War

America's Africa Partnership Station In East Africa

Mongolia: US Leads NATO, Asian NATO Allies In Military Exercise

Libyan War: Over 17,000 NATO Air Missions, Nearly 6,500 Strike Sorti

The Big Picture: War on Libya is War on Africa

What in the world is a country facing bankruptcy and default doing conducting military exercises in Mongolia and Central Asia? What is the North Atlantic Treaty Organization, designed to counter a Soviet thrust into Western Europe, doing in Mongolia?

Why are these military expenditures necessary, but not expenditures to keep America's homeless population from rising while homes are destroyed?

Why do not the Republicans listen when mega-billionaire Warren Buffett says that the tax rate on his massive income is lower than the tax rate on his secretary's income?

The answer is that the Republicans have an agenda: War. And Republicans want to fund this war, not by taxing high incomes but by cutting support programs for the down and out.

To cut to the chase: Even if all the cuts actually happen, the weakening economy will result in new deficit projections that will wipe out the expected savings from the debt limit agreement.

What then will the government do?

Until US policymakers comprehend that the economy has been moved offshore and take steps to bring it home, there will be no solution to America's debt problem or to its unemployment problem.

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