

The “Double Dip Economic Depression”

Why the President Warns of a Deeper Drop, Not a Recovery

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When I was a kid, a “double dip” was an ice cream cone with two scoops. Yummy,

Today, the same expression is being used to warn us that the recession we are still struggling with could, and is supposedly posed for recovery could fall even deeper into another dip. That d word seems to be a substitute for another—a depression.

What’s going wrong? Isn’t the stock market sailing high? Hasn’t GM managed to cut its losses to only a billion? Isn’t Goldman Sachs setting aside “ a half a billion dollars to help small business and show how sorry it is for its role in the financial meltdown? (That pay out is over ten years—just 2.6% of its bonus pile, but who’s counting. A half a billion still sounds like real money.

To hear Joe Bidden tell Jon Stewart how many jobs were created or saved, you would almost think it’s all under control. That’s what they want is to believe: we are on the way back, baby because the big dicks are swinging on Wall Street again.

And yet, when you read between the lines and figure out how to decode the lies and cheerleading, another picture emerges.

A Double Dip is not that remote.

There are **Structural** problems like a growing wall of debt that try as you might cannot all be blamed on The Democrats if you are of the other persuasion or on the Repugs if you stand with the Donkeys.

It’s a system thing, a cancer that is eating away at the economy. The Financial Times reported Wednesday night, “US President Barrack Obama warned that the US economy could head into a “double-dip recession” unless urgent steps were taken to rein in mounting public debt.

Obama told Fox News—I guess they are talking again- “That’s when the economy begins to recover briefly from a recession only to be dragged back under. Obama told Fox News in an interview Wednesday that his administration is weighing tax breaks that could encourage businesses to begin hiring again.

But he added that it’s important to recognize that if the nation keeps adding to deficit spending through tax cuts or more stimulus spending, at some point people could lose confidence in the U.S. economy and that could “lead to a double-dip recession.”

What are the chances that can happen?

Quiet as its kept, the odds are pretty good.

Can a Congress addicted to financing from lobbyists and compromise and collusion do what needs to be done? The financial industry has 6 lobbyists playing every Congressman. (My new book, THE CRIME OF OUR TIME offers the details)

While Obama was in China kowtowing to our nation's real bankers, Tim Geithner was on the hill pleading for financial reforms even as most observers believe that because the public thinks things are getting better, and because our legislators don't want to think about it, there is no passion for cracking down on the practices and people that got us into this mess.

AP reported: "Treasury Secretary Timothy Geithner told Congress on Tuesday that efforts to strengthen the global financial system to prevent another deep crisis will falter if the United States drops the ball on overhauling regulation of its own banking system.

"We need to move on the reform agenda when the memory of the crisis is still acute."

Sorry Tim: We have no memory in our United States of Amnesia where the national attention span finds twittered messages too long.

Already the Obama Administration is preaching reform while also killing reform as in watering down the Sarbanes Oxley rules, enacted after the Enron Scandal and passed by Bushes, for companies making less than \$75 billion. That's considered "small business."

And what about protecting Consumers from abuses that EVERYONE knows are outrageous. Mike Kranish writes in the Boston Globe that reforms to lower credit card rates are fading:

WASHINGTON - Efforts in Congress to cap credit-card interest rates are faltering because of opposition from Democrats and a lack of specific support from the White House, despite growing consumer outrage over a rush by banks to impose rates as high as 30 percent.

During the 2008 presidential campaign, Barack Obama vowed to back a strict limit on credit-card interest rates. But the White House is not yet behind any particular plan this year. While Obama has chastised credit-card companies, his spokeswoman declined to say this week how he planned to follow through on his campaign pledge."

And what about jobs? New organizing efforts are underway to press Congress to act. The reason, according to the Economic Policy Institute:

"The U.S. unemployment rate exceeded 10% in October for the first time in a quarter century. Nearly 16 million Americans who are able and willing to work cannot find a job. More than one out of every three unemployed workers has been out of a job for six months or more. The situation facing African-American and Latino workers is even bleaker, with unemployment at 15.7% and 13.1%, respectively."

What to do?

For starters we have to get hip about the dangers of a double dip. We have to care more about these issues than we do. Enough bloviating about Sarah Palin and Khalid Sheikh Mohammad.

Enough about Rush and Beck and company and other distractions.

Educate yourself about how serious the crisis still is. Get engaged with economic justice issues. Press for financial reform with groups like ANewWayForward.org.

Lets start focusing on stopping a more serious collapse before it occurs.

Danny Schechter, News Dissector, is finishing the film Plunder: the Crime of Our Time and has a companion book on the financial meltdown as a crime story. Visit: Plunderthecrimeofourtime.com Write: dissector@mediachannel.org

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