

## The Emperor's New Statistics

by John Hoefle

Jan. 29—U.S. government economic statistics and other economic reports increasingly remind one of the fable of the emperor's new clothes. The statistics keep improving, while the economy keeps getting worse.

This observation is prompted by today's report from the Department of Commerce that the nation's gross domestic product rose 5.7% in the fourth quarter of 2009, after rising 2.2% in the third quarter. That's quite an accomplishment, considering that the number of people employed fell by 1.2 million during the quarter, according to equally suspicious numbers from the Bureau of Labor Statistics.

Considering the avalanche of problems which usually befall people when they lose their jobs these days, it's obvious that any statistic that purports to show that the economy is expanding, is but cloth from the emperor's wardrobe. That is certainly the case for GDP, which, because it fails to take into account the difference between productivity and overhead, actually *hides* the way the economy is being destroyed.

The Obama Administration and Wall Street would have us believe that the economy has turned the corner and is recovering, each for its own reasons. But as with all habitual liars, watch what they do, instead of what they say. If they really believe the crisis has passed, why are they so committed to ramming fascist austerity measures down our throats? They talk about things getting better, but they are rather openly preparing for things to get worse—much worse.

### Saving the Parasites

The great success of the “economic recovery,” we are encouraged to believe, has been the rebound of Wall Street. To believe that, however, you have to swallow some real whoppers.

The first of these is that Wall Street has actually recovered. Despite the biggest theft of public funds in history, Wall Street remains hopelessly bankrupt, its financial institutions are holding enough uncollectable debt and toxic waste to sink them all many times over. The level of fraud is so great that, were proper investigations to be done, and all the guilty punished, we'd have to build new prisons to hold all the bankers, accountants, lawyers, and regulators being incarcerated.

The second whopper is that the profitability of Wall Street is a valid marker for the health of the economy. That's akin to measuring the health of a dog by the growing number of fleas it carries, since, just like the fleas, the bankers of Wall Street thrive by sucking wealth out of the economy. It was Wall Street, after all, which oversaw the dismantling of the industrial might of the nation, and promoted the transfer of U.S. production overseas, in the name of profits.

We would also have to believe that Wall Street is an American phenomenon, dedicated to the welfare of our nation. Wall Street is actually an arm of that London-centered global financial oligarchy known as the British Empire, and its actions are designed to destroy our nation. As it has.

The giant theft known as the “bailout” is actually designed to keep this imperial looting operation alive during the transition to an intended global fascist dictatorship. No recovery is intended, or even possible, under this regime.

Instead, what is planned is the systematic looting of the population, to keep the financial profits flowing as the economy continues to decline. President Obama’s health-care plan is a good example of what is intended, forcing people to pay premiums to the insurance companies, while at the same time cutting the care people will receive for their money. “Pay more, get less,” is the motto for this unholy future. As governments at all levels go broke, they will be under increasing pressure to raise fees on such basic infrastructure as roads, water, and sewer systems, or sell them to private companies which will jack up the fees.

The imperial bankers know we will rebel against such austerity measures, which is why they are so determined to expand the police-state apparatus. They know they will need it! This is the future that awaits us, under the present “recovery” policy.

### **An Honest Recovery**

An honest recovery plan starts from the standpoint that the people come first, and that the way to raise the standard of living of the people is to increase the productive power of human labor. The history of our own nation is exemplary of that principle. We developed our inland waterways, and then transcontinental railroads, to tie us together; we improved the quality of our land, generation after generation; we developed new technologies to expand the power of our machines, and so on.

This commitment to science and technology for the benefit of all our citizens, was what turned our land into a nation, into the most advanced economy the world has even seen. It enabled our young nation to not only break free of the British Empire, but to begin to transform the world. We saved the world from fascism in World War II, largely because of our physical-economic prowess—we produced more ships, more planes, more trucks, and guns than anyone else.

After the war, we had the great promise of the Atoms for Peace program and the peaceful use of nuclear power. But that was shut down by a campaign organized by the British, who wanted to stop the world from advancing to a new technological level. As a result, our scientific advancement was halted in crucial areas, and our economy began to stagnate. Since then,

we have watched one industry after another wither, to the point where we are today just a shadow of our former productivity.

To compensate for this loss in wealth-production, the bankers of Wall Street stepped in with loans. We gradually became a nation of debtors, and as that debt grew, Wall Street developed new financial instruments such as derivatives, which were used to turn the growing mountains of debt into new classes of assets, fueling even more speculation, and debt. In the end we had so much debt that it could never possibly be repaid, and we were choking on paying even the interest.

This is the system that the bailout would restart, the system which Treasury Secretary Tim Geithner defended so ardently in his Congressional testimony on AIG this week. These fools are not saving the world, they are destroying it, and turning back the clock to the days before the American Revolution changed the world.

If we are to have a real recovery, we must return to those American System principles we have abandoned, restoring sound physical-economic development. We must not only rebuild, but expand, our infrastructure, using the most advanced technologies. That means building lots of nuclear power plants to generate the electricity we will need to power a new Renaissance. We need to build a national network of high-speed maglev trains, and connect that network into Ibero-America, and across the Bering Strait into Russia, whence it can reach into the rest of Asia, into Europe, and Africa. We need huge water-management projects, to provide water for our arid western states, and the new cities we will build there. We must put a man on Mars. Such projects are not just costs; they are investments—real investments—in the future of our nation and of mankind. They are absolutely necessary for our survival.

To do this, however, means a complete reorganization of our existing structure. We must put the financial system into bankruptcy protection, where the financial claims associated with the imperial casino can be written off, and the financial claims associated with economically useful activity can be protected. We must shut down the casino, and end the power of the Federal Reserve and other private banks to control the issuance of our money. We must break the grip of the British Empire over global finance, so that we can move forward in the interests of the people, instead of the financial “elite.” We must do so now, while we still have the chance.

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