

Talk about Debt with Ruth Yeager

I. National Debt

- Current size: as of April 5, \$8,384 billion; over \$28,000 per person
- Rate of growth: \$2.42. billion per day since Sept. 30
- Iraq War: based on Congressional appropriations, over \$270 billion
- New budget would add \$3 trillion to the national debt in the next five years and boost the annual interest payments by 35 percent during that period.
- Books talking about debt: both from left and right: Empire of Debt
- Differences in Republican concern, which emphasizes protection of property rights, with Democratic concern, which emphasizes protection of human rights, the value of labor; note that either position, taken to the extreme, is bad; need to get back in balance

II. Bush's fault: national debt, yes; trade deficit and loss of jobs and industry are of longer duration; "free trade": not a free market when our dollar is kept artificially high and interest rates artificially low, along with govt subsidies

III Grover Norquist

"My goal is to cut government in half in twenty-five years, to get it down to the size where we can drown it in the bathtub."

- "(Americans for Tax Reform) supports a flat tax rate, school choice and tighter controls on the right to sue for injury. It opposes gun control, abortion and "all tax increases." To secure the group's endorsement, politicians must sign a lifelong pledge to oppose tax increases. (The Oregonian, 9/8/98)
- His take on what bankruptcy will bring: less govt = more freedom (who fills the power vacuum, who's left to protect our constitutional rights)

IV What to expect from bankruptcy

- Devaluation of Dollar, evisceration of middle class, Argentine example
- Stock market and housing bubbles
- Effects on world economy
- Restructuring American debt – World bank
- Massive privatization, selling off of commonwealth
- Public vs private: outside vs local control
- Dangers of privatization of our army, weapons industry

V What can we do?

- Acknowledge problem: politics of optimism as optimism diverges from reality; Enron as cautionary tale: Not just debt, but energy crisis, environmental problems
- Oust all Congressmen who took Norquist's tax pledge
- Rebuild our Promote local production/industry, alternative forms of energy
- Repeal Bush's tax cuts to wealthy, industry; need for a wealth tax – tax on foreign holdings
- Cut pork out of budget, esp. defense; acknowledge as myth the Republican idea that a bloated defense budget equals security
- Personal debt: \$8,000 credit card debt per capita, new bankruptcy law
- Need to work together to take back our nation
- New New Deal? Old argument: did FDR destroy capitalism or did he save it from itself

Books:

American Theocracy by Kevin Phillips

Empire of Debt by Bill Bonner

The Long Emergency by James Kunstler

Exporting America by Lou Dobbs

Outsourcing America by Ron Hira and Anil Hira

The Overspent American by Juliet Schor

Confessions of an Economic Hit Man by John Perkins

Where the Right Went Wrong by Pat Buchanan

Collapse by Jared Diamond.

Blood and Oil by Michael Klare

Running on Empty by Peter Peterson

Imperial Hubris by Anonymous

Shoveling Fuel for a Runaway Train by Brian Czech

Losing America by Robert Byrd

The Great Unraveling by Paul Krugman