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In the counter-intuitive world of policy-making if it isn't a crisis (real or perceived) nothing will change and if you want anything to change you must turn it into a crisis.

Labor Crisis (and a Solution)

14.07.03 Automation, although not the apocalyptic ending to the work force that was once predicted, has nonetheless still eliminated more jobs than it has generated. The current United States unemployment rate is over 7% in some states and far worse for many smaller locations and demographics; teen-agers looking for summer work are out at 19% unemployment. Regardless of whatever the numbers look like they always understate the demand because those who've tried and given up are not shown as are those who would like to have a job but don't.

When as many people need work as they do today and try but cannot get any, that's a crisis. Today's labor crisis is one being desperately downplayed and ignored by government (or aggravated by state budget cuts) because it makes them look bad and they really don't have any plans or ideas on how to solve it besides wait and hope it gets better fast. America needs another economic solution builder like John Maynard Keynes and let's hope this time we can do it without another World War or Great Depression before government policy makers have enough motivation to do something about unemployment and a dying economy. I'm no Keynes but I can give it a start and act as a catalyst letting others enhance and implement these core ideas on labor and society.

During the Great Depression President Roosevelt adopted Keynes' idea that all you had to do to revive a sagging economy was get people back to work and the best way to do that was deficit spend during recession and then cover that debt with the higher tax revenue of a booming economy afterwards. The money was used to pay people to work and this did help - it gave people something to do so they didn't revolt, and it made the country a better place at the same time. Roosevelt used massive public works projects with all kinds of acronym names like CCC or WPA, etc. to give people jobs. The success of those programs is still the stuff of legend today even though it conveniently ignores the fact that Hitler's Third Reich pioneered the idea of massive public works projects to claw a nation out of deep depression. But hey, it was all a very fascist era so let's just skip that history lesson and move on.

Keynes was an economist not a community developer. Simply injecting liquidity into the market today will not, and has not, yielded the same results despite repeated

attempts because American society is different. Today America lacks a key component of that equation, we no longer have a cohesive and connected social fabric. In the 1930s America was primarily a rural, agrarian culture where most everyone knew everyone else in their small town. In this milieu people would naturally cooperate, all they needed was employment and income to survive. Today we need work and trust; it's a much more difficult level to work from but not impossible and the labor programs can be largely reproduced. What's really ironic is that there's no lack of need for labor in the 21st century. Parks, streets, schools, hospitals, virtually every public service and structure needs massive amounts of maintenance and the lack of care is showing up in potholes in roads, overworked medical staff, and budget cuts everywhere. Flawed values, labor pricing and excessive regulations are skewing the system and generating mass-unemployment in the process which is completely unnecessary. With all the unutilized skills and labor in America, coupled with the escalating demand for paid employment, why does a solution remain so elusive?

Self Sufficient?

Americans like to think of themselves as a self-sufficient people but the numbers belie this myth; Americans are arguably more dependent on the people and resource of the rest of the world than any other group on the planet today. Several billion dollars a day are required in Foreign Direct Investment (FDI) just to sustain the consumption oriented American way of life. This means that foreigners have to collectively send billions of dollars of their wealth daily into America or the American way of life ceases. Usually this fund transfer takes the form of bond purchases but it could be any asset - stocks, real-estate, etc. In the past the Japanese have been large purchasers of United States Treasury bonds but anymore China is eclipsing them as the biggest vacuum engine sucking them up. China does not allow its currency to float in value freely on the open market, like most other currencies, which allows them to set the exchange rate in principle. In practice, in order to keep their currency out of balance against the US Dollar, China has to sell the Yuan and buy Dollars. Secondly the massive trade imbalance is constantly adding to an excess of Dollars on China's (and all of export driven Asia) side and a loss on that of America's.

Didn't you wonder how the Federal Reserve could keep printing money like they've done especially over the past ten years to keep the Clinton era economy (and now Bush's) all nice and rosy without hyperinflation?

Well here's your answer: the Dollars are sitting in a bank vault in China and the chronic trade imbalance put 'em there, neatly out of circulation (for now). But the last laugh may not belong to China, for if they ever decide to dump their Dollars and force America into hyperinflation they will lose their key export destination and kill their own economy in the

process!

So why do foreign investors 'buy American' and in such huge amounts? Multiple reasons; in some cases their financial investment alternatives are very limited, and in some cases they have no choice for most critical commodities such as crude oil are denominated in United States Dollars. Also, as in the case of China, it's partly for gaining influence over American policy and partly out of expediency. These chains of debt go both ways though and China is at least as much at America's mercy as the other way around, and right now neither party is willing to force any changes in the relationship. But clearly this is not a stable position for such disparate countries to be in. A hundred years ago foolish treaties and legal entanglements between nations started world wars, today the entanglements are usually financial and the result of these often convoluted and unlikely connections are not completely clear; the friction and potential for conflict are quite palpable.

The point is that if federal spending is kept within reason and America domestically produces what it needs instead of importing it then that FDI factor goes way down and America no longer needs to import foreign capital to stay afloat. We regain control of foreign policy and enhance national security.

The next question is, how do we compete with penny-a-day manufacturing wages in developing countries? The answer is volunteer labor, because about the only thing cheaper than these ultra-low wages is free wages. In this case American workers would be building products for Americans to buy, say plastic toys, instead of Chinese workers. Now of course nothing is free, the wages would be paid by the government but since all these imported products come at the price of a trade deficit the financial imbalance would now be internalized and instead of owing foreigners America would owe its own people. The labor force for these, sometimes less than desirable, jobs would be temporary anyway but teenagers could use the after school or summer work. The increase in income earned by American citizens could then be spent locally creating a synergistic financial effect rather than the typical deleterious reverse we see today as money drains out of America almost as fast as the Federal Reserve can print more. Even though the federal government would be deficit spending to give these workers a paycheck it would come back in tax revenue *and the need for fewer social programs thanks to the rise in personal income*. Obviously the mechanics and other issues, such as worker safety, would have to be pinned down better but the concept itself is sound. More on this in a moment.

Now as nice and simple as this plan sounds many powerful people are implacably opposed to national control of any single economy because they believe international economic entanglements are a positive development - they see it as *preventing* nations from going to war with each other, or at least that's the official philosophy. Cynics counter that this is simply the billionaires making all the rules to favor the free-flow of their wealth at the expense of everyone else. Either way, these

people will fight like hell to prevent America, or any country, from building an internally balanced economy (or even a reasonable balanced trade structure) and to maintain their holy myth of the righteous global economy while making billions of dollars out of this state of affairs. But ultimately the decision is nearly inevitable because the global financial circulatory system with America as the heart pumping Dollars is already badly broken, like a mortal case of heart disease and cholesterol buildup in the arteries; nobody said myths die without a fight.

Here's an example on the importance of solving our contemporary labor crisis. Right now American companies are rapidly farming out high paying IT (Information Technology) jobs to foreign labor like in India. Indian call-center employees for instance make less than \$300 *a month!* Corporations love this maneuver because they save a fortune now, but they end up losing far more as they gradually erode their customer base by putting them out of work! Corporate executives would outsource their entire workforce immediately but they have to keep public reaction minimized and so they are compelled to do this only slowly and quietly - it's the old boiling a frog analogy by slowly turning up the heat, and you know who the frog is in this case.

It's far more financially sound to have the government pay the full salary of these workers and keep them in their own country than allow corporations to outsource jobs to foreign workforce's because otherwise the government sees no income tax revenue (and how much do corporations pay again?!) and in fact has to pay unemployment! *This is a race to the bottom* and in the end it is lose, lose, lose for everyone involved. I imagine the primary complaint would be government subsidizing private industry but the payments wouldn't have to be direct they could take the form of tax breaks or tax penalties or something more creative, but those are just details obscuring the critical concept. The only safe alternative for the health of the national economy is to simply outlaw this type of job exportation. In America, like most western countries, all licenses to conduct business are issued by the government and can theoretically be revoked just as easily, yet no matter how corrupt the corporation is this almost never happens.

The Danger of Social Compartmentalization

So while the larger scale depicts flawed international relationships, the smaller scale of community is equally ill. At least as serious to long term community cohesion is the threat of specialization. As technology progresses so does the need for specialized education and ever more narrow expertise. People live and work within such an increasingly proscribed range of knowledge and acquaintances that they lose perspective or understanding for the experiences of others [see also: *Science as False Saviour*, *American Supernova* and *New Democracy*] It's imperative to start bringing people back together if society is to have anything but the most vapid and exploitative of qualities to it. This is because when no one cares about the well being of anyone else they're forced to hide behind short-term self-interest and money and

any sense of solidarity or cooperation is quickly eroded away by this acid. Then government and centralized authority has to step in to protect vested interests. Soon the entire social order spirals downward into ever more myopic and meretricious values aimed only at keeping everyone else *down* rather than aiming to move as many *up* as possible.

People have to connect with those they live around, but if all they ever see is their tight circle of work and friends they become distanced not just from their neighbors but from the political and social system they exist within. This is called disenfranchisement and it runs like a worm through every aspect of modern, professionalized America where even the most simple social task and services once done by friends or relatives, like child daycare, now have to be done by government or private services. It should not be surprising then that trust is lost. Now people have less disposable income or time than their parent's generation did, everyone locks their doors and fear plagues the populace.

A Solution

I've thought about this considerably and I think we can solve these two critical issues of mass disenfranchisement and unemployment in one package. I thought about Rousseau's comments that forced labor is less damaging to liberty than taxes and it very likely is, but we can go one step further. This idea takes the form of community service, labor in addition, or instead of, income taxes. It could even have a graduating scale where the more income you make the more community service you have to do. Wouldn't it be great to see Bill Gates out working litter patrol along I-90? More realistically everyone should have the option to do community work or volunteering instead of paying taxes but the amount may have to be asymmetrical in dollar terms in order to generate an incentive. So say you owe \$1000 that could translate into \$500 worth of community work in time or effort. The point is eventually people would realize they are part of a larger entity, a society, and they are all in it together rich or poor and that everyone must participate or the entire system fails. No one could hide behind money and indeed money would start to lose its appeal because people could exert meaning through other measures besides numerical wealth as their labor for the public would once again have value in and of itself.

A public works program that replaces money with labor provides enormous benefits to individual and collective mental health by generating a clear sense of purpose, meaning and social context.

Analyzing the Solution

So in one fell swoop we've undermined the dominance of raw capitalism, defeated public disenfranchisement and reduced unemployment. The sad part is it's such a beautiful concept it probably has little chance of ever being adopted in the current political environment. But in the meantime let's look at potential trouble with this

idea.

First, labor and money are not completely interchangeable. In certain cases the government would likely have to pay more to support the labor programs than they take in from direct taxation, but they already do this anyway, it would merely be a matter of redirecting the funds. But the benefits to social cohesion are immense. In fact with an increased sense of cooperation and trust the need for police and legal services would decrease dramatically -- less crime, fewer trials, fewer prisons -- generating a massive savings in government outlays that could easily pay for community labor programs, and even turn a surplus, in short order.

Second, anytime people volunteer you've got to have a very elaborate network to direct them into places where their skills and interests will do the most good for them and society. Secondly, even when people do volunteer the product is not always as useful as that from a professional and we can't have so many volunteers that it drives the real professionals into unemployment themselves. But the nonprofit sector, meaning all the public services needed that government doesn't fulfill, has immense unfilled needs ready to be staffed. True a lot of the jobs aren't fun or pleasant but that just means someone has to do them and short-term volunteers are a lot cheaper than paid staff and a better solution when employee turnover is high anyway.

Third, in order to push this through the policy window we'll need a catchy name for the bill. 'Community re-investment in labor act' or some such warm and fuzzy boilerplate name. Next, government would have to maintain an interest in keeping the program alive and we can find far more examples, like federal housing programs, where they've set grand goals only to kill them off slowly as each new administration changes the funding levels. So clearly the tax policy could be one-time-changed to favor community labor programs, but expecting any continual subsidies is a mistake, so it would have to fiscally survive on its own. A program of this sort would get a better start in a state government or perhaps even a concerned and visionary city. The caveat here is that in order for this to work strategically, since it's standard Keynesian in economic nature, you've got to be able to deficit spend and currently only the federal government can do that.

Another problem is *partisan politics*; any program sponsored by one party, no matter how popular, will be targeted for elimination by the opposing party. Bill Clinton's AmeriCorps is an example of a fairly good idea being killed through poor planning and under-funding.

Lastly, a certain amount of public resistance might manifest at the start, but I think if it's packaged correctly and the tax reduction is highlighted that most people would react enthusiastically - especially if it can be extended to create paying jobs and the unemployed can volunteer in this program and get paid to work, enhancing their local neighborhood or town and inhabitants. How many parents would fall over

themselves to get their teenage kid into a paying, government regulated summer job? And nobody, not even the rich, could criticize it too much because then they look like they don't care about other people, and who can be against creating jobs, and helpful jobs at that?

Anymore, the job of government seems to be simply managing the negative externalities produced by corporate business practices!

Afghan War Casualties

14.11.01 At the moment American papers are busy running triumphant headlines of a liberated Kabul and oh how wonderful life is now the men can shave, and instead of one theocratic regime they've gained governance by a panoply of disunited, hyper-territorial, chronically fratricidal warlords. Once again conveniently avoiding substance and context crucial to any relevant understanding of the situation such as the rampant ethnic divisions, tribal complexities or the logical rearguard maneuver by the Taliban, thereby providing a horrendously over-simplified image of a transitory victory for the puerile public to cheer about.

This 'victory' is an unstable situation if for no other reason than the fact that it has given a gaggle of ethnic minorities rule over the predominant Pushtun majority; essentially a regression to the violence and disorder of the post-Soviet invasion period. This is a victory as astonishingly sudden as it is illusory, for this rear-guard action has protected the Taliban from significant losses of material while saving all key leaders and losing only a handful of straggling soldiers. Think about it, the only city that exerted any concerted, documented resistance before it fell was Kunduz, an isolated pocket in the far north of Afghanistan *where force extrication and rear-guard is impossible.*

If we learned anything from the past few weeks it's that Afghanistan is not what it appears to be. This was far too easy to be anything but a trap; it's a very rational tactical maneuver played on the terms of the Taliban planners. It sets American planners off balance because they're not ready to implant the necessary military forces or government oversight. Furthermore the Northern alliance has clearly overextended and placed themselves into a very visible position attempting to hold the cities amid ethnically unfriendly southern territory. The Taliban know they can't win a traditional military conflict for they cannot strike back at B-52's flying at 35,000 feet; if they wait around they'll inevitably be chewed up. Instead they want U\$ forces on the ground where they can mercilessly apply their well honed guerilla tactics. The American planners will continue to be duped and confused by these ruses because they believe their own propaganda and continue to exhibit a remarkable inability to

fathom the complexity of the situation on the ground.

The only good coming from this development is that hopefully now the U\$ won't have to carpet bomb with Humanitarian Daily Rations but will be able to truck in some edible food to the starving. But the point is that the American people have nothing to gain in Afghanistan regardless of who wins or loses. And while America may already be blowing over a billion dollars a month just on fuel and bombs, the real loss is less recoverable because it's a loss of freedom.

The American people are the prisoners of their media. They're ordinary people, concerned with their daily lives, with earning a living. We must try to reach them through debate, not through hostility. - Sheikh Qaradawi, from an interview with al-Jazeera.

Actually, most Americans are more than just prisoners -- they're slaves, because everything they know about world, and even domestic events, is filtered and purveyed to them through the mass-media. This makes a sham of democracy and obfuscates the truly critical events with the smoke screen of the trivial. Reference the example above of the Northern Alliance 'victory'; this is the ridiculously oversimplified who's up, who's down, who won, who lost plastic reality being conveyed through every morning paper and every evening TV news broadcast. What the hell does that matter when Capitol Hill is feverishly abrogating civil liberties and selling out to corporate interests on an unprecedented scale? War in Afghanistan is a diversion, and a remarkably effective one for the rapid erosion of civil liberties. Regardless of the shifting allegiances Taliban or Northern alliance the end result is trivial for Americans. Terrorism won't go away regardless but the Bill of Rights will.

The infamous 'USA PATRIOT' act was enthusiastically signed by Congress even though no one actually read the whole thing! Not that our benevolent elected protectors ever had the desire to wade through it all or question the inserted plenitude of corporate giveaways to their local districts. And while the legislative branch is signing away our freedom and tax dollars, President Bush's executive branch is spewing out equally appalling Executive Orders. Now 'terrorists' will be tried under military tribunals thereby avoiding all those pesky rights and rules; now you're guilty until proven innocent.

But that's just the latest maneuvers, anymore it's a full-time job just trying to keep up with this guy and his constantly shifting plans, bureau changes and voluble doublespeak. Not since FDR has any president worked so hard to subvert the constitution to empower the executive branch. For all the right-wing panic over Clinton's executive escapades, legion of EOs and the threat of using emergencies to invoke special powers, now that Republicans, like the religious zealot John 'police state' Ashcroft, are doing even worse in a matter of two months while the partisan outrage is nonexistent; cute.

And if you think the U\$ governments efforts to subvert the Bill of Rights are ambitious, the efforts of blundering Blair's regime in the UK are downright frenetic! Without ever even being attacked, their unified government, headed by home secretary David Blunkett, has already moved to trash civil liberties, opting out of human rights legislation just to target 20 foreign "terrorists"! Here are a few of the clauses that have leaked out from this 125-clause bill:

- Ban on publishing details of nuclear waste train movement - clause 79.
- A criminal offence punishable by up to one month in prison for refusing a reasonable police request to remove a disguise - clause 93.
- Internet service providers are required to retain data of Internet and e-mail traffic for 12 months to be used by police in crime investigations; to be renewed every two years.
- Penalty of up to seven years for incitement of religious hatred (whatever that really means).
- Making it a criminal offence to not disclose information to the authorities that could help to prevent terrorist attacks.

War kills more than just soldiers and civilians; it kills freedom and civil liberties.

The better the constitution of a State is, the more do public affairs encroach on private in the minds of the citizens. Private affairs are even of much less importance, because the aggregate of the common happiness furnishes a greater proportion of that of each individual, so that there is less for him to seek in particular cares. In a well-ordered city every man flies to the assemblies: under a bad government no one cares to stir a step to get to them, because no one is interested in what happens there, because it is foreseen that the general will will not prevail, and lastly because domestic cares are all-absorbing. Good laws lead to the making of better ones; bad ones bring about worse. As soon as any man says of the affairs of the State *What does it matter to me?* the State may be given up for lost.

From: On The Social Contract by Jean-Jacques Rousseau, 1762.

The Speciousness of Government

27.01.01 Ever get the chance to watch British politics on cable? Or maybe you even live there and can watch it constantly! Remember to bring the beer and chips and invite the friends over. But seriously they don't get anything done except talk the audience and the electorate into tears of boredom do they? And I think this is a critical point within the western 'democratic' political machine that's generally

ignored. In the U\$A, even with the Senate and the House deadlocked between Republican and Democrat, they get about as much done as usual - whole lot of hot air and empty legislation with the usual re-warmed side dishes of pork and grease. Or what about when the entire Capitol Hill shuts down after a budget crisis? Does the world stop cold in terror, panic in the streets? Hell no, life goes on as usual.

With or without the eminent political machine in action everyday life remains oblivious and nonplused. Despite what they themselves claim and the media talk shows try to portray, our politicians are more idle than the military in peacetime, and the politicos don't even have training missions just dinner parties.

Only certain peoples need government. An intelligent and self-sufficient polity can maintain a healthy and productive lifestyle regardless of the edicts and machinations of legislature. And this is why modern-conservatives have a legitimate gripe when they complain that government makes life and the pursuit of happiness more difficult, not the other way around. On the other hand people that can't take care of themselves, the ignorant, grumblers and the helpless all need authority, they need government to apply order to their chaotic, fractional and pointless lives. Nations that consist primarily of the first self-sufficient types can be both happy and successful with no government, or more commonly the lackey cousin reactionary and idle government that only activates upon evidence of crisis (real, imagined or self-created), in other words 'democracy'.

The Politics of Cooperation

25.01.99 The Clinton impeachment trial has been a veritable litany of one Orwellian catchphrase after another. Just today on live Senate Coverage one of Clinton's defense lawyers referred to the US [political system] as a *Democracy*. Last time I checked we exist under a Federal Republic, nor does the Constitution say *anything* about democracy. North Korea is a *Democratic Republic*. The old East Germany was a Democratic Republic.

Evidently that's the level our current leadership operates on.

But another one that disturbs me even more is the constant emphasis on this idea of 'bipartisan politics'. In other words the cooperation of both parties on legislative issues. Come on! What the hell is the purpose of having two parties if all they do is cooperate on the issues!? The whole point of politics is that you have two opposing viewpoints that work to enact legislation benefiting their side and their constituents. In fact the entire purpose of two parties feeds back to the checks and balances concept; it's an issue of negative force cancellation. As soon as we do away with this 'evil' concept of partisanship we lose any pretext of representative government and become a one party dictatorship. Maybe it will be a dictatorship led by the mob

(or proletariat if you prefer) for awhile but it sure won't last that way for long.

Maybe this plot is more insidious than just an unimaginative popular lexicon or Pavlovian response? Maybe the purpose here is to actually transform the U\$ into a pseudo-democracy by starting with the vocabulary?

The World Almanac has already started. Under the heading for type of government the USA is listed as "Federal Republic, with a strong democratic tradition." I bet in five years they'll just drop the first part and go with 'democracy' and leave any debate up to the Constitutional scholars.



So many shoes for only two feet...
[Imelda Marcos inspects her shoe museum]