

OPINION

CHANGE IN ECONOMIC POLICY



DOWNTOWN DEVELOPMENT & CHANGE

By Barry Cassidy

I was reading that in order to get a minister held in Turkey back there were economic sanctions (steel tariffs) imposed upon Turkey. Drastic change for the country of Turkey, and their currency took a tumble losing 14 percent of its value.

People are panicking, and we are only talking about steel tariffs.

As the previous scenario is unfolding in the news, you have to start to wonder just how fragile are some of these economies in some of these countries?

As I thought about this I was reminded that China recently lessened the amount of reserves banks need to carry in order to make loans, to free up some money in the system after tariffs were imposed. That is a pretty big country, and tariffs have them looking at each other attempting to come up with an answer. The Chinese warned recently about an interruption in supply chains if the if there was a continuation of uncertainty in their ability to export to other countries.

Much of the activity takes place because of the changes in economic policy to embrace Economic Nationalism. It was just a short time ago that Globalism was all of the rage, and we had to accept that we were living in a global economy. The newspapers were full of news of globalism and the television news networks talked about surviving in the global marketplace.

Globalism brought us cheap imports, as I noticed all my shirts are made in China, Bangladesh or Sri Lanka. I also knew that China burned coal at their power plants and people were walking around with masks on because of the poor air quality. But their living conditions did not bother me, and I did not think much of the wage rates in those countries. I was able to buy my linen shirts pretty cheaply when they were on sale and that is all that I really cared about.

Then there was a backlash to globalism in America, and there was a populist move by the middle of the road people that were out of work or generally unable to have a life (or future) in their small hometowns in rural and suburban areas. The populism took form in pride in America and cultural identity as Americans. It occurred to some people that they could compete in the global marketplace, but the special interests controlled the rules of the game.

I was intrigued because not only do I love America, but I was not happy with the accumulation of wealth in the hands of a few, their use of capital along with the decline of labor unions and the power of the worker. As a former staff person for both public and industrial unions, I saw the rise of the public unions and the lessening of power in the industrial sector. My labor experience also included work for the Industrial Union Department of the AFL-CIO, which was the old CIO before the merger. So, I was sympathetic to the plight of the industrial worker.

The amassing of capital by the elites who have become multinational is interesting because they are not part of any, or bound by any nation. The global marketplace and the global market are their concern. They are there trading and making deals with state run economies as well as other capital entities. The idea is to extend your influence to get what is best for the multinational entity and those controlling the corporate entity.

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DOWNTOWN DEVELOPMENT & CHANGE

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Companies buy companies. Buying companies is common today. The last time I changed banks was because my bank was sold again, and I had not even received my new checks from the previous bank sale so I decided to try another bank. I say that because no one can really be certain who owns what, and what their global motivation may be in terms of their assets in America versus somewhere else, that they have interests.

So why should I care about the fact that Turkey is dealing with the effects of the tariff making steel more expensive here than it is now. The capital invested in Turkey probably has interests elsewhere, and they can beef up production in the other country. It is the way it goes in a global economy. I think about the millions of people in Turkey asking what happened to their life savings as their currency tanks. People in the America don't care, and the capitalists don't care as much as they should about these folks in Turkey.

The concentration of capital and the fluid movement across borders can suddenly destabilize the world, if that was the goal. Of course, it is stable markets and a solid supply chain that work to amassed capital's advantage. But what if that were not the case? Could there be something that is peculiar to America which could be done with movement of capital or concentration of effort to distort something that could bring our country on the verge of collapse? Say for instance that private

capital interest's found support in legislation to make most jails private. I'll say it...they buy their way in through the "pay to play" system. Then later politics change and there are issues with the way that the jails are run. Someone who has a multinational outlook could just close the jails and let all of the prisoners out without regard for the law.

I think that economic nationalism is good. I believe that the populist movement on the left and the right find themselves in a confusing situation as both advocating something but for different reasons. I believe that the left in America finds themselves in a position that their brand of 20th century liberalism is now 21st century conservatism, as all politics move to the left. It is about learning to live with elected officials on the national level who have endorsed a jobs agenda but rile them morally.

The change in economic policy had created the lowest unemployment that I can remember. Factories are starting to open, and manufacturing is returning to a certain extent but really, we have little control other than to offer the capitalists a better deal to locate here. How long can this strategy last? And, and, and what if the people controlling the vast sums of multinational capital decide that they don't want to do that and want to declare war on America?

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