

Coming to your mailbox, economic recovery?

Written by Reggie

Wednesday, 23 January 2013 22:14

Remember when the credit card offers came in your mail by the handful? Those days maybe about to return. Credit card debt backed securities (they call them bonds now) are now the hot investment with tens of billions being issued by the big banks. The reason these new bonds are so popular is that investors are suddenly seeing credit card debt as a safe again. In fact they are so popular that they aren't paying returns all that much better than government bonds that pay hardly anything at all.

The reason for this that's being given by the business news is that consumers are newly reliable since all the 'bad risk' accounts have already gone bankrupt since 2008. But that would have been true last year and the year before that. The reason consumer bankruptcies are now seen an acceptable risk is that prior to Obamacare coming online, fully two thirds of bankruptcy filings listed medical debt as the primary cause. Health insurance companies are now required to pay the bills with no annual or lifetime caps and rescission is prohibited. That's where you think you have insurance until you actually need it, - half of medical debt driven bankruptcy filers had insurance.

The impact on the economy is obvious, more credit means more spending and that means more jobs, then more spending, more credit, more spending, the housing market picks up, more jobs, more spending, on and on. Of course a lot of the money will end up in China, and more importantly, in the Cayman Islands where corporations divert all their profits by over pricing the imports that they buy from their own off shore divisions.

The government on the other hand will not need to spend money on safety net programs, and tax revenue will start to climb again. Not that the government could be said to be drowning in such spending. Numbers available from the Federal Reserve shows that government spending at all levels has largely flat lined since Obama came into office. That massive expansion of government that the righties constantly chant about, it just didn't happen. By any rational comparison we are at 1952 spending levels, right before Ike started several massive infrastructure building programs. In fact we need three trillion dollars worth of maintenance and modernization done right now. This doesn't include any of things we need to make us into a first world country like China or Brazil.

We need to bring the billionaires to heel before we can begin to come back into the industrial age. To that end we are starting to have a fairly large contingent of Progressives in the Senate. Four new bona fide Progressives: Elizabeth Warren, Tammy Baldwin, Chris Murphy and Mazie Hirono join

Sherrod Brown, Sheldon Whitehouse, Bernie Sanders, Jeff Merkley and Al Franken to form a block that can't be ignored. More importantly they actually know what they're talking about and can bring other Senators on board for real reform.

The foreign land where President Obama was born, you know, Hawaii. Their new

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Congressional delegation is entirely non-Christian. It's not like the first Congress in 1789 when almost none of them were Christians. They called themselves Deists, but I suspect that was just a cover story for actual atheists in order to avoid those witch burning mobs that they knew full well could return at anytime. There is a chance we could actually get out of the nightmare without anybody being burned at the stake.

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