

## SQUAWK! SQUAWK!!!

Written by Bruce Enberg

Wednesday, 15 February 2012 22:31 - Last Updated Wednesday, 15 February 2012 22:31

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The most powerful man on the planet dropped into visit the people in Iowa who helped launch his climb to power. No, I don't mean President Obama, I mean Vice President Xi Jinping (shee jeen ping). In a year he will ascend to the Presidency, or as he's known in China, Comrade Chairman of Communist Party Central Committee.

Despite a heavy diplomatic schedule, Comrade Xi insisted on stopping to visit the farm family in Iowa who put him up in their spare room for two nights in 1985. He was a minor party official from a remote agricultural province back then, seeking to improve pork production in China. He succeeded, and next year he will begin overseeing a five year plan that will leapfrog the People's Republic past the United States as the world's dominant economic power.

To emphasize his roots in agriculture, the Chairman had a new purchasing agreement for \$15 billion worth of soybeans signed by his trade representatives while he visited Iowa. China now buys every fourth row of soybeans grown in the US. These massive purchases amount to little more than a rounding error in China's trade surplus with the US. They use a lot of the extra cash to buy up copper mines and such around the world. Those USDs end up in the cash reserves of third world countries, who, so-far, haven't figured out that they traded the copper mine for a handful of magic beans, not soybeans.

Known as an economic reformer throughout his career, Mr Xi is also known as being very conservative on government issues. The Obama Administration was careful to show him all the pomp worthy of a world leader. The Bush Administration didn't show this level of respect when his predecessor made the same tour just before his ascension to power. But another ten years of Reaganomics have made China into our biggest banker, and you have to be courteous to the guy who can call your loan.

The truth is that China doesn't really have that much power over us. That is, they wouldn't have it if our country was run by people who worked for us instead working for the transnational corporations controlled by a handful of billionaire capitalists. We don't really borrow money from China, = no US government checks are payable in renminbi.

We borrow USDs from Chinese bankers who have them piling up there because of our insane trade, manufacturing, corporate tax, and financial services policies. The damage done to our economy far exceeds the few trillion that ends up in China, - basically, the Republicans will

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burn down the chicken house just so they can steal the one chicken that runs out.

President Obama spent his day at a factory in Milwaukee that brought its manufacturing back from China. His speech suggested ending tax breaks for companies that outsource and he called for tax credits for companies that come back. Not that the big companies pay any taxes in the US, so tax breaks don't mean much. In fact, they pay a lot of taxes in China, - Mr Xi sees to it.

No mention from Obama of re-instating the tariff rates that we had from 1790 until the Republicans started dismantling our manufacturing base.

Here comes another flaming chicken! Try to grab it on the way by and we can eat today.

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