

December 1, 2010

[This material is part of a 270 pages White Paper]

“GLOBALIZATION”: THE MOTHER OF ALL PROBLEMS

Number One Objective: Destroy America

It took me a while to understand that globalization is all about “equalization” at the lowest common denominator and most trends we see are a manifestation of the process. Globalization is a liberal agenda. It is against conservative mentality.

The US used to be the leading conservative power of the world; therefore the US had to be cut down to size first. This is what we have been witnessing. This calculated criminal freak-show has reached the level that these forces (a large percentage is around Obama) have openly talked about Global Government. Another manifestation of the social-communist progressive onslaught - the Democratic senatorial candidate in Delaware is a card carrying communist Marxist. I have no problem with Chris Coons; this is a free country, everyone has the right to be stupid. To me, he is just another uninformed arrogant cue-ball who has never spent a day under a Marxist or socialist regime, but he claims to know what he is doing. Apparently the US Senate’s leader, a committed progressive thug – Harry Read - knows who Coons is: he called him “my pet”. How fitting! A social-communist gangster has a Marxist pet. The problem I have is the people. As much as I cannot comprehend that Austrians cheered Hitler, I cannot compute that a significant percent of a state’s population would even consider a Marxist. I do not know much about Christine O’Donnell but to put my thinking into prospective: I would rather vote for my goat to be a US senator than a self-declared Marxist.

Let me walk you through several common sense ways to understand the model (it is the old “insurance company” paradigm: the more mud you throw against the wall, the more will stick). If you are not a liberal, you will immediately get it; if you are, I just hope one will work for you. So please stay with me, this is not a joke.

Wage differences

Let me walk you through a simple model. The combined population of the US, Japan, Canada and Western Europe (now it is called “Western EU”, but I will get to that later) is 850 million. The combined population of former Soviet Union, India, Pakistan and China is 3.2 billion. The average wage for the “850 million” side of

the world is at \$17/hour, while the “3.2 billion” side works for \$0.45/hour average, which comes to a multiplying factor of 36 between the two wages. I always stop people on their tracks talking about globalization with this:

Please explain to me how 3.2 billion people making \$0.45/hour can afford to purchase any kind

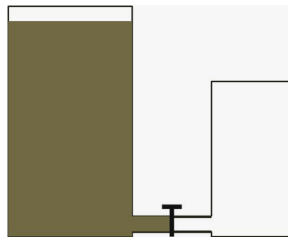
December 1, 2010

of goods and services that the 850 million people created making \$17/hour?

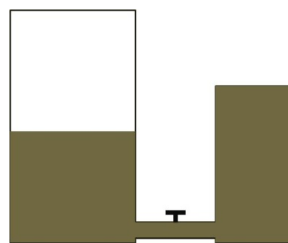
Because – aside from “hope” - if the globalization proponents cannot answer this simple question and back up their explanation with hard facts, then we must conclude that globalization is a myth at best, a farce in reality, or a long planned criminal sham at worse. If and when you talk with a person who is big on globalization, ask this question and do not let him/her talk about anything but answer this question. I promise you, it will be a short conversation every single time.

The full/empty tank model

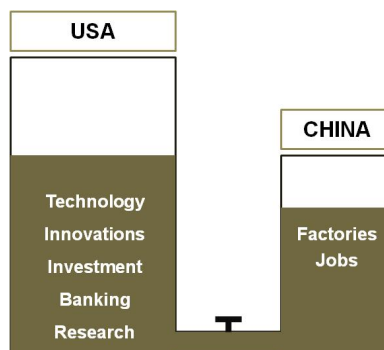
Let us create a simple test. Take a container full of fluid, and connect it to a container with no fluid in it. The pipe connecting the two containers has a valve that prevents the fluid going from one tank to the other.



Now let us open the valve and see what happens. It is **common sense** that the container that was previously full, will **lose** fluid and the previously empty container will **gain** fluid. And it is also common sense that nothing can stop the fluid commuting from the full container to the empty, but the valve. Do we agree so far?



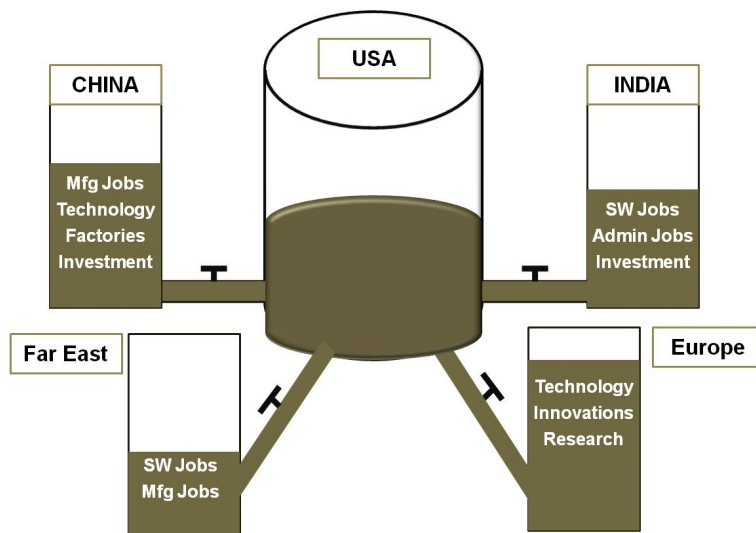
Now let us assume that the full container is the USA, which used to be full of jobs, technology, innovation, investment, banking, factories and research activities. China, India, Pakistan, Russia, Vietnam, Mexico, Eastern Europe had various degrees of nothing. Back to my “moron or crook” argument, a blind drunk monkey saw that the US can only lose if we open the valve under the name of globalization. I do understand that on a short run (in this case: 50 years), it looks like the US wins.



December 1, 2010

Cheap labor, stronger bottom lines, higher stock market, export possibilities, etc. This process was greatly assisted by the business sector, to increase the bottom line. But in the long run, it will bring the US down. China knows it. But the Chinese are patient people. To make matters really interesting (and beneficial to China), we for three decades let China keep their currency rate pegged to the dollar. As I argued before, if one side of the planet works for \$0.45/hour and the other for \$17/hour, all jobs will flow toward the lower wage, especially if the lower wage is kept. The second the Chinese increase their currency value (and bring it – even remotely - closer to the Western wage), they would risk lower exports, lower GDP growth and a lower speed of employing their billions of workers. China knows that their command-economy is relatively peaceful while everyone has a job. So, they will keep their currency as low as possible as long as possible, which will drain even more jobs from around the world.

Under the heading of “Globalization”, the US opened all of its “valves” to everyone. Like a mad shopkeeper who loves to be robbed. Most of the industries (manufacturing of just about anything with an ON/OFF switch, toys, textile, apparel, software and pharmaceuticals to name a few) are well known.



For shortsighted gains (money) consecutive US governments let the Chinese government get away with practically anything and everything. Trade practices, protective tariffs, legal and administrative blockades against investments, marketing and sales favored the Chinese side, while the US was kept open ***“because we are the good people damn it, even if we go bankrupt doing it!!”*** Several well educated Chinese friends of mine told me: “I cannot believe what we are getting away with in the US. You people are crazy. Is anyone minding the business and the country over there?”

In my own company, Chinese universities tried to block us exporting development results: the next thing they knew, I closed the program down and relocated it to the Czech Republic. They got the message.

If anyone has a doubt about the (completely) unused US power over China, let us all remember this: in the first six months of 2009, US imports slowed down (and therefore the Chinese export and manufacturing engine slowed down too). China’s GDP growth “fell” to around 7%, and Chinese leaders were extremely scared of a civil uprising, due to the fact that every 1% growth China loses results in several million jobs loss. But the US government did not seem to notice it.

December 1, 2010

Now let us examine the major components of how the full tank of the United States of America has been drained by the globalizing world, with the approval and participation of consecutive US governments.

The football team effect

I know that most everything here is way too disturbing for liberals, so let me add something more to it. Think about a football team that wins championship after championship. Everyone is great on the team. Being very confident, the president of the club turns to the coach one day and says: the team is so great that it can afford to have my cousin who is not that good, but it will be OK. Then the club's VP adds his son to the team. He is not that good either, but the team is great, so the team can balance him out. Then the next not-so-good player, then the next..... And one day, the team starts to lose championships. The *very same* people, who added these subprime players, are the most surprised and pissed, and start to whine about it. Got the picture?

The United States of America has been killing itself for the last 40 years by doing the same thing! Under either “nice”, “humanitarian”, “economical” or “political” reasons the US has been destroying its own “football team”. I am going to write about these topics in detail, but for now, let me list them.

Job exports

There was a paper written by Professor William A. Ward, Professor of Applied Economics and Statistics & Director of the Center for International Trade at Clemson University on August 4, 2005. I encourage you to read the paper in its entirety; it is the most comprehensive work on the topic I found in my long research: (<http://cherokee.agecon.clemson.edu/CITpaper12.pdf>)

In part it reads: “...Manufacturing productivity growth from 1990 to 2004 should have taken away 7.5 million of the 17.7 million manufacturing jobs that existed in the US in 1990, while GDP growth should have added back (at the new productivity levels of 2004) 5.7 million manufacturing jobs—for a net loss of 1.8 million. In fact, the **US economy lost 3.3 million manufacturing jobs** during that period, implying that structural and competitive factors shifted 1.5 million of the GDP-growth-implied jobs from the manufacturing sector to other sectors of the US economy....

... I analyzed job changes in 12 private sectors (including manufacturing) over the period January 1990 to January 2005.... In..1990-1995 and 1995-2000 more than 12.8 million net private sector jobs were added in the US economy (plus 1.2 million in government), with 47,000 of those being in manufacturing (at \$16.14/hr) and 3.7 million being in Professional and Business

Services (at \$17.46/hr, compared to the 2005 private industry average hourly compensation of \$15.67). During the 2000-2005 sub-period, in contrast, only 1.7 million net jobs were added by the economy (with 1.1 million of those being in government and 0.599 million in the private sector), including a 3.0 million job net decline in manufacturing employment and the largest net employment gains occurring in Education and Health Services (2.2 million jobs at \$16.16/hr) and in Leisure and Hospitality (0.97 million jobs at \$8.91/hr.).

While certain US manufacturers might compete globally in coming years, manufacturing is not likely to contribute to net job creation in the US the way it did at mid-century. I expect two factors to continue to reduce manufacturing employment globally: (a) Manufacturing productivity growth, and (b) Structural

December 1, 2010

changes in demand away from goods and towards services, at the margin. Current trends reduce global manufacturing employment so rapidly that only two kinds of countries will be able to make GDP Growth-induced and Competitive gains sufficient to offset the Productivity Factor and the Structural changes: (1) Small countries such as Ireland and Canada, and (2) Emerging market economies with “unlimited supplies of surplus labor” coming out of agriculture and out of very inefficient (often state-controlled) manufacturing industries and, thus, having very low opportunity costs..”

Professor Ward's research establishes the number of manufacturing jobs in 1979 (19,426,000 workers) and in 2005 (14,258,000 workers) resulting in 5,162,000 manufacturing jobs lost. At the same time, job gains occurred in the Education and Health Services and the Leisure and Hospitality industries. Adding Productivity Growth Factor to the equation, the real **manufacturing job loss was 1,400,000**. (Bold, italic and font color change by me)

Washington, D.C. – Congressman Jerry McNerney (CA-11) today introduced legislation to stop American jobs from going overseas.... According to the non-partisan Congressional Research Service, an estimated 3.4 million service sector American jobs may be outsourced overseas by 2015, in addition to the extensive job losses that have already occurred in the manufacturing sector. Northern California has been hard hit by outsourcing, according to another study done by the Brookings Institution, which estimates that between 2004 and 2015, the San Francisco and San Jose metro areas will lose between 3.1% and 4.3% of their jobs to outsourcing. The Sacramento metro area is also estimated to suffer significantly from this problem, losing between 2.1% and 2.5% of its jobs to outsourcing during the same time period. Jobs that are considered particularly vulnerable to outsourcing include middle class jobs such as manufacturing positions, as well as office support, including data entry and payroll clerks, auditors and tax preparers, computer programmers and software engineers, medical transcriptionists and paralegals, and technical writers...”

The Berlin Wall effect

We were completely oblivious to the fact that the Tiananmen Square uprising happened on April 14, and the Berlin wall went down on November 9, 1989. In a span of seven months, more than 2 billion people (China and the former Eastern Europe) were freed. It had several effects on the Western world, especially the US:

- Throughout the latest industrial revolution (1950-1990), a mass of highly skilled, well educated, hard working people who were willing to work at a fraction of Western wages were excluded (locked down by communists) from the global market. This made the Western wage system and the power of the Unions highly artificial. I would argue that if the 1990 global political structure existed in 1950, the average wage of the Western world would be 30%-40% lower today. The Western world knows the “Anti-monopoly” law, whereby the government is on guard not to let an industry leader monopolize, because it does not let the competition function. In this regard, most of the Western industries could be counted under anti-monopoly law because large part of two billion workers were excluded from competition for 40 years. What we did not realize was that in 1989, this huge number of workers at all qualification levels has fallen on top of this happy-go-lucky, “day at Disney World like”, isolated Western society. And it happened (in historical terms) practically overnight.
- It had also gone unnoticed, that up until 1989, an Eastern person immigrating to the Western world (i.e. to the USA), either brought a diploma, or went to school to get one. Either way, this person stayed within the Western society, contributing to it (for practical reasons; life was better, plus if he/she went home, there was a chance to get jailed). After 1989, most of these people are

December 1, 2010

still coming to the US for university education, but after that we cannot retain them. They go back to their home country.

- It is also a new phenomenon that Western-trained scientists are moving to the East. On September 15, 2010, Business Week reported: *"...The push for Western-trained scientists has begun. Cliff Hegan, managing director of Fitco-Consulting, an executive recruiting firm based in Shanghai and Singapore, says that "Western research-and-discovery*

technology is more scientifically advanced. Chinese-trained scientists are more application-centered and therefore less technically advanced and innovative in their thinking." Pharmaceutical companies want U.S. trained managers because of their entrepreneurial spirit and creative problem solving skills, in contrast to the more linear, pragmatic, approach of their Asian counterparts. The cultural divide is creating opportunities...."

By adding up the three points above you can gauge the long term viability for the Western world if we do not fundamentally change the business environment offered to technologists, entrepreneurs, and business men. The days when hundreds of millions of valuable people were locked out of the global market and highly valuable people risked their lives to come to the West to work and live are over. It is time to get serious, and the Obama government is not the one to do it.

Anti-business US tax system

I would like to get back to my "A liberal always knows what the desirable objective is, but never has the inner strength and conviction to take the hardship to get there" argument. There was no shortage of liberals being mad that companies such as Halliburton took their headquarters abroad.

Discussing Halliburton moving its headquarters to the United Arab Emirates, ABC's Sonya Crawford wrote: *"...The draw is obvious. Dubai's friendly tax laws will add to Halliburton's bottom line. Last year, it earned \$2.3 billion in profits...Sen. Patrick Leahy, a democrat from New Hampshire, called the company's move "corporate greed at its worst...."*

Zaid Jilani reported about Transocean's move to Switzerland: *"...In the foothills of the Swiss Alps four new steel-gray towers rise from what used to be a grassy field. One of them is home to Transocean Ltd., the world's biggest offshore drilling contractor.....Low taxes prompted the decision two years ago to move to landlocked Switzerland: **The company paid 16 percent tax** on its \$4.4 billion global operating income last year. **The regular corporate income tax in the United States stands at about 35 percent.***

Let us think about this for a second shall we? I know that this (like most everything else) is way too complicated for Patrick Leahy (whose level of insanity just inches behind the late Sen. Bird, and is equal to Dick Durbin's) to understand. Patrick Leahy obviously subscribes to the notion that government has the right to increase taxes, destroy the economy, spend a trillion dollar for "creating jobs" while not creating any.... but American enterprises (of which Leahy would not know a first thing about – this criteria puts him at par with Obama) should just stay in the US being financially robbed. In my view, it is the government's responsibility to create a tax system, financial and business platform that convinces companies to stay.

December 1, 2010

What practically blows any rational mind is the same liberals who dream about “Globalization” and are willing to destroy any and all industrial, educational, immigration-related, social and behavioral structures to get it, are whining because companies – using the same globalization - are now moving their headquarters and operations around the world to find better conditions. I do not know why, but the “are you a moron or a crook?” question comes to mind when reading Patrick Leahy’s whining.

PETA, environmentalists, and others

The football team effect probably cannot be better portrayed than how environmentalists are killing the State of California.

William Busse wrote on September 17, 2009: *“This is the curious story of the Delta Smelt, a tiny, slender fish that resides exclusively in the Sacramento-San Joaquin Delta, a fertile area that serves as a transition for water originating in northern California, and ends in water delivery west of the Delta for agriculture and south of the Delta for citizens of southern California.*

*In order to deliver the water, there are pumping stations near Tracy that are apparently sucking and pulverizing the Delta smelt, and according to environmentalists, leading to a dramatic decrease in population and potential extinction. The value of the Delta smelt? Essentially nothing. Besides serving as bait for attracting larger fish, the Delta smelt is not edible, does not eliminate pests or have any meaningful commercial value. Sometimes, despite environmentalist’s protestations to the contrary, certain species reach a natural evolutionary dead end. However, using the weapon of the **Endangered Species Act**, environmentalist groups sued, and on December 14, 2007, Judge Oliver Wanger of the United States District Court for the Eastern district of California issued an Interim Remedial Order. The Order remanded the U.S. Fish and Wildlife Service in conjunction with the United States Department of the Interior, to issue an opinion or permit that dramatically reduced the delivery of water from the Delta. The result has been the **diversion of tens of billions of gallons of fresh water away from vital agriculture** and population needs and directly into the Pacific Ocean. A precious resource essentially wasted.*

The impact on farmers in the area has been devastating with the San Joaquin Valley unemployment rate reaching 14% and leaving thousands of previously productive farming acres scorched and unusable. In addition, water utilities in southern California have already begun raising rates and creating tiered pricing to address the 85% reduction in imported water. To make matters worse, California is already under drought conditions, and in combination with the Delta pumping restrictions, local politicians are calling for Draconian reductions in water use by individuals of 40%....”

A PETA announcement reads: *“With the support of our members, PETA has filed shareholder resolutions with dozens of companies, including the following chemical and pharmaceutical giants: 3M, Abbott Laboratories, Altria, Amgen, Barr Laboratories, Bristol-Myers Squibb, Chevron Texaco, Dow Chemical, DuPont, **Eli Lilly**, ExxonMobil, GE, J&J, Medtronic, Merck & Co., Monsanto, Pfizer, PPG Industries, Schering Plough and Wyeth...”*

I hope you are not surprised reading this Eli Lilly announcement: *“**Eli Lilly** ([NYSE: LLY](#)) has agreed to chip in \$50 million toward a new \$250 million biotech venture fund for the Asia-Pacific region that will operate out of Brisbane, Australia. The Queensland government is putting in **\$25 million** in an effort to*

December 1, 2010

help spur the biotech industry in the Australian state. Other U.S. pharma companies are reportedly adding their backing to the fund, but only Lilly was named in news reports. And Premier Anna Bligh outlined some starry projections, forecasting that the fund will help fuel a \$20 billion drug development industry by the year 2025. "This fund, which will have its Asia-Pacific headquarters in Brisbane, makes Queensland a key biotechnology hub in the Asia Pacific region," Bligh told reporters. "Lack of access to venture capital has been one of the missing links in the development of the bio-tech industry in Australia..."

Or this one from Amgen: *"...The world's largest biotechnology company Amgen will start its wholly owned local affiliate companies in Mumbai and Hong Kong before the end of 2006 to tap the Asian market for clinical trials and drug development..."*

If you do not see a correlation between PETA's efforts to gain voting power and companies moving to Asia, you probably are the only one on the planet.

The "Feel-Good Protocol" in Kyoto

For those of you who were enjoying Outcome Based Education or have been in a coma over the last thirteen years, or lived on Mars: the Kyoto Treaty was first signed in 1997. By 2010, the United States still has not signed it because of the Protocol's obvious shortcomings and due to the fact that the Kyoto Protocol has never crossed the "feel good" threshold.

The Inter Press Service (IPS) published an analysis on January 20, 2006 about China's membership in the Kyoto Protocol and in the "Asia Pacific Partnership on Clean Development and Climate" along with the U.S., Australia, China, India, Japan and South Korea. Beside the fact that the two agreements are almost diagonally opposite to each other, it is China's status in the Kyoto protocol that is interesting. China accounts for 12 percent of global carbon dioxide emissions, China is the fastest growing industrial nation on the planet, and yet (according to IPS) *"....Since it is a developing nation, China would be exempted from reducing its own carbon dioxide output under the protocol. Under the terms of the treaty, only industrialized nations, which are mainly responsible for the present high levels of gases in the atmosphere, must reduce their emissions by an average of 5.2 percent below 1990 levels by 2012... Yet, despite throwing its weight behind the Kyoto treaty, Beijing sees few short-term solutions to satisfying growing energy demand beyond bringing new coal-fired power plants on line. China is planning 562 new coal-fired power stations - nearly half the world total of plants expected to come online in the years up to 2012, when the first phase of the Kyoto Protocol ends....For a start, emissions of carbon dioxide from China are increasing faster than from any other country in the world. In 1990, China accounted for some 10.5 percent of world carbon dioxide emissions. That figure rose to 12.7 percent in 2001 and is now second only to the U.S., whose 25 percent share China is likely to match within a few decades."*

According to the Department of Energy's (DOE) Energy Information Administration (EIA), after China and the United States, among major polluters only India is expected to have significant growth of emissions over the next 20 years.(2005 report)

An article by Tan Cheng Li, of the Malaysian daily was written on December 23, 1997

"...For the document agreed upon in Kyoto, Japan, on 11 December is a flawed one: it has none of the drastic emissions curbs scientists say are essential in averting climate chaos ... At Kyoto, major

December 1, 2010

environmental groups decided that the final agreement will be judged on three points: whether it has the most stringent reduction targets possible; whether it is completely free from loopholes which allow emissions to increase; and whether it has automatic and real penalties for cheating. The protocol fails on all points. It is a compromise, acknowledges Malaysia's climate treaty negotiator Chow Kok Kee, a Meteorological Services director. 'We are not happy with the outcome. The protocol does not address core issues such as setting adequate targets...'

Environmentalists are less charitable.

'The protocol is unlikely to make any difference. It gives the false impression that a breakthrough has been achieved but there are too many loopholes,' says Gurmit Singh, regional coordinator of Climate Action Network South-East Asia, an organization of public interest groups working on the climate issue. The holes in the protocol essentially mean business as usual for the large greenhouse gas emitters, as long as they pay poorer nations to do the dirty job of cutting emissions...Environment group Greenpeace says the Kyoto targets will produce an actual overall reduction of gases by 1% or 2% only. We need a 60% reduction to make a dent on the gaseous 'glass' dome which now envelopes the globe, says the Intergovernmental Panel on Climate Change...Topping a long list of loopholes in the Kyoto Protocol is 'emissions trading'. This enables a country which has exceeded its emissions quota to 'buy' another country's unused quota....

..Given the long list of caveats, it is no wonder that Greenpeace's Bill Hare labels the Kyoto outcome a 'tragedy and a farce'. .. It is no wonder, then, that environmentalists and journalists watching the summit closing ceremony on screens put up at the media centre, unanimously scoffed when one delegate stood up and announced jubilantly, 'Today there are no losers and only one winner - the environment.'..Nothing could be further from the truth..."

As the IPS reported, China was allowed to retain its “developing nation” status, whereby they can pollute all they want. India falls under the same category. Mr. Tan Cheng Li’s long article details all the deficiencies, loopholes and administrative “creating as much fog as we can”.

Yet (as you by now suspected) all self respecting anti-American (but US born) environmentalists are cursing America for not signing this idiocy (or as Greenpeace’s Bill Hare called it: a “tragedy and a farce” – this is not me, this is Greenpeace!), instead of questioning the organizers of the Kyoto Protocol, India and China about the actual problems.

ACLU and NAACP

There is no one in their right mind who would question the ACLU, NAACP and like organizations’ vitality, legality and usefulness up until about 1980. They had protected the right people for the right causes. They were no different than the unions protecting workers, exposing child labor and preventing people from working long hours for low wages in unacceptable conditions. Unfortunately, these organizations (along with the unions) lost their way and their purpose. They turned to the extreme hard left and became a social-communist bullhorn. These two organizations’ anti-Americanism has gone so unchecked over the last 30 years, that it would take a separate paper to archive their doings. Let me site a few cases here just to give you a flavor of two strong contributors of the “football team effect”,

The ACLU web site wrote on September 8, 2010: “...On September 8, 2010, the Federal Appeals Court dismissed the ACLU’s case filed on behalf of five men who were kidnapped by the CIA, forcibly disappeared to U.S.-run prisons overseas and torture. The Bush administration intervened in the case, improperly asserting the “state secrets” privilege in an attempt to have the lawsuit thrown out. In April 2009, a three-judge panel of the U.S. Court of Appeals for the Ninth Circuit ruled that the government

December 1, 2010

must invoke the state secrets privilege with respect to specific pieces of evidence – not over an entire lawsuit. The Obama administration appealed that ruling, and in December the appeal was heard by an en banc panel of all 11 Ninth Circuit judges. According to the ACLU, the ruling all but shuts the door on accountability for the illegal program. "This is a sad day not only for the torture victims whose attempt to seek justice has been extinguished, but for all Americans who care about the rule of law and our nation's reputation in the world. To date, not a single victim of the Bush administration's torture program has had his day in court. If today's decision is allowed to stand, the United States will have closed its courtroom doors to torture victims while providing complete immunity to their torturers. The torture architects and their enablers may have escaped the judgment of this court, but they will not escape the judgment of history."

For those who enjoyed US Outcome Based Education: the Ninth Circuit Court of Appeals are so liberal and so socialistic, that they should wear a Muslim head piece and a star-and-sickle pin on their lapel. To get kicked out from the Ninth Circuit, you must be really, really off the chart on the left side of the spectrum.

FOX reported on September 16, 2010: *"...The state, NAACP argues allowing counties to tax and regulate cannabis will reduce arrests among minority youth, and advance civil rights. If you look at the disproportionate number of arrests that happen in our community, the law is not being applied equitably across the board," says California NAACP President Alice Huffman. "We're targeted, which makes this a civil rights issue." Many in the **black community strongly disagree**, and no one is more outraged than Sacramento Bishop Ron Allen, the leading critic of Prop. 19 among African-Americans. "If Martin Luther King, Jr., could know that our oldest civil rights organization is calling legalizing a drug 'a civil right,' he'd be turning over in his grave."*

I saw the interview with Ms. Huffman. I did not expect anything less, but it was still mind boggling to see how she did not even entertain the concept of "more blacks smoke weed, therefore more blacks get arrested". To make this a civil rights issue was really off the chart even for an NAACP member.

An aide to NAACP President Ben Jealous, wrote this about Van Jones leaving the White House: *"Van Jones made a tough decision to step aside so that the nation's reform agenda will not be sidetracked by those who spin lies for profit. Mr. Jones was on Time Magazine's list of the 100 most influential people in the world before he entered the White House. He was a bestselling author before he entered the White House. He was someone who made the leap from the public schools of Jackson, Tennessee to Yale University long before he entered the White House.*

Now that he has chosen to leave the White House, we fully expect Mr. Jones to continue to help lead our nation out of its dual crises of environmental degradation and mass unemployment. On a personal note, I have known Van Jones for more than 15 years. In that time he, as is characteristic of great public servants, has continuously grown and increased his capacity for improving the condition of humanity. Throughout, he has been guided by a powerful sense of patriotism and love for all."

Folks, if a known social-communist progressive thug, a signing party to the "2001 "Truther" list, like Van Jones is expected "...to continue to help lead our nation out of its dual crises of environmental degradation and mass unemployment..." we all are in deep, and horrible trouble. As to Mr. Jealous' "personal relationship" with Jones, what can I say? Birds of a feather?

Is there a problem?

Yes. There is a problem. The “valves” in the global system used to be called: “visa”, “borders”, “sovereignty”, “import and export tariffs”, “work visa”, etc. This was not “isolationism” it was “common sense” that bothered liberals the most. If it was “isolationism” it was to the extent of “isolating problems”. As I argued earlier, “bringing people to the lowest common denominator” is equal to “centralize power” (“EU”,

“Global government”, “ObamaCare”) and the antithesis to “isolating problems”. If you can isolate two liberal crowds from each other (it used to be called “you reside in two countries”, or “two countries” as an abbreviation) their effectiveness diminishes. This is where the “globalization” idea is coming from even if they have to destroy the world doing it. The recent “Greece vis-à-vis Euro” problem portrayed all the ins and outs of the “fruitfulness of globalization”. In the “old” (and common sense) Europe, a system that was qualified to isolate problems, this mess could have not possibly been created. Even if Greece went down in flames the separate currency and bank system protected others; close the valves, write off a few billion dollars as bad loans; case closed. Now, when all the control mechanisms have been eliminated, they created the “blessed European Union with one currency”, there is a great chance that the entire Europe will go down. And Greece is only the first in line waiting. Portugal, Hungary, Spain, Romania, Bulgaria and a few others are standing in the same line. I argue that “to solve the Greek problem” is **not** about the “future of Europe” (as most leaders love to say), it is the question of “how long will this madness will last, and when will we get back to common sense?”

As another example, three decades ago, it was understood and practiced that if (as an example) Japan’s rice production was enough not just to sustain its own consumption but to export a great quantity, then Japan kept the tariffs on rice imports. On the other hand, if they had no avocado production, they eliminated the import tax on avocado. This way, Japan received what they needed (avocado) but protected their rice farmers and market. It was based upon huge common sense, simply because history (through geographical, cultural, industrial and many times political differences), trade and market “sorted out” the “who has what?” and “who needs what?” questions. Then came the liberal, progressive globalizing crowd that wanted to bring everyone to the lowest common denominator, demanding to eliminate any and all regulating tools (i.e. gain “rights” to export rice to Japan. Let me break it to you as gently as I can: you have **no right** to force your wishes on Japan unless Japan wants it).

A brief summary

So let us tally all this up shall we? We have been draining America by:

- Exporting millions of jobs from the entire job spectrum
- Not being able to retain graduates
- Creating a tax environment that forces companies to leave the country
- Having a liberal policy on immigration resulting in 20+ million illegal immigrants, most of them needing assistance
- Using all methods to tear down the US education system
- Having a voting right structure that is a polar opposite to US interest
- Letting unions try to transfer the US into a “workers’ paradise” (as if we did not have 70 years experience on that between 1917 and 1989)
- Have a 100% anti-American energy policy
- Letting anti-American environmentalists running wild

December 1, 2010

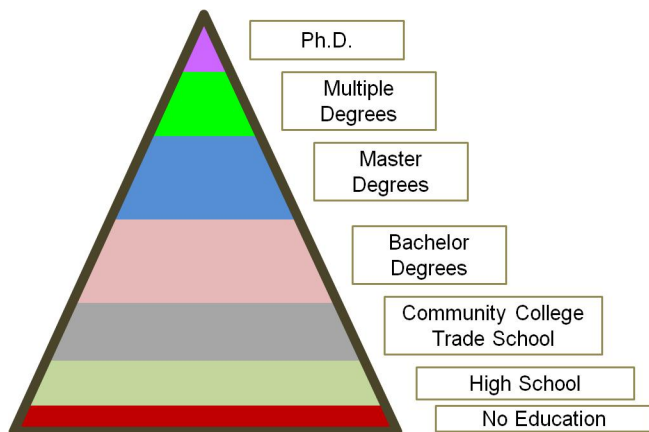
- Letting other anti-American and anti-economy crooks such as ACORN, PETA, ACLU and the NAACP running wild

I am sure that most of you reading this already have a list of arguments starting with “But....” But all the “Buts...” cannot erase the facts that:

- The globalization crooks are about to complete their 100 year dream: to cut the US down to size
- Millions of jobs are gone
- America’s industrial belt is gone
- We have 29% unemployment in Michigan
- 50% of Detroit is illiterate
- We do not know what to do with 20+ million immigrants aside from giving them education and health care
- No federal agency is doing the job of protecting our borders
- We developed a tax system and an economic shortsightedness that forces billion dollar global companies to leave the country
- Andy Stern, the biggest union thug in human history had more visits to the Obama White House than anyone
- We are preventing America from oil production while the Chinese are drilling 500 yards from our international water line, while Obama imposed six month moratorium even on drilling what we had,
- We have not built a nuclear power plant for 25 years

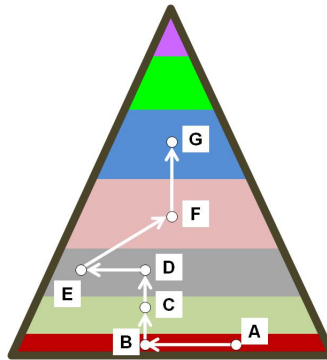
Restructuring (destroying) workforce

One of the most significant issues that has the chance to destroy the developed world is the redistribution of workforce (being one of the liberal dreams. “Equation” remember?). Let us see how it has been working (it has not been working *out*). If you look at this chart, you will see that any developed society is structured in a paradigm, where people coming from the bottom can get to the top. It is matter of education system, society and culture how fast someone can get and how far up, but it is safe to say that up until the mid 1980s, the US was the best country on the planet in this regard.



December 1, 2010

The core issue is this: ***society has a direct responsibility to provide a structured system to anyone who is willing to take it and work within.*** It is of course the diagonal opposite of Obama's model, who – upon Gov. Bobby Jindal complaining about the Obama-caused job loss disaster (the drilling moratorium) – assured the Governor: no problem, people who lose jobs will receive 99 weeks unemployment benefit. What else can a community organizer think of? Either do “public” (liberal, or social-communist) work, or take a check from the federal government. So, what is the problem with “shifting a few jobs here and there?” There are many problems, all of which have been created by the liberal agenda, and none of which any liberal will even admit. The model here shows a “career” most of us have gone through. Came out of high school with no applicable degree or knowledge, worked somewhere, went to university, changed jobs, got a better one, studied some more, etc.



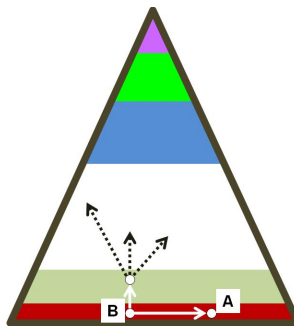
The “rational” way of pursuing one's career (opposite Obama's) generates wealth, tax revenue and purchasing power throughout the entire spectrum. Think about this: if society can pay enough to a 19 year old sales person working in JC Penney that this person can rent a small apartment and buy a small used car, it will boost the business for:

- apartment architects
- apartment builders
- apartment investors
- mortgage companies
- real estate companies
- apartment maintenance businesses
- used car sales companies
- banks providing loan for commercial development (e.g. apartment complex)
- banks providing loan to purchase cars

This list can be drawn with regards to every level in the structure. In short, society benefits from providing the possibilities (not welfare checks) to the people.

Now let us look at the model when society fulfills the liberal dreams (or madness depending on who you talk with, but if you look at facts, it is madness) by shipping millions of jobs away for reasons only liberals understand. Since I already hear the liberal opposition of “those dirty industrialists sent jobs away because it boosted their bottom line”, let me respond. As I already argued, it is the government's responsibility to create a tax system, financial and business platform that convinces companies to stay. It is not the industry's “nationalistic obligation” to let itself robbed blind by overtaxing liberal governments and be happy about it.

December 1, 2010



Over the last 30 years, we have shipped tens of millions of jobs out of the US, creating huge vacuums in the system. This has caused a mass problem for willing people who cannot possibly reach the next level because they do not make enough money at their current level to get education for 3-4 levels above. It also destroys a natural selection of people which gave -up until 30 years ago- chance to people to settle at a level they were comfortable.

“Made in USA” or a “Service Economy”

I have always believed that most major societal and economical structures can be described using a very simple formula. To give you an example: think about the immigration problem, and all the complexities self appointed experts have been impregnating this very simple issue with: workers’ rights, human rights, schooling, health care, taxation, “wall-or-no-wall”, anchor babies (“...All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside...” – Fourteenth Amendment of the US Constitution), Arizona, the US DOJ with its tainted progressive Attorney General (who -as every single social-communist has ever done- sues and muscles everybody who has a different opinion, while his boss - Obama - is advertising “democracy”), illegal immigrants marching on the streets of America, – the developed complexity is there. On the other hand: this entire immigration issue comes down to the best definition I have ever heard so far (unfortunately, I cannot claim ownership): **“we must decide are we a sovereign country or not?”** How remarkably beautiful and simple this is! Because if we “are” a country, then illegal immigrants should be arrested and deported, no education, no healthcare, the wall is OK, the military on the borders is OK. If we decide not to be a sovereign country any more, take the opposite of these previous definitions.

I also believe that what made Ronald Reagan’s presidency a “Reagan Presidency” is that the Old Man saw issues in simple terms. He did not use “diplomatic channels” to talk with Gorbachev, he –against all “experts” advice all the way to one minute before his speech- said in Berlin on June 12, 1987: “...There is one sign the Soviets can make that would be unmistakable, that would advance dramatically the cause of freedom and peace. General Secretary Gorbachev, if you seek peace, if you seek prosperity for the Soviet Union and Eastern Europe, if you seek liberalization: Come here to this gate! Mr. Gorbachev, open this gate! Mr. Gorbachev, tear down this wall!...” It did not leave much grey area in Gorbachev’s mind, as far as the Old Man’s intentions were concerned.

The above discussion came to mind when I was thinking about the US service economy, that the US has been forced into over the last 30 years. So let me put this on the table: if we put all other issues we are facing together, the package will not measure up to the “service economy problem”. It is my humble view that the United States of America either figures out taxation, labor, illegal immigration, international relation, research, development, innovation and entrepreneurial support to drastically increase productive jobs, or the USA will become a second rate country in 30-45 years. Let me use a simple analogy. Let’s assume a bakery has six bakers, and each of them has one specialty they make every day. And business is

December 1, 2010

good. One day these six bakers will decide that “it is easier if we sell most of our respective product to each other, not to the public”. That is service economy. “I will wash your window, if you will bake a cake for me”. I have yet to see or read a reliable study proving that anything else but export enriches a country. As companies depend on “sold goods”, countries have this one option too. Export takes care of the currency strength, the trade balance, and the segmented job market I was referring to. It could also be seen by a rational mind that an “export” economy is an “output economy”. You make things, and sell them. “Service economy” is an “input economy” because you need things you serve each other with. I do not know if it is true or not, but this amplifies the point: “While Tibet was demonstrating against China before the Beijing Olympic Games, Chinese companies were manufacturing and exporting the ‘Free Tibet’ stickers”.

In the US over the last 30-40 years, various liberal and social-communist progressives have been operating under the “let’s see what else we must destroy in the US to take the country down” concept. Andy Stern, one of the leading socialist thugs of the US said on PBS on 6.15.07: *“...workers of the world unite; it’s not just a slogan any more, it’s the way how we gonna have to do our work....we try to use the power of persuasion, and if that doesn’t work we use the persuasion of power...”* Incidentally, this is the same Andy Stern, who has visited the Obama White House more than anyone.

In the meantime, China has grown to be the No. 2 economy (and if we further go in the way we have been going, they will not stay “No. 2” for long), and India is right behind them. And I have not seen a single article anywhere that made the correlation between these two facts:

- Recent reports announcing: the three countries coming out of this global depression the fastest are Germany, China and India,

and the fact that

- Germany has stronger manufacturing than all Western European countries combined, and China and India are well known for their manufacturing capacities.

It is simply breathtaking, that people in high office in the US government walk around like zombies announcing that “we should strengthen our service economy”. We were sold this lemon decades ago, that this financial magic show is a substitution for research, development, innovation, manufacturing and entrepreneurship; and the time is running out to bring them back.

Do not get cozy with the fact “the US is the largest producer in the world”, because the statement has a second part: “...but not compared to a society of 300 million people”. The US economy can in no way support 300 million Americans to have a decent living.