Taking Stock: Stimulus dwarfed by mountain of debt

by Malcolm_Berko

Dear Mr. Berko: I don't believe the stimulus bill will work unless we get a wakeup call and look at all the things on retailer's shelves and counters labeled "Made in Hong Kong," "Made in Mexico" or "Made in India," etc. One of the big mistakes the people of America made that caused this recession is that we purchased so many products made in foreign countries that took jobs from U.S. workers. The reason Wal-Mart, Costco and other companies continue making money is that they buy trillions of dollars of cheap foreign goods and sell them at huge markups in the United States. This takes employment from Americans and creates jobs overseas for foreigners.

For instance, a Japanese alarm clock wakes us up in the morning and we use a coffeepot made in China to brew our java. Americans use electric razors made in Hong Kong and put on dress shirts made in Malaysia, khaki pants made in India and loafers made in Korea. We cook breakfast with electric skillets produced in India and balance our checkbooks using calculators made in Mexico that use paper produced in Argentina. We check the time on our watches made in Japan, start our BMWs made in Germany, which we fill with gas that comes from Saudi Arabia. We then put on hats made in Pakistan.

When the average American worker gets to the office, he turns on a laptop computer made in India, puts his feet up on a desk made in Mexico and uses a cell phone made in Finland to make a dinner date at a French restaurant where he will drink French wine. He turns on his office television made in Japan and calls his broker to buy 200 shares of Novartis located in Switzerland and then purchase five gold Krugerrands made in South Africa. On his way home, he buys a six-pack of Guinness made in Ireland and puts air in his Michelin tires made in France. When he gets home he puts on a pair of slippers made in Brazil, snatches a couple pieces of Belgian chocolate, takes $25 from his wallet made in Italy and gives it to the lad next door for cutting his lawn with a mower made in Sweden.

This, Mr. Berko, is why there are no more jobs left in our country, because we buy everything we need from other countries. â€” W.E., Durham, N.C.

Dear W.E.: That was well written. Perhaps you should consider writing a column, too. I've shortened your comments but what remains should clearly express your thoughts. While you do make a logical argument to "buy American," the logic in this instance isn't that simple â€” though I wish it was. Walt Kelly, in his pogo comic strip said it all in just nine words: "We have met the enemy and he is us."

It's not Japan's fault that they make better and less expensive cars than Detroit. It's not Malaysia's fault that American's purchase quality dress shirts at half the price of those made here, or India's fault that their laptops are cheaper, or Mexico, or Pakistan, Hong Kong, China or Finland's fault that their products sell for less than those made in America. The real blame lies with the American consumer and I'll gladly share my opinion with you because there are no sweeter words than: "I told you so," so many times!

We financed our "tsunamic" expansion with credit cards, home equity payment and "no loan payments for 12 months." During the last eight years, the American consumer couldn't keep his wallet in his pocket and comported himself like a sex maniac with a credit card in a brothel. Don't blame the evil credit card or mortgage companies or banksters. Blame us because we borrowed to live beyond our paychecks and borrowed to pay back what we borrowed and when the music stopped we fell flat on our duffs because we couldn't borrow more.

Now, we have a $14.5 trillion consumer debt load, our homes have lost nearly $9 trillion in value and the stock market has robbed our 401(k)s, independent retirement accounts and pension plans by $10 trillion. And that home we bought for $450,000, which is now worth $250,000 might never be worth $450,000 again.

Blaming Korea, China or India for our economic problems makes as much sense as blaming Russian vodka or Mexican tequila because your friend is an alcoholic. We used to be able to borrow money to buy a home, to buy a new car, send the kid to college and vacation in Florida. Those days are gone. We are witnessing a demise of rampant consumerism and a permanent devaluation in our standard of living. I'm sorry to say that the unraveling of our economy that was constructed on a mountain of debt will be extremely painful for a long time to come. If I may borrow a quote from a very sad song first recorded in 1968 by Mary Hopkins: "Those were the days, my friend. We thought they'd never end." And now the chickens have come home to roost.

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