

# Flint, Michigan

Commentary by Richard Kotlarz, Winter 2005-

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## Premise:

***The “trade deficit” is commonly attributed to the so-called “lack of competitiveness” of American industry. This is an egregious misunderstanding of what is essentially a monetary problem, and the industrial worker, the country, and indeed the world is paying a terrible price for the lack of waking up to this illusion.***

## ‘Roger and We’

In his classic film “Roger and Me”, Michael Moore pursued the CEO of GM to try to find out why the corporation was closing auto plants in Flint, Michigan, and reopening them in inappropriate places like, say, the desert in Mexico. He never did successfully corner Mr. Smith for an answer, but we can assume that the rationale would have had something to do with “competitiveness”. Let us take a look at which location is really more “competitive” from the standpoint of the physical and human realities involved, monetary considerations aside for the moment.

To begin our reckoning let us note that to move the site of production, the factories that had already been built over generations and at great cost in Flint would have to be disposed of and rebuilt in Mexico. What is more, those plants are located in Flint for good reason. They are within reach, via the greatest inland waterways of the world, of the vast iron ore deposits of northern Michigan and Minnesota. They have convenient access to the high-quality coal deposits of Appalachia via a well-developed rail system. They are in proximity to a bountiful fresh water supply. The Flint’s factories are located in mature communities with good roads, housing, medical facilities, schools, utility infrastructure, and all manner of amenities. They are intertwined in a well-developed network of suppliers and services that have grown up over the years as adjuncts to the auto industry. The desert in Mexico is clearly lacking in all of these. If one were to make a listing of the tangible features of the Flint-vs.-the-Mexican siting, one would find that virtually all of the advantages are squarely in the Flint column. The only real plus I can see for a Mexican location is perhaps a limited potential for assembly for local Mexican consumption, but even that is dubious. In any case, what reason could one offer for forcing Upper Midwest residents to buy their vehicles from Mexico?

But, we are scolded, American workers can no longer “compete”. We need to start doing our own thinking on this. The workforce at the Michigan plants is already well qualified for the job by training, experience and cultural tradition. I have no doubt that Mexicans are fine and hard-working people as well, and are fully capable of learning and performing whatever jobs, but I have worked in the American workplace all my life, including a number of factories (one staffed almost entirely by immigrant Mexicans), and Americans work well and hard also. There is not much to choose from when comparing the fitness of respective populations.

This begs the question, “Given the overwhelming preponderance of bona fide advantages embodied in the Michigan option, why can a factory in Flint “not compete” with one in Guadalajara?” The answer is deceptively obvious and simple – **The worker in Michigan gets paid in dollars, while the one in Mexico collects his wages in pesos.** But, one might argue, the peso is worth less than the dollar. Says who? Where is there written some universal law is there that dictates such things? Currencies are abstract human creations controlled by the banking system. They would find their own reasonable levels relative to each other if they were not forced out of such equity by the insatiable need to feed the usury bubble now virtually universally attached to all currency. The notion that there is some natural disequilibrium in their exchange ratios that drives disastrous economic “development” in the face of such ludicrous contradictions ought to be a huge blinking red light to alert us to precisely where the problem lies (but still we won’t talk about it). The besetting problem is currency manipulation rooted in a usury-based monetary system, and the ensconcing of the Dollar as the privileged reserve currency for the world.

The productive infrastructure of our own country is being dismantled, its resources depleted, and its finances driven into irredeemable “debt” as we live off of “borrowed” money. So since it is the Mexicans who are getting our “money”, they must be the ones that are “benefiting,” right? Wrong!!! The common Mexican has had his real life ripped up by “debt”-based exploitation already, which is why he is driven into maquiladoras to labor for pitiful wages, the yield in pesos of which has no prospect of being adequate to buy what he is making with his own hands (or much else). In addition, his country as a whole is also being driven into “debt” to foreign “investors”, and is falling behind in the battle to keep up with the payments. Of course, the international banking oligarchy is magnanimous in its willingness to restructure the “debt”, so that domestic needs can be starved out still further for the privilege of paying endless tribute to a faceless bankers and “investors”, and to buy still more bonds “backing” the dollar, which is not “competitive” with respect to selling hardly anything made by workers who get paid in those dollars in any case. This is, in fact, the engine that is driving the desperate migrations across the southern US border. Clearly, there is a vicious money-driven cycle here. Ultimately it is a situation in which no one can win.

The perverse irony is that many of the maquiladoras industries are themselves now being closed down and shipped to other locales in the never-ending search for “cheaper labor”. The very phrase “cheap labor” is capitalist-speak for “cheap people”. To even utter such an expression without being mindful of what one is really saying is to demean the work of all people. I regret to say that I frequently hear it mouthed even by good-faith activist folk of the left and right when they reflexively repeat the argument that industries leave one country for another ostensibly because of “cheaper labor”. Nobody’s labor is cheaper. Humanly, we all exert and sweat just the same.

If both the Americans and the Mexicans are sliding into hopeless “debt”, who is the “creditor”? Clearly, it is clearly those who control the monetary parameters of the system. This is only a manner of speaking, of course, as ultimately they that “profit” from the system do so to their own undoing. They are collecting their tribute, not so much in cash, but mainly as the holders of the “debt” instruments that control everything we own. The situation has deteriorated to the point where the “debt” paper outstanding against the entire physical worth of the United States (and that means all of it, whether an individual in his niche thinks “his” is “free and clear” or not) has a face value that is roughly equivalent to the market value of that physical worth. This means that for all the sacrifice and hard work put in by ourselves and our predecessors in building this country, We-the-People in the aggregate own none of it, and They-the-Financiers as an oligarchy “own” all of it. That is why the capitalist system is reaching a crisis. There is no longer any virgin territory in which the cancer-like “debt” can be expanded, which leaves perpetual war as the only viable options to stave off collapse. The question begs to be asked – “How huge and in our face does this problem have to get before we are willing to call it by its name?” Is it any wonder then that we are losing our sovereignty?

The truth is that we have already lost the understanding of the factors that control our personal and public lives to an extent that is jarring to contemplate. Those that live outside the relatively privileged American system experience the same intractable dilemmas, only excruciatingly more so. Without offering any justification for reprehensible measures, people who have long borne the humiliating brunt of this game, and can find no strategic resources to resist it, feel it increasingly difficult to resist resorting to the desperation of violent acts.

Perhaps the most bizarre aspect of this whole situation is this. I was not present at any of the board-room deliberations at which it was decided that the factories in Flint had to go, but I can well imagine that there were present expert accountants with ledgers full of numbers that presented carefully researched “facts”, the “bottom line” of which gave “incontrovertible testimony” that GM had no other financial option than to move those plants. Furthermore, I can well imagine that these human beings – accountants, the board members, even Roger Smith himself – may have acted in what they saw as good faith. How then could this spectacularly nonsensical judgment, which flies in

the face of every physical, human and indeed economic reality that lies around them, seem to otherwise intelligent, knowledgeable and responsible people to be a necessary conclusion?

In monetary terms, it is the result of the slight-of-mind which underlies the ostensible “bank-loan” transactions by which a compounding usury-charge bubble is attached to the currency as it comes into existence. The shell-game nature of those transactions is obfuscated behind devious uses of the basic terms of finance – i.e. “borrow”, “loan”, “payback”, “interest”, and “debt”. To keep a lid on the scam, the deception is further compounded in similarly dubious renditions of other words and phrases of the financial lexicon. It is a short hop for this duplicity to insinuate itself into the political realm, and from there subvert the very language, meanings and thought processes of the culture itself.

We may well criticize the board and CEO of GM for their calamitous decision, and indeed we are at the ready to do so. It must be said, however, that the citizenry is susceptible to the same blindness on the question of money, and in our lack of understanding wind up being culpable for our own litany of unintended consequences. Taking the thought further, by attacking the effects rather than understanding the cause, we fall into the words, phrases and spurious assumptions of the bogus paradigm within which the scam was played out in the first place. If one were to follow the logic of this train of thought to its natural conclusion, one would discover that by our own self-indignant denial and ignorance we become buttresses for the perverse order that we purport to oppose. To be sure, this seems a hard thing to say, but it is a hard reality we face.

In the end we will find that even those who nominally benefit from the system don't ultimately benefit. They are, in truth, engineering fatal structural distortions in the socio/political/economic matrix, and are killing their own golden goose. The wealthy and privileged can in a sense be said to have initiated a runaway freight train that is soon to crash, and even they are coming to an increasing realization of that. What is more, “they” are not all they. “They” are too often us, as We the People, whether of the “Left” or “Right”, have virtually all adopted habits of thought and being that in critical ways perpetuate the system we purport to oppose. The solution starts within ourselves (not any George Bush), and if we can come to terms with that, then we will hold the keys to the kingdom. I hope and pray that those of all stripes in the greater community will not reject this thought out of hand, but give it some serious contemplation. It will indeed be a liberating experience.

I don't mean to preach to anyone here as I am part of the problem too, and am struggling with its personal contradictions on an ongoing basis in my own life. The American experience is in essential ways the hope of the world, but that burden comes with a cup. If this diatribe sounds strident, it is not out of a spirit of contention with anyone, but rather the urgency of knowing that Rome has already been burning for a long time, so to speak, and the time and opportunity for any

effective redemption is getting very short. For starters, we cannot successfully resolve the situation in Iraq if we do not fully acknowledge and adequately address its monetary underpinnings (and that of the whole history of colonialism/imperialism in general). This is only the beginning of a long list of problems we cannot even get to if we do not come to grips with the monetary engine that is powering the whole Empire of Mammon.

The so-called “economic realities” commonly fretted about in the public dialog; i.e. the “Federal deficit”, “balance-of-payments deficit”, “lack of competitiveness”, “exportation of jobs”, “international debts”, the “robbing of social security”, the “unaffordability of health care”, the inexorability of rapacious “economic growth”, and all the rest, are bogeymen. By taking them at face value, and arguing within an arena circumscribed by their own ostensible terms (howbeit even “against” them), we effectively legitimize their chicanery and cement them as fixtures of our intellectual landscape. Our reflexive hand-wringing on these “issues” needlessly traumatizes our children into believing this nonsense is real, and unintentionally programs them into an acquiescence to a dead-end future. We do untold violence to their prospects, their psyches and their hopes, however unintentionally, because we are reluctant to break our denial on this. As illustrated by the Michigan/Mexican example, these figments of econo-speak are all euphemisms and straw men for monetary dysfunction.

If We-the-People were to wake up to that reality, there would be a new world in the morning. What is more, the sky would not fall, and the whole mess could begin to resolve itself directly, systematically, transparently, without trauma, without recrimination, without violence and without default to anyone. Monetarily speaking, it begins with the deflation of the bubble (not a paying of the “debt”) by the redemption of already outstanding “debt” paper as it comes due with real money (United States Notes; as per the “Greenback”), and a restructuring of both the physical and financial economies on a rational and humane basis. The playing out of the transition is bigger and more complex than this of course, but eminently doable. This may sound like a preposterous vision, but it is not. It only seems so because our minds have been trained out of the ability to even entertain such fits of common sense by the cumulative force of our “debt”-money-ridden acculturation.

I would urge anyone listening to give it a chance; to think deeply on this matter. Beneath all the iceberg tips we can see, there is a huge, unacknowledged, interconnecting mass that has been intentionally concocted and frozen in place to keep the People unaware and under control. Everything is now at stake. We verge on collapse, economically and otherwise, if we continue to ignore the avarice-driven usury-based system ruining our country and the world; Or we, collectively, can work to identify, understand and correct it.

To paraphrase what has been given, there is set before us economic life and death – Let Us Choose.