

‘Recovery’ Hype Grows Shriller, As Fear and Paralysis Spread

by John Hoefle

Sept. 4—Often what is *not* said is more important than what is said, and this past week was a good example of that principle. When the economic reportage turns to pure propaganda, with some pabulum filler added, it usually reflects desperation behind the scenes.

The propaganda generally revolves around two related themes: first, that the U.S. bailout/stimulus process is working; and second, that a recovery is either already underway, or just around the corner. We have been told this, time and time again, especially over the past year, but recovery never comes. Instead, the economy accelerates its relentless collapse, hitting households, businesses, and governments at all levels.

What little “good news” there is, is usually bad news, when you take a thoughtful look. Just two examples: the claims of bank profits, and the claims of renewed activity in the securities markets—developments which actually reflect the effects of unprecedented government handouts to the very financial institutions that got us into this mess, and bankrupted themselves in the process.

When the fleas claim to be doing well, it is not a good sign for the dog.

Fragrante Delicto

The propaganda reached absurd new heights—or, perhaps better put, lows—this week, with claims that the bailout is turning a profit. At least three imperial rags—the *Financial Times*, the *New York Times*, and the *Wall Street Journal*—ran major stories on the subject.

In an Aug. 31 story headlined, “As Big Banks Repay Bailout Money, U.S. Sees a Profit,” the *New York Times* claimed that “taxpayers have begun seeing profits from the hundreds of billions of dollars in aid that many critics thought might never be seen again.”

The *Journal* upped the ante the next day, claiming, “Taxpayers are getting a reward for the trillions of their dollars U.S. authorities put at risk in a bid to save the financial system.” “The total is in the neighborhood of \$30 billion,” the Wall Street blab-sheet added.

Our first response when reading these outrageous fabrications was howls of laughter. We’re used to the financial press spinning tall tales, but a profit on the bailout?!! This was beyond the pale. We’re talking about the greatest swindle in human history, where tens of trillions of taxpayer dollars were stolen to rescue a bunch of parasites—institutions which, despite those trillions, remain beyond bankrupt.

The methodology here, counting as profits the few billions of dollars we get back in fees, out of the trillions we’ve thrown down the bailout rathole, is precisely the sort of idiotic thinking that got us into this mess in the first place. The banks made similar claims for the fees they got for their derivatives and securitization deals, reaping huge profits that proved to be completely fictitious when the bubble popped. Perhaps the best example is AIG, which booked huge fees on its credit default swaps, but then imploded as soon as payouts were required.

It’s not surprising, given the way the U.S. Treasury

and the Federal Reserve have committed themselves—and the rest of us—to restarting this insane process. But that doesn't make it any less nuts. Those who believe that the bailout is working, along with anyone who believes that it is turning a profit, should be promptly committed to the nearest still-open mental institution for their own good. And for ours.

The propaganda continues in other forms, such as the claims that Fed chairman Ben Bernanke's big challenge in his second term will be winding down all the bailout schemes, as they cease to be needed. This big wind-down is also said to be on the agenda of the G20 finance ministers meeting in London this weekend, and the G20 summit in Pittsburgh, later this month.

This, as the nations they are supposed to represent, are wracked by economic collapse and political paralysis, while nothing they do halts the breakdown. They are whistling past the graveyard of their dead system, their heads stuck deep in denial, as they march to their doom.

Frightened Fools

After the laughter over the "bailout profit" subsided, we began to reflect on the state of mind of people who would make such outrageous claims. The sudden appearance of this flock of similar stories suggests orders from on high; even the authors may not believe what they write, judging by the fine print beyond the headlines and initial assertions. When it becomes too much for even the jaded hacks of the press, you know something big is up.

The "recovery" talk is a classic example of the Big Lie, the Venetian technique notably practiced by Adolf Hitler and his Propaganda Minister, Joseph Goebbels. The essence of the method, is to tell a lie so outrageous, that no one would believe you'd have the nerve to make it up, and then, to repeat it, over and over, until it becomes accepted as truth.

It is not necessary that people believe the Big Lie; all that is necessary is that they act like they do. Until recently, that technique has worked, but it has its limitations, as President Obama and Congress found out.

Abraham Lincoln observed that, "You can fool all the people some of the time, and some of the people all the time, but you cannot fool all the people all the time." The recent U.S. mass strike is a testimony to Honest Abe's wisdom.

A majority of the U.S. population has stopped believing the lies, stopped believing the politicians, and

stopped believing the media. They have been pushed too far, for too long, and they are now pushing back, demanding that the government do its job.

The politicians and the media, slow on the uptake, have, thus far, treated We The People as naughty children. Not realizing that the population has changed, they are playing the same old manipulative game, denying the truth that underlies the discontent. It is their big mistake.

In part, they do it because they have become a bunch of self-serving jackasses, who place their own careers ahead of the welfare of the nation. But they also do it because they are frightened, caught in a situation beyond their comprehension and control. They dare not defy the voters, but they are too spineless to defy the money, so they just babble.

There is also a sadistic streak in the propaganda, a sadism characteristic of an oligarchy which believes that it can lie to us with impunity, because there's not a damn thing we can do about it. They know they're lying, they know we know they're lying, and they get a kick out of rubbing our noses in it.

However, the oligarchy has learned the hard way that the U.S. people can, when aroused, rise up and defeat the empire. They know it can happen again, and they fear that the mass strike represents the awakening of the formerly sleeping giant. That, is their worst fear.

This fear is the remaining element of the "recovery" talk, and the "bailout profit" claims. The empire is blustering, talking tough to hide its fear. Faced with an angry and determined citizenry, the tyrants are afraid. If they lose control in the U.S., they lose control everywhere.

Organize!

It is the imperial monetary system which has died, not the American Economic System. It is *they* who have blown up the world, and it is *we* who have the necessary tools to correct the problem and put the world back on track. Let us cast off the delusions that led us astray, and return to the America of the Founding Fathers, Abraham Lincoln, and Franklin Roosevelt. Let us give the imperial monetary system the burial it deserves, and lead the world into a new Renaissance. It is within our power to do this, and it is necessary that we do. The walls of the temple of money are shaking, its collapse imminent. We need not collapse with it.

The tyrants are afraid. If we can overcome our fears, victory is ours.

johnhoe@larouchepub.com