

BUILDING THE NEW ECONOMY CONFERENCE

A couple of days ago I pointed out how Steve Rattner, Obama's auto czar, was absolutely blind to the degree to which his impressions of the auto industry were true, too, for Rattner's own finance industry. That highlighted an issue I've been trying to focus on (between covering Obama's cover-up of Dick Cheney's crimes): the huge imbalance in our economy.

I'll be heading to DC tomorrow for a conference that tries to address that issue, "Building the New Economy." As Scott Paul, who's been leading these issues, says,

But chalking up the blame to a few bad apples on Wall Street and their risky financial instruments, and responding by simply providing appropriate regulation in the financial services sector, will ultimately be unsatisfying. There are much deeper, structural issues which must be urgently addressed. Otherwise, the absurd positive feedback loop will continue: consumer debt, subsidized Chinese imports, American job loss and factory closures, the growing U.S. current account deficit, burgeoning Chinese currency reserves reinvested in American debt ... These will only inflate new bubbles and reinforce our current problems.

Some of us warned that this day would come. We knew that an economic strategy predicated on replacing wage growth with debt and credit to maintain a certain standard of living was doomed to fail. We knew that this nation could not replace manufacturing jobs and their multiplier effect, as well as their positive impact on the trade balance and wealth generation, with lower-wage service and retail jobs.

If you're in town, stop by—some cool bloggers—and people like Sherrod Brown and Richard Trumka will be there.

Hopefully, we can fix health care then start talking about how Americans can make something again.