

What follows is a response to the U.S. Trade Representative's request for comments (USTR-2017-0010-0001) on the performance of trade policy.

According to the CIA World Fact Book, the U.S. Current Account Balance is -\$481,200,000,000 as of 2016. On the list of 199 countries, The U.S. is dead last - 199<sup>th</sup> on the list.<sup>1</sup> The definition of Current Account Balance is:

*Current account balance compares a country's net trade in goods and services, plus net earnings, and net transfer payments to and from the rest of the world during the period specified. These figures are calculated on an exchange rate basis.*

The negative balance reflects a continued hemorrhaging of the U.S. economy. That pretty much sums up the performance of U.S. Trade Policy. It's destroying our country and the people in it.

The instructions on the request for comments indicated that a particular trade agreement should be specified along with the impacts – presumably negative or positive but there is not always a one-for-one correspondence between an agreement and an impact unless one is writing about a particular widget. I was contract Computer Systems Analyst/Programmer in the Information Technology (IT) sector which is in the category of Services. If an agreement must be named, it would have to be the Marrakesh Agreement that was the end result of the Uruguay Trade Round. This round of trade ended with the passage of the Uruguay Round Agreements Act (H.R. 5110 – Public Law 103-465).

The Uruguay Round included participation in the establishment of the World Trade Organization, a specialized agency of the United Nations. The plans for the WTO (International Trade Organization) were negotiated in Havana, Cuba in 1947. All subsequent trade rounds from 1947 until the end of 1994 were moving toward the apparent goal of a single global trade authority without a single thought apparently about how the world had changed since 1947.

The Uruguay Round included the “free movement of goods and services across borders”. At its essence, a service is a person or a job. The Congress had voted to open our borders to allow the import of cheap labor to displace American workers (decimating their own tax base) and to allow manufacturers to seek locations outside the country to obtain the cheapest labor in the world without penalty for importing those goods back to the U.S. after manufacture.

In the business I was in - and had been in for twenty years, it took only a few years to feel the impact of the flood of programmers primarily from India. By the year 2001, my situation was analogous to waking up bruised, battered and bloodied in a dumpster in the alley – financially and emotionally destroyed and wondering what happened? It wasn't just me obviously. It is unknown how many other IT programmer/analysts were replaced by imported programmers but when an H-1B was hired over a friend of mine who was qualified for the job, he filed a complaint with EEOC<sup>2</sup>. He was told that “American” was not a protected class.

As I began to get my bearings, I did what all good Systems Analysts do, I began to try and answer the question of what happened. One thing that I remembered was a major Wall Street media campaign

against IBM – “Big Iron is Dead” - PC’s and massively parallel processing would replace the mainframe. They drove IBM’s stock down to around \$40.00 per share. I believe that occurred around 1994.

That media campaign was pure unadulterated disinformation to make it seem as if the corporate IT departments were obsolete and corporate computer programmers obsolete with them. Nothing could have been further from the truth.

The central processing units of the mainframes weren’t that big. It was just that the *frame* was designed to allow attachment of lots of communications controllers to allow attachment of thousands of terminals (including PCs), banks of tape drives, hard drives and high speed printers. The first PC that I was aware of that was attached to an IBM mainframe was in 1985 at the Department of Transportation in the State of Alaska. It had all the functionality of a PC but could access the resources and files of the mainframe.

As far as the programmers themselves being obsolete – in an industry famous for Moore’s Law: “the number of transistors in a dense integrated circuit doubles approximately every two years”, the requirement for learning never stopped. As the technology increased capacity and capability, the software changed to exploit it. The appearance of the PC in the corporate mainframe shops was no different. It was just another machine and new software to learn how to use and employers were training their people as they always had.

In 1995, the issuance of the Netscape IPO kicked off the dot.com boom – again another Wall Street propaganda campaign of disinformation. From a software professional’s point of view, Netscape was just a browser – one of several on the market. It was good but it wasn’t that good to cause historic price to earnings ratios to go from 9:1 to 50:1. Alan Greenspan at one point called it irrational exuberance. It was irrational – but it was more like a brain disease – gold fever. All logic and reason were thrown out the window in the quest for the illusive pot of gold at the end of the rainbow. Between 2000 and 2001 when the dot.com bubble burst, our country awoke to the nightmare of having been systemically looted and its people robbed of their wealth and livelihoods. The government and the media have been “talking prosperity” ever since but it has never materialized for the vast majority of the American people.

At the National Press Club in September of 2004, Treasury Secretary John Snow talked about the state of the economy. He gave us two important pieces of information: (1) the equity markets collapsed in 2000 and (2) that took \$7 TRILLION dollars out of the economy.<sup>3</sup>

Also in 2004, Douglas Holtz-Eakin, Director of the Congressional Budget Office announced that his office was projecting the largest ever budget deficit in the history of the country. The projected deficit was \$422 billion.<sup>4</sup> That seems like a paltry sum today but back then, it was a very big deal.

I watched a lot of congressional hearings during that timeframe because local news was reporting massive layoffs, record foreclosures, and record bankruptcies while the national news was reporting that the economy was booming. They were using housing starts as the evidence of the boom. At one

point, a California newspaper reported that 8,000 people applied for 400 jobs at a Walmart that was opening in Oakland. Obviously that's not an indicator of a healthy economy.

On Thursday, July 22, 2004, there was a hearing held by the House Budget Committee<sup>5</sup> concerning the tax code and federal revenue projections. In his opening statement, Chairman Jim Nussle said the following:

The first is, I guess, simply that the budget process and the Tax Code are inextricably linked. We collect Federal taxes to pay for Federal spending. The way I describe it to constituents back home is it is a bill...In short, receiving reliable revenue data is one of the most basic, essential parts of the budgeting process.

On page 15 of the hearing, CBO Director Douglas Holtz-Eakin described the method used to project federal revenue for congressional budgeting purposes. What he described is classic accounting fraud. Keeping in mind that this hearing was held in 2004 with emphasis added:

Mr. HOLTZ-EAKIN. No. We are **building off data from 2001** as our fundamental detailed facts about the individual income tax, for example. **So the first thing we have to do is project a couple of years of history and then build a 10-year budget projection on top of that.** So timely access to comprehensive data is something that I think anyone in this business would argue would be very useful. It won't be a panacea, but it would be a very useful— Chairman NUSSLE. **But it is 3 years old.** Mr. HOLTZ-EAKIN. Yeah. Chairman NUSSLE. So we are just now—I mean, most **Members do not know that we are 3 years behind getting actual data for what occurred even—I mean, we are not getting today's data. We are getting data that occurred back in 2001** as final, close-the-books actuals of what is going on. And based on that you then begin to use that as a way to project what is going to happen in 2005 and beyond.

Given the timing of the fraudulent dot.com boom-bust, the exodus of American manufacturers to offshore locations and outsourcing and the massive importation of foreign IT people, it makes projection method an even more suspicious. It gave a three year window for the thieves to get away.

Around 1996 or thereabouts, there was an article in the newspaper about the IRS. They were firing a contractor they hired to help redesign and rewrite the IRS tax processing system. My husband and I were both IT people. We kind of laughed about it because it was rare indeed for a consulting firm to be fired and even more rare for it to become a news story. Around the year 2000, when senate hearings were held on the IRS abuses and confiscation of property and money to which they were not entitled, we assumed that the consulting firm had really wrecked the IRS tax processing software so that it was not reliably processing tax returns. They set a government policy of a "kinder and gentler IRS". That policy and the tax revenue projection method described by Holtz-Eakin pretty much confirmed the suspicion that the tax processing system was dysfunctional. The question is – was it intentional? It's my belief that it was.

In October of 2004, there was another Budget Committee hearing on Federal Revenue Options<sup>6</sup>. The following are excerpts from the opening statements of Representative John Spratt and John Linder:

**Mr. SPRATT.** Thank you, Mr. Chairman. In the fiscal year just ended, revenues hit an all-time low, or at least a low level that has not been seen since 1950, 16.2 percent of GDP. This precipitous drop in revenues is directly related to a precipitous rise in the deficit. It too hit a record this year, \$422 billion, the highest in history; \$47 billion worse than last year... In the year 2001, when President Bush took office, he had an advantage that no president in recent times has enjoyed: a budget in surplus, big-time surplus, \$127 billion that year.

**Mr. LINDER...** We have driven offshore \$6 trillion in capital. The IRS thinks it is \$5 trillion; offshore financial centers say it is \$6 trillion. Those are dollars offshore that it is too expensive to repatriate; they would rather borrow at 6 percent interest than repatriate at 35 percent taxes. Those dollars would all come to our shores if we were to un-tax capital and labor, and my bill would totally eliminate all taxes on income whatsoever; personal income tax, corporate income tax, gift tax, State tax, capital gains tax, alternative minimum tax.

It was at that hearing that Representative Linder presented his plan to replace the income tax with a national sales tax – eliminating the tax on corporations. Corporations would become the tax collectors. The presentation was without a doubt the most dishonest testimony I've ever heard in Congress. The rate he said would be 23% *inclusive*. Inclusive is an accounting trick to hide the fact that it was actually a 30% tax rate and it would be on every dollar spent on everything for the majority of people – including hospital bills, doctors bills, utility bills, mortgage interest... every dollar spent. It also would not have eliminated the IRS. It would have necessitated an IRS agent in every neighborhood to ensure that the sales tax was paid to the guy who mows your lawn and that he turn the tax over to the agent.

It would be great for the wealthy with the majority of their spending being optional. It would have been devastating for anybody not already in the upper middle class with an established household. In my opinion, it was psychotic. The odd thing about it was that the federal and state governments would have to pay the sales tax on their expenditures also. That made no sense in terms of a sovereign national government. It only makes sense in terms of the government being turned over to a "management system" operating behind the façade of a government – perhaps another United Nations specialized agency? Succinctly, it only made sense if there had been a coup d'état and the entity running our government was an outside entity hostile to the American government. That would make the destruction of the IRS tax processing system an act of war against the United States and the American people through the administrative back door using IT people – computer programmers as warriors to take down the government by making it dysfunctional and starved for revenues.

In June of 2005, the Senate Finance Committee held a hearing on U.S.-China economic relations<sup>7</sup>. At that hearing, Alan Greenspan described our country in terms that paralleled what happened to rural towns at the beginning of the industrial era. Being from the west, I was very familiar with ghost towns. That's how Greenspan described what was happening to the U.S. economy. The doublespeak is astounding.

*"What we are confronted with is the consequences of an extraordinary change in globalization in recent years which has augmented trade and current account balances throughout the world - at*

*the same time that process has created an increasing rate of growth and economic activity virtually worldwide and has redounded very specifically to the benefit of the United States economy.*

***We are looking at what is the extension of what has gone on in this economy - our economy when we moved from local markets to national markets."***

*"What we are observing now and it's very specifically in the last decade or so is the emergence of national economies - **the trade in national economies which had been restricted to national economies spilling over sovereign borders and in the process creating a much broader global market system**, the statistics of which will begin to show very significant increases in the dispersion of current account balances and trade balances - which it is, in the same way that had we in the United States been measuring trade imbalances amongst the 50 states we would have found a very large increase in the dispersion of trade surplus and trade deficit within the United States. So that this is a process really merely reflects a broadening of globalization which is in my judgment and I presume almost all economists something that is significant positive force for world economic growth and prosperity....."*

The "augmentation of trade and current account balances around the world" came at the expense of the American economy and the American people. In the same breath, he says that our country is being converted to a ghost town but that the benefits have redounded to the American economy. That's delusional and insane.

## **REINVENTION OF GOVERNMENT**

Initially, when I began looking at the systems of government as a professional Systems Analyst, I didn't make the connection between George Herbert Walker Bush's reference to the *New World Order* and the re-unification of Germany in 1990. What I found first was that U.S. Trade Representative William Brock kicked off the Uruguay Round of trade talks when China expressed an interest in participating. After the talks were initiated, Brock then moved to be the U.S. Secretary of Labor. As the Secretary of Labor, he commissioned the Hudson Institute to do a study on the impact of globalization on the U.S. workforce<sup>8</sup> – with globalization being defined as open borders for the free movement of goods and services across borders. By any political standards, the plan for globalization was seditious – and treasonous.

### **Commodification of Labor**

In a world of seven billion people with sixty percent of them of working age, the idea that Americans could compete for jobs in a world without borders was again – insane. The U.S. at the time had a population of about 300 million with about 100 million of them working age. Compare 100 million working aged people to about 4 billion worldwide. Predicting what would happen was a no-brainer given an understanding that labor was being turned into a commodity for world trade. It's been a race

to the bottom to “compete” ever since. It’s a competition that the American people could never win – just by the numbers.

The “solution” William Brock came up with as a result of the study was to change our system of education – and to plan for lifelong learning for our population. The American people were already among the best educated people in the world so this solution was akin to tossing a drowning person an anchor. The project to redesign our education system was conceived within the U.S. Labor Department<sup>9</sup>. Corporations and industry groups were solicited to produce the criteria for certification requirements for every type of job in their industry sector. The requirements for jobs common across sectors were synthesized. Across all sectors and job definitions, a “common core” of learning was developed to meet the baseline requirements for all jobs.

The definition of jobs and skills requirements was the first phase in designing what was to be ultimately to be a global system of labor certification for a human inventory and supply system. Sixteen industry sectors were defined along with the definition of jobs in the sector and the requirements for certification. Initially, sixteen “career clusters” were defined<sup>10</sup>:

Marketing, Sales & Service	Transportation, Distribution & Logistics
Health Science	Information Technology
Law, Public Safety & Security	Education & Training
Finance	Human Services
Agriculture, Food & Natural Resources	Architecture & Construction
Business, Management & Administration	Hospitality & Tourism
Government & Public Administration	Manufacturing
Science, Technology, Engineering & Mathematics	Arts, A/V Technology & Communications

In the years following, the rest of the system was developed in phases... America’s Job Bank<sup>11</sup>, America’s Talent Bank<sup>12</sup> (human inventory, skill certifications and availability), and the plans are to develop a national guest worker system<sup>13</sup> that theoretically will look at the jobs available, the American talent available and will allow foreign worker imports to fill jobs where there are supposedly no qualified Americans to fill the jobs.

End Part 1

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<sup>1</sup> CIA World Fact Book, current as of 7/17/2017, <https://www.cia.gov/library/publications/resources/the-world-factbook/rankorder/2187rank.html>

<sup>2</sup> EEOC complaint filed by Dana Rothrock with the Texas Commission on Human Rights. <http://www.channelingreality.com/NAU/EEOC/discrimination.htm>

<sup>3</sup> A link to the program on C-Span couldn’t be found, but when I wrote about it, I did an audio recording of Treasury Secretary John Snow’s remarks which can be heard here:

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[http://www.channelingreality.com/the\\_coup/Crimes\\_Against\\_Reality.htm](http://www.channelingreality.com/the_coup/Crimes_Against_Reality.htm) In 2007, John Snow was again the guest speaker at the National Press Club and he referenced the 2004 remarks. <https://www.c-span.org/video/?199970-1/role-private-equity>

<sup>4</sup> Congressional Budget Office, Press Conference, September 7, 2004, <https://www.c-span.org/video/?183383-1/budget-economic-outlook>

<sup>5</sup> 108<sup>th</sup> Congress, Committee on the Budget, July 22, 2004, *The U.S. Tax Code's Impact on Revenue Projections and the Federal Budget*, <https://www.gpo.gov/fdsys/pkg/CHRG-108hrg95053/pdf/CHRG-108hrg95053.pdf>

<sup>6</sup> 108<sup>th</sup> Congress, Committee on the Budget, October 6, 2004, *Federal Revenue Options*, <https://www.gpo.gov/fdsys/pkg/CHRG-108hrg96374/pdf/CHRG-108hrg96374.pdf>

<sup>7</sup> U.S.-China Economic Relations, Senate Finance Committee, June 23, 2005, <https://www.c-span.org/video/?187332-1/uschina-economic-relations>

<sup>8</sup> Hudson Institute, 1987, sponsoring agency, Employment and Training Administration of the Department of Labor, *Workforce 2000: Work and Workers for the 21<sup>st</sup> Century*.

[http://www.channelingreality.com/Education/SCANS/1987\\_Workforce\\_2000\\_Packer.pdf](http://www.channelingreality.com/Education/SCANS/1987_Workforce_2000_Packer.pdf)

<sup>9</sup> Secretary's Commission on Achieving Necessary Skills (SCANS), U.S. Secretary of Labor Elizabeth Dole, All SCANS reports can be found here: [http://www.channelingreality.com/Education/SCANS/SCANS\\_Documents\\_List.htm](http://www.channelingreality.com/Education/SCANS/SCANS_Documents_List.htm)

<sup>10</sup> *Career Clusters*, Workforce Development Council, January 15, 2008, Idaho Professional-Technical Education. It should be noted that while this report was for Idaho, each state has a report with the same information under their own cover but it's a national system so they are all the same. What that shows is the degree of corruption and deception they've engaged in to keep the American people from understanding what is being done to our country and our people. [http://www.channelingreality.com/Competitiveness/Idaho/Idaho\\_CareerClusters.pdf](http://www.channelingreality.com/Competitiveness/Idaho/Idaho_CareerClusters.pdf)

<sup>11</sup> America's Job Bank: A Component of Career One Stop. This system was developed as a national system but was then hidden behind privatized appearing web portals by industry sector. This pdf has captured webpages just as the full system was being hidden behind privatized portals.

[http://www.channelingreality.com/Documents/AJB\\_Transition.pdf](http://www.channelingreality.com/Documents/AJB_Transition.pdf)

<sup>12</sup> America's Talent Bank, <http://www.channelingreality.com/un/education/America's%20Talent%20Bank.pdf>

<sup>13</sup> Legislation for a Guest Worker program was introduced by Colorado Congressman Tom Tancredo. The title of the legislation was "Rewarding Employers that Abide by the Law Guaranteeing Uniform Enforcement to Stop Terrorism Act of 2005 or Real Guest Act of 2005, H.R. 3333. This legislation can view on the Library of Congress website or you can read this article I wrote at the time of its introduction.

[http://www.channelingreality.com/NWO\\_WTO/Save\\_Act/guest\\_worker\\_program.htm](http://www.channelingreality.com/NWO_WTO/Save_Act/guest_worker_program.htm)