Will Christmas Shopping Save Us? As "Black Friday" Nears, New Questions About an Economic Recovery That Isn't

By Danny Schechter
Theme: Global Economy
Global Research, November 25, 2009
Mediachannel.org 25 November 2009

Funny how, back in 1929, we had black Thursday and then Black Friday as the market crashed, plunging the country into a depression. Now we have every retailer in every mall in America on their knees praying for a prosperous black Friday this week.

Here's the scenario as Thanksgiving rolls around.

TV advertising spikes. Local TV channels start hyping the action at the local malls announcing plans to "go live" without mentioning that they are doing it to attract more advertising, or as part of the deal they already have with sponsors.

If the past is any guide, we will be told how packed the parking lots are—and they will, thanks to the hype, probably be packed. Part of the reason is the deep discounting and special sales –what are called "lost leaders" to get customers into the store even if you have to bribe them to come.

What happened last year was that most consumers only bought the sales items and left most of the other goods untouched. No wonder, a number of malls are now in foreclosure,

At the same time, all we hear from business is optimism, including the use of the term "surge" that has been used so deceptively in Iraq and Afghanistan.

Example: "**Some e-retailers expect a strong surge in Thanksgiving weekend sales"**

"Having already unleashed a flurry of deals, discounts and other incentives, web retailers are looking for strong sales the day after Thanksgiving, one of the busiest online shopping days of the year. And unlike last year, when the tough economy reined in spending, many retailers believe this Friday after Thanksgiving, often referred to as Black Friday, will deliver significantly higher web sales."

Higher until the credit card bills come and the returns start when folks realize they can't afford what they bought, Almost every year, after Christmas, the credit card companies report sales that looked at the time as so "disappointing" or didn't "didn't live up to expectations,"

At the same time, conservative bloggers like Andrew Breibart say:

"Black Friday predictions run from pessimistic to disastrous, negative interest rates worry the markets, and the New York Times makes ridiculous claims about the success of the stimulus."

Reuters is cautious too: "Stocks could sputter this week as volumes dry up in holiday-shortened trading and with a slew of economic reports likely to illustrate the recovery is still fragile.

Investors will also get a glimpse of how holiday shopping could shape up with "Black Friday," which traditionally marks the start of the season as retailers slash prices. It will be difficult for the economic recovery to make much headway without a pick-up in consumer spending as it accounts for two-thirds of the economy."

Underscore that: "two thirds of the economy!" Can that be true? If so, it's a reflection of the shift from an economy based on production to one reliant on consumption.

But consumption requires people with money to spend or with credit cards that are not tapped out. This is no longer a sure thing.

The reason: unemployment is still growing along with foreclosures and bankruptcies.

The banks are not out of the financial woods either, as the Financial Times notes:

"A study by Standard & Poor's, one of the world's leading credit rating agencies, has raised questions over the financial strength of some of the biggest banks ahead of new rules that could require them to raise more funds."

The economic "rebound"—the highly vaunted "recovery" is a statistical joke. AP notes:

"A government report due out Tuesday morning is expected to show that the economy expanded at a pace of 2.9 percent from July through September, according to Wall Street economists surveyed by Thomson Reuters. If they are right, it would mark a slower expansion than the 3.5 percent pace reported a month ago. Most of that rebound reflected federal support for spending on homes and cars."

The market may be hot –but for whom? All the business reports acknowledge, ordinary investors are **not** reaping the benefits of the rally.

Why is this happening? Paul Farrell offers 15 reasons on Marketwatch about how the people behind the economic collapse continue to get away with it.

Here are 5 of them.

"1. Gross denial of any moral damage caused by their rampant greed

2. Narcissistic egomaniacs with secret 'God complexes'

Today, all of Wall Street is dual diagnosed: They're morally blind money addicts who believe they're "God's chosen." AA would say: They haven't "bottomed," won't recover from their disease till a disaster hits, with another market meltdown and the "Great Depression 2." Then maybe they'll "quit playing God."

3. Paranoid obsessives about secrecy, guilt and non-disclosure

4. Power-hungry need to control government using Trojan Horses

5. Borderline personalities who regularly ignore conflicts of interest"

He goes on with an indictment that clearly suggests nothing has really changed when it comes to the folks who are making money when others aren't.

So we go back to square one: A distorted and troubled economy. A population addicted to buying things. A manipulated media. And, many signs of deeper trouble ahead as wars are escalated and Congress is paralyzed along parochial and partisan lines.

Unfortunately, a feast followed by a shop till we drop orgy will not change any of this, and remember, if you will, the price our first Americans paid so that we could stuff ourselves on the road to national obesity.

Happy Thanksgiving.

Danny Schechter, *News Dissector, blogs for Mediachannel.org. His new book (and film) on the* ***Crime Of Our Time*** *treats the ongoing financial crisis as a crime story. (Plunderthecrimeofourtime.com) Comments to dissector@mediachannel.org*

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