

Subsidized wealth destruction

As crisis-response measures go, the scrap subsidy is a fairly minor matter. Even in Germany, where €5bn is going toward it, there are issues that are much more consequential, such as whether the EU should inflate the money supply through quantitative easing. The scrap bonus gets outsized attention because it's an easily understood, direct benefit to a single sector of the economy. It clearly saves jobs and promotes spending in the short term. The existential aspect of it is overlooked, though, and it's in this sense that the subsidy is indeed significant. It speaks volumes about the willingness of Western society to deal with the causes of the current crisis. The subsidy is based on decommissioning and crushing cars that are old but fully operational. This is merely a turbocharged version of the planned obsolescence that is already the lifeblood of economic growth. Almost everyone agrees that we've been living beyond our means, but for some reason we still suffer from the illusion that wealth can be created by destroying wealth.

Presentation Training



Professional Business Presentations

Date: 16th - 17th April 2009
Investment: 11 500 Kč
Trainer: Trevor Smith

High impact presentations -
clear, confident and
convincing

**vision**
TRAINING & CONSULTING

www.visiontraining.cz
info@visiontraining.cz
00420 777 013 806