

Capitalism without a Heart, without a Conscience: Obama Blind to the Needs of the American People

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President Obama's compromise with Congressional Republicans to reduce the deficit is "a rotten deal" that "hits the poor and the middle class the hardest," *The Nation* magazine said in a May 2nd editorial.

The president may have called for "shared sacrifice" to reduce the budget by \$4 trillion over the next 12 years but for every \$1 raised by closing tax loopholes for the wealthy, he proposes \$2 in spending cuts, the liberal magazine says.

And "Two-thirds of those cuts would come from education, health and other social programs while one-third would come from the military budget," the magazine editorialized.

"The president's vision of 'shared sacrifice,' in other words, hits the poor and the middle class hardest. Meanwhile, wealthy Americans and the military are asked to sacrifice less, even though it was unfunded tax cuts and wars that got us a deficit in the first place," the editorial continued.

To avoid a government shutdown, the president agreed to a 2011 budget compromise that cut spending by \$38 billion, "the majority of which will come from the departments of education, labor and health," *The Nation* pointed out.

The magazine concluded Mr. Obama's "balanced approach" "conceded too much too early to the deficit hawks and austerity pushers." Where he "needed to reset the debate," instead "he split the difference."

In a similar vein, former Labor Secy. Robert Reich wrote on his blog the president "is losing the war of ideas because he won't tell the American public the truth: That we need more government spending now—not less—in order to get out of the gravitational pull of the Great Recession."

That's because "the increasingly lopsided distribution of income and wealth has robbed the vast working middle class of the purchasing power they need to keep the economy going at full capacity," Reich explained.

Early in the last century, enlightened industrialists raised workers' salaries so they could buy the goods they were manufacturing. Today, corporations show zero loyalty to their workers. They do not cut productive workers in for a share of the profits. Working Americans, Reich says, are earning on average "only about \$280 more a year than 30 years ago, adjusted for inflation. That's less than a 1 percent gain over more than a third of a century."

Worse, corporations whose employees made them great in the first place quit the country to find cheaper labor overseas. And many of the new jobs being created in recent months are bottom-of-the-barrel, minimum wage work.

“Real hourly wages continue to fall,” Reich says, because “with unemployment so high, most people have no bargaining power and will take whatever they can get.”

At the same time ever more families are sliding into poverty, signing up for food stamps, and lining up at church soup kitchens, “Wall Street profits soared to \$426.5 billion last quarter,” Reich says.

Since Corporate America is largely responsible for the Great Recession by starving its workers of the purchasing power they need to put punch back into the economy, you might think companies would plow some of their lush profits back into the work force. You might think the oil companies would share some of their fabulous profits with motorists. But no such luck.

Worse, the corporate types and their Republican allies in Congress want to stop federal and state governments from paying their workers fairly and creating needed public service jobs. Instead, they want to lay off loyal employees. They want to bust the unions. They move whole factories overseas. They abandon cities and counties, robbing them of their industrial base. They relocate offshore to evade taxes. They even outsource help-line jobs to low-paid workers in India. And if they can, they will privatize Social Security and gut Medicare.


This is capitalism without a heart, without a conscience.

Yet if the private sector will not live up to its responsibilities, who would deny government the role of employer of last resort and the trainer of last resort?

Right now, not tomorrow, the U.S. needs to provide a job for every person who wants to work. *Right now*, the U.S. has got to mobilize and upgrade a vast network of vocational training facilities—in trade schools, union halls, community colleges and, yes, corporations—to train millions of workers in skilled trades. *Right now*, the U.S. needs to create millions of jobs in day care centers, hospitals, the building trades and for work on all phases of infrastructure—from replacing sewer and water pipes, to creating solar, sea, and wind power plants, to refurbishing run-down housing and beautifying deteriorating communities.

Tragically, Mr. Obama is virtually blind to the needs of the American people. He is smitten with the imperial vision. Americans have been electing presidents who, upon taking office, act like kings, and kill like tyrants, and he is no exception. Americans want jobs at home, not wars abroad. They want money for local schools, not for foreign bases. They want peace and prosperity. At the least, Democrats need a new standard-bearer in 2012. Americans need a Green Revolution. President Obama talks a great game. But his promises before an election are broken after he’s elected. And his foreign policy of wars and assassinations is cruel and contemptible. It’s time for a change!

Sherwood Ross worked as a reporter for the Chicago Daily News and as a columnist for wire services. To comment or contribute to his Anti-War News Service contact him at sherwoodross10@gmail.com



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