

Financial Polarization and Corruption: Obama's Politics of Deception

Don't Let Him Get Away With It...

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The seeds for President Obama's demagogic press conference on Thursday were planted last summer when he assigned his right-wing Committee of 13 the role of resolving the obvious and inevitable Congressional budget standoff by forging an anti-labor policy that cuts Social Security, Medicare and Medicaid, and uses the savings to bail out banks from even more loans that will go bad as a result of the IMF-style austerity program that Democrats and Republicans alike have agreed to back.

The problem facing Mr. Obama is obvious enough: How can he hold the support of moderates and independents (or as Fox News calls them, socialists and anti-capitalists), students and labor, minorities and others who campaigned so heavily for him in 2008? He has double-crossed them – smoothly, with a gentle smile and patronizing patter talk, but with an iron determination to hand federal monetary and tax policy over to his largest campaign contributors: Wall Street and assorted special interests – the Democratic Party's Rubinomics and Clintonomics core operators, plus smooth Bush Administration holdovers such as Tim Geithner, not to mention quasi-Cheney factotums in the Justice Department.

President Obama's solution has been to do what any political demagogue does: Come out with loud populist campaign speeches that have no chance of becoming the law of the land, while quietly giving his campaign contributors what they've paid him for: giveaways to Wall Street, tax cuts for the wealthy (euphemized as tax "exemptions" and mark-to-model accounting, plus an agreement to count their income as "capital gains" taxed at a much lower rate).

So here's the deal the Democratic leadership has made with the Republicans. The Republicans will run someone from their present gamut of guaranteed losers, enabling Mr. Obama to run as the "voice of reason," as if this somehow is Middle America. This will throw the 2012 election his way for a second term if he adopts their program – a set of rules paid for by the leading campaign contributors to both parties.

President Obama's policies have not been the voice of reason. They are even further to the right than George W. Bush could have achieved. At least a Republican president would have confronted a Democratic Congress blocking the kind of program that Mr. Obama has rammed through. But the Democrats seem stymied when it comes to standing up to a president who ran as a Democrat rather than the Tea Partier he seems to be so close to in his ideology.

So here's where the Committee of 13 comes into play. Given (1) the agreement that if the Republicans and Democrats do NOT agree on Mr. Obama's dead-on-arrival "job-creation" ploy, and (2) Republican House Leader Boehner's statement that his party will reject the populist rhetoric that President Obama is voicing these days, then (3) the Committee will get its chance to wield its ax and cut federal social spending in keeping with its professed ideology.

President Obama signaled this long in advance, at the outset of his administration when he appointed his Deficit Reduction Commission headed by former Republican Sen. Simpson and Rubinomics advisor to the Clinton administration Bowles to recommend how to cut federal social spending while giving even more money away to Wall Street. He confirmed suspicions of a sellout by reappointing bank lobbyist Tim Geithner to the Treasury, and tunnel-visioned Ben Bernanke as head of the Federal Reserve Board.

Yet on Wednesday, October 4, the president tried to represent the OccupyWallStreet movement as support for his efforts. He pretended to endorse a pro-consumer regulator to limit bank fraud, as if he had not dumped Elizabeth Warren on the advice of Mr. Geithner – who seems to be settling into the role of bagman for campaign contributors from Wall Street.

Can President Obama get away with it? Can he jump in front of the parade and represent himself as a friend of labor and consumers while his appointees support Wall Street and his Committee of 13 is waiting in the wings to perform its designated function of guillotining Social Security?

When I visited the OccupyWallStreet site on Wednesday, it was clear that the disgust with the political system went so deep that there is no single set of demands that can fix a system so fundamentally broken and dysfunctional. One can't paste-up a regime that is impoverishing the economy, accelerating foreclosures, pushing state and city budgets further into deficit, and forcing cuts in social spending.

The situation is much like that from Iceland to Greece: Governments no longer represent the people. They represent predatory financial interests that are impoverishing the economy. This is not democracy. It is financial oligarchy. And oligarchies do not give their victims a voice.

So the great question is, where do we go from here? There's no solvable path within the way that the economy and the political system is structured these days. Any attempt to come up with a neat "fix-it" plan can only suggest bandages for what looks like a fatal political-economic wound.

The Democrats are as much a part of the septic disease as the Republicans. Other countries face a similar problem. The Social Democratic regime in Iceland is acting as the party of bankers, and its government's approval rating has fallen to 12 percent. But they refuse to step down. So earlier last week, voters brought steel oil drums to their own Occupation outside the Althing and banged when the Prime Minister started to speak, to drown out her advocacy of the bankers (and foreign vulture bankers at that!).

Likewise in Greece, the demonstrators are showing foreign bank interests that any agreement the European Central Bank makes to bail out French and German bondholders at the cost of increasing taxes on Greek labor (but not Greek property and wealth) cannot be

viewed as democratically entered into. Hence, any debts that are claimed, and any real estate or public enterprises given sold off to the creditor powers under distress conditions, can be reversed once voters are given a democratic voice in whether to impose a decade of poverty on the country and force emigration.

That is the spirit of civil disobedience that is growing in this country. It is a quandary – that is, a problem with no solution. All that one can do under such conditions is to describe the disease and its symptoms. The cure will follow logically from the diagnosis. The role of OccupyWallStreet is to diagnose the financial polarization and corruption of the political process that extends right into the Supreme Court, the Presidency, and Mr. Obama's soon-to-be notorious Committee of 13 once the happy-smoke settles from his present pretensions.

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