

## **The Impotence of Elections**

Americans out of work, out of income, out of homes, out of hope....

By <u>Dr. Paul Craig Roberts</u> Global Research, November 04, 2010 3 November 2010 Region: <u>USA</u> Theme: <u>Global Economy</u>

In his historical novel, The Leopard, Giuseppe di Lampedusa writes that things have to change in order to remain the same. That is what happened in the US congressional elections on November 2.

Jobs offshoring, which began on a large scale with the collapse of the Soviet Union, has merged the Democrats and Republicans into one party with two names. The Soviet collapse changed attitudes in socialist India and communist China and opened those countries, with their large excess supplies of labor, to Western capital.

Pushed by Wall Street and Wal-Mart, American manufacturers moved production for US markets offshore to boost profits and shareholder earnings by utilizing cheap labor. The decline of the US manufacturing work force reduced the political power of unions and the ability of unions to finance the Democratic Party. The end result was to make the Democrats dependent on the same sources of financing as Republicans.

Prior to this development, the two parties, despite their similarities, represented different interests and served as a check on one another. The Democrats represented labor and focused on providing a social safety net. Social Security, Medicare, Medicaid, food stamps, unemployment insurance, housing subsidies, education, and civil rights were Democratic issues. Democrats were committed to a full employment policy and would accept some inflation to secure more employment.

The Republicans represented business. The Republicans focused on curtailing big government in all its manifestations from social welfare spending to regulation. The Republicans' economic policy consisted of opposing federal budget deficits.

These differences resulted in political competition.

Today both parties are dependent for campaign finance on Wall Street, the military/security complex, AIPAC, the oil industry, agri-business, pharmaceuticals, and the insurance industry. Campaigns no longer consist of debates over issues. They are mud-slinging contests.

Angry voters take their anger out on incumbents, and that is what we saw in the election. Tea Party candidates defeated Republican incumbents in primaries, and Republicans defeated Democrats in the congressional elections.

Policies, however, will not change qualitatively. Quantitatively, Republicans will be more inclined to more rapidly dismantle more of the social safety net than Democrats and more

inclined to finish off the remnants of civil liberties. But the powerful private oligarchs will continue to write the legislation that Congress passes and the President signs. New members of Congress will quickly discover that achieving re-election requires bending to the oligarchs' will.

This might sound harsh and pessimistic. But look at the factual record. In his campaign for the presidency, George W. Bush criticized President Clinton's foreign adventures and vowed to curtail America's role as the policeman of the world. Once in office, Bush pursued the neoconservatives' policy of US world hegemony via military means, occupation of countries, setting up puppet governments, and financial intervention in other countries' elections.

Obama promised change. He vowed to close Guantanamo prison and to bring the troops home. Instead, he restarted the war in Afghanistan and started new wars in Pakistan and Yemen, while continuing Bush's policy of threatening Iran and encircling Russia with military bases.

Americans out of work, out of income, out of homes and prospects, and out of hope for their children's careers are angry. But the political system offers them no way of bringing about change. They can change the elected servants of the oligarchs, but they cannot change the policies or the oligarchs.

The American situation is dire. As a result of the high speed Internet, the loss of manufacturing jobs was followed by the loss of professional service jobs, such as software engineering, that were career ladders for American university graduates. The middle class has no prospects. Already, the American labor force and income distribution mimics that of a third world country, with income and wealth concentrated in a few hands at the top and most of the rest of the population employed in domestic services jobs. In recent years net new job creation has been concentrated in lowly paid occupations, such as waitresses and bartenders, ambulatory health care services, and retail clerks. The population and new entrants into the work force continue to grow more rapidly than job opportunities.

Turning this around would require more realization than exists among policymakers and a deeper crisis. Possibly it could be done by using taxation to encourage US corporations to manufacture domestically the goods and services that they sell in US markets. However, the global corporations and Wall Street would oppose this change.

The tax revenue loss from job losses, bank bailouts, stimulus programs, and the wars have caused a three-to-four-fold jump in the US budget deficit. The deficit is now too large to be financed by the trade surpluses of China, Japan, and OPEC. Consequently, the Federal Reserve is making massive purchases of Treasury and other debt. The continuation of these purchases threatens the dollar's value and its role as reserve currency. If the dollar is perceived as losing that role, flight from dollars will devastate the remnants of Americans' retirement incomes and the ability of the US government to finance itself.

Yet, the destructive policies continue. There is no re-regulation of the financial industry, because the financial industry will not allow it. The unaffordable wars continue, because they serve the profits of the military/security complex and promote military officers into higher ranks with more retirement pay. Elements within the government want to send US troops into Pakistan and into Yemen. War with Iran is still on the table. And China is being demonized as the cause of US economic difficulties.

Whistleblowers and critics are being suppressed. Military personnel who leak evidence of military crimes are arrested. Congressmen call for their execution. Wikileaks' founder is in hiding, and neoconservatives write articles calling for his elimination by CIA assassination teams. Media outlets that report the leaks apparently have been threatened by Pentagon chief Robert Gates. According to <u>Antiwar.com</u>, on July 29 Gates "insisted that he would not rule out targeting Wikileaks founder Julian Assange or any of the myriad media outlets which reported on the leaks." <u>http://news.antiwar.com/2010/07/29/gates-wont-rule-out-targeting-assange-media-in-leak-in vestigation/</u>

The control of the oligarchs extends to the media. The Clinton administration permitted a small number of mega-corporations to concentrate the US media in a few hands. Corporate advertising executives, not journalists, control the new American media, and the value of the mega-companies depends on government broadcast licenses. The media's interest is now united with that of the government and the oligarchs.

On top of all the other factors that have made American elections meaningless, voters cannot even get correct information from the media about the problems that they and the country face.

As the economic situation is likely to continue deteriorating, the anger will grow. But the oligarchs will direct the anger away from themselves and toward the vulnerable elements of the domestic population and "foreign enemies."

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