

What Obama Isn't Telling American Workers

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A lot is happening in the tumultuous realm of global economics. The “Great Recession” has caused tectonic shifts internationally, with outcomes that will dramatically change the lives of millions of people in the U.S. and beyond. And while Obama is acknowledging this fact with repeated references to “a new world order,” he isn’t explaining how this adversely affects working-class Americans. The truth would be far too “controversial.”

The first unmentionable fact is the inevitable, long-term decline of the dollar, a phenomenon that can now be considered government policy. The business magazine Forbes comments:

“The Treasury Department would never admit this, but for the time being it’s in the country’s interest to keep its currency low because it stimulates exports for the economy’s manufacturing base and lowers the value of the debt that the Treasury is piling up.” (October 5, 2009)

These policies are essentially economic attacks on foreign corporations and governments, and U.S. workers.

A cheaper dollar means an off-shoring of America’s debt onto countries like China and Japan — and foreign corporations, who are large buyers of U.S. currency and/or debt. These foreign entities have already issued public warnings about this dynamic, and will not sit forever as their investments turn to mush. Economic retaliation should be expected.

A cheaper dollar also antagonizes foreign corporations in another way. U.S. corporations benefit from dollar deflation because it lowers the price of their goods/exports on the global marketplace. But foreign competitors can play this game too, and the result would be economic warfare.

Most importantly, a cheaper dollar lowers the living standards of U.S. workers, since the price of foreign goods will become inflated. With a catastrophic U.S. debt, inflation will continue for years to come. Obama’s silence on the issue equals a premeditated plan to pursue the above objectives. Workers will thus be forced into demanding wage increases that match this new inflation.

Another big secret Obama is keeping from workers is also U.S. debt related (keep in mind much of U.S. debt is the result of fighting foreign wars and bailing out banks). Under Obama these policies will continue; “sacrifices” are going to be made in other areas. Obama has already talked at length in favor of “reforming entitlement programs,” without mentioning loudly that these include Social Security, Medicare, and other much needed social programs. The Democrats’ priorities are perverse; money for war and banks, but not for those who really need it.

Obama's secrets were partially revealed at the recent G-20 summit. There, Obama pushed a plan that aimed "to reform the global architecture to meet the needs of the 21st century." Part of the plan said that "G-20 members with sustained, significant external deficits [the U.S.] pledge to undertake policies to support private savings and undertake fiscal consolidation while maintaining open markets and strengthening export sectors."

In plain English this means that the U.S. will reduce its debt by slashing domestic consumption and increasing exports. Reducing "domestic consumption" is another often-used codeword for lowering the standard of living of U.S. workers through lower wages and the elimination of "entitlement programs." Once workers' wages have been reduced low enough, U.S. corporations will be able to export more on the global marketplace, the other key to Obama's G-20 plan.

These plans are not mere schemes for conspiracy theorists; they're already being implemented. Massive unemployment has a direct, negative impact on workers' wages. The Democrats know this and are using it as a tool to enforce the pro-corporate G-20 policy. What else explains the deafening quiet from Obama around unemployment — already a social catastrophe ruining the lives of millions of people?

Another way the G-20 plan is already being enforced is by the restriction of credit for workers and small businesses. A recent Wall Street Journal article was titled, "The 'Democratization of Credit' Is Over — Now It's Payback Time." (October 10, 2009) The "democratization of credit" simply means that workers and low-income people had access to credit if they needed it. No more. Credit that was once used to cover end-of-the-month expenses and emergencies will once again be a privilege of the highly paid and wealthy.

Workers must understand that the current effects of the Great Recession are to become the new rules of the "reformed" U.S. economy. The living standards of the past are to stay in the past. Before, U.S. workers took out enormous amounts of debt to maintain their standard of living, since wages and benefits were steadily shrinking. The hope was that the economy would improve, and better times would return. The reality is far different.

The U.S. economy is losing its place of total dominance in world affairs. And instead of the U.S. government reacting to this by adding social programs, they are taking them away. Government money will continue to bail out banks when needed while funding trillion-dollar wars.

Once the reality of the above situation can no longer be denied, and U.S. workers recognize these policies as a corporate and government attack on their collective standard of living, they can begin to act. Workers without unions will fight to organize them. Those organized workers will push their unions to fight back by building united coalitions — representing the majority of working people — to organize massive demonstrations, protests, and strikes to demand a recovery plan to benefit the working-class and unemployed. The conditions that led to the large U.S. workers' struggles of the 1930s and 40s are reappearing, and workers will act accordingly.

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