



Obama's economic program: crumbs for the people, trillions for Wall Street!

The Great Recession is impoverishing more and more workers. It also marks the bankruptcy of market fundamentalism or neo-liberalism. The decades of deregulation, privatization, and unrestrained profiteering have taken their toll.

The media promotes Obama's programs as a big change, and the mindless conservatives are shouting their heads off at Town Hall meetings. But all he's doing is providing some crumbs for the people while giving trillions of dollars to Wall Street. He has demanded one cut after another from the auto workers, postal workers and others, while restoring the profits and pay of the bankers and financiers. This looks a lot like Bush's own heartless program.

Meanwhile the conservative Republicans are saying that, crisis or no crisis, just let the markets readjust themselves. For them, the recession is just another opportunity to cut social programs and wages.

The pro-capitalist politicians aren't going to deal seriously with the economic crash or the growing environmental crisis. The Republicans have their eyes rigidly fixed on the past, while the Democrats, talking of the future, only want to tinker with market mechanisms.

The working class must call for its own program of mass relief, workplace organization, and struggle against the capitalists. Otherwise we will be squeezed both by unemployment and by the "rescue" measures of the Obama administration.

The Wall Street bailouts -- trying to reflate the bubble

The Obama administration boasts of the "green shoots" of economic recovery. What a farce! Unemployment continues to grow, and the only things that have recovered are the bonuses of the bankers and the profits of wage-cutting corporations.

In reality, the centerpiece of Obama's relief plan has been the bailout of the banks and the financiers. This is what has absorbed far and away the most money.

Obama began by backing Bush's \$700 billion bailout, and then added his own Wall Street bailout. By the end of March, the sum of subsidies and guarantees reached close to \$12.8 trillion dollars, which is over four times the size of the 2008 federal budget and a hundred times more than what Obama will give the unemployed.

The auto bailout -- squeezing the auto workers

Obama talks of saving jobs, but he's cutting pay checks. Look what happened in auto! This was a bailout for the auto companies, not the auto workers. He "saved" the industry in the usual capitalist fashion -- at the expense of the workers. Tens of thousands of jobs will be lost, and there is no provision for these workers. The wages of the remaining auto workers will be leveled down to that of the non-union plants. And the funding for health and pension obligations is being cut to shreds.

Letting state and city public services collapse

The Obama administration boasts of its stimulus bill, and of all the things it supposedly does. Yet it only provides a little money here and a little there -- nowhere near enough to stop the flood of cutbacks and layoffs in public services. There are more and more layoffs of state and local government workers, more and more pay cuts for those who still have work, and yet more cutbacks of schools, buses, and medical programs.

The mortgage relief program

The Obama administration has also sat on its hands as people lose their homes. It boasts of its "mortgage relief" program. But this consists

of begging the banks to offer three-month "trial" adjustments of mortgage terms to people who are behind in their payments. By early August only about 9% of people facing foreclosure were in this program. And there's no guarantee that, after the trial period is over, and impoverished people have paid thousands of more dollars to the banks, the banks won't revert to the original mortgage terms and foreclose anyway.

Unemployment insurance

The Congressional Democrats have passed an extension of unemployment insurance. This was surely needed. But Congress did the least possible, and large numbers of workers are exhausting their extended benefits. Yes, there may be another extension, but it will only be for a few months, while unemployment is estimated to last for years.

The search for market solutions

But what about Obama's other programs? He makes a show of searching for new solutions to health coverage, education, and the environment. Yet, if you look closely, he is trying to solve everything with market solutions, just like Bush did. When he uses large amounts of government money, it is to prop up corporations and the rich.

Health insurance

Millions of people can't afford health care, and yet the heartless conservatives jump up and down denouncing government health care. They would even get rid of Medicare if they could.

So when Obama talks about universal health insurance, it sounds better. Yet in reality, Obama wants to keep the present system of private insurance that has failed. He has been playing footsie with the health insurers and the big pharmaceutical companies, and is trying to work out a plan that they will like.

Obama's plan would help make the private insurance companies even more profitable, just as he bailed out the banks. He would make it compulsory for people under 65 to have private insurance, instead of extending Medicare to everyone. A number of states have already tried this, and they have failed. The latest is Massachusetts, whose plan fines people for not buying private insurance. Despite that, many people still don't have insurance. Meanwhile this plan discriminates against people based on immigration status (as Obama also says he will do), and it provides substandard plans to those with less money such as many "young adults". As a result, some people with insurance still can't afford their medical care.

Obama's plan wouldn't be any better. And it might even be financed by taxing people who have employer-based insurance, or by taking money from Medicare and Medicaid. It doesn't seriously tax the rich and the corporations. And while Obama talks about "cost control", the plan will simply push the profits of private insurers up and up and up.

At one time, Obama talked about an optional public health plan to compete with the private plans. But he has always insisted that only a small minority of workers would be allowed in this plan. Worse yet, the so-called public option would be required to be run like a private plan, and so it really wouldn't be much different.

Global warming

Global warming has already begun. And what is Obama doing about it? He sounds more serious than Bush, but what he proposes are market-solutions that haven't worked in the past, and won't work now.

The centerpiece of Obama's environmental program is the proposal of a cap-and-trade system for greenhouse gases, such as under the American

Clean Energy and Security Act (ACES). This means setting up an artificial market in pollution permits. Obama's learned nothing from the collapse of the investment houses and stock market, and would set up a veritable new stock market in pollution. This is the system used under the Kyoto Protocol in Europe and Japan, and it hasn't worked there, and it won't work here.

And when it doesn't work, will Obama finally turn to environmental planning? Not at all. His science advisor, John Holdren, says the administration is considering a geo-engineering scheme -- making what would in effect be an artificial volcano to send particles into the atmosphere to shade the earth. This would be an act of desperation, as no one really knows what would happen. It would be a gamble with everyone's life at stake. Nevertheless, Holdren says "we might get desperate enough to want to use it."

Education

Obama promises to provide increased funding for a number of educational programs. However, the centerpiece of his program is Bush's "No Child Left Behind" program. NCLB is neo-liberalism applied to the public schools. Despite its empty promises, it denigrates the need for educational funding under the pretext that what is really needed is strict accountability for students and teachers. And it promotes privatization through promoting charter schools.

Obama appointed Arne Duncan, who administered this system in Chicago, to be his Secretary of Education. What it amounts to is that Obama promises to carry out Bush's program better than Bush did.

What's needed

Obama's market solutions are simply an attempt at a kinder, gentler Bushism. They would simply paper over the festering sores of the economy. Any serious step to help the millions of victims of the great recession would require setting aside illusions in market solutions.

Relief for the unemployed and the homeless!

Consider the needs of the millions being impoverished, losing their jobs or their homes or the social programs they rely on. What is needed is a commitment to their relief, a commitment whose size is based on their needs, not on what is needed to stimulate the business community. Such relief wouldn't eliminate the depression, but it would shelter the masses from its worst consequences. Shelter the masses, not the CEOs and financiers, from the depression!

National health insurance!

Private insurance isn't the solution to the health crisis, but its cause. Health care must be recognized as a right, rather than a plaything for CEOs and financiers. The first step could be a system of single-payer health insurance, whereby government health insurance replaces all private insurance. This would be a gigantic step forward: it would eliminate people's worries about being unable to afford health care, and there no longer would be a separate system of substandard care for the poor.

Yet it would only be a first step. It only affects how care is paid for, and it leaves most of the health industry in private hands. That's a major problem. The big pharmaceutical companies, for example, not only charge outrageously for their drugs, but intervene in medical practice. Sooner or later health care reform will have to take on big pharma and other health capitalists.

Moreover, to improve the quality of health care, there needs to be more involvement between the health providers and the people they are supposed to serve. It should be remembered that the mass upsurges of the past profoundly influenced medicine, from bringing more women and minorities into the profession, to causing more attention to sickle-cell anemia and other ignored problems. Mass involvement is essential today to deal with issues such as the overuse of questionable drugs or life-style issues and workplace injuries. If these are dealt with simply by regulations designed to save money, all they will be is pretexts to withhold medical treatment or financially penalize people who smoke or are overweight.

Environmental planning and regulation!

The environmental crisis is upon us. Climate change has begun, while we also face dwindling water supplies, the loss of the remaining rain forests, the overfishing of the oceans, etc.

There has to be a system of overall environmental regulation to directly control the emission of greenhouse gases, as well as protect forests, fish stocks, wetlands, and so forth. The use of the present market methods arose as a reactionary backlash against the regulatory legislation of the late 1960s and 70s. The market methods have failed, and they have to be set aside.

Dealing with the environment requires, not bribing the companies, but fighting against the capitalist interests who have fought environmental controls every step of the way.

It also requires that the regulations be made as transparent as possible, so workers can try to verify whether the companies are obeying them. Market measures such as "cap and trade" are so complex that no one could verify them; this is one of the reasons that they don't work.

Unprivatizing government!

It's not sufficient just to increase the funding of this or that program. There must also be a change in their nature. Under Reagan and Clinton and the Bushes, the government was increasingly privatized. Everything from social work to schools began to be privatized and contracted out. This subjects these programs to the direct demands of profit-making; and it profoundly changes the nature of how these programs are carried out. Privatization means that these programs aren't responsible to the people at all, and will just be a source of loot for corporations. This has to be reversed.

From the class struggle to socialism

These programs would constitute a break from neo-liberalism. But even if all of them were achieved, the capitalists would still be in charge. They would still live off the surplus value extracted from the workers. And private interests would still own the factories and other workplaces built up by the workers' labor. As a result, all the reforms achieved by the workers would be subject to be taken back.

But these programs would help provide for the immediate needs of people. And the fight for them will lead workers to start to question capitalism itself. They will start to ask why the economy should be owned by a small handful of tycoons. Why should even the most obvious measures, whether providing health care, or protecting the environment, always come up against rich, entrenched private interests?

Obama's program is in trouble. But despite what the conservative fanatics say, what he is doing is just trying to save market fundamentalism. He is carrying out Bush's mandates, from the wars in Iraq and Afghanistan to the Wall Street bailouts, but in a better way than Bush himself did. This isn't going to work.

Perhaps some people will say, but what else could Obama do? Nothing else will get past Congress. But our criticism isn't directed against Obama as an individual. Things wouldn't have been better under John Edwards or Hillary Clinton or John McCain. It's directed at Obama as the political leader of the ruling class, the bourgeoisie, whose interests and ideas control the government as well as the corporations. It's this class which profits handsomely from market fanaticism. And the only way to get rid of market fanaticism is to develop an opposing class force, a militant and class-conscious workers movement, that is capable of standing up in struggle against the exploiters. []

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