

Obama and the Crisis of Expectation

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With Obama elected President but not yet inaugurated, the question on everyone's mind is, "what's going to happen next?" Millions of people around the world are hoping that a Obama presidency will radically change the course of US politics, and with it, world politics. This is especially true for the huge numbers of mostly young volunteers working for Obama's campaign, most of whom had never been involved in politics before.

And while it is impossible to predict the future precisely, one can make an educated guess as to Obama's future actions, based on answering two fundamental questions: which social class is Obama and the Democratic Party going to represent while in office, and what are the current interests of that class. For example, if Obama were to act in the interests of the working class, a number of measures would be immediately taken, such as increasing wages, improving healthcare, funding schools, ending war, etc. If, on the other hand, Obama is going to represent the ruling class, we can expect policies similar to the Bush Presidency, who long ago proved himself to be a puppet for the banks and corporations.

At this point, there is more than ample proof that Obama will be representing the interests of corporate-elite. How do we know this?

1. Obama's electoral campaign raised hundreds of millions more than John McCain's, most of it coming from the rich.
2. Obama's "dream team" of economic advisers are all top CEO's and Wall Street insiders (including the richest man in America, Warren Buffet); his Chief of Staff, Rahm Emanuel is a hardened member of the Washington political establishment.
3. Since winning the democratic nomination, Obama has been furiously backpedaling his progressive rhetoric, while preaching a continuous sermon from the book of big business.
4. He joined hands with the Republicans to ensure that the Wall Street bailout was passed!
5. He advocates a "surge" of troops into Afghanistan, while committing nothing concrete in permanently removing troops from Iraq.

Many other examples could be cited.

There are those that already recognize Obama as a representative of the ruling class, but imagine his policies may resemble that of FDR and the New Deal. This perspective seems unlikely, based on the second above-named question: what are the current interests of the ruling class? The ruling class of today is far different than it was in FDR's day, and not by accident.

The New Deal was a product of a rising American capitalism, complete with huge cash

surpluses and stockpiles of gold. The US had recently bypassed England as the world's economic superpower, and could rely on its dominance in the market to further its status. Internationally, the US had complete control of the western hemisphere, and used Latin America as it wished for cheap labor and raw materials.

Even with its excellent position, it took a mass labor movement and threat of approaching revolution to scare the ruling class into making the concessions now known as the New Deal; the myth of which is far more impressive than its achievements. But enough progress was made — social security, the right to unionize, and social works projects — to make a section of the ruling class seriously contemplate a military coup.

The US ruling class of today is far different: they are a falling star instead of a rising one. The laws of capitalist competition have steadily eroded its power. The US is now the largest debtor nation instead of the largest creditor, to the tune of 10 trillion dollars. Its currency is crumbling. With its manufacturing base off-shored, the US economy is largely run on consumer spending and Wall Street speculating, causing an enormous annual trade deficit.

When it comes to the rate of economic growth, the US lags behind “emerging economies,” such as China and India. These countries out-compete the US because of the slave wages of their workforce, which the US business class looks at with envy.

The US former “backyard,” Latin America, is slipping out of its control, while tremendous wealth is being drained in two losing wars. Weakness indeed invites aggression, with rising economies like China, India, and Russia brushing off US military and economic threats, making serious inroads into the US market dominance.

In a desperate attempt to maintain its global position, the ruling class has reached a consensus: to rely on its gigantic military machine to compensate for its falling economic influence. Let us not forget that both political parties continue to financially support the wars in Afghanistan and Iraq, while at the same time preaching against them. Under capitalism, market and resource dominance are far more important considerations for the employer class than the desires of its workers.

A stark example of this is Obama's proposed surge into Afghanistan; something that has been highly applauded by those that control the economy, the funding of which will not be used to help the working class. Obama has said nothing about reducing the gargantuan US military budget, and has hinted that he would increase it!

Recently, Obama has made several speeches where he emphasizes the need for us to “sacrifice” and “tighten belts.” He is not talking to the corporate elite here. Obama also talks incessantly about “cutting programs” and “trimming spending.” We can safely assume the programs he intends to cut are those that benefit working people.

A ten trillion dollar debt and a sinking US economy vastly limit Obama's options, that is, if he chooses to act in the favor of the ruling class, which has very narrow interests at this point: saving Wall Street, maintaining the military budget, and “balancing” the rest of the budget, i.e., cutting social programs. This is because the bi-partisan policy of printing money to deal with wars and economic crisis has put the dollar under immense pressure; the ruling class is scared that inflation could wreak havoc on an already-poor economy. Therefore, spending has to be reduced, but not in the sphere of bank bail-outs and armaments. The financial elite believe that there is zero money available—unless it is spent on them.

Although it is possible that Obama will enact some reforms, such as closing down Guantanamo Bay, slightly increasing taxes to the wealthy, and giving a minor economic stimulus to the working class, the fundamentals of his policies will be shaped by the above considerations of the ruling class.

It is this fact that will act as a hammer blow to the built up expectations around Obama. These immense hopes, combined with the realities of Obama's future policy, make for an especially explosive situation.

As the economic crisis deepens, Obama's first priority will be to save the financial institutions and major corporations by providing them with further bailouts, with working people continuing to foot the bill. But opposition has already broken out in response to this perversion of justice: the New York City Central Labor Council was one of many groups that organized demonstrations denouncing the bailouts. Meanwhile, the faculty union at the California State University system has been reaching out to other faculty unions across the nation to demand more federal money for public higher education. Antiwar actions are being planned for March. These struggles are not disconnected.

Confronted by this all out attack on our standard of living, working people will find it increasingly necessary to organize its ranks and begin to forge a broad-based coalition to defend all those falling victim to an economic system that values profits above all else. Such a coalition, encompassing unionized workers, unorganized workers, the unemployed, immigrants, women, Blacks, Latinos, etc., should be aimed at opposing the Wall Street bailout, while demanding a bailout for the unemployed, for those who are losing their houses, for those whose wages have been reduced, for those that cannot afford an education, and for the protection and extension of government programs that serve working people, since these programs are currently being viciously cut and slashed. All of these demands could easily be financed by taxing the rich, a very obvious solution that Obama dare never say.

Stop the Bailout of Wall Street!

Tax the Rich to Bail Out Working People!

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