

Obama's Economic Recovery Plan

Questions Must Be Asked, New Demands Raised, More Needs Put On Agenda

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It is time for a euphoria check or maybe a check on euphoria, a time to start raising our own questions about government plans rather than reflexively rallying behind the Democrats just because the Republicans are so obstinate and revolting.

It is important to recognize that behind the GOP's JUST SAY NO rejectionism is an calculated reaction. If it succeeds, they look stupid. If it fails as many expect it will, they can say, "see we told you so" as part of a plan to stage a political comeback in two years. Rush Limbaugh may have the moxie to call for its failure but many of his party mates are more cagey.

They know that time may be on their side, and can read sentences like this from financial writer David Leonhardt in the New York Times magazine:

"(The economy) won't recover anytime soon. It is likely to get significantly worse over the course of 2009 no matter what President Obama and Congress do.") If you look at the world through a hyper—partisan lens like they do, the silver lining is clear. Wait it out and then make political hay off everyone's misery."

So we need to forget them and stop bashing them as if they are important. Let's instead temper our outrage and focus instead on what can be done and what we want done.

Also note that while Obama is in office it is not the same thing as being in absolute power, especially power over the dynamics of an interconnected global economy. He has done what politicians do—compromise—and has his cast his and our fate with some of the same people who created the crisis.

That said, we have to recognize we do not live in a perfect world or a world of our choosing. There is no question that the government must act. But how—and what is the likely impact? Already there is fear and loathing in liberal circles. Tom Friedman assures us 'there is no magic bullet.' Frank Rich concedes that the "house stimulus bill is an inevitably imperfect hodge-podge in process." Barney Frank tries to turn the tables on adversaries by reminding them how wasteful Iraq spending is.

The plan to be announced this week touches many political bases, and predictably has already attracted flak from right and left. The Repugs are always on the lookout for pork—except in their own an military industrial complex subsidies. There is no question that there is money in the bill that is unlikely to lead to job creation. Despite the failure of tax cuts in the past, the Repugs crank up that broken record as their panacea.

On the left, there is concern that despite all the Wall Street bashing from the White House, the financial services industry has already deeply infiltrated itself into the new Administration which is still committed to transferring public funds into private hands. Economist Michael Hudson who is quoted in my book PLUNDER reminds us that a crisis caused in part by zooming debt can't be solved by taking on more".

"The government's solution, placed in its hands by the financial lobbyists, is to bail out the bankers and Wall Street while leaving the 'real' economy even more highly indebted. Families, businesses and government are having to spend more wage income, profits and tax revenues on debt service instead of buying goods and services. So why is the solution to this debt overhead held to be yet MORE debt? Is there not something crazy here?"

David Sollars of Washburn University raises some questions we also can't avoid, writing, "Even a cursory look at the bill being rushed through the Congress reveals its Frankenstein-type nature. It is a wish list for unrelated spending programs that, on their own, would not be considered reasonable. Even the parts that make some sense, like the much-touted infrastructure spending, are small potatoes in the bill. Instead we get millions for the National Endowment for the Arts. The Department of Education gets \$66 billion for . . . well, we aren't sure, but how can you oppose to education?..."

According to some analysts only 5 to 10 percent of the total bill is actually related to stimulus spending. Even worse, the "buy-American" requirements will likely result in WTO sanctions and encourage retaliation by our trading partners, hurting U.S. companies and workers in the export market - one of the few remaining shining lights in our current economy. Just ask Caterpillar ([CAT](#))."

I don't support this argument fully but there are many among us who support the Obama plan but also worry it won't work. That's why progressives need to push for a more thorough transformation. We need to press for the end of no-win costly wars and rise in military spending. We need to insure that health care reform is part of the reform along with a moratorium on foreclosures. We need curbs on credit card interest charges and relief for students with onerous student loans. We need a campaign for economic justice from below including a jailout for Wall Street moguls who are still profiting from their scams.

Obama has to keep hope alive. We need answers to critics who warn that the impact of the bill will be slow and not even be felt this year. Sollars reminds us: "We seem to forget we tried the lump-sum tax rebate trick last year. The emergency TARP bill that was passed year is starting to reveal its immense shortcomings. Why do we expect this outcome to be different?"

We can't raise expectations too high, and at the same time, we can't do nothing. We can, however, be honest with the people and each other, as writer David Lindorff counsels,

.... "because with honesty, we could have a recovery program that would actually address the real critical issues facing the country—the decline of our educational system, the irrationality of official promotion of home ownership that has led to the proliferation not just of suburbs but of exurbs, the over-reliance on the automobile for transportation, the unprecedented waste of resources, the pillaging of the environment, not to mention the decimation of the retirement system and the creation of a vast medical-industrial complex that is sucking the life-blood out of families and businesses alike."

Wow, there's a lot of issues to address. Change demands more than money. And we can't rely on Congress to bring it about.

Mediachannel's News Dissector Danny Schechter investigates the origins of the economic crisis in his new book PLUNDER (Cosimo Books via Amazon) Comments to dissector@mediachannel.org

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