

Obama-Style Deficit Reduction: A bipartisan Plan to destroy America's Middle Class

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Global Research, September 22, 2011
22 September 2011

Region: [USA](#)

Theme: [Global Economy](#), [Poverty & Social Inequality](#)

On September 8, Obama's "[American Jobs Act](#)" address to Congress was a thinly veiled campaign speech. More on it below.

On September 19 came Act Two to enlist support for "[Living Within Our Means and Investing in Our Future](#)" by cutting \$4 trillion over 10 years (for starters with more to come) from Medicare, Medicaid, public pensions, veterans' benefits, unemployment insurance, the US Postal Service, and other social benefits.

It's part of a bipartisan plan to destroy America's middle class, good-paying jobs and benefits, the dream of homeownership for millions, and a nation once fit to live in but no longer.

Economist and regular Progressive Radio New Hour contributor Jack Rasmus commented on the minimum \$4 trillion deficit reduction plan, saying:

It's "not only the consensus deficit target but also the amount by which taxes have been cut for the rich and corporations."

Moreover, it equals the amount banks and other large corporations "have been hoarding in cash since the bailouts," instead of using it for economic growth and job creation.

In addition, out-of-control war spending and bailouts applied productively would make austerity cuts unnecessary.

"Who's going to pay the next \$4 trillion (and more trillions after that)....is the central issue," according to ruling elites?

"It's not jobs (not created), foreclosures, broke states and cities, students indentured for life, or seniors struggling to stay alive."

At a time stimulus is needed to revive productive growth, infighting focuses on what more to

cut, hitting working households, the poor, retirees and disabled hardest.

Notably, 25 million Americans wanting jobs have none. Nothing is being done to create them.

Instead, proposals focus on tax cuts for the rich, corporate handouts, and austerity to pay for them.

Welcome to America.

Obama's America.

Land of permanent war, disproportionate wealth extremes, and spiraling debt.

With growing millions unemployed and impoverished.

With 11 million homes foreclosed and another 20 million under water.

Where 44 million seniors will soon pay double for Medicare and get no cost of living Social Security increases.

Where millions of poor children will lose Medicaid.

Where millions of students are debt entrapped for life.

Welcome to a land where most one day will be better off by leaving because no homeland opportunities exist.

Ask millions of downsized middle class Americans heading for working poor status.

Ask political Washington why members sworn to serve instead betray.

Expect no answer because you'll get none.

Refuse to take anymore and resist, including about Obama's shameless new wealth transfer scheme to corporate favorites and super-rich elites called "stimulus."

On September 8, a New York Times editorial headlined, ["The Jobs Speech,"](#) saying:

Obama's proposal was more "ambitious....robust and far-reaching than expected - that may be the first crucial step in reigniting the economy...."

"(H)e was authoritative in demanding that Congress pass his plan quickly....We hope Mr. Obama keeps his promise to take his proposals all over the country. The need to act is urgent."

Only the last statement had merit in an editorial best rebuked for not explaining who benefits at whose expense.

On September 20, a Times editorial headlined, "[A Call to Fairness,](#)" saying:

Obama "issued an unabashed call for economic fairness in cutting the federal deficit, asking as much from those on the economy's upper rungs as from those lower down whose programs may be slashed."

Fact check

Programs for working Americans will be slashed en route to gutting them entirely in out years. "Economic fairness" won't happen because Republicans and many Democrats won't tolerate it. Neither will Obama.

Taxes for the rich won't be raised because he opposes it. His plan, in fact, backs comprehensive "pro growth" tax reform.

It involves cutting top individual and corporate rates in exchange for eliminating loopholes clever accountants can devise ways to keep.

Yet Times editors call his austerity plan "a well-proportioned mix."

In fact, it benefits corporate favorites and America's aristocracy at the expense of working households.

A previous article called it a combination left hook, right cross haymaker, decking workers when they need help.

"It pays for desperately needed jobs" that won't be created because tax cuts create none.

Recall last December. Despite pledging opposition to extending tax cuts for households earning over \$250,000, Obama capitulated.

On December 6, a White House press release said:

While “disagree(ing)” with Republicans, he argued that “without a willingness to give on both sides, there’s no reason to believe (the current) stalemate won’t continue well into next year....I am not willing to let that happen....it would be the wrong thing to do.”

“As a result, we have arrived at a framework for a bipartisan agreement.”

Everyone got a tax cut on income, capital gains, dividends, and the Bush enacted federal estate tax that lapsed at the start of 2010, including the super-rich (who deserve higher, not lower taxes).

As expected, Obama caved to Republicans and deep-pocketed donors who’d likely give less if they paid more.

“Shared sacrifice” for him is transferring maximum wealth from working Americans to Wall Street, other corporate favorites, and super-rich elites already with too much.

Rhetoric aside, he’s got more of the same in mind now.

Times editors love it, saying only that “this plan was far too late in coming. But the public is listening now, and has demanded shared sacrifice. The burden is now on Mr. Obama to sell his plan, and on Congress to buy it.”

Fact check

He and Congress will indeed agree on a destructive austerity plan harming working Americans most to assure elitist interests know he’s the gift that keeps on giving.

It showed in his September 8 stimulus plan. It includes a laundry list of handouts instead of measures to create jobs, generate growth, reinvigorate Main Street, strengthen America’s middle class, and help growing millions of impoverished, disadvantaged households most in need.

No matter how it’s directed, \$447 billion proposed won’t create jobs. It’s more of the same too little, too late for nation in serious trouble in the context of a sinking global economy.

In February 2009, when Obama proposed \$787 in economic stimulus, unemployment was about 25 million. Two and a half years later, it’s the same. How then can half a loaf do now what double it earlier couldn’t. It won’t nor is that its intention.

In fact, it's more a reelection than jobs plan if voters are foolish enough to buy it. Hopefully they'll understand how it harms them.

Tax cuts can't create jobs, yet they comprise about 60% of his plan. Despite well over \$1 trillion for them in the last two years, zero jobs were created.

In fact, they've been less than zero when factoring in the replacement of full-time higher-paying jobs for uncertain lower wage/low or no benefit temporary or part-time ones.

Obama also proposed state subsidies as in 2009 to create jobs. Notably since then, hundreds of thousands of state and local government layoffs followed. They continue monthly.

In 2009, \$100 billion was allocated for infrastructure spending to create four million jobs. It didn't happen. In June 2009, 6.4 construction workers were employed. Today it's less than 5.5 million.

Obama's new plan is no better. Immediate job creation is needed. Construction and infrastructure ones are long-term and won't help over any duration when boosted by minimal funding.

Moreover, Washington's too-big-to-fail bailout didn't restart lending. Major banks and other corporate giants are hoarding trillions of dollars instead of using them to stimulate growth and create jobs.

Today's political Washington doesn't prioritize them so expect none, Obama's rhetoric notwithstanding. His agenda focuses on permanent wars and shifting maximum wealth to corporate favorites and America's top 1%.

His new plans are old wine in new bottles, socking it to the constituencies that elected him.

Maybe next time they'll have second thoughts and reject America's duopoly entirely.

Unless they do, they'll keep getting same old, same old no matter which party holds power.

Both represent institutionalized depravity responsible for turning America into a moral swamp.

Changing that is job one for people wanting something better.

It requires tearing down what doesn't work and starting over.

What better time to start than now.

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