

The BLACK C o M M e n t a t o r

An independent weekly internet magazine
dedicated to the movement for economic justice,
social justice and peace - Providing commentary,
analysis and investigations on issues affecting
African Americans and the African world.

www.BlackCommentator.com

[Contents of Issue](#)

[Click here](#)

October 15, 2009 - Issue 346

[Home](#)

Will Obama Save America From Capitalism?

Color of Law

By David A. Love, JD

BlackCommentator.com Editorial Board

Click on the back button of your browser to return to non printer friendly page of this article

[Click here](#) to get helpful hints for viewing and printing this printer friendly plain text page

Michael Moore's new film, [Capitalism: A Love Story](#), looks and sounds a lot like a huge conspiracy theory. Too bad all of it is true.

Missing this time around were the legions of corporate shills employed to discredit this film, the way they tried to do with Moore's previous film about the healthcare industry, [Sicko](#). Maybe they just gave up. There comes a time when no amount of spin will cover up the truth. You can sprinkle sugar on a turd and call it candy, but in that moment of reckoning, the truth becomes self-evident.

American-style capitalism is the system that gives you airline pilots buying groceries with food stamps; sheriffs and robber barons throwing families out of their homes and into the street; corporations taking out insurance policies on their own employees; corporations slashing jobs to earn record profits; college loans the size of mortgages, and people dying because they have a pre-existing condition, or can't afford to get sick.

For a number of years, the boosters, the sales representatives, the pimps and prostitutes of this deeply flawed system did a great job of convincing the rest of us that no one else in the world had it better. This is the land of opportunity, they told us. The reality is that for all of its rhetoric, America is more unequal in terms of wealth and

income than other industrial democracies. Far more economic mobility is to be found in those "socialist" European nations that conservatives are so loathe to emulate.

America is a nation of sharecroppers. Not in the pull-yourself-up-by-the-bootstraps sort of way, either. The few at the top now have more than ever because they stole it from the many, typically by highway robbery. And every day, they continue to dupe the many into giving more. Many at the bottom actually believe that they will emerge at the top someday, so they don't make a fuss. Capitalism, American-style, is that great big Ponzi scheme. And apparently, we was had. This is what they do, unfettered, unaccountable, and unconcerned.

[Elizabeth Warren](#), chair of the Congressional Oversight Committee that is investigating the \$700 billion bank bailout giveaway, a.k.a., Troubled Assets Relief Program (TARP), told the Washington Post that "the middle class is under terrific assault." Middle class families are actually earning about \$800 less than a generation ago. This reality precipitated the need to have two wage earners in each family, and to borrow more and save less just to stay above water. But people are drowning by the millions.

Meanwhile, the economic puppeteers seem to gloat over the fact that they are stealing an ever-increasing part of the economic pie at the expense of the multitude. On March 5, 2006, Citibank - a TARP welfare recipient of late - issued a memo to investors titled, *Revisiting Plutonomy: The Rich Getting Richer*. [Plutonomy is defined as](#), "An economy that is driven by or that disproportionately benefits wealthy people, or one where the creation of wealth is the principal goal." The Citibank memo proclaimed that

The latest Survey of Consumer Finances, for 2004, has been released by the Federal Reserve. It shows the rich continue to account for a disproportionately large share of income and wealth in the US economy: the richest 10% of Americans account for 43% of income, and 57% of net worth. The net worth to income ratio for the richest 10% of Americans increased from 7.4x in 2001, to 8.4x in the 2004 survey. The rich are in great shape, financially.

Perhaps the most invidious part of the report warns that electoral democracy threatens to disrupt the wonderful party the rich are having:

Our whole plutonomy thesis is based on the idea that the rich will keep getting richer. This thesis is not without its risks. For example, a policy error leading to asset deflation, would likely damage plutonomy. Furthermore, the rising wealth gap between the rich and poor will probably at some point lead to a political backlash. Whilst the rich are getting a greater share of the wealth, and the poor a lesser share, political enfranchisement remains as was - one person, one vote (in the plutonomies). At some point it is likely that labor will fight back against the rising profit share of the rich and there will be a political backlash against the rising wealth of the rich. This could be felt through higher taxation (on the rich or indirectly through higher corporate taxes/regulation) or through trying to protect indigenous laborers, in a push-back on globalization - either anti-immigration, or protectionism. We don't see this happening yet, though there are signs of rising political tensions. However we are keeping a close eye on developments.

Capitalism is as capitalism does. Maximization of profit above all else - to the exclusion of ethics, morality and the public good - is the mark of a vulture society. And this arrogant, coldhearted endeavor has been a bipartisan effort. Beginning with Reagan, Republican administrations have championed drastic cuts to the social safety net and massive tax cuts for the wealthiest Americans. Meanwhile, the Clinton years ushered in deregulation of the financial markets, and an end to welfare as we know it. Corporations have far more power than a free society can tolerate. And both major political parties are the water carriers of this plutonomy. They are the field hands for the financial interests that currently run the show and drive public policy - and are driving this nation into the ground.

The U.S. economy is worse than at any time since the Great Depression. In fact, as [Simon Johnson of MIT recently told Bill Moyers](#), we are currently experiencing elements of a depression.

But in this jobless recovery, where there is one job for every six job seekers, Wall Street is doing well because its fate is not dependent upon the employment of everyday working people. Rather, its fate is dependent upon government handouts, paper shuffling, and the exotic hustling instruments to which they have grown accustomed.

But we have been here before. Eighty years ago, on October 24-29, 1929, the stock market collapsed. It was a testament to an economic system run amok, unregulated and unrestrained, for the benefit of concentrated, monopolistic power. President Franklin D. Roosevelt ushered in the New Deal - a series of economic programs and initiatives based on **relief** to the unemployed and farmers, **reform** of business, banking and finance, and economic **recovery**. The New Deal meant public works and infrastructure programs, economic planning by the government, social security, and labor standards that favored union growth. There was a sense that workers, consumers and farmers should have influence with the government, not just corporations.

Today - with the erosion of the New Deal legacy creating the huge mess that is early twenty-first-century America - President Obama has a golden opportunity to make things right. But will his administration step up to the plate and bring in the necessary reforms? Just as F.D.R. saved capitalism from itself, will Obama save America from capitalism? Or is the game already too fixed?

These times scream out for a "new" New Deal. Jobs are sorely needed by millions, but will not appear out of thin air. The foreclosed and unemployed middle class are joining the ranks of the poor and the homeless. The national infrastructure is crumbling. And the cartels and monopolies of old have returned. A paltry and ineffectual stimulus package, accompanied by some tweaking at the edges of a carnivorous, predatory system, will not make a difference.

If the Obama administration wants to be a truly transformational force in American history, rather than a slightly-better-than-average, one-term presidency with good intentions, it will give America the new New Deal. The Obama administration will find the intestinal fortitude to [take on the banking system](#), and divest itself of Wall Street enablers and Goldman Sachs cronies. It will cast out such underwhelming individuals as

Timothy Geithner and Larry Summers, and seek the advice of Nobel laureates such as [Joseph Stiglitz](#) of Columbia, and [Paul Krugman](#) of Princeton. It will go beyond its laudable plans for a [consumer protection agency](#), and either reform the current economic system, or replace it entirely with one that reduces the status of corporations, and brings economic fairness and justice to the people.

In other words, President Obama will do what the people voted for in November.

BlackCommentator.com Editorial Board member David A. Love, JD is a journalist and human rights advocate based in Philadelphia, and a contributor to [The Huffington Post](#), [The Progressive Media Project](#), [McClatchy-Tribune News Service](#), [In These Times](#) and [Philadelphia Independent Media Center](#). He also blogs at [davidalove.com](#), [NewsOne](#), [Daily Kos](#), and [Open Salon](#). Click [here](#) to contact Mr. Love.



[Contents of Issue](#)
[Click here](#)

[Home](#)

Click Here To
CONTRIBUTE TO **bc** NOW

Click Here To
CONTACT **bc**

Your comments are always welcome.

e-Mail re-print notice

If you send us an e-Mail message we may publish all or part of it, unless you tell us it is not for publication. You may also request that we withhold your name.

Thank you very much for your readership.

Website Design and Hosting provided by



Copyright © 2002-2009
www.BlackCommentator.com
All Rights Reserved