

Deal and Depression

WHETHER THE FIRST BLACK President Barack Obama can rescue the beleaguered nation called United States poses a big question mark. Anti-Americanism among masses throughout the world is so pervasive that it won't be that easy to reverse the decline that America faces at home and abroad. Expectations from Obama are too high to get fulfilled in the near future. It is unlikely that he would opt for a radical departure from the Bush era. After all that is not in the tradition of American administration.

What proved to be the real determinant in the 2008 presidential election in America was the devastating global economic crisis. The opposition to war in Iraq and Afghanistan, which had been the number one reason for supporting the Democratic ticket, was pushed to a secondary position. It is why the first posts decided were the "economic recovery program" team.

So many people have been losing jobs, losing homes, going without doctor visits, putting off purchases from clothing to cars, that it was hardly a surprise when the US economy was declared to be in a recession that began in December 2007. Economists and politicians are starting to acknowledge that conditions will continue to worsen well into 2009 at least—with others forecasting "several years of high unemployment...and widespread income losses".

After a decade of working people's incomes stagnating and temporary jobs proliferating, these new blows have meant a million bankruptcies this year alone and three million families losing their houses, with Moody's forecasting five million more foreclosures by 2010. Such anger has built up that some governors and sheriffs have had to declare moratoriums on foreclosures or evictions. The homeless have been building tent cities or, with the help of groups like Miami's Take Back the Land, taking over homes left vacant by foreclosures.

With recession spreading to Europe and Japan and China International Monetary Fund has declared a "major downturn" for the world economy. Though food prices have retreated, the world food crisis has worsened, with the economic crisis pushing over 100 million people worldwide into poverty and farmers reducing production in the face of lower crop prices. Already children are starving from Afghanistan to Zimbabwe. And South Asian Dram is at worst a grand beggars' open a.

What is most significant about Obama's quickly gathered economic team is that, like Bush's Treasury Secretary Henry Paulson, all these economists have had to throw out their faith in the "free market". Instead they are tossing around proposals for massive state intervention in the economy through deficit-swelling public works programmes to provide jobs, in addition to stepping up the ongoing programme of corporate bailouts and nationalization.

Ideologues from the Left and moderate clamouring for a "new New Deal," too often forget how the history of the New Deal has been rewritten. It did not materialize out of the benevolence of Pres. Roosevelt. The context was strikes, organizing, revolt—the threat of revolution was in the air. That is exactly what the New Deal was supposed to save capitalism from. Today, millions want to change this society top to bottom—and that means a much deeper than what Obama has in mind. Also, the New Deal did not halt the Great Depression. It took World War II to cover over capitalism's decade-long crisis. Civilization can hardly survive a World War III, yet capitalism has no other solution to offer. □