



- [Howard Zinn](#)
- guardian.co.uk,
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This current [financial crisis](#) is a major way-station on the way to the collapse of the American empire. The first important sign was 9/11, with the most heavily-armed nation in the world shown to be vulnerable to a handful of hijackers.

And now, another sign: both major parties rushing to get an agreement to spend [\\$700bn of taxpayers' money](#) to pour down the drain of huge financial institutions which are notable for two characteristics: incompetence and greed.

There is a much better solution to the current financial crisis. But it requires discarding what has been conventional "wisdom" for too long: that government intervention in the economy ("big government") must be avoided like the plague, because the "free market" will guide the economy towards growth and justice.

Let's face a historical truth: we have never had a "free market", we have always had government intervention in the economy, and indeed that intervention has been welcomed by the captains of finance and industry. They had no quarrel with "big government" when it served their needs.

It started way back, when the founding fathers met in Philadelphia in 1787 to draft the constitution. The first big bail-out was the decision of the new government to redeem for full value the almost worthless bonds held by speculators. And this role of big government, supporting the interests of the business classes, continued all through the nation's history.

The rationale for taking \$700bn from the taxpayers to subsidise huge financial institutions is that somehow that wealth will trickle down to the people who need it. This has never worked.

The alternative is simple and powerful. Take that huge sum of money and give it directly to the people who need it. Let the government declare a moratorium on foreclosures and give aid to homeowners to help them pay off their mortgages. Create a federal jobs programme to guarantee work to people who want and need jobs and for whom "the free market" has not come through.

We have a historic and successful precedent. [Roosevelt's New Deal](#) put millions of people to work, rebuilding the nation's infrastructure, and, defying the cries of "socialism", established social security. That can be carried further, with "health security" – free health care – for all.

All that will take more than \$700bn. But the money is there. In the \$600bn for the military budget, once we decide we will no longer be a war-making nation. And in the swollen bank accounts of the super-rich, by taxing vigorously both their income and their wealth.

When the cry goes up, whether from Republicans or Democrats, that this must not be done because it is "big government", the citizenry should just laugh. And then agitate and organise on behalf of what the Declaration of Independence promised: that it is the responsibility of government to ensure the equal right of all to "life, liberty, and the pursuit of happiness".

Only such a bold approach can save the nation – not as an empire, but as a democracy.

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The Big Question: What was Roosevelt's New Deal, and is something like it needed today?

By Rupert Cornwell

Wednesday, 17 September 2008

Why are we asking this now?

The current financial and economic turmoil is increasingly likened to the crisis that began with the Wall Street crash of 1929, paving the way to the Great Depression of the 1930s. That slump, the deepest and most prolonged economic downturn of modern times, continued through much of the decade. The response of Franklin Roosevelt, who became President of the United States in March 1933, was the New Deal. But the US economy did not truly recover until the country's entry into the Second World War.

What was the New Deal?

The New Deal is shorthand for a host of government programmes introduced by Roosevelt between 1933 and 1938. The phrase itself originates in FDR's acceptance speech at the 1932 Democratic convention in Chicago, in which he promised "a new deal for the American people". The various measures included support for, and reform of, the collapsing banking industry, a new stock market regulatory agency, moves to boost wages and prices, the creation of massive public works projects and – perhaps most important of all – the launch of Social Security, the American equivalent of National Insurance in the UK.

Taken together, they not only constituted a "New Deal" to help ordinary Americans. They also initiated a new era of government activism, in terms of both intervention and regulation of the economy. Many New Deal programmes still exist, part of a safety net that even today's most laissez-faire rightwingers in the US would not dare touch.

Why was it introduced?

The economic plight of the US and other countries in the early 1930s is almost impossible to imagine today. Recession of some kind was inevitable after the collapse of the speculative bubble in 1929 crash (caused by an excessive run-up in share prices, not house prices as between 2000 and 2006). But the downturn was made far worse by a tit-for-tat international trade war, started by the infamous Smoot-Hawley Act of 1930 boosting US import tariffs, and by the failure of the Federal Reserve, America's central bank, to pump money into the system and prevent a panic run on banks. When FDR took power, the US unemployment rate was almost 25 per cent, its farm sector was in ruins and industrial output was 30 per cent lower than before the crash. Drastic measures were needed to restore confidence, on a scale only the government could provide.

Are there political parallels?

In the US there are plenty. Then as now, a long spell of Republican dominance was approaching an end. Even if John McCain snatches victory in November, it will not alter the fact that the conservative movement that took control with Ronald Reagan's victory in 1980 has run out of steam. In 1932, Roosevelt's landslide defeat of Herbert Hoover signalled the end of a long period of Republican ascendancy. Today, the stars are similarly aligned for the Democrats (though whether the country is ready for Barack Obama is another matter entirely). George W. Bush has been mockingly dubbed "George Herbert Hoover Bush". America is shifting to the left, and government is back in fashion. The debacle on Wall Street has cemented a widespread view that free-market capitalism needs reining in. As in 1932, the pendulum in 2008 is shifting back towards greater regulation and intervention.

And what about economic parallels?

Conceivably, the present turmoil could result in a second Great Depression. But although history and economic crises past provide lessons we ignore at our peril, they never repeat themselves exactly. These are painful times, but (not yet at least) a patch on 1932. The US economy, which grew at 3.3 per cent in the second quarter, is technically not even in recession yet. Unemployment stands at 6 per cent, not 25 per cent, and industrial output is down 1 per cent on 2007, not 33 per cent.

In the 1930s, the crisis was compounded by falling prices, as governments sought to balance budgets by deflationary measures, even as economies were contracting. Today, deflation is not on the horizon; indeed, falling commodity and farm prices are a welcome relief, not a threat. The problem is not a lack of money in the overall economy, but of banks' reluctance to lend money to all but the most trustworthy borrowers.

So we've learnt some lessons from history?

Most certainly. In the 1930s, the Smoot-Hawley Act imposed a trade war on top of an economic downturn. Despite the stalling of the Doha round of trade liberalisation, and widespread criticism of globalisation, there is scant risk of a similar bout of beggar-my-neighbour protectionism today.

Meanwhile Ben Bernanke, the current Federal Reserve chairman and former Princeton economics professor, is a lifelong student of the Great Depression. He has publicly criticised the Fed's performance then, and will not make the same mistakes now. By allowing Lehman Bros to go under, the US government signalled that the banking system must purge itself of the bad mortgage toxin. But with its moves to pump in liquidity, the central bank has signalled it will not permit the system itself to go under.

So the US can get by without a New Deal?

Not necessarily. Everything depends on the extent to which the crisis impacts on ordinary people. Every sign is that America, like Britain, is sliding into recession. In the best-case scenario, growth will restart some time in 2009 – in the US, once house prices hit bottom and stabilise, and banks feel confident again to lend the money they are hoarding to protect themselves against the storm. In that case, as credit markets return to normal, the downturn will have been relatively brief. But if recession drags on, the clamour for New Deal-style programmes will grow. Indeed some are already demanding the government use the opportunity to boost spending on America's crumbling public infrastructure – roads, bridges, railways and so on – to create new jobs and spending power that will be pumped back into the economy.

What are McCain and Obama saying?

Inevitably, their takes on the crisis differ. For John McCain, the mess has been created by greedy, out-of-control banks and mortgage lenders. For Obama and the Democrats, the crisis is an indictment of an entire Republican economic philosophy which looked out only for the rich, and blindly insisted that markets always knew best. But they agree on one thing – the need for tougher regulations, to prevent a repeat. In that sense at least, and whatever the severity of the downturn, a new New Deal is certain.

So is this another Great Depression?

Yes...

- * The banks may have money, but how to make them lend it?
- * Financial globalisation guarantees the crisis will spread, whatever countries do.
- * This bubble was 20 years in the making, twice as long as the one which burst in 1929

No...

- * The crisis in the real economy is nowhere near as severe. The US is still growing.

* Regulators have learnt their lessons, and won't make the mistakes of the 1930s again

* The world economy is less US-centred, reducing the risk of contagion

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Johann Hari: This crisis is also a big opportunity

A 2008 New Deal could start by shutting down the world's tax havens

Thursday, 2 October 2008

It was slower. It was quieter. It looked for a moment only like a stream of suited men carrying cardboard boxes. But the Great Crash of 2008 is going to change your life, as surely as the last time we all stared at footage from Lower Manhattan and Washington DC and asked, how did this happen?

The world looks different now. Even if the bailout finally goes ahead, credit is drying up; unemployment is sure to swell; and the dogma-dream that drove Western politics for 30 years is dead. So why am I feeling – tentatively, terribly – optimistic? Because great crises can spur great changes. As we slough off the deadening delusions that have dominated our thought for so long, new and better worlds become possible.

But before we figure out what the world will look like when the rubble is cleared away, we need to understand how this happened. What brought us to this thud? Who put the Dow into downturn? For 30 years, conservative politicians have – often with good intentions – conducted an experiment. They believed markets work best when government monitors them least. So they steadily stripped away the restraints on corporations that were put in place after the Great Crash of 1929. Regulations? Rules forbidding dodgy mortgages? Trade unions? Progressive taxation? These simply got in the way of generating wealth, damaging us all. Once you removed all these "distortions", the market would create equilibrium and growth for all.

But now we know. The ideology was given free rein – and it has come to this. If you recreate the economic conditions of 1928, 1929 soon follows. Franklin D Roosevelt introduced rules watching big businesses closely for fraud or gambles that could bring the whole system crashing down. Politicians Greenspanning across the 1980s and 90s – both Republican and Democratic, Conservative and Labour – rolled it all back, so businesses could suddenly behave in risky and bizarre ways again. Corporations were now allowed to sell houses to people with terrible credit ratings at astronomical interest rates, while risking virtually no capital of their own. They could then repackage these lousy mortgages as bonds and scatter them throughout the global banking system like landmines. We have deregulated ourselves to the brink of a depression.

It turns out markets are like yeast. Without yeast, your bread won't rise. But if you leave out all the other ingredients, then you will be left with nothing but an inedible fungus. But this is also why the talk of "the end of capitalism" isn't quite right – and actually gives the people responsible for this crash a glib get-out.

"Capitalism" isn't a monolithic block. There are many ways of using markets as a wealth-generating tool without turning them into a Golden Calf. In Scandinavia, they have married markets to a state that takes more than 50 per cent of GDP to lift up everyone left out by the market and green the economy – and it has produced the happiest, most productive societies on earth. It's called social democracy. It's a form of tethered capitalism protected by a strong state from its own destructive impulses – and it works.

So what has died this week is not capitalism but its most fanatical Gordon Gekko wing: the one that has dominated debate for decades now. The belief that markets are self-correcting, or naturally produce equilibrium, turns out once more to be a piece of pure theology. Without a steel cage built of state regulation and trade unionism, markets will cannibalistically feed upon their own flesh.

The last Wall Street Crash produced the New Deal in the US, but this time any reaction confined to just one nation will fail. Markets are now global, even as their regulators remain stuck at national borders forlornly clutching their passports. If we are really going to check and balance markets properly, we need a global New Deal. Of course the most obvious forms of fraud

and folly that precipitated the crash must be stopped first – but the mooted proposals for new global financial regulators should only be the beginning. This is a moment not just to send in the fire engines, but to think big.

Here's how a global New Deal could work. Shut down the world's tax havens, so the super-rich who caused this crisis can no longer wriggle out of contributing to the societies in which they live. Some \$23trn (£13trn) is stored away in them. Of course the tax haven-lovers will squeal that it's impossible – but after the 9/11 massacres, every single one blocked al-Qa'ida's accounts in the face of US demands within weeks. At the same time, introduce a Tobin tax – a 0.1 percent surcharge on all international currency speculation. And start severely fining corporations that commit crimes abroad, instead of coddling them.

The loose change from these three measures would be enough to pay for the current bailout, and any others to follow. But the bulk of the proceeds should be used to stimulate the economy amidst collapsing markets – and there is a way to do this that simultaneously deals with the other even greater meltdown: man-made global warming.

In the first New Deal, Roosevelt employed three million people to work in America's great parks and to clean the environment. Today, a global New Deal could generate tens of millions of good jobs securing the transition away from an ecocidal economy to a sustainable one. It is a huge and urgent job. This would be state action saving the market from itself twice over: there wouldn't be much market activity on a planet that is melting and sweltering.

None of this will come easily. The New Deal wasn't simply handed down by Franklin Roosevelt: it was demanded by millions of people furious that their government had sold them out for so long. The entrenched interests fought hard to maintain their world, their way; they'll do it again. But a global New Deal can happen – because it must. The old dogmas – that state action suffocates the economy – will still be mouthed, but an ever-more sceptical public will remember this week, when Wall Street came begging for state action to prevent economic collapse.

In the darkness, a sea of shimmering opportunities has just opened up. Market fundamentalism is dead. Long live the New Deal – and active, regulating, redistributing government.

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Democratic presidential candidate Barack Obama spoke at the University of Nevada in Reno on September 30, 2008. (Photo: Getty Images)

In the thick of the financial crisis and bailout controversy, Robert Kuttner sees a potential light at the end of the tunnel. Its name is Obama. Maya Schenwar reviews Kuttner's new book, "Obama's Challenge," and interviews the author.

I began reading Robert Kuttner's latest book, "Obama's Challenge," three weeks ago. Then, amid the last two weeks' pandemonium - the plummeting stock market, the huge banks tumbling toward death - I put it aside. I finished it over the weekend. My timing was soberingly ironic.

As I turned the final pages of "Obama's Challenge," Congressional leadership was cinching a deal on a \$700 billion bailout plan for the country's wealthiest financial institutions - a plan that wallowed universes away from the innovative proposals put forward in Kuttner's book. Where Kuttner challenges Obama to utilize deficit spending to finance job-training programs, living wages, public works initiatives and - eventually - universal health care, the bailout plan would bypass low-income Americans. While Kuttner asks Obama to dip into debt to get Americans back on their feet from the bottom up, the bill cobbled together by Paulson and Congress would dip even deeper into the deficit in order to, for the most part, prop up the very top.

"Obama's Challenge" warns against doom-mongering fiscal conservatives who'd block far-reaching programs, prioritizing "virtuous" frugality over regular Americans' basic needs. In the face of Paulson's \$700 billion request, those fiscal conservatives did rear their shaking heads - though this time in opposition to a plan that would neglect regular Americans in favor of Wall Street.

The bill failed in the House, but not primarily due to progressive Democrats backing a Kuttner-like

alternative. It failed because of hard-line conservatives, the folks who would no doubt raise a ruckus if a President Obama started getting all New-Deal-y after inauguration.

The creation of, and response to, the bailout plan showcase some of the barriers an economic change-seeker would face in today's political climate. However, those barriers are no match for the "transformative presidency" Kuttner has in mind for Obama.

The book begins by asking readers to take two leaps of faith. One: Obama *will* be the next president. Two: Obama, despite his driftings toward the center-right in recent months, has the imagination, the heart and the know-how to steer the nation in a wholly new political direction.

These leaps may seem unduly risky. During my first hour of reading, I couldn't turn off the whiny little voice in my head, squeaking, "Don't get your hopes up! Don't get your hopes up!" Kuttner himself calls his assumption of an Obama victory a "slightly cheeky exercise." But he also shows that it's a highly useful one. Only by mentally catapulting Obama into the White House can we fully address the question of what he should do when he gets there.

Also, Kuttner demonstrates that Obama does in fact have the potential to initiate Roosevelt-like reform. At one point, by piecing together excerpts from several of Obama's speeches and writings, Kuttner constructs a sample speech on the economy that praises the capacity of expansive government to serve its citizens, rejects the Republican infatuation with tax cuts for the wealthy and proposes broad new investments in public education, scientific research, jobs programs and renewable technologies. Kuttner notes that, using the same process, he could have constructed a speech full of conciliatory, "bipartisan" rhetoric and overly cautious proposals.

"Those who become excited about a particular candidate are at grave risk of getting their hearts broken," he writes, noting that his book is intended as a "sober counterweight to a lot of bad advice [Obama] will receive to govern as a post-partisan, pragmatic centrist."

But at heart, Kuttner says, Obama seems more a "principled idealist than a cynic." That idealism sets him apart from the triangulation and weak standards that have marked the last two Democratic administrations. Unlike Jimmy Carter or Bill Clinton, according to Kuttner, Obama has all the makings of a "great president," should he have the true audacity to undertake that goal.

This means taking full advantage of the authority afforded the executive branch. Strong use of executive power may seem a terrifying prospect on the heels of the Bush administration's train of abuses, scandals and lies. Yet, Kuttner notes, this power is what gives the president a unique ability to quickly incite large-scale transformation.

To explore Obama's possibilities, Kuttner delves into the workings of three former presidents he considers "great": Abraham Lincoln, Franklin Delano Roosevelt and Lyndon Johnson. Each took incredible political risks to advance his vision, while connecting deeply with the public and working to

transform stale opinions and status quo assumptions. Each accomplished colossal goals - the freeing of the slaves, the preservation of the union, the overcoming of the Great Depression, the passage of the Civil Rights Acts - and won the trust and collaboration of the American people to accomplish them.

They took advantage of the opportunities their position granted them; in fact, they took their election as a mandate to seize those opportunities. Kuttner notes that when Johnson's aides initially warned him against pushing hard for civil rights, he responded, "Hell, what's the presidency for?"

Obama has gained a reputation for "reaching across the aisle," a habit that it's currently fashionable to praise. However, if he's going to be a transformative president, Obama needs to stop being so goshdarn politically friendly, according to Kuttner. "Compromise" should not be a leader's goal; at best, it should be an "endgame" strategy used when necessary to further big change. Being a great president, then, is not about getting everyone to like you. In fact, if you've got some haters, you may well be on the right track.

At the same time, to be a great president, Obama need not steamroll into the White House and announce an immediate revolution. Kuttner points out that both Lincoln and Roosevelt grew significantly more radical in office. Pre-presidency, Roosevelt was viewed as an "affable lightweight," according to Kuttner, while Lincoln entered office promising not to interfere with slavery.

In other words, Obama's sometime-hesitance does not mean he's hopeless.

Finally, Obama shares a key talent with Kuttner's three "great presidents": he is a gifted and passionate communicator. The best presidents are teachers, according to Kuttner. Today's economic mess, he says, calls for an FDR-like president who will sit down with the American people for fireside chats - who will talk them through the crisis, reassure them that government is on their side and instill in them the hope that their world can change.

If there's anything we know about Obama - no matter how tired we are of his campaign slogans - it's that he has the ability to inspire hope for change.

Amid the financial upheaval of the past few months, we'd all do well to take a hint from Robert Kuttner and try out his "cheeky exercise." A revolutionary tide change just may be hovering on the January horizon.

* * *

Interview With Robert Kuttner

After finishing "Obama's Challenge" and watching the bailout plan (and the stock market) collapse on Monday, I chatted with author Robert Kuttner about Obama's options for guiding our economic future.

MS: As I was reading your book, I couldn't stop thinking about this \$700 billion bailout plan. If it eventually passes in some form, would it tie Obama's hands?

RK: Not if he plays it right. Obama can use the fact that Paulson and Bush are willing to spend \$700 billion to bail out Wall Street. He can argue that we need to spend money on that scale for everybody else.

In my book, I said spending would have to go up \$600 billion a year. For the first year, a lot of that's going to have to be recapitalizing financial institutions, but after that, a lot of it can go for things like public works, and good jobs, and universal health insurance. In order to get out of this recession or depression - whatever it turns out to be - public spending's going to have to go up by maybe four percent of GDP for a few years.

The meltdown completely transforms politics. Things that never could've been discussed are on the table. That's why it's such an incredible moment.

MS: But, if a bailout plan passes, might the fact that we've just spent \$700 billion actually strengthen the fiscal conservatives' case? They could say, look, we've already spent this much - how can he ask us to spend more? How do you deal with that?

RK: Well, you raise taxes on wealthy people, you restore tax enforcement, you add a transactions tax on stock transactions, you wind down the war, and maybe you raise the deficit a little bit in the short run. All of a sudden, the usual conventional wisdom - that "oh my God, the most important thing we need to do is cut spending" - well, you don't do that in a serious financial crisis, because the government is the one source of public spending that you can count on when the rest of the economy is pulling in its horns. No serious person right now could argue for cutting spending.

MS: In your book, you paint Obama as a kind of teacher-president, like Roosevelt. Do you think the events of the past month, and the bailout effort, change the lessons he should teach once he gets in office?

RK: He's going to have to be a more radical - and I mean "radical" in the best sense of the word - president than he was a candidate. Events have become more urgent. And I think he has the character to do that. I think you're seeing him, with every passing week, rising to the occasion and using a stronger voice. To be successful in this kind of a crisis, he's going to have to be very bold, he's going to have to transform the assumptions about what the government needs to do. And you know, he's getting there. He's not getting there quite as fast as I'd like him to, but I think events are forcing his hand.

MS: I want to talk a little bit about the role the Democratic Party can play in all of this. You depict Obama as a "party builder," someone who's really dedicated to the core beliefs of the Democratic Party. Is there anything that his fellow Democrats in Congress can do before Obama is

elected, to pave the way for the changes he wants to initiate?

RK: There's something this week that's the single most important thing they can do. The bailout plan is going down because there aren't enough Republicans supporting it. Republicans are trying to pose as the friends of the taxpayer, saying too much money is going to Wall Street, not enough money is going to Main Street. They're trying to pretend that they're more populist than the Democrats. So, when this plan goes down, the Democrats can propose and enact a much gutsier plan, where most of the relief goes to homeowners and communities rather than to Wall Street. You can help the people that own the bonds indirectly by helping the homeowners and stopping the slide in housing values and stopping the epidemic of foreclosures - do it bottom up rather than top down.

The other thing the Democrats can do is, when the government gives aid to a failing financial institution, do it the way it was done during the New Deal: the government takes it over and purges the bad management along with the bad investments. Then it recapitalizes it with public money, and then, after a time, sells it off and gets its money back. That would be a much, much, much better plan.

The Republicans have done the Democrats a favor by blocking this plan, because we could have a plan with better economics and better politics. And I think if the Democrats did that, you'd have a better chance of solving the immediate crisis, it would be much better for ordinary people, and it would put Obama in a much stronger position as president.

MS: One of the things that struck me, in your book, was the idea that a great president can be defined by the presence of a great enemy. Do you think Obama has it in him to make enemies?

He's either going to do it or he's going to fail. It's interesting - he likes to view himself as the bridge builder. But if he's president, and he's trying to pass a bill to put people back to work or to get universal health insurance or to refinance homes for millions of people who are losing them, and right-wing Republicans and Wall Street try to stand in his way, then yes, I think he's capable of defining who the enemy is.

You really have to do that. Clinton was not willing to define the private insurance industry as the enemy, the last time the Democrats tried to get universal health care, and he failed.

MS: How does that tie in with compromise? You brought up the idea of compromise in your book - using compromise as a strategy for the endgame, and not as the overall goal.

RK: I think this bailout bill is a perfect example of that. Democrats ought to be clearer about what they think is the right way to do it, and then if the Republicans oppose that, draft a Democrats-only bill. If they have to compromise a little in the endgame to get the last few votes, [they] can do that. But don't compromise going in. I think that, because events are forcing it, Obama is getting better at this.

Assuming that he's elected, he'll have a working Democratic majority in Congress. So, the question

will be how effectively he leads.

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[Maya Schenwar](#) is an editor and reporter for Truthout.

Comments

This is a moderated forum. It may take a little while for comments to go live.

[The root of the problem lies](#)

Thu, 10/02/2008 - 18:00 — EDGEOFNOWHERE (not verified)

The root of the problem lies in the 1913 creation of the private banking entity known as the "Fed" and its issuance of fiat currency. You cannot keep printing and distributing currency that is based on nothing other than blind faith. Eventually, it will fall to zero as have all other fiat currencies throughout history. No one is even beginning to address this issue. Throwing more fake dollars at the crisis in fake dollars will just hasten the inevitable crash of the aforementioned fake dollar. The primary difference between 1929 and 2008 is that it is now a worldwide crisis in the dollar, not a nationwide crisis. Only Ron Paul and Dennis Kucinich have spoken the truth about this, and they have been effectively marginalized by the RePubliCON and DemocRAT duopoly that has been bought and paid for by corporate interests, both commercial and military. Hold on to your hats, folks -- it's going to get ugly.

[For all you previous posters](#)

Thu, 10/02/2008 - 13:48 — Osvaldo Lucca (not verified)

For all you previous posters ready to roll over and have us cough up the 700 billion because there is no better alternative...how about we make those responsible for this pay? you know that top one percent that holds the majority of the wealth? Lets tax the sh*t out of them. Why not? We've been suffering under them long enough and now we have to carry their load why they will continue to make fat profits? You should all read this article: <http://www.truthout.org/100208J> It cuts through all the political double speak and goes right to the heart of the matter. EAT THE RICH!

[I think Craig is right about](#)

Wed, 10/01/2008 - 18:12 — brian (not verified)

I think Craig is right about this, as much as I hate to admit it. I would love to see Wall St get it's just desserts, but we all know how the super-wealthy behave. If they fall, they will do so in a kicking-and-screaming fashion, and they will do anything they can to bring the country down around them. Being selfish is how they got where they are today and they're not about to suddenly give a crap about anyone

but themselves, just because they're in free-fall.

[It sound like Kuttner](#)

Wed, 10/01/2008 - 17:20 — Randy (not verified)

It sound like Kuttner basically wants Obama to return to the early days of Roosevelt's New Deal. While I am thankful Roosevelt did what he did (or we probably wouldn't have the controls on buying on margin in the stock market or the FDIC deposit protections that have kept the country from collapsing in this emergency) things are just not so simple these days. When Roosevelt came into power we didn't have a monumental deficit or ongoing wars. He was able to keep the financial system from totally collapsing but it came too late to prevent a depression. We were already way down the slide after the 1929 stock market crash. If he has not been able to stabilize the financial sector (yes, then as now made up of money hungry, wealthy types. What other types devotes their lives to money?) he couldn't have done all those other things Kuttner wants Obama to do. Then as now, we have to take action to stabilize the financial markets and then do what we have to do to begin working bottom up -- as Obama has declared he will do. I think it is funny that the congress spent just a couple of weeks ago 680 Billion Dollars on a Military Authorization Bill. Yes, yes, I know about the war and the need for a strong defense, but we spend that much every year without anyone raising an eyebrow. This one time shot, if it is the way we can get some regulations and controls instituted on the fat cats and Banking and Financial structures, it is certainly worth it. Don't damn the one person who is more likely to actually do something about the economy and the poor and education. McCain isn't going to do anything new except lie about it. McCain is now and has always been a fake. Obama may have faults, but at least he is genuine and would bring back the crew that can do it. Liberals have the tendency to crucify their own best hope because they think he is not doing enough and so allow the team in who plan to do nothing at all. Think about Nixon and Reagan and daddy and sonny Bush.

[I disagree that an enemy is](#)

Wed, 10/01/2008 - 16:14 — Anonymous (not verified)

I disagree that an enemy is a necessary avenue of true change. After all, it seems that was the premise of the Bush II presidency and we can see where that has gotten us. The current administration has gone to great lengths to foster opposition on multiple levels. They thrive on it. Confusion is their vehicle. An engaging president could remove this barrier to progress.

[Hercules confronts the](#)

Wed, 10/01/2008 - 16:11 — Anonymous (not verified)

Hercules confronts the Hydra <http://www.mythweb.com/encyc/entries/hydra.html>

[The robber barons are the](#)

Wed, 10/01/2008 - 15:11 — Anonymous (not verified)

The robber barons are the enemy, and Obama needs to go after them, not only for political/inspirational reasons, but also for pragmatic reasons. The bank bailout plan by Bush was just another trickle-down voodoo economics ploy. Obama should be calling it what it is, rather than hiding behind nice-guy talk. The simple fact is that as long as he treats robber barons as part of his constituency he can never engage the greater public, because the robber baron interests are so diametrically opposed to the commons. This will entail going head to head with the corporate media, which is in fact a propaganda outlet for the robber barons, but they should be savy enough to realize that it's time to salvage what they can from the current situation and that their run as undisputed dictators is over.

[The problem with not](#)

Wed, 10/01/2008 - 15:00 — Craig Stern (not verified)

The problem with not propping up the very top, of course, is that when they fall they land on the very bottom, hitting all the middle on their way down. I hate the thought of using tax dollars to keep stupid, irresponsible banks from failing, but it's better than the alternative.

[They never had the money for](#)

Wed, 10/01/2008 - 14:18 — radline9 (not verified)

They never had the money for healthcare, education, job training, or the homeless, but now they have 700 billion to give away to wallstreet. Suckers!

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