

America's desperation and the fragility of hope

By John Caslione

While the U.S. economy is at its testing point the American psyche teeters on the brink of desperation. The consumer economy has been consumed by homes in foreclosure, credit card default and 2.6 million jobs lost in 2008 alone. If Americans don't see enough of an improvement in economic conditions and soon, depression will become a daily fact of life.

Unfortunately, when things get desperate, people will unwittingly give-up precious freedom in the wistful hope of pocketbook security. This flight to safety and the distrust of business leadership and the free market has the potential to tilt the U.S.'s free market economy to be in line with a more European socialist economy.

The stimulus plan with a price tag of \$887 billion has the hope of a nation and its people pinned to it. But this recovery plan may also be a call for greater nationalization under the guise of more regulation. Already there are whispers of the possibility of nationalization hitting an increasing number of industries. Infrastructure, real estate, commodities, automakers, healthcare and possibly the high-tech sector which is strategic to the U.S. economy and security, may find themselves under the government's leadership.

Is this the future that Americans envision? Norman Thomas, one-time U.S. Socialist Presidential candidate noted, "The American people will never knowingly adopt socialism. But, under the name of 'liberalism,' they will adopt every fragment of the socialist program, until one day America will be a socialist nation, without knowing how it happened." While misguided in his philosophy, Thomas's words cast a sardonic shadow on this era of economic uncertainty.

Life without a stimulus plan is scary, but its long term repercussions could make life even more harrowing than people can imagine if it isn't done right. The Congressional Budget Office has estimated that without the stimulus plan the unemployment rate would swelter to above nine percent in 2010, but there are no guarantees that the rate will be significantly less with the stimulus plan.

Couple all of this with the continuing almost weekly disclosures of abusive executive pay and bonuses and all the elements are there for a middle class and working class to "revolt" emotionally and ideologically against free market thinking. According to Gallup Daily, 83% of Americans are dissatisfied with the ways things are going in our country and 74% believe that the current economic conditions are getting worse.

This spells Trouble with a capital T and that rhymes with G and that stands for GOP. Republicans, who have already lost so much ground, stand to lose so much more if the stimulus plan fails—much more than the Democrats.

Republicans have no footing when it comes to taking fiscal responsibility high ground when you consider that for the last eight years they packed the national budget with more pork than there is in all of Iowa. That said, if we don't get it right and move quicker than our current glacial pace, one year from now the desperation of the American people will be so high that we'll be nationalizing the corner deli.

Congress must work in a bipartisan effort to create the right tax cuts that will push enough money into the private sector to jolt the economy. The stimulus plan must be one that allows for our financial system to resuscitate and repair our free market system so that it can remain free.

President Obama's new administration would be wise to look to the Powell Doctrine for inspiration to solve our financial crisis: shock and awe. The Powell Doctrine advocates for swift decisive action when there is a clear goal and a defined strategy when America's vital interests are at stake. The current stakes couldn't be higher or the American people's hopes more fragile.

Trying to read the tea leaves of the psychology and emotions of the American people one year into the future is certainly not easy, at the same time one truism is always ever-present: desperate people do desperate things. And one year from today unless the average American's life hasn't shown signs of improvement, they and the situation will become desperate.

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