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Losing Our Way

By **BOB HERBERT**

So here we are pouring shiploads of cash into yet another war, this time in Libya, while simultaneously demolishing school budgets, closing libraries, laying off teachers and police officers, and generally letting the bottom fall out of the quality of life here at home.

Welcome to America in the second decade of the 21st century. An army of long-term unemployed workers is spread across the land, the human fallout from the Great Recession and long years of misguided economic policies. Optimism is in short supply. The few jobs now being created too often pay a pittance, not nearly enough to pry open the doors to a middle-class standard of living.

Arthur Miller, echoing the poet Archibald MacLeish, liked to say that the essence of America was its promises. That was a long time ago. Limitless greed, unrestrained corporate power and a ferocious addiction to foreign oil have led us to an era of perpetual war and economic decline. Young people today are staring at a future in which they will be less well off than their elders, a reversal of fortune that should send a shudder through everyone.

The U.S. has not just misplaced its priorities. When the most powerful country ever to inhabit the earth finds it so easy to plunge into the horror of warfare but almost impossible to find adequate work for its people or to properly educate its young, it has lost its way entirely.

Nearly 14 million Americans are jobless and the outlook for many of them is grim. Since there is just one job available for every five individuals looking for work, four of the five are out of luck. Instead of a land of opportunity, the U.S. is increasingly becoming a place of limited expectations. A college professor in Washington told me this week that graduates from his program were finding jobs, but they were not making very much money, certainly not enough to think about raising a family.

There is plenty of economic activity in the U.S., and plenty of wealth. But like greedy children, the folks at the top are seizing virtually all the marbles. Income and wealth

inequality in the U.S. have reached stages that would make the third world blush. As the Economic Policy Institute has reported, the richest 10 percent of Americans received an unconscionable 100 percent of the average income growth in the years 2000 to 2007, the most recent extended period of economic expansion.

Americans behave as if this is somehow normal or acceptable. It shouldn't be, and didn't used to be. Through much of the post-World War II era, income distribution was far more equitable, with the top 10 percent of families accounting for just a third of average income growth, and the bottom 90 percent receiving two-thirds. That seems like ancient history now.

The current maldistribution of wealth is also scandalous. In 2009, the richest 5 percent claimed 63.5 percent of the nation's wealth. The overwhelming majority, the bottom 80 percent, collectively held just 12.8 percent.

This inequality, in which an enormous segment of the population struggles while the fortunate few ride the gravy train, is a world-class recipe for social unrest. Downward mobility is an ever-shortening fuse leading to profound consequences.

A stark example of the fundamental unfairness that is now so widespread was in The New York Times on Friday under the headline: "G.E.'s Strategies Let It Avoid Taxes Altogether." Despite profits of \$14.2 billion — \$5.1 billion from its operations in the United States — General Electric did not have to pay any U.S. taxes last year.

As The Times's David Kocieniewski reported, "Its extraordinary success is based on an aggressive strategy that mixes fierce lobbying for tax breaks and innovative accounting that enables it to concentrate its profits offshore."

G.E. is the nation's largest corporation. Its chief executive, Jeffrey Immelt, is the leader of President Obama's Council on Jobs and Competitiveness. You can understand how ordinary workers might look at this cozy corporate-government arrangement and conclude that it is not fully committed to the best interests of working people.

Overwhelming imbalances in wealth and income inevitably result in enormous imbalances of political power. So the corporations and the very wealthy continue to do well. The employment crisis never gets addressed. The wars never end. And nation-building never gets a foothold here at home.

New ideas and new leadership have seldom been more urgently needed.

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This is my last column for The New York Times after an exhilarating, nearly 18-year run. I'm off to write a book and expand my efforts on behalf of working people, the poor and others who are struggling in our society. My thanks to all the readers who have been so kind to me over the years. I can be reached going forward at bobherbert88@gmail.com.