

Bush's State of the Union address ignores social crisis in America

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It has been many years since a US president used his State of the Union address to seriously discuss the actual conditions of life in America. However, President Bush's address on Tuesday night evinced a degree of indifference toward the plight of tens of millions of Americans that was staggering, even by the standards of US politics.

Bush's major preoccupation was reasserting his administration's determination to continue the "war on terror," a euphemism for dispatching US military forces around the world to secure strategic oil reserves and establish US global hegemony. He once again asserted that growing popular opposition would not affect either his conduct of the war or his administration's police state measures at home, including the illegal surveillance of US residents and citizens.

Despite negative opinion polls and mounting scandals reaching into the uppermost circles of the Republican Party and the White House—involving such key figures as Karl Rove, Lewis Libby, Jack Abramoff and Tom DeLay—Bush was able to speak with a degree of confidence in the knowledge that he faces no serious political opposition from the Democratic Party. The illegality that surrounds the administration was highlighted by the fact that Bush addressed the nation only hours after former Enron CEO Kenneth Lay, one of the president's biggest financial backers, went on trial in Houston.

Rather than backing down, however, the Bush administration counts on the cowardice, disarray and complicity of the Democratic Party to press ahead with its reactionary agenda.

The spectacle in Washington only underscored the vast and unbridgeable chasm that exists between America's money-besotted political and economic elite, and both of its parties, and the mass of working

people.

Bush went out of his way to praise the "wise policies" of his Democratic predecessor, saying that Clinton's welfare "reform," which eliminated subsistence benefits for millions of America's poorest citizens, had "made a real difference in the character of this country." He said, "Democrats and Republicans had the right to be proud this record."

Bush outlined domestic policies that would assure a further transfer of wealth from the working class to the financial oligarchy. He called for making permanent his tax cuts for the wealthy and launching new "reforms," such as private health insurance accounts, aimed at reducing health care costs for big business and cutting funding for supposedly unaffordable "entitlements" such as Medicare, Medicaid and Social Security.

The president speaks for a ruling elite that is literally gorging itself. Two days before the former Texas oilman gave his address, ExxonMobil reported the highest profits in US history: \$10.71 billion for the fourth quarter of 2005 and \$36.13 billion for the entire year. The oil giant's annual profits rose by 43 percent—despite a fall off in production—largely because of the post-Hurricane Katrina rise in gasoline and heating fuel prices that have imposed cruel burdens on ordinary people.

In comments Wednesday, Bush defended the oil monopolies, saying prices are "determined by the marketplace" and that Americans should not expect relief anytime soon. "There is a marketplace in American society," he declared.

In his speech on the "state of the union" Bush barely mentioned Hurricane Katrina and the virtual destruction of one of America's major cities. He failed to note that tens of thousands of New Orleans citizens remain scattered and displaced five months after the disaster.

The crisis on the Gulf Coast is perhaps the most obvious, but it is only one of the social catastrophes which did not rate a mention in the president's speech. Over the last several months General Motors and Ford announced the shutdown of dozens of factories and the destruction of 60,000 jobs in North America, adding to the list of major corporations that are destroying higher paying manufacturing jobs, while moving operations to low-cost regions of the world. Nor did he take note of the growing list of corporations, including such profitable giants as IBM, that are freezing or ending pension plans, confronting millions of retirees with the prospect of economic desperation and poverty.

Nor was there any acknowledgement of the devastating consequences of the Bush administration's glorification of the "marketplace" as revealed in the rash of coal mine disasters in West Virginia, which have now claimed the lives of 16 miners. The administration's efforts to undermine the Mine Safety and Health Administration and stack its top leadership with former coal bosses paved the way for the owners of the Sago Mine to continue operations, despite hundreds of serious safety violations.

In response to nativist elements within his own party, Bush unwittingly pointed to the degree to which American capitalism has become dependent on the unbridled exploitation of the working class, particularly immigrants from Latin America and Asia who are forced to work for the lowest wages. "We hear that claims that immigrants are somehow bad for the economy," he said, "even though this economy could not function without them."

Towards the end of his speech Bush said, "Even in the face of higher energy prices and natural disasters, the American people have turned in an economic performance that is the envy of the world." The reality is that the American model of "free market" policies and deregulation is looked upon with fear and disgust by working people in Europe, Latin America and many other parts of the world. It would be more accurate to say that the level of social inequality in America is the envy of ruling elites of much of the world, who would like nothing more than to impose such conditions in their own countries.

Just days before the State of the Union speech, the *New York Times* reported, "New government data indicate that the concentration of corporate wealth

among the highest-income Americans grew significantly in 2003, as a trend that began in 1991 accelerated in the first year that President Bush and Congress cut taxes on capital."

Citing a Congressional Budget Office analysis of the latest income tax data, the *Times* reported that in 2003 the top 1 percent of households owned 57.5 percent of the corporate wealth, up from 53.4 percent the year before. The top group's share of corporate wealth had grown by half since 1991, when it was 38.7 percent.

Another report by the Center on Budget and Policy Priorities and the Economic Policy Institute noted that the incomes of the richest fifth of families grew by \$45,100, or nearly 59 percent—to an average of \$122,150—over the past 20 years, while the poorest 20 percent of families nationally grew by an average of \$2,660, or 19 percent, in the same period. The greatest disparity between rich and poor was in New York, where the top 20 percent of wage earners had average incomes 8.1 times larger than the poorest 20 percent. Texas had only a slightly smaller gap.

On the same day as Bush's address, the US Labor Department issued a report showing that the living standards of American workers continue to decline, even as corporate giants rake in record profits and CEOs reward themselves with multi-million-dollar salaries and bonuses. According to the Labor Department, wages and benefits for civilian workers rose in 2005 by the smallest amount in nine years. The 3.1 percent rise in employee compensation was not enough to keep up with inflation, resulting in a fall in compensation, in real terms, of 0.3 percent—the first such decline since 1996.



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