

Bush's last State of the Union speech overshadowed by deepening crisis

Bill Van Auken
29 January 2008

George W. Bush used his eighth and final State of the Union speech Monday night to outline an agenda of continuing wars of aggression abroad together with social reaction and political repression at home that is certain to continue well past his leaving office a year from now, no matter which party wins the 2008 election.

Yet the ritualistic annual affair—marked by obscene applause and cheering from both Democratic and Republican legislators for a man who should be standing trial as a war criminal—was overshadowed by the deepest crisis confronting US and world capitalism since the Great Depression of the 1930s.

The entire affair was dominated by the most pervasive feature of American political life—the immense disconnect between the masses of American working people and the thin financial aristocracy that controls and whose interests are represented by both major political parties.

Bush began his address with a salute to the “collective wisdom of ordinary citizens” and an affirmation of his supposed conviction that government must “trust in the ability of free people to make wise decisions.”

Yet, after seven years in office he is without question the most despised president in American history. The latest opinion poll released this week by the *Washington Post* and ABC News shows Bush's approval rating at its lowest ever, 32 percent, with only 30 percent approving his actions in Iraq—which constituted the center of his speech—and just 28 percent approval for his handling of the economy.

In short, the people he claims to trust have rejected not only the war but his entire presidency, which continues in office and imposes its policies thanks to the complicity of the ostensible political opposition, the Democratic Party.

The contrast between the depth of the economic crisis facing millions of Americans, on the one hand, and the political indifference and paucity of the proposals emanating from Washington on the other, could not have been starker.

Bush used the speech to press the Democratic-led Congress to enact without amendment or debate a \$150 billion fiscal stimulus package that most economic analysts acknowledge will do nothing to stave off the growing meltdown of the financial system touched off by the bursting of the US housing market bubble.

The plan touted by Bush amounts to \$150 billion—two thirds of it in the form of rebate checks expected to be sent out by next June and one-third of it in more tax breaks for business.

Under conditions in which major Wall Street banks have already been forced to write off hundreds of billions of dollars in assets, and the fall in average house prices—the sharpest since the Great

Depression of the 1930s—is further impoverishing average Americans by a rate of approximately \$2 trillion a year, this package represents little more than a pathetic attempt by both parties to appear to be doing something at the cheapest price possible.

“As we meet tonight, our economy is undergoing a period of uncertainty,” Bush declared. He continued, “And at kitchen tables across our country, there is concern over our economic future. In the long run, Americans can be confident about our economic growth.”

The reality is that the policies set by the Bush administration and the Democratic-led Congress alike have nothing to do with the mythical average Americans huddled around their kitchen tables trying to balance their budgets. Rather, economic decisions are determined by the interests and demands of the bankers and businessmen sitting at boardroom tables on Wall Street, awarding themselves multimillion-dollar bonuses and severance packages even as their speculative financial operations threaten to unleash massive economic suffering for the vast majority of the population. This is the social layer that funds and controls both major political parties.

Thus, while the Federal Reserve Board has enacted repeated rate cuts to bail out major Wall Street investors, Bush's speech promised nothing of substance for the estimated one million people who face foreclosure on their homes over the coming year.

“Americans can be confident about our economic growth,” Bush proclaimed. Based on what? The subprime mortgage meltdown is not the expression of a temporary and conjunctural economic downturn, but rather a profound crisis gripping the entire international financial system. Its roots are found in the decline of American capitalism's position on the world markets and the turn by the ruling elite towards rampant speculation, accompanied by outright fraud.

This past seven years of the Bush administration have seen US household debt double, while federal debt has shot up by two thirds, reaching a combined level equal to 168 percent of the US gross domestic product. Despite the injection of massive amounts of credit into the economy, the US has seen the weakest growth in employment and production since the 1930s.

For millions upon millions of working people the present financial crisis will spell social disaster, as trillions of dollars in the value in home equity—upon which many have depended for loans to bridge the gap between rising costs and stagnant wages—are wiped out and the credit crunch extends throughout the economy, provoking mass layoffs and shutdowns.

Not a hint of these economic and social realities crept into Bush's speech. Instead, he repeated his yearly mantra of demanding that tax cuts for the rich be made permanent, assuring the continued transfer of hundreds of billions of dollars in social wealth from the majority of

the population to the top one percent. As always, it was this line that drew the most enthusiastic and sustained applause.

Most of Bush's speech consisted of a laundry list of right-wing nostrums that could barely be described as proposals. He railed against "earmarks," the method used by members of Congress from both parties to direct funding towards specific local projects, which account for less than a drop in the bucket compared to the projected deficit of \$400 billion for the coming year, swelled largely by the massive spending on the wars in Iraq and Afghanistan.

On health care he opposed any government-funded program while promoting "consumer choice"; on education he urged support for a school voucher program that would divert money from public education. This was joined with a call for free trade and opposition to "human cloning."

In one section of the speech, Bush praised the "armies of compassion" for bringing "a new day to the Gulf Coast." He touted his administration's contribution—the hosting of a North American summit with Canadian and Mexican officials in New Orleans in April. This, under conditions in which—two-and-a-half years after Hurricane Katrina—tens of thousands of the city's residents remain homeless and tens of thousands of homes stand abandoned and gutted, constituting a national disgrace.

Bush declared that the country could no longer afford spending on Social Security, Medicare and Medicaid—in contrast to its ability to pour money into bailing out Wall Street. He called on Congress to enact immigration reform, while offering no concrete proposal, even as the presidential candidates in his own party compete in the demonization of immigrant workers.

All of this empty rhetoric on domestic issues served merely as a prelude to the real questions of concern for Bush, the wars of aggression that his administration launched and is continuing abroad and the attacks on democratic rights at home, both carried out under the mantle of a "global war on terrorism."

He pointed to his recent decision to send 3,200 more US Marines to Afghanistan to "fight the terrorists," bringing both Republican and Democratic legislators to their feet to applaud the military escalation.

He touted the military "surge" launched by the administration nearly a year ago, sending another 30,000 US troops into the occupied country of Iraq.

"The Iraqi people quickly realized that something dramatic had happened," said Bush. "Those who had worried that America was preparing to abandon them instead saw tens of thousands of American forces flowing into their country. They saw our forces moving into neighborhoods, clearing out the terrorists, and staying behind to ensure the enemy did not return."

Every poll conducted in Iraq has proven that the Iraqi people in their overwhelming majority support the immediate withdrawal of American troops. The US occupation of their country has spelled a historic catastrophe, resulting in the deaths of over one millions Iraqis and turning over five million into either exiles or internal refugees.

Once again, the praise for the bloody work being carried out by the US military against the people of Iraq drew a standing ovation from Democrats and Republicans alike.

While pointing to the planned withdrawal of 20,000 US troops from Iraq—a measure imposed by the strains placed upon the US military by the protracted occupation—as a success, Bush made it clear that what is planned is a permanent occupation of the country.

"Our objective in the coming year is to sustain and build on the gains we made in 2007, while transitioning to the next phase of our

strategy," he said. "American troops are shifting from leading operations, to partnering with Iraqi forces, and, eventually, to a protective overwatch mission."

This again is the policy of both parties, which are united in their defense of the strategic interests of US imperialism in general and in the effort to assert US hegemony over Iraq and the oil reserves of the Middle East and Central Asia in particular.

To this same end, Bush repeated his bellicose threats against Iran, declaring that the regime in Teheran embodied "the forces of extremism." In what constituted an implicit threat of war, he declared, "America will confront those who threaten our troops, we will stand by our allies, and we will defend our vital interests in the Persian Gulf."

Once again, Democrats joined Republicans in a standing ovation, symbolizing the support of the leading figures within the ruling establishment for stepped-up aggression against Iran.

In terms of the "war on terrorism" at home, Bush demanded that Congress renew legislation giving the administration expanded powers of domestic spying, while granting a blanket immunity to telecommunications companies that have illegally handed over private records to the government.

The Democratic response to Bush's speech was delivered by Kathleen Sebelius, the governor of Kansas, who invoked unity between "working people and business owners, Americans all" and proclaimed that she was eschewing a "partisan response" to Bush's speech for an "American response." The speech, like that of Bush, was as devoid of a comprehension of the social crisis confronting millions as it was of any serious or concrete proposals to confront it.

The political message contained in this speech was unmistakable. Those seeking an alternative to the Bush administration's agenda of permanent war, the destruction of democratic rights and attacks on the living standards and social conditions of American working people will not find it in the Democratic Party and its election campaign in 2008. Genuine political opposition to these policies can come only through the emergence of a new political movement of working people based upon a socialist alternative to militarism and social inequality.



To contact the WWS and the
Socialist Equality Party visit:

wws.org/contact