

# A derisory answer to the jobs disaster

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Like so many of his initiatives, President Barack Obama's announcement Monday at a cabinet meeting that his stimulus package would "create or save" 600,000 jobs over the summer was largely a public relations exercise. Its aim, along with Vice President Joseph Biden's "Roadmap to Recovery," unfurled at the same meeting, is to assuage mounting anger over job losses, while doing next to nothing to ameliorate the desperate situation confronting tens of millions of workers.

If anything, Monday's announcement underscores the administration's rejection of any serious measures to address a jobs crisis without parallel since the Great Depression. It merits only contempt.

Biden outlined ten initiatives that he said would begin to "build momentum" toward job growth in the coming months. His proposals revolve around accelerating the disbursement to federal agencies, states and local governments of stimulus money already appropriated through the \$787 billion American Recovery and Reinvestment Act. No new monies are being allocated to deal with a real unemployment rate that surpasses 16 percent.

The projects Biden hopes will be launched in the coming 100 days involve the hiring of health care workers and teachers, and construction work at military bases, national parks, airports, highways and Veterans Administration centers.

The announcement came exactly one week after the administration forced General Motors into bankruptcy—a move that will further shrink the US' industrial base and result in the destruction of hundreds of thousands of jobs. According to a recent analysis by the Center for Automotive Research, the forced bankruptcies of GM and Chrysler could result in the loss of 447,000 jobs by the end of 2010.

Even were Obama's objective realized, 600,000 jobs over the next 100 days would scarcely begin to address

the unemployment crisis. It would replace only 10 percent of the six million jobs that have been lost since the recession began in December of 2007, and provide work for just over 4 percent of the 14.5 million officially unemployed.

Since Obama's stimulus package was signed into law 100 days ago, 1.6 million jobs have been lost. Just to keep pace with the entry of new workers into the labor force, the US economy must generate 450,000 jobs over next three months.

The unemployment figures released on Friday showed that US payrolls shrank by another 345,000 jobs in May. If the same pace of job destruction continues, well over 1 million more jobs will be lost over the next 100 days, eclipsing the 600,000 Obama is pledging to "create or save" by speeding up the disbursement of stimulus funds. This amounts to a tacit admission that the official jobless rate, 9.4 percent for May, will likely climb into double-digits by the end of the summer.

Under Obama, mass unemployment has been joined by the driving down of wages and the ramping up of labor productivity—in other words, an intensification of the exploitation of the working class. According to the Labor Department, workers' weekly income in May actually fell at an annualized rate of 2.3 percent.

Layoffs and declining wages will deepen the foreclosure and credit crises, as growing numbers of workers are no longer able to afford their mortgages or payments on auto loans and credit cards. Already in the first quarter, a record number of homeowners entered into mortgage delinquency or foreclosure—just over 12 percent of all mortgage loans—according to a recent analysis by the Mortgage Bankers Association.

The administration's token measures in relation to the unemployment crisis stand in stark contrast to its largess when it comes to the banks. Trillions of dollars have been allocated to bail out the financial aristocracy.

The resulting record budget deficit and vast increase in the national debt are, in turn, being used by Obama to demand sharp cuts in basic social programs such as Medicare and Social Security. While Obama lectures the American people on the need to slash consumption and “live within their means,” he declares that he will do “whatever it takes” to cover the gambling debts of Wall Street speculators.

All of his economic and social policies—from the stimulus package, to housing, to health care “reform”—are tailored to the interests of the financial elite. As a result, they offer neither immediate relief for workers facing the loss of their jobs, incomes and homes, nor a longer-term perspective for addressing the social crisis.

Even as unemployment soars and wages decline, the banks are celebrating a recovery in their profits, based on the massive taxpayer subsidies provided by the government. Wall Street has seen a 35 percent rise in stock values over the past three months while the recession has taken an ever greater toll on working families.

The renewed orgy of money-making on Wall Street—set into motion by the Obama administration’s policies—imparts to Obama’s declaration that he will generate 600,000 jobs over the summer an almost provocative character. This is an administration that believes it has perfected the art of pulling the wool over the population’s eyes. By means of vague and dishonest rhetorical gestures, Obama wagers he can prevent the growth of social opposition while ruthlessly pursuing the class interests of the financial aristocracy.

He is mistaken. The present mood among workers—a combination of shock, anger and dimming hope in the Obama administration—will inevitably give way to a renewal of class struggle.

Independent and united action by workers is the key to stopping the destruction of jobs and living standards. It is necessary to organize strikes and factory occupations to fight against layoffs, to mount protests against home foreclosures and evictions, and to consciously work for the united mobilization of workers, young people, the unemployed, students, and professionals.

The demand must be raised for a trillion-dollar public works program to rebuild schools, health care facilities, public transportation, housing and basic industry. The

ill-gotten fortunes of the speculators must be confiscated and used for social needs.

To break the back of the dictatorship exercised by the financial elite, a new political perspective is required. It is not a question of appealing to or pressuring Obama and Congress. Four months after the elections, the Democratic administration and Democratic Congress have demonstrated that they are nothing more than political instruments of the financial elite.

Workers must mobilize in opposition to Obama, the Democrats and the two-party political monopoly of big business. The banks and major corporations must be nationalized and transformed into public utilities under the democratic control of the working population. Only such a socialist program can provide a way out of the catastrophe created by the failure of the profit system.

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