

Obama's job creation fraud

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Data released last week shows that the Obama administration's stimulus program has created a pitiful number of jobs, under conditions where 15 million people are out of work and joblessness is at the highest level in a generation.

According to the White House web site, recovery.gov, stimulus contracts awarded by federal agencies accounted for only 30,383 new jobs over the last eight months.

The \$787 billion American Recovery and Reinvestment Act was passed last February amid claims by the White House that it would "create or save" 3.5 million jobs over two years. Since its passage, 3.4 million jobs have been wiped out and apologists for the administration have been reduced to arguing that the situation would have been even worse without the stimulus package.

In damage-control mode, Vice President Joseph Biden's office on Monday said the Recovery Act had actually saved 250,000 educational jobs by aiding bankrupt school districts. In fact, the pittance given to schools—which comes with the caveat that they implement merit pay, charter schools and other attacks on public education—has hardly slowed the slashing of public school employment.

This point was brought to the doorstep of the White House earlier this month, when hundreds of high school students in Washington, DC walked out of their schools to protest the layoff of 400 school personnel, including 229 teachers.

At the time of its passage, Democratic politicians claimed the stimulus package would provide money to repair schools, highways and bridges and carry out other infrastructure projects. Many in the media compared it to the New Deal public works programs during the Great Depression. In fact, it has done nothing to stem the growth of unemployment.

The states most in need of help received the fewest number of jobs. In Michigan—which leads the nation with a 15.3 percent unemployment rate—only 397 jobs were "created or saved." This is a tiny fraction of the tens of

thousands of workers who lost their jobs in the state under Obama's forced restructuring of GM and Chrysler.

Businesses in Nevada, which has the next highest jobless rate, reported 159 new jobs. Rhode Island, which has the third highest unemployment rate at 12.8 percent, reported only six new jobs. In California, where more than 2.2 million are officially unemployed and joblessness is the highest since 1940, only 2,260 jobs are attributed to the federal stimulus money.

Administration officials responded to the dismal numbers by claiming that the \$16 billion earmarked for federal agencies to create jobs was only a small portion of the overall stimulus package. Other monies to extend unemployment benefits, aid the states and provide "middle class tax relief," they claimed, would put money in people's pockets and spark a revival of spending and hiring. The \$115 billion in tax credits for those earning under \$90,000, however, will add a mere \$7.70 to an average worker's weekly paycheck.

Recovery Act chief economist Jared Bernstein summed up the indifference of the administration. The number of jobs actually saved and created "exceeds our projections" and "are quite positive," he said, adding that the stimulus program has given a "much needed lift in a very difficult period for our economy."

A large amount of the stimulus money has no doubt ended up in the bank accounts of politically connected businessmen. The government oversight agency, the General Accounting Office, has complained that the administration has not implemented its recommendations to require greater accountability from the 9,000 federal contractors receiving and distributing stimulus funds. At the time of the program's passage, independent auditors predicted that at least \$50 billion would fall into the hands of swindlers.

The chasm between the pressing needs of millions of jobless workers and the derisory response of the administration is not an accident. It is not a matter, as claimed by liberal publications that support Obama, such as the *Nation*, of pressuring the Democratic president to

be more responsive. His administration is responsive—to the interests of the social forces which it represents: the financial aristocracy that rules the country and controls both the Democratic and Republican parties.

The administration is deliberately using the hammer of mass unemployment to undermine the resistance of the working class to corporate America's drive to slash wages, destroy what remains of past social gains and drive up productivity.

As the *Wall Street Journal* noted Monday, "Since the downturn began, thousands of employers have cut pay, increased workers' share of health care costs or reduced the employer contribution to retirement plans." According to a survey of big companies by consulting firm Watson Wyatt, 16 percent have reduced pay and 61 percent have frozen wages. Two-thirds of big companies that cut health care benefits don't plan to restore them to pre-recession levels.

This increase in the exploitation of the working class is at the heart of the so-called economic recovery being engineered by the Obama administration. The Wall Street banks are swimming in profits and preparing to hand out record bonuses, after receiving the "stimulus" of trillions of dollars in public funds. After setting the stage with its assault on GM and Chrysler workers, the administration is preparing a vast overhaul of the health system that will restrict access to care for working people and slash vitally needed programs like Medicare and Medicaid.

The one answer to mass unemployment—a government-funded public works program to hire the unemployed—is rejected out of hand by the administration. Lawrence Summers, Obama's chief economic advisor, reiterated this in a speech to business economists in St. Louis last week.

No actions by the government, he said, "must be allowed to call into question our national commitment" to reduce government debt. This comes from an administration that has added trillions to the debt by opening the public treasury to the very bank executives and speculators who precipitated the economic disaster.

"Equally," Summers continued, "policy measures to spur growth or achieve other objectives should wherever possible go with, rather than against, the grain of the market." He added, "There is no such thing as the success of the American economy that doesn't involve very substantial success for America's entrepreneurs and for American companies."

In other words, every measure taken by the government must flow—not from the needs of the people—but from the

requirements of the capitalist market and the drive of the financial elite to increase their personal fortunes.

Workers should ask: Why? Why should the most basic needs of tens of millions of people in the US and hundreds of millions around the world be sacrificed to the workings of the capitalist system and the ruling class whose interests it serves?

The present economic disaster is an expression of the failure of capitalism. The alternative is socialism.

An answer to the crisis begins with a rejection of the "market" and the assertion of the independent interests of the working class—the vast majority of humanity.

A multi-trillion-dollar program of public works must be launched to meet the need for decent schools, housing, health care facilities and basic infrastructure by hiring millions of people who are ready and able to work. Decent wages and full medical and retirement benefits must be guaranteed to all workers. A crash program to provide immediate relief for the unemployed must be enacted. Evictions, foreclosures and utility shutoffs must be banned.

To pay for these measures, a genuinely progressive income tax must be enacted to increase taxes on the wealthy and reduce them for working class and middle-class families. The trillions that have been pocketed by financial speculators and bank CEOs must be confiscated and used to meet pressing social needs.

To break the grip of the financial parasites, the working class must take the banks and all the basic levers of the economy into its own hands. Only in this way can economic life be guided by a democratic plan to meet the needs of the working people who produce society's wealth.

These measures are anathema to the Obama administration, which, like its Republican predecessor, is a political tool of the financial aristocracy. The struggle for such policies requires a political break with the two capitalist parties and the building of a mass socialist movement of the working class.

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