

The real state of the union in 2010

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In his State of the Union speech Wednesday night, President Barack Obama avoided any direct and concrete presentation of the actual state of US society. Given the enormity of the economic crisis and its destructive impact on tens of millions of Americans, Obama's recourse to evasions and platitudes was all the more extraordinary.

Obama spoke in vague generalities about the crisis, but he cited virtually no facts. He deployed a variety of rhetorical devices to make a show of sympathy for the plight of ordinary Americans, but his speech only revealed the chasm of insularity and indifference that separates not only himself, but the entire political establishment, from the broad masses of people.

He began by defending the "aggressive" measures he took to rescue the financial system, asserting that "one year later, the worst of the storm has passed." Really? Precisely for whom has the storm passed?

The answer is obvious—for the financial parasites whose speculation precipitated the economic disaster. The situation for the working class has only worsened. Home foreclosures and hunger are at record levels and poverty is rapidly rising. When Obama took office one year ago, the official unemployment rate stood at 7.6 percent. It is now 10 percent—a jump of 31 percent.

Obama followed this astounding assertion with a perfunctory reference to the crisis facing working people. "One in ten Americans cannot find work," he said, "Many businesses have shuttered. Home values have declined. Small towns and rural communities have been hit especially hard."

This was virtually all he had to say in describing the deepest economic crisis since the Great Depression.

He spoke of the indications of rising discontent as though they were the result of popular misconceptions, not an entirely rational reaction to real facts and real conditions. "They don't understand," he said, "why it

seems like bad behavior on Wall Street is rewarded but hard work on Main Street isn't; or why Washington has been unable or unwilling to solve any of our problems."

It only "seems" that the Obama administration has focused its policies on protecting the wealth of the financial elite, and that the political system ignores the desires and interests of the population.

At another point, Obama boasted that he had "saved" 2 million jobs and that "the economy is growing again." Things are not as bad as they seem to the unenlightened mob.

Similarly, he attributed popular opposition to his health care scheme to misperceptions. "I take my share of the blame for not explaining it more clearly to the American people," he said. Not that growing numbers of people have seen through the government propaganda and recognized what the plan is really about—slashing benefits and rationing health care for millions of workers and retirees.

Invoking one of many insincere paeans to the "American people," Obama declared that because of their "great decency and great strength...our union is strong."

On Monday, the *World Socialist Web Site* will publish the report on the US and international political situation given earlier this month to a national aggregate of the Socialist Equality Party. This report, co-authored by SEP National Chairman David North and SEP National Secretary Joe Kishore, places the current crisis of US and world capitalism within its historical context and examines the major driving forces that are leading to a new period of revolutionary class struggle.

The report presents an objective analysis of the state of American society and politics. As a preview of our evaluation of the "state of the union," we present here excerpts from the report.

On the priorities of the Obama administration, the report states:

The first priority of the Obama administration was to reassure the financial elite that their wealth would be protected, and that there would be no re-imposition of “New Deal”-style restraints on Wall Street gambling. In fact, the opposite has taken place. The massive infusion of cash into the world financial system has led, predictably, to a new round of reckless speculation on Wall Street. Share values have soared, enriching rich speculators while doing nothing to address the deep distress of the overwhelming majority of the working population.

On social conditions at the beginning of the second decade of the 21st Century and the second year of the Obama administration, the report notes:

Conditions for the broad mass of the population in the US continue to deteriorate. Some 40 million people now live in poverty, while 6 million people (or 2 percent of the population) have no income, subsisting on food stamps alone. By the end of the decade, official unemployment in the US had reached 10 percent, as some 4.2 million jobs were wiped out in 2009.... The official labor force—those the government considers to be looking for work—actually contracted by 661,000 in the month [of January], contributing to a rise in the broader measure of unemployment to 17.3 percent, which also includes millions of people who are involuntarily working part-time.

In some states and cities, the crisis has already reached Depression-like conditions. In Michigan, unemployment is 14.7 percent. In the state’s largest city, Detroit, real unemployment is about 50 percent. California, the country’s most populous state, has an official unemployment rate of 12.3 percent. Long-term unemployment is becoming a common aspect of American life, with nearly 40 percent of the unemployed having been out of work for 27 weeks or longer. The collapse of housing prices beginning in 2007 has led to a surge of home foreclosures, reaching a record one million in the fourth quarter of 2009. Another 3 million Americans are expected to lose their homes this year.”

The decade was one of the worst for jobs in US history. The *Washington Post* recently noted, “There has been zero net job creation since December 1999. No previous decade going back to the 1940s had job

growth of less than 20 percent. Economic output rose at its slowest rate of any decade since the 1930s as well.”

Incomes for American workers have declined, as has the net worth of American households. In real terms, average weekly wages fell by 1 percent in 2009, even as productivity soared. An article in the *Los Angeles Times* comments, “All the triumphalist rhetoric emanating from Wall Street and the White House notwithstanding, this was—materially speaking—a disastrous decade for US families. For the first time since World War II, according to the Departments of Commerce and Labor, an average American’s net worth actually fell—by a whopping 13 percent.”

Such is the real state of the US in 2010.

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