

Obama's "jobs program": Poverty wages and mass unemployment

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In a series of speeches and interviews this week, the Obama administration signaled a further shift to the right in its social and economic policy, abandoning even its minimal stimulus proposals under pressure from the financial-corporate elite.

On Wednesday, President Obama announced the formation of a panel, called the President's Export Council, to coordinate the administration's pledge to double US exports over the next five years. He touted the increase in exports as the key to reviving the economy and creating jobs.

He spoke before a White House gathering dominated by corporate executives, and packed the 19-member panel with the CEOs of some of the largest and most powerful US corporations, including Boeing, Ford, Xerox, UPS, ADM, Verizon and Walt Disney.

On Thursday, he spoke at a small Kansas City electric truck factory to promote his economic policy.

Obama made not a single reference in either speech to the failure of Congress to extend emergency jobless benefits, depriving millions of long-term unemployed workers of any income. Nor did he note Congress' failure to approve additional federal Medicaid aid to the states, which will result in hundreds of thousands of new public employee and teacher layoffs and further cuts in education and other essential services.

In both speeches, Obama made repeated assertions that the economy is "headed in the right direction" and "moving forward," in spite of mounting signs of an economic slowdown that negates any prospect of significant job growth.

The real unemployment rate in the US is above 20 percent. Long-term joblessness is at a post-war high. Millions of youth have no prospect of finding work. Home values—the major source of wealth for most families—continue to fall. Foreclosures, homelessness, hunger, utility shutoffs and poverty are soaring. Schools,

parks and museums are being closed, and what remains of a social safety net is being shredded.

Obama seeks to put a positive spin on this social catastrophe so as to justify his refusal to take serious measures to create jobs or provide relief for the unemployed, and to drop even the paltry measures he initiated in 2009.

Appearing deaf, dumb and blind to the plight of tens of millions of Americans, Obama oozed solicitude for the barons of Wall Street and corporate America at his White House announcement. He issued paeans to the "private sector" as "the source of our job creation, our economic growth, and our prosperity."

He proclaimed his commitment to prosperity for "all of our people," giving equal rhetorical weight to "our workers" and "our CEOs,"—that is, to 200 million workers and a few thousand multi-millionaire capitalists.

Obama called for a "new foundation" for the US economy based on a revival of manufacturing and expansion of factory exports. Hinting at how this is to be achieved, he called for an end to "bubbles of consumption." His corporate audience welcomed the message: the wages and living standards of American workers will be driven down and their output driven up so as to make American factories a cheap labor platform for exports to the world market.

Obama insinuated that the working class has been living beyond its means. In fact, working class living standards in the US have been stagnant or declining for the past 40 years. It is the financial aristocracy that has been on a consumption binge based on its plundering of the national wealth.

Obama's appointment to the Export Council of Ford CEO Alan Mullaly is telling. Ford, along with GM and Chrysler, is poised to reap bumper profits on the basis of mass layoffs and plant closures and a 50 percent cut in the wages of newly hired workers, thanks to the intervention

last year of Obama's Auto Task Force.

Another appointment underscored Obama's cowering before big business. In May, Obama asked the Business Roundtable to let him know what government policies it disliked. Speaking for the association, Verizon CEO Ivan Seidenberg publicly lashed out against the administration, accusing it of pursuing anti-business policies. Obama made a point of naming Seidenberg to his export panel.

The corporate elite has been placing increasing pressure on the White House to speed up and intensify its attacks on working class living standards, including the abandonment of even minimal stimulus measures. They want a more rapid turn to austerity, including cuts in basic social programs such as Medicare and Social Security.

Sections of big business are also dissatisfied with even the token measures included in the administration's financial regulatory overhaul. They want still bigger tax cuts and subsidies, and an end to the business-bashing rhetoric in which Obama and other administration officials have occasionally indulged.

This pressure is reflected in the hardening of opposition by Republicans and a growing number of Democrats in Congress to even the most minimal relief measures, such as a continuation of emergency jobless benefits.

Recent days have seen press reports documenting a major shift in corporate campaign donations from the Democrats to the Republicans, including a *Washington Post* piece headlined "Democratic Campaign Committees Losing Big Wall Street Donors."

The administration is impervious to the needs and wishes of millions of workers who are struggling to keep a roof over their heads and their families fed. But Obama jumps to attention when Wall Street speaks.

The White House has launched a public relations campaign to refute the charge that it is anti-business. White House Chief of Staff Rahm Emanuel gave an interview Thursday to *Politico* in which he frankly and accurately outlined the administration's uniformly pro-business record.

Politico wrote: "Emanuel argued that rather than recoiling against Obama, business leaders should be grateful for his support on at least a half-dozen counts: his advocacy of greater international trade and education reform and open markets despite union skepticism; his rejection of calls from some quarters to nationalize banks during the financial meltdown; the rescue of the automobile industry; the fact that the overhaul of health

care preserved the private delivery system; the fact that billions in the stimulus package benefited business with lucrative new contracts, and that financial regulation reform will take away the uncertainty that existed with a broken, pre-crash regulatory apparatus."

So too with the unemployment crisis. Big business wants to keep unemployment high for years in order to use mass joblessness as a battering ram to drive down workers' wages and working conditions. The White House is carrying out precisely this policy, notwithstanding its professions of concern for the plight of the unemployed.

The inability of a Democratic president—an African-American promoted as the standard-bearer of the party's liberal wing—to give the slightest expression to the deep-seated anger in the population, or even distance himself from the corporate criminals who precipitated an economic, social—and with the BP oil blowout, ecological—catastrophe, is an expression of the imperviousness of the entire political system to the elementary needs of the population.

The de facto dictatorship of capital—its complete domination over both parties and all branches of government—has never been more complete.

What conclusions are to be drawn? That the capitalist profit system is incompatible with the basic needs of the broad masses of the people. That to defend its elementary interests—a job, decent wages, education, health care, housing, a secure retirement—the working class must break from both parties of big business and fight for the socialist transformation of society.

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