

Obama postures on unemployment benefits while defending Wall Street

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In his Saturday radio and Internet speech, US President Barack Obama seized on the opposition of Senate Republicans to an extension of jobless benefits to strike a false and demagogic pose as the defender of the unemployed.

The White House has been virtually silent for the past six weeks as the deadlock in the Senate has caused extended benefits to expire for more and more unemployed workers. An estimated 2.5 million workers have been cut off since June 1, and the toll mounts by 50,000 every single day.

Obama did not bother to acknowledge or explain the hands-off policy of the White House since June 2, as Senate Democrats made concession after concession to the Republicans over what was initially touted as an economic stimulus bill. Key components like increased Medicaid subsidies to the states—needed to forestall mass layoffs by state governments that have now begun—were removed from the legislation in a vain effort to find one or two Republican votes. Senate Democrats went so far as to insert into the bill a \$25-a-week reduction in the value of the extended benefit payments, as a demonstration of their commitment to austerity and budget-cutting.

Pretending a degree of empathy for the plight of the unemployed, Obama noted that of the more than two million who have lost benefits, “For many, it was the only way to make ends meet while searching for work—the only way to cover rent, utilities, even food.” He criticized suggestions that jobless benefits were a “disincentive” to find work, saying, “I haven’t met any Americans who would rather have an unemployment check than a meaningful job that lets you provide for your family.”

There are, of course, Democrats in both the House

and Senate, not only Republicans, who openly uphold the claim that extended unemployment benefits had become an “entitlement,” or a form of “welfare.” Key Senate Democrats have voted with the Republican minority when necessary to block action on the bill. Obama himself has consistently stressed the need to cut social programs in order to reduce federal spending.

The most grotesque posturing came in the conclusion of Obama’s speech, when he criticized the Republicans for citing the federal budget deficit as the reason to oppose extended benefits. “So after years of championing policies that turned a record surplus into a massive deficit, including a tax cut for the wealthiest Americans,” he declared, “they’ve finally decided to make their stand on the backs of the unemployed.”

But Obama has spent the first 18 months of his administration pushing through a series of major policy initiatives crafted precisely to serve the interests of “the wealthiest Americans.”

- The trillion-dollar bailout of Wall Street, which effectively turned over the resources of the US Treasury to the banks.
- The stimulus package, which directed the bulk of its \$787 billion in spending into the coffers of business interests, through tax cuts and direct subsidies, and barred any direct job creation by the federal government.
- The bailout of the auto companies, predicated on slashing the wages of auto workers in half, with new hires coming into the plants at \$14 an hour.
- The healthcare reform legislation, whose purpose is to slash the cost of medical care for American corporations and the US government, at the expense of working people.
- The financial reform bill, just passed by Congress, which leaves all the Wall Street criminals and

swindlers intact, and keeps the door wide open for another round of speculation and fraud.

Obama's embrace of populist demagogic is a transparent effort to position the Democrats for the upcoming congressional elections, under conditions where persistent long-term unemployment has discredited his administration and allowed the Republicans to posture, with equal falsity, as advocates of "job creation." One news analysis described this cynical contest as follows: "As the election approaches, each party is battling to depict the other as more heartless."

The disputes between the Democrats and Republicans, however bitter rhetorically, are arguments over what tactics and methods can best be used to serve the interests of the ruling elite. Both parties defend the profit system and the interests of the financial aristocracy, which are completely incompatible with the needs of working people.

Under conditions of the deepest slump since the Great Depression, the US government cannot carry out even the minimal measures to alleviate mass suffering that were commonplace in past recessions. According to one study, in previous recessions since World War II, extended unemployment benefits continued for an average of 23 months after the unemployment rate reached its peak. In the current slump, the peak official jobless rate was reached eight months ago—assuming that official unemployment figures accurately reflect reality—and extended benefits have already been cut off. And there is good reason to believe that the unemployment rate will resume its upward march in coming months, with the social "safety net" for the unemployed entirely shredded.

Both Obama's speech and the response of Senate Republican leader Mitch McConnell—who claimed Sunday he would support extension of unemployment insurance if it was "paid for" by budget cuts elsewhere—suggest a certain nervousness in Washington over the growing social tensions in the United States.

One right-wing commentator, former Bush speechwriter David Frum, voiced this concern openly. "The most surprising thing about this recession, at least to me, has been the total absence of an economic protest movement by the unemployed and the foreclosed," he wrote. "Time and again in American history, the hard-pressed and dispossessed have spoken

loudly, fiercely, in the public square. Not this time. There are no Populists or Wobblies, no Bonus Marchers or sit-down strikers. ...perhaps, as we settle more deeply into our long stretch of joblessness, the Tea Party is only the first wave of popular discontent. It could be another storm is yet to come."

This storm has been held back because of the systematic opposition to any struggle against big business on the part of the ossified "labor" organizations, which are nothing more than instruments of corporate America, and the efforts of those who have peddled illusions in the Democratic Party and the Obama administration. But come it will.

And when the working class emerges as the decisive political factor, it must do so as an independent political force directed against the capitalist system. To defend their interests, including the right to a job, working people must break with the Democratic and Republican parties and fight for the socialist transformation of society.

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