

# Obama on Labor Day: No measures to address jobs crisis

Joe Kishore, Jerry White  
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In a speech delivered to mark Labor Day in the US, President Obama made clear that there will be no significant government measures to address the most severe jobs crisis since the Great Depression of the 1930s.

Speaking in Milwaukee, Wisconsin on Monday, Obama trumpeted a plan for investment in infrastructure and transportation as a significant jobs program. Despite efforts by the media to play up the announcement, it quickly emerged that the administration is simply asking Congress to reauthorize a bill that is routinely passed every five years. His proposal for spending is little changed from previous years.

According to a White House fact sheet, the administration is proposing that Congress “front load” the Department of Transportation spending bill by about \$50 billion, saying that this would create jobs as early as 2011. The administration did not propose a total figure for the bill, which will likely not be debated until after the mid-term elections in November. In 2005, the Bush administration signed a transportation bill that cost \$286.4 billion over five years, or just under \$50 billion a year. The money goes to states and localities to fund road and infrastructure projects and regular upkeep.

The figure proposed by Obama is not only grossly inadequate in comparison to the decayed state of American infrastructure, it will not begin to address the jobs crisis. It even pales in comparison to the administration’s own inadequate \$862 billion dollar “stimulus” bill last year, which consisted largely of tax cuts and handouts to private companies.

Administration officials have repeatedly stressed that there is no new major stimulus bill in the works, let alone a program of direct government hiring. Obama is

expected to announce a number of additional “jobs” measures later this week, including the extension of tax cuts for corporations and small businesses.

The administration has also pledged that all these measures will be “fully paid for,” continuing on the theme of budget cutting and fiscal austerity. While hinting at ending various tax loopholes for energy companies, payment will also likely include cuts in social programs—like those carried out with the last extension of unemployment benefits, which was accompanied by a reduction in funding for Food Stamps.

Obama’s rejection of any serious jobs program is part of a conscious class-war policy. Two years after the financial crisis and the multi-trillion-dollar bailout of the banks, the administration is spearheading a campaign by corporations to sharply increase the exploitation of the working class, using the “new normal” of mass unemployment to force workers to accept lower wages, longer hours, and more brutal working conditions.

The latest jobs report—showing a loss of 54,000 jobs in August—underscores the bleak outlook. The official unemployment rate, which vastly underestimates the real number of jobless workers, is expected to remain at around 10 percent at least through 2011. Of the 15 million who are officially unemployed, 42 percent have been out of work for more than six months, while millions are running out of their meager unemployment benefits.

To the extent that the administration has a jobs policy, it is the revival of a section of US manufacturing on the basis of closing the wage gap between US workers and their brutally exploited counterparts in Asia. Already, the level of exploitation of American workers has increased significantly. While labor costs for companies are falling

at the sharpest rate in decades, productivity has surged—that is, workers are being forced to do far more for much less.

Sergio Marchionne, the head of the Italian auto company Fiat, summed up the thinking of the corporate elite in remarks recounted in a soon-to-be-released memoir by Steven Rattner, the Wall Street investor turned head of Obama’s Auto Task Force. According to Rattner, Marchionne told then-United Auto Workers President Ron Gettelfinger that workers needed to accept a “culture of poverty” rather than a “culture of entitlement.” Fiat was negotiating a partnership with Chrysler at the time, under the direction of the Obama administration, which was demanding that workers accept massive concessions and job cuts.

The determination to force workers to submit to a “culture of poverty” is shared by both political parties—and, for that matter, the UAW, which is presently doing everything it can to enforce such a “culture” on workers in Indianapolis.

Labor Day in the US has always been about containing class struggle. It was invented as a replacement for International Workers’ Day, May 1, in a deliberate attempt to separate American workers from their class brothers and sisters around the world, who are facing similar conditions. The day has become an empty ritual, allowing trade union officials to join hands with political representatives of the capitalist class in a hypocritical celebration of the American worker.

No amount of posturing, however, can conceal the fact that all these figures—including the president of the AFL-CIO, Richard Trumka, who joined Obama on Monday in Milwaukee—are engaged in an all-out offensive against the working class.

Politics in America is characterized by an immense vacuum. There is an enormous disparity between the social and economic strength of the working class—which today represents a far higher proportion of the population than ever before—and its political influence.

Over the course of US history, American workers have engaged in insurrectionary class battles and were able to win significant concessions in the face of the bitter resistance of the capitalist class. Politically, however, the

working class has remained tied to the Democratic Party, and through it, to the capitalist system. The Obama administration is once again demonstrating the consequences of this subordination: in all its policies, foreign and domestic, it has upheld the interests of the corporate and financial elite.

There exist many organizations that continue to seek to bolster support for the Democratic Party—from the trade unions and Obama’s liberal supporters, to supposedly “left” or “socialist” groups such as the International Socialist Organization. These tendencies, however, have today a marginal political influence in the working class itself. This was demonstrated by the negligible turnout at the “jobs” march organized last month in Detroit by the UAW and sections of the Democratic Party establishment, with the full support of the Democratic Party’s various auxiliary organizations. (See, “*The Nation* on the Detroit march for ‘Jobs Justice and Peace’”)

The growth of the class struggle is inevitable. New mass struggles of the working class will develop outside of the existing framework of political life. To lead these struggles, the building of an independent political party of the working class, in opposition to the corporate-controlled Democratic and Republican Parties, and based on the fight for socialism, is the most pressing necessity.

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