

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

Joseph Kishore
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In remarks yesterday at a Labor Day demonstration in Detroit, President Obama made it clear that the federal government would take no serious steps to address the worst unemployment crisis in the United States since the Great Depression.

In remarks presented as a preview of an address to Congress scheduled for Thursday, Obama praised the many “sacrifices” of workers, i.e., the disastrous decline in the living standards of the working class produced by the policies of his administration. He used the speech to reaffirm his pledge to work with the unions in enforcing the attack on workers, while union officials, led by AFL-CIO President Richard Trumka, pledged their support for Obama’s reelection in 2012.

The background to Monday’s speech was the announcement by the government Friday that there was zero net growth in US payrolls in August. European markets fell precipitously on Monday in response to the US jobless figures, an ongoing European banking crisis and clear signs of a decline in global growth, particularly in manufacturing.

The sharp slowdown of the past month and the indications of another looming financial collapse make it clear that the measures adopted since 2008 by the major capitalist powers, led by the United States, have solved nothing.

The bailout of the banks overseen by Obama has preserved the wealth of the financial elite, while the living conditions of the working class have suffered a historic collapse. Corporations, which have slashed worker wages and laid off millions, are sitting on record cash reserves, refusing to put it to productive use.

The reality of the economic crisis and the social catastrophe facing millions of people found no reflection in Obama’s remarks, which did not even refer to Friday’s jobs report. He confined himself to stating that the “recovery”

was not yet “fully” complete and that “times are tough.” He added blithely, “I’m not scared of tough times.”

Obama’s remarks took on a surreal character when referring to the supposed accomplishments of his administration. “We helped keep our teachers on the job,” he said, even as state and local governments have overseen the elimination of tens of thousands of teacher jobs over the past year. “We’re fighting for health care when you get sick,” he declared. Corporations, in accordance with the administration’s health care “reform” are eliminating or reducing benefits. At the same time, Obama is working with Republicans to slash trillions of dollars in federal spending on Medicare and Medicaid, the principle government health care programs.

Referring to Detroit, Obama declared, “I see a city that is coming back.” The real unemployment rate in Detroit, including those who have fallen out of the workforce or are underemployed, is 50 percent. A third of the population lives below the official poverty line, including half of all children. Obama praised his “strong cities” initiative, in which the federal government is working closely with the city administration, led by Detroit Mayor David Bing, to “downsize” Detroit and cut off services for thousands of residents.

Obama referred to a series of proposals that supposedly address the jobs crisis but will in fact do nothing. These include the continuation of long-term unemployment benefits, the extension of payroll tax cuts, and new trade deals. He stressed that any proposals would be based on agreement with Republicans. “Both parties can come together to solve our problems,” he said. “Folks got to get together.”

The administration is also set to propose an “infrastructure bank” on Thursday, a measure that is backed by both the AFL-CIO and the Chamber of Commerce, the main

corporate lobbying organization. The bank would provide funds to private companies involved in construction projects and would amount to another boondoggle for big business.

Part of Obama's supposed infrastructure plan is urging Congress to pass a routine funding bill authorizing projects already planned. Last week, Obama spoke in favor of this, flanked by Chamber of Commerce Chief Operating Officer David Chavern and AFL-CIO President Richard Trumka.

The administration has also backed calls from businesses to use the jobs crisis as a pretext for eliminating any remaining regulations on corporate profiteering. Last week, Obama rejected a proposal from his own Environmental Protection Agency to limit smog emissions, a move that scientists calculate would save thousands of lives but would hurt company profits.

As Obama's support in the working class has waned—his poll numbers are at record lows—the president is relying even more on the trade unions, to promote illusions in the Democratic Party and suppress any struggles by the working class.

In his speech, Obama highlighted the central role played by the unions in reducing working class living standards.

“The recession had a terrible effect on state and local budgets, we all understand that,” Obama said. “The unions recognize that; they have already made tough concessions. In the private sector, we live in a more competitive global economy, so unions like the UAW understand that unions have to work with management to revamp business models, to innovate.” He also praised the role of the teachers' unions in supporting his anti-teacher “reform” measures and the attack on public education as a whole.

For their part, union officials, led by Trumka, praised Obama's role in the restructuring of the auto industry beginning in 2009. This had supposedly saved thousands of “middle class” jobs and laid the foundation for the revitalization of Detroit.

In fact, the forced bankruptcy of GM and Chrysler was used as an opportunity to enforce deep concessions on auto workers, including poverty-level wages for new hires, while tens of thousands of jobs were wiped out. The total number of auto workers in the US has fallen from about one million in 2008 to about 700,000 today—a decline of nearly one third.

Trumka declared in his opening remarks that Obama had “worked with the auto workers and the companies to save the American auto industry.” By this is meant the administration's collaboration with the United Auto Workers in enforcing the concessions, which have produced a surge in profits for the Big Three.

“We stood by the auto industry, and we made some tough choices that were necessary to make it succeed,” Obama said. “And now the Big Three are turning a profit...”

In exchange for the collaboration of the unions, Obama declared the support of the administration for “collective bargaining,” by which is meant not the right of workers to fight for better wages and conditions but the defense of the narrow institutional and financial interests of the union executives. There were several references to Wisconsin, where the unions have sought to defend “collective bargaining” by agreeing to all the budget cuts demanded by the Republican Governor, while channeling working class opposition behind the Democratic Party.

Obama's praise for the role of the unions in enforcing attacks on workers comes as the UAW is in negotiations with the auto companies to impose a new round of concessions, including the elimination of all hourly wage increases. The media has been compelled to acknowledge the growing opposition among auto workers, that the main point of conflict is not between the union and the companies, but between the union and the workers.



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