

Obama's jobs fraud

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Following his speech before a joint session of Congress Thursday night, President Barack Obama on Friday launched his campaign to marshal public support for his American Jobs Act with a rally in Richmond, Virginia, the first in a series of such events to be held around the country.

The Richmond event presented the sorry spectacle of working people being mobilized to cheer for measures whose implementation will mean a further deterioration in their conditions of life.

Obama's much touted "jobs" speech before Congress exemplified the dishonesty and demagoguery that pervade American politics. The president attempted to strike a populist pose of combative concern for the plight of America's unemployed, even as he assured his audience of corporate-bribed congressmen that his plan consisted of measures approved by Republicans as well as Democrats and vetted by big business. Every penny in the plan, he stressed, would be paid for through massive cuts in social programs.

He combined a show of sympathy for those who "have spent months looking for work" with invocations of a mythical America "where everyone gets a fair shake and does their fair share" and anybody can "make it."

"For decades now, Americans have watched that compact erode," he declared. "They have seen the decks too often stacked against them."

This from a president who has presided over the disbursement of trillions in dollars in public funds to bail out the banks, the destruction of the jobs, wages and benefits of auto workers by his Auto Task Force, and savage cuts in public sector jobs and services at the federal, state and local levels!

At every point in the crisis, two principles have

determined policy: every proposal must be within a framework acceptable to Wall Street, and the crisis must be exploited to intensify the assault on the working class. This began with Obama's so-called health care "reform," which targeted Medicare, and has now been extended in his so-called jobs program, which expands the attack to Social Security.

Of the \$447 billion cost of the package, more than half—\$240 billion—is to come from cuts in Social Security taxes for employers as well as workers that will drain the bedrock retirement program of resources and fuel demands for drastic cuts in benefits and eligibility. Employers will get \$65 billion of the tax windfall.

In essence, Obama is demanding that the American people mortgage what is left of their future to pay for a relative handful of new jobs.

To pay for the so-called jobs bill, Obama said he would push to increase the deficit-reduction target of the congressional super-committee established last July well beyond its present mandate of \$1.5 trillion, and insisted that Medicare and Medicaid had to be slashed.

Obama's job-creation proposals are paltry. Even were his bill to be enacted in full—an unlikely eventuality—it would create a mere 2 million jobs, according to estimates by economists. It will take 11.1 million new jobs to return employment to the level that existed prior to the onset of the recession nearly four years ago.

The American ruling class and its political representatives have nothing to offer the American people, who are suffering in the midst of the deepest social crisis since the Great Depression. The whole problem is presented from the standpoint of what inducements can be offered to lure big business into hiring workers. This boils down to government subsidies to enable corporations to employ workers on the cheap

and exploit them even more.

What are untouchable are the vast profits of the corporations and the fortunes of their top executives and investors. The banks and corporations are sitting on a cash hoard of more than \$2 trillion, amassed on the basis of government bailouts, cheap credit from the Federal Reserve and a ruthless cost-cutting campaign.

They are carrying out an investment strike, refusing to hire workers in favor of easier and richer profits from speculation in the financial markets. They are blackmailing the country in order to extract further concessions in wages, benefits, working conditions and the removal of what remains of business regulation.

The claim by Obama and the rest of the political establishment that there is “no money” to fund real jobs programs or social benefits is a lie. The cash currently held by the giant corporations and banks is itself sufficient to wipe out the combined deficits of federal, state and local governments, and enough to hire every unemployed worker in America at a decent wage with benefits.

The liberal and liberal-left establishment predictably hailed Obama’s speech, presenting its combination of half-measures and social attacks as a serious jobs program. The *New York Times* called it “an ambitious proposal—more robust and far-reaching than expected.” The newspaper’s economics columnist, Paul Krugman, wrote, “I was favorably surprised by the new Obama jobs plan, which is significantly bolder and better than I expected.”

The *Nation* magazine enthused: “President Obama delivered an excellent speech—maybe the best of his presidency.”

Their lineup behind Obama was joined by the trade union officialdom. AFL-CIO President Richard Trumka, the chief labor toady of US big business, was seated in the audience as Obama’s invited guest and declared afterward his full support for Obama’s reelection.

This reactionary lineup of the liberals, the media and the trade unions behind Obama’s right-wing program must be blasted through by the mass action of the working class. The entire history of the US testifies to the fact that no measures to improve the conditions of working people are

possible outside of mass struggle directed against the capitalist class and its political system.

The social reforms—including public works programs, unemployment benefits and Social Security—enacted during the last Depression were the product of mass strikes and social struggles against the corporations and the resistance of the Roosevelt administration. These class battles involved the occupation of factories and the mobilization of the workers, youth and unemployed people of entire cities.

The limited gains of those struggles are now being reversed as American capitalism, having undergone a vast decay in the intervening period, seeks to carry out a social counterrevolution.

It is necessary to develop a mass movement for jobs, education, health care, housing pensions and workers’ democratic rights that is entirely independent of the two parties of big business and directed against the Obama administration.

Workers must recognize that the capitalist system has failed and the defense of their basic social rights requires the building of an independent political movement fighting for socialism in the US and internationally. The central question in the building of this movement is the development of a new, revolutionary leadership in the working class—the Socialist Equality Party.

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