

Obama combines demagoguery and right-wing policies in speech on economy

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President Barack Obama gave what was billed as a major speech on economic policy at Knox College in Galesburg, Illinois, Wednesday. It was a collection of empty phrases, banalities and lies.

Obama did not advance a single serious proposal to address the mass unemployment, rising poverty and increasing social desperation facing tens of millions of Americans. He had nothing to offer the 900 workers who lost their jobs when a Maytag refrigerator plant in the town announced it was closing in 2004. A Knox College study of what happened to the Maytag workers found that six years after the closure, their median household income had fallen by \$10,000.

Just the fact that Obama failed to even mention the bankruptcy of Detroit, which is being used to destroy workers' pensions and health benefits, exposed the cynical and dishonest character of the speech.

In this event as in every other, Obama and his advisers proceed from the assumption that the American people are infinitely gullible and ignorant. They think that the White House can reject any aid to Detroit one day, after having provided trillions of dollars to bail out the banks, and the next day posture as the advocate of the common people.

The cynical political calculations that underlay the speech, the first in a series of campaign-type events focusing on the economy, was summed up in Obama's denunciation of the "endless parade of distractions and political posturing and phony scandals." This was clearly meant to include the revelations by former National Security Agency contractor Edward Snowden of massive, secret and illegal government spying on every American and on people around the world.

The administration's public relations pivot to the economy is largely aimed at diverting public attention away from its assault on democratic rights, including its

witch-hunt against Snowden and legal frame-up of Private Bradley Manning.

That Obama should suggest the existence of a police state surveillance apparatus, in flagrant violation of the US Constitution and the democratic rights of the American people, is a "phony scandal" sums up the profoundly reactionary character of his administration. The notion that a government which lays siege to basic rights can at the same time be defending the people's economic interests is absurd on its face.

The opposite is the case. The so-called "recovery" of which Obama boasted in his speech is a bonanza for Wall Street and the rich—marked by record stock prices, corporate profits and CEO pay—and a disaster for the working class, which is being pushed ever more ruthlessly into poverty. The levels of social inequality in the US—which have risen even faster under Obama—are incompatible with democracy. The police state structures and anti-democratic practices are being put in place precisely to respond to the growth of social opposition with violence and repression.

The largely token measures Obama did propose—recycled from previous speeches—were all of a reactionary character, including tax breaks and subsidies for US corporations and the further subordination of higher education to big business.

Obama postured as a champion of a "thriving middle class" and advocate of a "middle out," as opposed to the Republicans' "top down," approach to economic growth. This rhetorical trope was aimed at conjuring up a vast difference between the economic policies of the two corporate-controlled parties. In reality, whatever the minor differences on timing and tactics, there has never been such a degree of bipartisan agreement on attacking the living standards and past social gains of the working class, including pensions, health benefits,

Medicare and Social Security.

Obama began his remarks by praising the “economic recovery,” saying that “five years after the start of that Great Recession, America has fought its way back.” He boasted that “over the past 40 months our businesses have created 7.2 million new jobs,” and added, “This year we’re off to our strongest private sector job growth since 1999.”

In fact, the US economy remains well below its pre-recession level of employment, even as the working-age population has grown by 9.4 million since 2009. Long-term unemployment remains at the highest levels since the Great Depression, and the majority of new jobs are low-wage, temporary or part-time.

At one point, Obama alluded to the growth of social inequality, declaring: “Even though our businesses are creating new jobs and have broken record profits, nearly all the income gains of the past ten years have continued to flow to the top 1 percent. The average CEO has gotten a raise of nearly 40 percent since 2009, but the average American earns less than he or she did in 1999. And companies continue to hold back on hiring those who have been out of work for some time.”

He could also have noted that in the first two years of the Obama “recovery,” 2009 to 2011, the income of the richest 1 percent of the population increased by 11 percent while that of the rest of the country declined.

Somehow, Obama implied, the further concentration of wealth at the top was not the result of his policies—including bank bailouts, corporate tax breaks, and wage cuts for auto workers—but the resistance of the Republicans to his program.

In the guise of preventing higher education costs from continuing to “keep on going up and up and up,” Obama called for the introduction at the college level of the types of market-based “reforms” that are already being used to dismantle K-12 education. This included “blending teaching with online learning” and “new ways to fund college based not just on how many students enroll but how many of them graduate, how well do they do.”

These are euphemisms for introducing financial incentives and disincentives to make the subordination of higher education to big business even more pervasive. Meanwhile, the administration is backing a bipartisan bill that would allow interest rates on

government subsidized student loans to rise to more than 10 percent.



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