

# Obama hails dismal jobs report, signs bill to slash food stamps

Andre Damon, Barry Grey  
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Speaking at Michigan State University Friday, President Barack Obama hailed the January employment report released that morning by the Labor Department as further evidence of the success of his economic policies.

His remarks, in advance of his signing a bill to slash billions of dollars in food stamp benefits, revealed both his indifference to the social impact of mass unemployment and budget cuts, and the disconnect between the entire political system and the sentiments and needs of the American people.

The jobs report once again belied the official talk of economic “recovery.” US payrolls grew last month by a mere 113,000, less than the number of new jobs needed just to keep pace with population growth and well below economists’ forecast of 189,000. The dismal jobs figure for January followed December’s disastrous total of 75,000 new positions.

Job growth in December and January was the worst for any two-month period since 2010, and well below the already tepid monthly average of 160,000 from January through November of last year. This pace of job creation will do nothing to reduce the near-record level of long-term unemployment, officially estimated at 4 million, or cut into the 20 million-strong ranks of those either unemployed or underemployed.

Yet Obama boasted: “[O]ur businesses in the private sector created more than 140,000 jobs last month, adding up to about 8.5 million new jobs over the past four years. Companies across the country are saying they intend to hire even more folks in the months ahead.”

He did not mention the sharp decline—29,000—in public-sector jobs, including a net loss of 12,000 federal government positions. These job cuts reflect the continuing assault on public services and schools that

has already destroyed hundreds of thousands of jobs since the financial meltdown of 2008.

The bulk of his speech was devoted to praising the agriculture bill he was about to sign, which includes \$8.7 billion in cuts to the Supplemental Nutrition Assistance Program, slashing almost \$100 per month in benefits for nearly a million needy households. Obama called the farm bill, which cuts food aid for families poor enough to qualify for home heating assistance, a “jobs bill, an innovation bill, an infrastructure bill, a research bill,” and a “conservation bill.”

The bill is, in reality, an embodiment of the bipartisan consensus of Democrats and Republicans to make the working class pay for the crisis of American capitalism. Behind Obama’s absurd posturing as an opponent of inequality and champion of the poor, he is working hand in glove with the Republicans to destroy what remains of the social reforms of the 1930s and 1960s and reduce broad sections of the population to conditions of desperation and poverty.

Speaking of the jobs report, Jason Furman, chairman of the White House Council of Economic Advisers, said in an official statement: “Today’s report is another reminder of both the progress that has been made and the challenges that remain.” He went on to call on Congress to reinstate emergency jobless benefits for the long-term unemployed.

The Democrats are cynically seeking to use the termination of these benefits, which has already deprived 1.4 million unemployed workers of any cash assistance, to score political points against the Republicans in advance of the 2014 mid-term elections. In fact, it was the White House and Democratic leaders who ensured that the federal benefits would expire during the Christmas holiday period by excluding their extension from a two-year budget deal worked out with

the Republicans at the end of 2013.

That budget agreement continues the austerity policies enacted previously, maintaining the framework of automatic “sequester” cuts that will slash domestic discretionary spending by a trillion dollars over the next decade.

The Labor Department’s employment report showed that private-sector categories that expanded significantly in the past year stalled in January. The retail sector lost 13,000 jobs, the health care sector lost 400 jobs, and the education services sector lost nearly 8,000 jobs.

While the labor force participation rate ticked up slightly to 63 percent last month from 62.8 percent in December, it remains far below what it was before 2008, when it topped 65 percent.

The official unemployment rate fell to 6.6 percent. This is a largely fictitious number that in recent months has declined primarily due to hundreds of thousands of laid off workers giving up the search for a new job and therefore not being counted as unemployed.

According to a survey by the Economic Policy Institute, 5.73 million “missing workers” have dropped out of the labor force over the past five years for economic, not demographic, reasons. If these missing workers were counted as unemployed, the unemployment rate would be 9.9 percent.

Corporate profits and CEO pay continue to soar despite the continuing slump in the real economy. This is due to two main factors: first, the massive money-printing operation being carried out by the Federal Reserve, which, along with near-zero interest rates, is pumping cheap credit into the banking system and driving up stock prices, and, second, the relentless attack on wages, benefits and working conditions which is increasing the rate at which profits are sweated out of the working class.

Since 2009, wages in the auto industry, which the Obama administration singled out for restructuring, have declined an average of 10 percent, while manufacturing wages as a whole have fallen 2.4 percent.



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