

The Obama administration and American labor

Andre Damon
3 September 2014

American workers had little to celebrate on Labor Day, which is celebrated in the United States on the first Monday in September. Six years after the Wall Street crash of 2008, inequality is at record levels and workers confront mass unemployment, declining wages, growing poverty and a general deterioration in their conditions of life.

The capitalist system is in deep crisis. Detroit, once the center of American manufacturing, is in bankruptcy, with court proceedings on a corporate-dictated “plan of adjustment” resuming yesterday. Over the prior week, some 900 of the city’s households were cut off from one of the basic necessities of life—water. Social tensions are mounting, as revealed in the eruption of protests last month over the police killing of Michael Brown in Ferguson, Missouri, followed by a crackdown that placed the city under de facto martial law.

Reports on social conditions reveal an economic disaster for the majority of the population. The *New York Times* reported Sunday that the type of wholesale wage theft prevalent before the creation of the industrial unions has once again re-emerged at major American companies. Yesterday, Gallup reported that the typical worker employed full-time now works 46.7 hours, nearly an entire additional eight-hour day, rendering the 40-hour workweek a relic of the past.

The country is riven by class divisions, with the government functioning as an arm of the corporations and banks. The unbridgeable chasm between the experiences of working people and the political establishment was exemplified by the Labor Day speeches given by President Barack Obama in Milwaukee, Wisconsin and Vice President Joseph Biden in Detroit, Michigan.

The ritualized Labor Day demonstrations and

speeches are themselves political non-events for most of the population. They are organized by trade unions that are deeply discredited, with the aim of keeping working class opposition bottled up within the capitalist two-party system. This year they had the particular function of attempting to hustle votes for the Democratic Party in the upcoming midterm elections.

Obama, in comments dripping with complacency and indifference, boasted of his economic “recovery” and praised the record surge in stock prices and corporate profits. “It’s a good thing that corporate profits are high,” he said. “I want American businesses to succeed. It’s a good thing that the stock market is booming.”

The fact that a president sees fit to applaud, at an event supposedly dedicated to “labor,” the parasitic enrichment of Wall Street is indicative of the state of American politics. His comments were directed at reassuring Wall Street that there would be no let-up on attacks on jobs and social programs, no end to free cash from the Federal Reserve, and no change in a policy that has given the corporate criminals who crashed the economy in 2008 a free pass.

Speaking in Detroit, Vice President Biden played a complementary role, engaging in empty, pseudo-populist rhetoric in an attempt to maintain the fiction that the Obama administration and the Democratic Party are somehow partisans of what they invariably refer to as the “middle class.”

Biden’s speech was a mind-boggling collection of internal contradictions—pretending to be indignant about the situation facing working people while acting as if the policies of the administration of which he is a part had nothing to do with it.

“Why did corporations used to shoulder 33 percent of the tax burden in America, and now they’re only

shouldering ten percent?” asked Biden, who supports his administration’s plan to reduce corporate taxes from 35 to 25 percent.

“Why do CEOs now make 333 times more money than a line worker, when back when Reagan was president they made 25 times what the line worker made?” he asked, ignoring the fact that his administration blocked the imposition of any real restraints on the pay of executives of bailed-out banks and corporations.

“Why on earth has corporate productivity gone up eight times faster than your salaries?” he asked, skipping over the fact that the Obama administration imposed massive cuts in workers’ wages as part of its restructuring of the US auto industry.

Biden spoke about the “revival” of American manufacturing, particularly in the auto industry, concealing the fact that the restoration of a small percentage of the jobs wiped out in the course of decades of deindustrialization was entirely based on wage-cutting and speedup, which had dramatically narrowed the labor cost gap between American workers and those in Asia and Latin America.

Biden, speaking virtually within a stone’s throw of the ruins of auto plants that once employed tens of thousands of workers, made no mention of the Detroit bankruptcy or the shutoff of water to thousands of city residents. He and his administration fully support the bankruptcy, which is intended to serve as a model of austerity for the entire country.

He did allude to the destabilizing impact of rising social inequality. “The middle class is the reason why America, unlike any other nation... has been so stable, economically, politically and socially,” he declared. “As long as you believed that if you played by the rules you could make it—that’s the glue that held all this together.”

The ruling class is well aware of the growth of social anger and is haunted by its revolutionary implications. The “glue holding all this together” has evaporated. The response of the corporate and financial oligarchy, however, is not social reform policies, of which it has none to offer, but rather military-police violence. The crackdown in Ferguson last month, coming after the shutdown of Boston last year, is an indication of the methods the ruling class will use against social opposition from the working class.

Working people must draw their own conclusions. The economic and political onslaught of the ruling class must be countered by the development of an independent mass political movement fighting for socialism.



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