

Elizabeth Warren speaks at AFL-CIO meeting

Tom Hall
13 January 2015

Senator Elizabeth Warren's (Democrat-Massachusetts) speech Wednesday at the AFL-CIO's National Summit on Raising Wages in Washington, DC was an exercise in demagoguery, designed to provide political cover for the Obama administration, the Democratic Party and the entire capitalist system.

The choice of venue was revealing. Far from being interested in raising wages, the AFL-CIO has collaborated with employers for decades to slash the wages and benefits of the workers it purports to represent. The unions of the AFL-CIO responded to the eruption of the 2008 financial crisis with massive givebacks and austerity contracts.

As part of the Obama administration's bailout of the auto industry, the United Auto Workers pushed through measures that slashed the pay of new hires by half. The unions supported the Detroit bankruptcy settlement, which serves as a precedent for public sector pension cuts and austerity throughout the country, in exchange for control of a half-billion-dollar VEBA health care fund. And just last month, the AFL-CIO supported the passage of a federal law that allows private corporations to slash pension payments for current retirees, unraveling decades-old legislation protecting pensions.

The summit provided an opportunity for union bureaucrats to rub elbows with various Democratic Party figures. The guest list included Secretary of Labor Thomas Perez, who delivered the opening remarks, and Boston Mayor Marty Walsh, who participated in a roundtable discussion. It lasted less than five hours and ended before lunchtime. The meeting, far from being directed to workers, was a shut-in affair in which the political elite talked to itself.

Warren, who is being promoted as a possible presidential candidate in 2016, primarily focused her

remarks on inequality and corporate influence in politics. Declaring that the "recovery" since the 2008 financial crisis has not reached America's "middle class," Warren went on to propose nebulous regulatory fixes to address the "deep structural changes" in the economy "that have gone on for more than thirty years." She cited the New Deal and the economic boom after World War II as precedents. At the speech's climax, Warren declared, "It's time to break up the Wall Street banks and remind politicians that they don't work for the big banks, they work for us!"

Warren combined her calls for meager regulatory reforms with the promotion of economic nationalism and chauvinism, long the bread and butter of the trade union bureaucracy. She expressed concern that deregulation had failed "to shore up security in an increasingly uncertain world," attacked the fact that "subsidized manufacturers around the globe sell here in America while good American jobs get shipped overseas," and declared that "we will never give up on those three words: Made in America."

In fact, the Obama administration has based its strategy for increasing manufacturing in the US on the systematic lowering of wages for workers.

Warren outlined a thoroughly dishonest and false historical account of the past three decades in her speech. The "deep structural changes" she referred to are, according to her, merely the result of bad policies pursued by bad Republicans, all of whom remained nameless in her speech except for Ronald Reagan. "Since the 1980s, too many of the people running this country have followed one form or another of supply side—or trickle down—economic theory," Warren declared. "It wasn't always this way, and it doesn't have to be this way. We can make new choices...choices that reflect our deepest values as Americans."

In fact, deindustrialization and the systematic assault on the working class was the response of the American ruling class to the long-term decline of American capitalism. It has had the full support of Democrats as much as Republicans, and began under the administration of Jimmy Carter.

Warren's only oblique reference to the role of the Democratic Party was when she parenthetically added that "if we're going to be honest, too many Democrats" in addition to the Republicans have "talked about the evils of 'big government' and called for deregulation."

Exposing her political double game were Warren's own remarks on the Obama administration, which has poured trillions of dollars into the banks she claims to want to break up. "I think the president and his team deserve credit for the steps they've taken to get us here," she said to a round of applause. "In particular, job growth is a big deal, and we celebrate it," she said, failing to mention that most of the jobs created pay low wages.

With consummate hypocrisy, she condemned "the choice in a recession to bail out the biggest banks with no strings attached while families suffered," merely minutes after praising the administration, which organized this bailout.

Later on, Warren absurdly described the various right-wing policies of the Obama administration as "David [beating] Goliath," citing in particular the toothless Consumer Financial Protection Bureau created after the financial crisis, the passage of Obamacare—a cost-cutting measure for big business, which imposes higher costs on workers—and Obama's recent executive order on immigration.

Warren is a thoroughly establishment figure whose "anti-Wall Street" credentials are based primarily on her time as the head of fig-leaf oversight panels established after the 2008 financial crisis. She was appointed by then Senate Majority Leader Harry Reid to the Congressional Oversight Panel in 2008, which was charged with monitoring the bank bailouts under the Troubled Asset Relief Program (TARP).

Under Warren, the panel made extremely mild criticisms of the bank bailouts, based on concerns that their unpopularity would discredit such policies in the future. In a 2010 report, the panel concluded: "Popular anger against taxpayer dollars going to the largest

banks... the greatest consequence of the TARP may be that the government has lost some of its ability to respond to financial crises in the future."

Later, Obama appointed Warren to oversee the creation of the Consumer Financial Protection Bureau, established to provide a "consumer friendly" gloss to the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act. Her nomination by Obama to head the bureau was blocked by congressional Republicans, who were rankled by her tepid criticisms of the banks.

Warren plays a crucial function in Democratic Party politics by providing a cover for the trade unions and affiliated organizations to support the Democrats in the lead-up to the 2016 presidential election. In this, she reprises the role played by Howard Dean in 2004 and by John Edwards in 2008. Both were right-wing figures who were played up as oppositional candidates, and when they failed to win the nomination, their support was transferred over to the candidate most favored by Wall Street.

Warren is only the latest in a long string of progressively shopworn faces for the Democratic Party's increasingly right-wing politics. The efforts to promote her are aimed at shoring up a Democratic Party and a political system that are viewed with increasing hostility by the vast majority of the population—as revealed in the collapse in voter turnout in the 2014 midterm elections.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact