

State of the Union: A Bankrupt Ruling Class Talking to Itself

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President Barack Obama's State of the Union speech was a cynical propaganda piece, filled with fraudulent claims and promises that no one, least of all his audience at the US Capitol, believes in the slightest.

The annual address has long since become an ossified ritual, a kind of national pep rally into which social and political reality seldom intrudes.

With Obama's speech Tuesday night one had more than ever the sense of the president as chief representative of the financial aristocracy that rules America, speaking to a house filled with millionaire congress members and bought-and-paid-for representatives of big business.

It has more and more come to resemble a political echo chamber, in which the ruling establishment celebrates and talks to itself in utter indifference to the needs and concerns of the country's working people, the overwhelming majority of the population.

In the run-up to the speech, the media had worked to build up expectations with wild predictions that Obama would use it to launch war on social inequality or, as the *Washington Post* put it, a "sustained assault on Republicans over a populist economic agenda." The day after, the old adage, "the mountain labored and brought forth a mouse" came to mind.

According to some accounts, Obama's speechwriters were instructed to tone down references to social inequality and emphasize the concept of "opportunity"—the old Horatio Alger myth that with perseverance anyone can become a millionaire. This was combined with a reassurance to the Wall Street criminals that "Americans understand that some people will earn more than others, and we don't resent those who, by virtue of their efforts, achieve incredible success."

On Wednesday, the *New York Times* published an editorial entitled "The Diminished State of the Union," and the *Washington Post's* was headlined "Obama's muted call." There was no denying that the days of the "audacity of hope" are long gone.

Among the exceptions to this reaction was that of the official trade union apparatus. Richard Trumka, the president of the AFL-CIO tweeted at the end of the State of the Union speech, "Best #SOTU to date for @BarackObama. All the right points to lift up middle class but one: collective bargaining."

Trumka was in the gallery Tuesday night and was shown on national television beaming with joy as Obama congratulated one of his wife Michelle's "guests"—all of them used as political

props for the president's phony rhetoric—a pizza parlor owner who had raised the salary of his employee from minimum wage to \$10 an hour. No doubt Trumka sees this as good for business, salivating over the prospect of benevolent employers allowing him to collect union dues from such workers, pushing their take-home pay back toward the old minimum.

Obama's move to require federal contractors to pay a minimum wage of \$10.10 to employees under new or renewed contracts—not existing ones—was promoted as the boldest of his initiatives. Expected to affect around 250,000 workers—a tiny handful of the nearly 50 million Americans classified as “working poor”—while still leaving them poor, the proposal is the clearest proof that no section of the ruling establishment has any intention of addressing the scourges of inequality, poverty and mass unemployment.

The reality is that, if the minimum wage had risen apace with the compensation of America's CEOs, the top 1 percent, the poorest paid worker in the US would now be making more than \$33 an hour. If it just kept pace with the increase in productivity, it would be over \$22.

The speech included the obligatory reference to the state of the union being “strong” along with an assertion that 2014 can become “a breakthrough year for America.” Who does he think he is kidding? Poll after poll show that some two-thirds of the population believe the economy is anything but strong, with their well-being declining, the phony indicators cited by Obama notwithstanding. A poll conducted at the end of last month found that over half the population is being forced to reduce their spending, and fully 36 percent are cutting back on food and medicine.

One of the few true statements Obama included in his speech was the observation that “corporate profits and stock prices have rarely been higher, and those at the top have never done better.”

That the president felt compelled to note in the same breath the stagnation of wages, deepening inequality and continuing unemployment is an expression of the growing unease within the ruling establishment that the present conditions are unsustainable and must give rise, sooner rather than later, to social upheavals.

The charity Oxfam issued a report just last week noting that the world's richest 85 individuals have amassed more wealth than the poorest 3.5 billion. In the United States, the most unequal of all the advanced capitalist countries, the 20 wealthiest people possess as much wealth as the poorest 150 million. Under Obama's presidency, the top 1 percent has monopolized 95 percent of the growth in income, while the bottom 90 percent of the population has only been further impoverished.

To cast the hodgepodge of micro-initiatives and empty promises cobbled together in Obama's speech as an attempt to confront these staggering levels of inequality would be ludicrous.

More substantive preparations are being made to deal with the political consequences of unprecedented social inequality through the buildup of a totalitarian police-state apparatus, parts of which have been exposed in Edward Snowden's revelations of massive domestic spying by the National Security Agency. Preparations are being made to counter a challenge from below.

In the final analysis, Obama's fifth State of the Union address has exposed his presidency as a politically spent force. He will be remembered first as a president who was able to exploit illusions in his phony promises of change to carry out the biggest swindle in history, the Wall Street bailout, which has seen the transfer of trillions of dollars in social wealth from the majority of the population to the banks and the super-rich. Secondly, his legacy will be the buildup of a police state and the shredding of the most basic democratic and constitutional rights.

Obama's attempt at this late date, in the run-up to the 2014 midterm elections, to cast himself and the Democratic Party as the champions of the poor and crusaders against social inequality will be embraced only by a thin and privileged layer that includes the trade union officialdom and the pseudo-left elements whose personal fortunes are bound up with the fate of the Democrats.

Today's malignant levels of social inequality are inextricably bound up with the capitalist profit system and the unceasing growth of financial parasitism to which it has given rise. The struggle against it can be mounted only by the working class. It must mobilize its independent strength in an offensive aimed at impounding the ill-gotten fortunes of the Wall Street and corporate oligarchs and reorganizing society on socialist foundations to meet the social needs of the vast majority rather than the profit interests of the few.

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