

The US elections and the jobs crisis

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The lack of any meaningful proposal by either major US political party to address mass unemployment in the 2012 election underscores the fact that the two big business parties have nothing to offer the unemployed and are indifferent to their plight.

Whenever politicians from either party speak of plans to “create jobs,” they mean only further deregulation, tax cuts, or outright cash handouts to corporations.

This fact given was vivid expression by the so-called “JOBS act,” which passed 390 to 23 in the House of Representatives Thursday after gaining the White House’s endorsement earlier in the week. This act, whose name is an acronym for “Jump-starting Our Business Startups,” is an attempt to palm off yet another corporate boondoggle as a measure to put people to work.

The act would exempt companies worth less than \$50 million from regulation by the Securities and Exchange Commission, up from the current \$5 million. It will likewise quadruple the number of shareholders a bank can have before having to register with the SEC.

The near-unanimous passage of the bill, as well as its endorsement by the White House, points to the eagerness of both parties to be seen by the American people as doing something about the chronic mass unemployment gripping the United States, while in fact they are doing the bidding of the same corporations that profit from high unemployment.

The White House moved to take responsibility for the Republican-backed measure, saying that many of its proposals came from Obama's Jobs Council, while congressional Democrats complained that portions of the act were from bills they sought to introduce themselves.

The equation of handouts to big business with “job creation,” once the stock in trade mainly of the Republican right, has become the common line of both parties. The Obama administration has been the

quintessential expression of this shift, responding to the greatest crisis since the Great Depression with corporate handouts and tax cuts.

“[I]f you’re a CEO that’s willing to bring jobs back to America, we want to do everything we can to help you succeed,” Obama said Tuesday in an appearance before the Business Roundtable. “That means working together to reform our tax system... making sure that we are able to cut our tax rate.”

Along these lines, Obama is seeking to cut corporate taxes from 35 percent to 28 percent, with an even lower tax rate for manufacturing companies.

The response of the Democrats to the unemployment crisis is just one particular expression of the fact that they have taken over positions traditionally associated with the Republicans, leaving the latter scrambling to differentiate themselves.

The Democrats’ equation of corporate handouts with “job creation” has percolated to every level of government. Democratic New York governor Andrew Cuomo recently unveiled his \$15 billion “New York Works” program, which he summed up, as “Jobs, jobs, jobs,” and which, according to him, is characterized by the introduction of “entrepreneurial government.”

The program would allow developers and contractors greater control over the building of state infrastructure, give rights for a casino builder to build the country's largest convention center in Queens, and amend the state constitution to expand the building of casinos.

Both political parties are agreed that the role of the government amid the highest postwar levels of unemployment is to induce corporations to hire by giving them ever-more lucrative incentives—tax breaks, deregulation and lower wages.

Words meant to evoke the program of Roosevelt’s New Deal—when “job creation” meant government spending on infrastructure based at least to some extent on social needs—are being used to mask the program of

Herbert Hoover: handouts to corporations based on the false assertion that this will translate into hiring.

In the Orwellian world of American politics, any measure that boosts the profits of the corporations is called pro-jobs, while anything that hurts corporate earnings is labeled “job-killing.” Higher taxes on corporations, the enforcement of regulations against pollution, the prosecution of violations of securities laws or health and safety regulations—all are rejected as attacks on jobs.

This political climate sets the stage for a sweeping bipartisan assault on the living standards of working people. Last month the Obama administration and the Republicans reached a deal to cut the maximum duration of unemployment benefits from 99 weeks to 73 weeks in the hardest-hit states, and from 93 weeks to 63 weeks in many states.

This record underscores that no section of the Democratic Party in any way represents the interests of working people. What is necessary is a new political party, independent of the corporations and able to challenge the social interests of the super-rich.

The Socialist Equality Party is intervening in the 2012 elections on the basis that social needs take priority over the profits of the corporations and banks.

The way to solve the unemployment crisis is through a massive public works program, on the scale of the actual social needs, i.e., trillions of dollars, to rebuild the crumbling US infrastructure and secure the right of everyone to the necessities of social life. To this end, the major corporations, which today dominate society like a malignant cancer, must be placed under public ownership and the democratic control of working people.

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