

Surge in Unemployment in the US: No Economic Recovery in Sight

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After the recent unemployment numbers were announced, smug politicians promising economic recovery stuttered a bit. This wasn't supposed to happen. Mainstream economists were predicting a smooth upswing in employment, but in September 263,000 more jobs were lost, 62,000 more than August.

Obama reacted predictably to the surprise. He first pointed out that "employment is the last thing to recover from a recession," and concluded that "...we are going to need to grind out this recovery, step by step." Brilliant.

Not one word on measures to help out the staggering number of unemployed workers, 1.4 million of which will have their benefits dropped by the end of the year. Behind them are millions more workers who've been unemployed for over six months — 5.4 million and counting.

All Obama is offering is "hope" that the economy will get better, an illusion shared by most of the mainstream media. Sometimes, however, the truth sneaks into Big Media. This from the New York Times:

"...the underlying weakness of the economy will probably reassert itself, say experts. After years of borrowing against homes and cashing in stock to spend in excess of their incomes, many Americans are tapped out. Austerity and saving have replaced spending and investment in many households, constraining the economy." (October 2, 2009)

When an economy is dependent on 70 percent consumer spending and the nation's consumers are effectively bankrupt, recovery comes from...the government. Indeed, the economic "green shoots" that the Democrats still obsess over were real, and based on government programs such as the highly touted Cash for Clunkers, and tax credits for first time homeowners, while the financial recovery was simply banks using bailout money to gamble on Wall Street.

It is estimated that these government subsidies resulted in 700,000 car sales and potentially 400,000 home sales, having a positive ripple effect on other parts of the economy that contribute to the making and distributing of cars and houses.

Cash for Clunkers has since ended and car sales are plummeting: Ford is down 5 percent, Toyota 13 percent, Honda down 20 percent, Chrysler down 42 percent, and GM down 45 percent (Bloomberg, October 2, 2009).

The homeowner subsidy ends soon, and with it the second economic pillar will have been removed, leaving Wall Street gambling to uphold the barely-functioning economy.

Many workers are starting to realize they've been lied to about the recession ending; patience is wearing thin. If Obama thinks he can keep the country's workers quiet forever by telling us to "tighten belts" and remain "patient," he has another think coming.

The reality of the situation is forcing itself upon the minds of millions of people, who will stay patient only as long as their budgets allow. The seemingly quiet American working-class has profound resentment and bitterness brewing right below the surface, to be released at any given moment.

When the majority of workers become suddenly engaged in politics, they'll likely begin demanding that unemployment benefits be extended, and that the government provide living wage jobs with a worker-directed stimulus package.

There is much work to be done on America's crumbling infrastructure, and many workers are available to do the job. Unfortunately, Democrats seem more intent on maintaining foreign wars and bailing out banks, policies that have created an enormous American debt. It is this debt, say Democrats and Republicans, that prevents the government from spending any money on worker-oriented programs.

Therefore, unions and community organizations must also demand that a plan be worked out to address the debt issue; wars and bank bailouts must stop, and taxes for the super-wealthy must be raised to pre-Reagan levels. American society has plenty of resources to address the needs of the working-class, but not while corporations have complete control over the direction of the country.

To switch directions we need a mass working-class movement, but such a thing will not fall

out of the sky. A mass movement will emerge when unions and community groups organize together and begin collectively demanding specific changes in government policy. Likely, such a pro-worker coalition will be ignored by the corporate-owned Democrats, and find it necessary to break with the two-party system forever.

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