

Bush's economic forum: a stage-managed farce

By Jerry Isaacs
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The economic forum held this week in Waco, Texas was a display of the perplexity and desperation of the Bush administration in relation to the deepening US economic downturn, the wave of corporate scandals and \$7 trillion sell-off on the stock market. Billed as a serious discussion with ordinary Americans about the country's economic problems, the event was a stage-managed media affair aimed at bolstering the president's sagging poll standings and promoting his reactionary agenda of tax cuts and other handouts for big business.

The list of invitees guaranteed that there would be no serious debate, let alone criticism of Bush's economic policies. Excluded were any of the 2 million workers who have been thrown out of work since last year or those who have seen their 401(k) retirement benefits wiped out on the stock market. Nor were any small investors, defrauded by Enron, WorldCom and other companies, present at the event to voice their anger.

Instead the White House handpicked the 250 participants, which included corporate executives—most of whom had donated hefty sums to Bush and the Republican Party. In addition, there were the heads of investment firms and small business owners, with the requisite representation of black and Hispanic entrepreneurs. The “ordinary” workers, whom Bush acknowledged had “opinions too,” were in fact mostly labor bureaucrats from the Teamsters and carpenters unions, which have close ties to the White House.

Not surprisingly, the consensus among this crowd was that the economy, while having some problems, was heading in the right direction under the leadership of President Bush. Echoing almost word for word the right-wing agenda outlined in Bush's keynote address, several panelists called for the president's 10-year \$1.35 trillion tax cut to be made permanent and complained that government regulations were hamstringing business. Discount broker Charles Schwab—whose company began

eliminating 400 jobs the day of the forum—said capital gains taxes should be cut further. Others called for the lifting of restrictions on domestic oil drilling, limiting medical malpractice suits, offering government-backed terrorism insurance and abolishing the estate tax.

Asked afterwards if the White House had supplied the participants with talking points, Karl Rove, the president's chief political adviser, said he was “not aware” if it had, “but that's not to say there weren't any.”

The effort to create the image of popular support for Bush was so crass it generated derision in the US and international media. On the eve of the forum, Britain's *Financial Times* wrote, “The meeting promises to look a little like those gatherings that the Soviet Communist party used to hold to review progress on the latest Five Year Plan. Achievements will be hailed; problems will be put down to failure of all concerned fully to implement party dogma.”

Bush's address contained nothing but platitudes about the resiliency of the American economy, how Americans gather strength in tough times, and praises for corporate CEOs, who—while there were a few bad apples—were in the main “good, honorable people.” The one measure of any substance taken by Bush at the forum was his decision to reject \$5.1 billion in new government spending, which included money to monitor the health of rescue and construction workers laboring at the site of the destroyed World Trade Center. The president—who has contributed to the government's massive deficit by slashing taxes for the wealthy and handing billions over to the military and defense contractors—said this measure showed he “intended to enforce spending restraint.”

The Waco affair appears to have been hastily slapped together by Bush's political handlers in response to the growing criticisms the White House has received from big business circles and the Democratic Party over its

handling of the economic crisis. In recent weeks there have been increasing calls for the resignation of Treasury Secretary Paul O'Neill, Security and Exchange Commission Chairman Harvey Pitt and others.

Leading members of the Republican Party have also become increasingly aware that continuing efforts to distract attention from the economic and social crisis by means of the so-called war on terrorism are wearing thin. Concerned that the president's close ties to corporate America and his disinterest in the fate of millions of working people could lead to an electoral catastrophe in November, several Republican politicians have urged him to speak out on the economy and corporate corruption. Moreover, there has been speculation in the media that in the 2004 presidential elections Bush might suffer the same fate as his father, who was soundly defeated in 1992 after being perceived as indifferent to those suffering during the recession of the early 1990s.

Having failed to offset these criticisms by hauling a few corrupt CEOs to jail in front of the television cameras, and signing a toothless corporate reform law, the White House decided upon the public relations event in Waco. This, Rove & Co. no doubt hoped, would show that the president, despite his month-long vacation on his Texas ranch, was really "engaged."

With these considerations in mind Bush was whisked off his Crawford ranch for a few hours for the 25-mile trip to the forum. He and Vice President Dick Cheney spent about 20 minutes at each of four panels, with both showing outward signs of boredom. According to the *Washington Post*, when it came time to leave the session on "Small investors and retirement security," Bush interrupted R. Glenn Hubbard, the chairman of the Council of Economic Advisers, who was introducing a small investor. "I gotta go," Bush told the startled participants. "See, here's what happens: I'm going to four of these."

Before leaving the forum Bush thanked Baylor University—the conservative Christian college which staged the event—for putting on a "great show."

This publicity stunt convinced no one, however. In the end it only reinforced the widely held perception that the Bush administration is incapable of doing anything to reverse the economic downturn. On the day of the event far more attention was being paid to whether Federal Reserve Chairman Alan Greenspan would lower interest rates; and if any more scandals would erupt when the filing deadline came up Wednesday for executives to vouch for their corporate income statements with the

Security and Exchange Commission. The day of the forum, the Dow Jones plunged a further 200 points and American Airlines, the world's largest carrier, announced that it would eliminate 7,000 jobs. In the days that followed, IBM announced that it was wiping out 15,000 jobs, the bankrupt retailer Ames said it was shutting 327 stores and economists continued their talk about a double-dip recession, amidst the release of further dismal economic reports.

The farcical character of the economic forum was underscored by the fact that President Bush and Vice President Cheney—whose business dealings at Harken and Halliburton respectively have been subject to scrutiny—were posturing as opponents of corporate corruption. In his address, Bush insisted that his administration would punish those who "lie, steal and cheat."

In addition to the president and vice president, the assembled corporate executives in the audience in Waco included not a few who might qualify for such treatment. One example was John T. Chambers, CEO of Cisco Systems, who made \$157 million in 2000 before his company, once rated the highest in the world for market capitalization, fell by over \$400 billion in value.

Cisco executives reportedly used overvalued stock to pay employees and acquire other companies by issuing more stock. By not reporting diluted stock and stock options as a business expense, the company was able to maintain the fiction of profitability. As one *New York Times* columnist recently noted, "Nobody in Cisco management—ranked No. 13 in Fortune's 'greedy bunch'—has been arrested. But then neither had anyone from Enron."

The Bush administration apparently believes that image-making and media manipulation can overturn reality. But for the millions of working people who have lost their jobs, or have seen their retirement savings wiped out in the recent period, this week's charade in Waco will only further discredit the Bush administration and the profit system it defends.

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