

Obama's business summit

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President Obama's summit with US corporate chiefs on Wednesday was a shameless display of the complete subordination of the administration to big business. In the midst of the worst jobs crisis since the Great Depression, with millions losing their homes and falling into poverty, Obama met for five hours behind closed doors to reassure the leaders of 20 major corporations of his unquestioning support, while plotting new initiatives to boost profits and reduce working class living standards.

Obama went out of his way to debase himself before the corporate moguls and demonstrate contrition for having on occasion indulged in anti-business rhetoric. The decision not to hold the event at the White House, but rather at the Blair House across Pennsylvania Avenue, was doubtless intended as a signal to the executives that Obama was meeting them on neutral ground. He made a point of having himself filmed as he walked alone from the White House to the meeting.

The atmospheric coincided with the substance of the event. In brief remarks before heading to Blair House, Obama touched on the major concerns of the US corporate and financial elite, making clear that he was anxious to satisfy their demands. He mentioned increasing US exports, tax "reform," fiscal discipline and deficit reduction, and "a balanced approach to regulation that will promote, rather than undermine, growth."

He touted his agreement to extend Bush-era tax cuts for the rich—a repudiation of his campaign pledge to allow them to expire and continue only the tax cuts for the middle class—as a token of his eagerness to serve the financial aristocracy. Since the Democrats' defeat in the November mid-term election, the White House has made other moves to placate big business, including renegotiating the free trade deal with South Korea and delaying anti-pollution emissions regulations.

Obama once again declared his loyalty to free market

capitalism and the US corporate elite, saying, "I believe that the primary engine of America's economic success is not government. It's the ingenuity of America's entrepreneurs. It's the dynamism of our markets."

So that there be no doubt as to the pro-business orientation of the administration, Obama began the meeting, according to Thursday's *New York Times*, by stating: "Those of you around the table represent why America is unique, what is best about our entrepreneurial spirit, and I want to dispel any notion that we want to inhibit your success. We want to be boosters because when you do well, America does well."

This quote was leaked to the *Times* by "an administration official who was in the room and would speak only on the grounds of anonymity." The White House, in other words, wanted this bit of abject groveling to be publicized for the benefit of the corporate-financial elite as a whole.

As for "America" doing well when the corporate elite does well, this is manifestly false. Corporate profits are setting records and CEO pay is once again exploding in the midst of a social catastrophe for tens of millions of people and sharply declining living standards for most Americans. With the support of the government, the US ruling class is using the crisis of its own making and the resulting mass unemployment to drastically and permanently lower the living standards of working people and increase their exploitation. Wage-cutting, speedup and downsizing are the ingredients for the current profit bonanza.

In his pre-meeting remarks, Obama made a fleeting, mealy-mouthed reference to the nearly \$2 trillion in cash being hoarded by American big business. The reality is that Wall Street is carrying out a productive investment and hiring strike, holding the country ransom in order to ram through double-digit cuts in high-end income taxes and corporate taxes, a further gutting of business regulations, and austerity measures

targeting bedrock social programs such as Medicare and Social Security.

All of this, for which Obama signaled his support, is supposedly in pursuit of the goal of job-creation. This is a fraud. Had Obama ordered the seizure of the profits of the 20 firms represented at his round table, he would have had a good start toward a multi-billion-dollar public works program to provide hundreds of thousands of jobs. Of course, neither he nor any other bourgeois politician would contemplate such a measure.

Among those present were the heads of some of the most powerful corporations in the world, including Motorola, Cisco, Honeywell, UPS, General Electric, DuPont, Eli Lilly, Dow Chemical, Boeing, PepsiCo, Comcast and Google. After the meeting, a number of the executives praised Obama for his receptivity to slashing corporate taxes and other measures to boost profits. Boeing CEO James McNerney diplomatically noted Obama's groveling, saying, "We all made our apologies."

The White House's pursuit of pro-corporate policies is anything but a reversal of past policy. Obama's tenure has been single-mindedly devoted to protecting and expanding the wealth of the financial elite. Even before taking office, President-Elect Obama championed the Bush administration's \$700 billion taxpayer bailout of the banks and lobbied for its passage by Congress. Within a few months of taking office, he intervened to block legislation limiting executive bonuses at bailed-out firms. He then rejected the recovery plan submitted by General Motors and Chrysler, demanding more brutal layoffs and concessions, including a 50 percent pay cut for newly hired workers.

His \$787 billion stimulus bill was far too timid to stanch the rise in unemployment and was loaded with tax breaks for business. Its purpose was to prevent a collapse of consumption and descent into full-scale depression and to provide political cover for the plundering of the economy to rescue the banks, while buying time for Wall Street to offload some its bad debts and return to profitability.

His major legislative efforts—health care and financial regulatory "reform"—were both designed to shield profits and preempt any genuine reform. The former mandates massive cuts in Medicare spending and the

rationing of health care along class lines. The latter actually increases the grip of the biggest Wall Street firms on the nation's financial lifeline and does nothing to limit financial speculation and parasitism.

Major sections of big business, nevertheless, were dissatisfied with aspects of both measures, and the entire ruling class was incensed over Obama's talk of ending Bush's tax bonanza for the top 2 percent of earners. They made their displeasure clear in the run-up to the November election, shifting the bulk of their campaign cash to the Republicans and running ads for Republican candidates.

The corporate elite, having been bailed out to the tune of trillions of dollars, wants more. Two years after the Wall Street crash, it is cracking the whip on its political representatives more imperiously than ever. In Obama, it has a president who is eager to please.

Nothing could more clearly expose the bankruptcy of the milieu of middle-class liberals and "lefts"—from the *Nation* magazine to the International Socialist Organization—who insist that Obama and the Democrats can be pressured to the left. Having done their bit to help build up illusions in candidate Obama and get him elected, they respond to the ever more rightward trajectory of the administration and the shattering of popular illusions by seeking to prevent any political conclusions from being drawn.

They reflect the interests and concerns of a comfortable and well-heeled section of the population, not those of the broad mass of working people and youth. Their greatest fear is that a popular movement of social opposition will emerge outside of the Democratic Party and its allies, including the trade unions. This they are determined to block.

But reality is exposing ever more clearly the vast class chasm in America. The experience of the Obama administration demonstrates the necessity for the working class to break from both parties of big business and build a mass socialist movement to fight for a workers' government.

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