

Kerry pledges fiscal austerity in speech to business leaders in Detroit

Barry Grey
17 September 2004

Democratic presidential candidate John Kerry gave a speech Wednesday to business executives at the Detroit Economic Club that exemplified his attempt to curry favor with the US corporate elite while presenting himself as a spokesman for working Americans. Not surprisingly, this attempt to square the circle involved a large dose of hypocrisy and double-talk.

Stripped of Kerry's occasional forays into populist rhetoric—of a distinctly timid sort—the substance of his speech was an appeal to the self-interest of the wealthy and very wealthy who made up the bulk of the audience. The Massachusetts senator was at pains to present himself as a friend of big business. At his side stood Robert Rubin, like Kerry a multi-millionaire, who served as treasury secretary under Bill Clinton and currently holds the top post at the banking giant Citigroup.

In business circles, Rubin is credited with playing a significant role in imposing fiscal austerity and facilitating the spectacular bull market of the 1990s that enabled the wealthiest 5 percent to indulge in an orgy of self-enrichment—a process that vastly increased the concentration of wealth at the top and dramatically heightened the level of social inequality in the US.

Kerry was introduced by Jennifer Granholm, the Democratic governor of Michigan, who has been given high marks by bankers and auto barons for imposing sweeping budget cuts and presiding over large-scale layoffs of teachers and educational staff, together with school closures, in Detroit and other cities.

Kerry told his well-heeled audience: “And let me be clear: our plan is pro-worker and pro-business. I’m an entrepreneurial Democrat, and I don’t believe you can love jobs but bash the people who create them... I know that the private sector will always be the engine of good jobs and new ideas.”

Just blocks from the downtown hall where Kerry was praising the glories of the “free market,” the ravages of American capitalism were on display—in the crumbling and abandoned houses and empty lots once occupied by auto factories and other manufacturing facilities. Nothing Kerry had to say even remotely addressed the pervasive poverty and unemployment that have become a permanent fixture of Detroit and scores of other American cities.

Kerry presented himself as the antidote to the record budget deficits run up by the Bush administration and a fiscal conservative who would impose an austere, “pay-as-you-go” policy, including “cutting government agencies that have outlived their purposes.” To underscore the point, he boasted, “I broke with my own party to support a balanced budget plan, which President Reagan signed into law.”

At the same time, he reiterated his plan to extend health care to the uninsured—hastening to assure the audience, “My plan is not a government plan. It’s based on incentives and the marketplace.” In fact, the plan would, according to analysts who have studied the proposal, cover at most 27 million of the 45 million Americans who are currently uninsured.

This, of course, assumes that the plan is more than an empty campaign promise and would actually be enacted under a Kerry administration—a dubious assumption in the extreme. Given the record of the last Democratic administration, which abandoned its health care plan, the implacable opposition of the Republicans and most of corporate America, and Kerry’s commitment to increase defense spending, pour billions more into the occupation of Iraq, and cut the federal deficit in half—the chances of a Kerry administration enacting any significant health care reform is nil.

Kerry’s campaign billed the Detroit speech as the

candidate's most important policy statement on the economy between now and the November 2 election. It was, however, a rehash of measures advanced by Kerry since he wrapped up the Democratic presidential nomination last March. Its centerpiece is a pledge to roll back Bush administration tax cuts for those making more than \$200,000 a year. This is accompanied by a promise to cut corporate taxes by 5 percent, which, Kerry stresses, would give "99 percent of businesses a tax break."

There is also talk of tax credits for child care, college tuition and health care premiums. Such token measures constitute the substance of Kerry's supposed fight for the interests of the American "middle class." They are combined with appeals to protectionist and chauvinist sentiments. More than once in his speech, Kerry invoked the rhetoric by which he seeks to manipulate the anger and frustration of workers over the destruction and outsourcing of jobs and direct it against foreigners.

For example: "When China and Japan were manipulating their currency and violating our trade agreements, and he saw America lost 2.7 million manufacturing jobs, George Bush chose to say and do nothing for workers in Michigan and Ohio and all over the country."

There was not a hint in anything Kerry said of increased government aid to the millions of unemployed and working poor, or programs to create jobs and rebuild neighborhoods devastated by decades of tax handouts to the rich, wage cuts, union-busting and corporate downsizing.

Kerry's Detroit Economic Club speech was calculated to appeal to the corporate interests in the hall and to the media, while simultaneously addressing a broader audience. Hence the combination of obeisance to big business and rather mild populist gestures. Later on Wednesday, before an audience of workers and students in Madison, Wisconsin, Kerry shifted gears and adopted a more pointed—and demagogic—populist pose. Borrowing a phrase from Al Gore's 2000 campaign, Kerry denounced Bush for choosing "the powerful and the privileged."

That same morning, Kerry published a column on the op-ed page of the *Wall Street Journal*, entitled "My Economic Policy," that not only eschewed any hint of populism, but went even further in courting big

business than his speech in Detroit. Speaking directly to the corporate elite, Kerry began by writing: "As I travel across this country, I meet store owners, stock traders, factory foremen and optimistic entrepreneurs. [Evidently, he has not met unemployed people or workers.] Their experiences may be different, but they all agree that America can do better under an administration that is better for business. Business leaders like Warren Buffet, Lee Iacocca and Robert Rubin are joining my campaign because they believe that American business will do better if we change our CEO."

Toward the end of the column, Kerry called the November 2 election "a national shareholders meeting."

Nothing could more clearly demonstrate the hypocrisy of Kerry and the Democrats, the right-wing character of their campaign, and their subservience to the American ruling class.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact