

# Obama says bailout will postpone spending plans

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In a further demonstration of his subservience to Wall Street, Democratic presidential candidate Barack Obama said that the \$700 billion bailout of US financial institutions now moving through Congress would force a delay in additional spending by an incoming Democratic administration.

In an interview Tuesday morning with NBC's "Today" show, Obama said of the bailout, "How we're going to structure that in budget terms still has to be decided." He continued, "Does that mean I can do everything that I've called for in this campaign right away? Probably not. I think we're going to have to phase it in. And a lot of it's going to depend on what our tax revenues look like."

The new spending Obama has proposed on programs like education, infrastructure and health care is so minimal, compared to the vast social need, that it doesn't deserve the label "reform." It is barely a sop. But even this is likely to be withheld initially, and then canceled outright once the cost of the Wall Street bailout mushrooms, as it inevitably will.

As late as the weekend, in an interview with John Harwood of CNBC, Obama had rejected suggestions that the magnitude of the Treasury expenditure for purchasing mortgage-backed securities would put any new social spending off the agenda. He claimed that he would proceed with a proposal to expand health insurance as well as additional funding for education, the environment and child care.

But by Tuesday the Democrat had abandoned even this position, promising only to retain a series of tax cuts in the first budget of an Obama administration—which will inevitably accrue more to upper-income families—while making no such pledge for social spending.

Obama also sought to demonstrate his fidelity to the

financial aristocracy by attacking his Republican opponent, Senator John McCain, for initially opposing the federal bailout of AIG, the world's largest insurance company. The Federal Reserve Board agreed last week to take an 80 percent interest in AIG in return for an \$85 billion loan last week.

"I think what has been clear during this entire past 10 days is John McCain has not had clarity and a grasp on the situation," Obama said.

When his NBC interviewer Matt Lauer pointed out that the Democratic vice-presidential candidate, Senator Joseph Biden, had also initially opposed the bailout, Obama pointed out that he himself had deferred comment. "I think that in that situation, I think Joe should have waited as well."

This extraordinary rebuke to his own running mate demonstrates that for Senator Obama, nothing is more important than demonstrating that he puts the future of Wall Street above all other considerations, and that he aims to win the presidency, not on the basis of a populist appeal, but by persuading the financial aristocracy that he will be the most capable representative of their interests.



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