

# Bush cheers “free enterprise” as US capitalism goes bust

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US President George W. Bush came to Wall Street Thursday to deliver a speech extolling the virtues of the "free enterprise" system even as multiple economic indicators made it clear that the so-called "magic of the market" is spelling misery for millions more working people in the US and around the globe.

Bush delivered his paean to American capitalism at Federal Hall, just a stone's throw from the New York Stock Exchange. The historic building was the site of the inauguration of George Washington and the first sessions of the US Congress. The august setting stood in stark contrast to the character of the select audience, which, in the gap between its ideological proclivities and socioeconomic reality, resembled a meeting of the flat earth society.

A total of 175 people turned out for the session, organized by the Manhattan Institute, a right-wing think tank that specializes in demonizing the poor while promoting tax cuts, financial deregulation, the dismantling of social programs and the decimation of public education.

The lame-duck president timed his speech for the eve of this weekend's G20 summit in Washington, which will bring together heads of state from the world's major economies for the ostensible purpose of working out a common agenda for confronting the global financial meltdown.

Behind the banalities and boosterism, Bush's message to those assembling in Washington was clear: Nothing will be accepted that interferes with the unfettered accumulation of wealth by America's financial elite and the defense of their interests, regardless the cost to the world's population.

Bush effectively acknowledged at the outset that the gathering of presidents and prime ministers this weekend will accomplish nothing—and that his administration will

block any attempt to reach binding agreements. "The undertaking is too large to be accomplished in a single session," he said. "The issues are too complex, the problem is too significant to try to solve, or to come up with reasonable recommendations in just one meeting."

Rather, he insisted, the summit should be dedicated to "developing principles," above all, the reaffirmation that "free market principles offer the surest path to lasting prosperity."

Given the state of the economy, confronting its most profound crisis since the 1930s, Bush's remarks appeared delusional. He spoke in the wake of official figures showing that more than half a million American workers filed for unemployment benefits the week before, and over 85,000 homes had been foreclosed in October. The Treasury Department announced a record budget deficit of \$237.2 billion for the month of October, and just a day before, its secretary, former Goldman Sachs CEO Henry Paulson, was forced to make an emergency announcement that the \$700 billion approved by Congress to buy up "toxic" mortgage-backed assets must now be redirected to prop up not only the major banks, but also the failing consumer credit industry.

Bush felt compelled to acknowledge that "in the wake of the financial crisis, voices from the left and the right are equating the free enterprise system with greed and exploitation and failure."

While admitting some isolated failings, Bush rejected any indictment of the capitalist system. "The crisis was not a failure of the free market system," he proclaimed. "And the answer is not to try to reinvent that system. It is to fix the problems we face, make the reforms we need, and move forward with the free-market principles that have delivered prosperity and hope to people all across the globe."

The "fixes" that Bush proposed were so vague as to be meaningless: "improving accounting rules," ensuring that

"financial products are properly regulated" and taking a "fresh look at the rules governing market manipulation and fraud."

His faith in the "free market," however, remained rock solid: "Like any other system designed by man, capitalism is not perfect [presumably, only the eternal free market created by God in the hereafter can attain such a state]. It can be subject to excesses and abuse. But it is by far the most efficient and just way of structuring an economy. At its most basic level, it offers people the freedom to choose where they work and what they do."

He continued: "Free market capitalism is more than an economic theory. It is the engine of social mobility—the highway to the American Dream."

"Freedom to choose where they work?" Whom does he think he's kidding?

According to official figures, 10 million American workers are now out of work and cannot find jobs. Their ranks have been swollen by 1 million in the last year alone. If one counts those who are underemployed—involuntarily relegated to part-time jobs—and so-called "discouraged" workers, who have been dropped from the jobless rolls, fully one of eight not only can't choose where he or she works, but cannot get full-time work at all. And this is only the beginning, with mass layoffs being announced daily, threatening to create an army of unemployed larger than any seen since the Great Depression.

As for free-market capitalism serving as an "engine of social mobility," this movement has increasingly been in opposite directions, with those at the top of the social ladder increasing their share of total wealth to unprecedented levels, while the vast majority, the working people, have seen their incomes stagnate and decline. The gap between wealth and poverty in the US is now greater than at any time since the 1920s.

It is this amassing of wealth by those at the top that Bush is determined to defend. As the *Washington Post* pointed out Friday, among the proposals being put forward by other heads of state attending the Washington summit that "Bush and his aides do not favor" is the call for "restrictions on executive pay."

Bush was forced to admit that even his commitment to the free market has limits. "We are faced with the prospect of a global meltdown," he said. "And so we've responded with bold measures. I'm a market-oriented guy, but not when I'm faced with the prospect of a global meltdown."

These "bold measures"—backed not only by Bush but

also by President-elect Barack Obama—have amounted to the looting of trillions of dollars in social wealth in order to bail out the country's biggest banks and Wall Street finance houses. Hundreds of billions of dollars of this money is flowing directly into bonuses for financial executives and dividends for wealthy shareholders, while facilitating the consolidation of banks and the further concentration of wealth.

"Free-market principles" continue to apply in full force, however, to workers who have lost their jobs and to families facing foreclosure on their homes. For them there is no bailout, only the prospect of being forced to pay for the trillions lavished on Wall Street through further attacks on living standards, jobs and social programs.

Earlier in his presidency, Bush restricted his public appearances largely to military audiences, bound by command discipline to treat him with respect. Now, in the waning days of his presidency, he apparently feels comfortable only in addressing small groups of right-wing ideologues like those assembled by the Manhattan Institute.

For good reason. Outside of this rarified atmosphere, the popularity of capitalism and the "free market" is sinking to that of the outgoing president himself, whose poll numbers have plumbed depths never reached by any previous occupant of the White House.

Millions are indeed beginning to identify the "free enterprise system" with "greed and corruption and failure." As the Obama administration takes office and seeks to defend this same system, popular anger over the social conditions created by capitalism must inevitably take the form of mass struggles against his government.



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