

Obama reassures big business on economic policy

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In his first public appearance as president-elect, Barack Obama held a press conference in Chicago Friday afternoon after meeting for several hours with a selected group of economic advisers, comprised entirely of bankers, corporate executives and current and former government officials.

Members of Obama's Transitional Economic Advisory Board and other economic advisers, including former Federal Reserve Chairman Paul Volcker and Clinton-era treasury secretary and current Citigroup executive Robert Rubin, were lined up behind Obama as he answered questions from reporters.

In his opening statement to the press conference, Obama underscored the gravity of the economic crisis, citing the report earlier in the day that a net 240,000 US jobs were lost in October. "In total, we've lost nearly 1.2 million jobs this year, and more than 10 million Americans are now unemployed," he said. "Tens of millions of families are struggling to figure out how to pay the bills and stay in their homes. Their stories are an urgent reminder that we are facing the greatest economic challenge of our lifetime, and we must act swiftly to resolve them."

He proposed no immediate actions, however, emphasizing that President Bush remains in the White House until next January 20. Obama was clearly seeking to divorce himself from responsibility for the rapid increase in economic distress which is expected over the next two months.

"Immediately after I become president," he said, "I will confront this economic crisis head-on by taking all necessary steps to ease the credit crisis, help hard-working families, and restore growth and prosperity." But he gave few details of what policies he might propose, other than including an extension of unemployment benefits in a new "economic stimulus"

package.

While acknowledging the depth of the crisis, Obama was at pains to downplay expectations of any rapid economic recovery, saying, "It is not going to be easy for us to dig ourselves out of the hole that we are in."

Obama declared, "We need a rescue plan for the middle class," but the composition of his Transitional Economic Advisory Board belies his claim to be focusing on the economic difficulties of ordinary people. The panel consists entirely of representatives of the corporate and financial elite and the Democratic wing of the political establishment.

The 17 members of the panel include billionaire Warren Buffett, the richest man in America, the CEOs of Xerox and Google, the chairman of the board of Time Warner, Hyatt Hotels heiress Penny Pritzker, and Citigroup Vice Chairman Rubin.

Joining them in the meeting that preceded the press conference were former Clinton administration officials William Daley, Robert Reich, Laura Tyson and Lawrence Summers, as well as two former commissioners of the Securities and Exchange Commission, Volcker and former Fed Vice Chairman Roger Ferguson, former Democratic Congressman David Bonior, Michigan governor Jennifer Granholm and Los Angeles Mayor Antonio Villaraigosa.

The panel had the obligatory gender and racial diversity—two black members, two Hispanics, four women—but not even a semblance of class diversity. There was not a single individual representing workers, the unemployed, consumers, homeowners or those facing foreclosure and homelessness.

Nor were there any representatives of the labor federations—the AFL-CIO and Change To Win—which poured hundreds of millions of dollars into the Obama campaign—or of African-American, Hispanic and

women's organizations, such as the NAACP and NOW.

Some 16 years ago, the last time that a Democrat replaced a Republican in the White House, President-elect Bill Clinton was at pains to include high-ranking union officials at his economic summit in Little Rock. But so socially irrelevant have the trade unions become that Obama and his advisers do not consider it necessary to make even a pretense of consulting them in the making of economic policy.

Two indications of future Democratic policy emerged at the press conference. Obama strongly suggested that the Bush administration's \$700 billion bailout of the banks—adopted with the support of the Democratic-controlled Congress, including Obama's own vote—would be expanded to include the auto industry.

When asked point blank whether he would stick to his campaign pledge to cut taxes for those making less than \$200,000 a year and raise taxes on those with incomes of \$250,000, he responded by leaving open the possibility that this policy would be reconsidered.

"I think that the plan that we've put forward is the right one, but obviously over the next several weeks and months, we're going to be continuing to take a look at the data and see what's taking place in the economy as a whole," Obama said.

"The goal of my plan is to provide tax relief to families that are struggling, but also to boost the capacity of the economy to grow from the bottom up," he added, in what was an implicit concession to the arguments by business groups and congressional Republicans that a tax hike on the wealthy would damage economic growth.

Obama made no criticism of the Bush administration's handling of the bank bailout, saying only that his transition office would monitor it to make sure the Treasury was "protecting taxpayers, helping homeowners and not unduly rewarding the management of financial firms that are receiving government assistance."

The language, in avoiding any criticism of Wall Street speculators and CEOs, is both telling and consistent with the tenor of Obama's election campaign. As during the campaign, Obama avoids any exposure, let alone condemnation, of the social interests which are responsible for the economic crisis and which underlie the policies of the Bush administration.

Whatever Obama's criticisms of Bush or the Republican presidential candidate John McCain, the Democratic president-elect represents the same class interests--the financial aristocracy which rules America and subordinates the social and economic life of the country to its drive for personal enrichment.



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