

One month of the Obama administration

23 February 2009

One month ago, Barack Obama was inaugurated as the 44th president of the United States. The Democratic senator won a convincing electoral victory after a campaign in which he presented himself as the personification of “change” and appealed to mass opposition to the war in Iraq, anger over the Bush administration’s repeated violations of the Constitution and democratic rights, and growing concern about the dimensions of the economic and financial crisis. Thirty-some days after Obama entered the White House, it is fitting to draw a preliminary balance sheet.

Obama took office under conditions of a deepening worldwide financial and economic crisis. His economic policies, the major focus of his first 30 days in office, consist of a series of initiatives aimed at propping up the profit system and safeguarding the economic dominance of the giant banks and billionaire investors, at the expense of working people:

- The economic stimulus legislation, a \$787 billion stopgap measure to prevent a complete collapse of consumer spending and state and local government. While business benefits from tax breaks and infrastructure contracts, and a large swathe of upper-income families get exemption from the Alternative Minimum Tax (worth more than \$2,000 apiece), most working people will receive a miniscule \$400 tax cut

- The second round of the bank bailout enacted last fall by the House and Senate (including Obama’s vote), which provides another \$350 billion for the financial elite. Of this, the bulk is to be used in another round of cash handouts to banks, hedge funds and other lenders, including the launching of a Term Asset-Backed Securities Loan Facility, or TALF, which will underwrite \$1 trillion in low-cost loans to major hedge funds and other speculators

- The auto bailout (using funds from the bank bailout), which will require, as a condition of new loans to GM and Chrysler, the destruction of the living standards fought for by generations of auto workers. Wages, pensions and health benefits will be gutted, while the United Auto Workers union will be retained as a police force directed against rank-and-file workers.

- The housing bailout, announced by Obama February 18, which provides relief to relatively few of the millions who are now or will soon face the threat of foreclosure. The measure is so carefully crafted to safeguard the profit interests of the mortgage lending industry that BusinessWeek magazine headlined its report, “A Mortgage Rescue Banks Can Love.”

One fact illustrates the real class allegiance of the new administration, masked by Obama’s rhetorical expressions of sympathy for working people. Obama aides vehemently opposed measures to limit the salaries and bonuses of Wall Street executives and bankers whose firms receive government bailouts. After Congress inserted a modest cap on bonuses into the stimulus bill, the White House indicated that it would seek its repeal. Meanwhile, the administration has insisted on massive wage and benefit cuts for rank-and-file workers as part of the auto industry bailout.

In its foreign policy, the incoming administration has always been committed to a continuation of the aggressive and militaristic policies of the Bush administration. The most notable action in this regard was Obama’s order last week for an increase of 17,000 US troops in Afghanistan, part of an escalation that could double the size of the US military force waging war in that country. The US military has continued its provocative missile strikes into neighboring, nuclear-armed Pakistan, which are taking an increasing toll on civilian lives.

Meanwhile, there has been no action on Obama’s election-year promises to pull out US combat troops from Iraq. Within weeks of the November 4 vote, Obama signaled his intention to maintain the US occupation by retaining Defense Secretary Robert Gates, the architect of the Bush administration’s “surge” policy in Iraq. No US troops have been withdrawn, and US military officers, including the overall commander in Iraq, General Raymond Odierno, have dismissed as unviable Obama’s pledge to withdraw all

combat troops in 16 months.

In other foreign policy areas, the Obama administration has echoed its predecessor with saber-rattling talk in relation to North Korea and Iran, and unrelenting support for Israeli military violence in Gaza and the West Bank.

In respect to democratic rights, Obama issued a well-publicized order within days of taking office, instructing the military to close down the Guantanamo Bay prison camp by the end of this year. Since then, however, a series of actions have demonstrated that the new administration accepts the basic framework established by Bush and Cheney--that any and all attacks on constitutional rights can be justified in the name of fighting "terrorism."

Executive orders have authorized the CIA to continue the practice of "rendition" in which individuals are seized by US intelligence overseas and then transported in violation of international law to tertiary countries where they can be "interrogated"—i.e., tortured.

In the first three cases since the inauguration where Bush administration policies in the "war on terror" have faced court challenge, the Obama administration has defended current practices, upholding the "state secrets" claim in two California cases, then urging a court to reject an appeal from prisoners held without trial or charge at the US base at Bagram, Afghanistan, under conditions reputedly worse than Guantanamo.

Added to this has been a hard-line policy towards immigrants from the Caribbean, most recently reflected in a cruel decision to deport thousands of Haitian refugees displaced from their homes last year by a series of hurricanes. (Just as significant, the new administration has not proposed a dime of additional relief spending for the Gulf Coast victims of Hurricane Katrina and Hurricane Rita).

In its leading personnel, the Obama administration has drawn on the same social layers represented in the Bush administration, particularly those sections of the financial elite most closely tied to the speculative mania on Wall Street. It has gone so far as to retain individuals directly implicated in the financial collapse, like Timothy Geithner, head of the New York Federal Reserve Bank and a key figure in the failed bailouts last year under the Bush administration, now Obama's treasury secretary.

While enjoying the support of a significant section of

American billionaires—Warren Buffett, George Soros, the Pritzker and Crown families of Chicago, and many others—Obama adopted a populist standpoint during the Democratic primary campaign and then the general election, making use of his multicultural background to suggest that he would be responsive to the needs of the working class, young people and oppressed minority groups.

It is noteworthy however that Obama has not brought into high office a single person who could be credibly presented as a representative of popular discontent. His cabinet is drawn entirely from the political establishment. Far from any populist pretensions, the administration has engaged in an incessant pursuit of "bipartisanship," including the appointment of Republicans to the cabinet and efforts to involve the discredited remnants of the ultra-right in everything from the inaugural ceremonies to the formulation of the stimulus package.

These facts rip to shreds the ongoing efforts of liberals like the *Nation* magazine to present the new government as an expression of popular opposition to Bush and the right wing. The Obama administration constitutes an effort, on the part of key sections of the ruling class, shaken by the failures of the Bush administration and the financial debacle, to delude the American people with vague rhetoric while the most intense efforts are made to safeguard the position of the financial oligarchy, both at home and abroad.

The Obama administration demonstrates the impossibility of effecting any significant change within the existing political institutions and the two-party system. These are wholly dominated by two forces: the military-intelligence apparatus and big financial interests.

Working people and youth seeking a genuine alternative to the straitjacket of capitalist politics should rally to the support of the Socialist Equality Party and build the SEP as the independent political party of the working class, to mobilize mass opposition to the profit system on the basis of a socialist and internationalist program.

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