

Billions for Wall Street, budget cuts for working people

Obama press conference reveals right-wing consensus in Washington

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The presidential press conference held Tuesday night, nationally televised from the White House, was a demonstration of the vast social gulf that separates the financial and political establishment of the United States—including the highly-paid representatives of the corporate-controlled media—and the working people who constitute the vast majority of the population.

The opening statement from President Obama and nearly all the questions revolved around the administration's economic policies, with the discussion focused largely on the twin preoccupations of the US ruling elite: that every effort should be made to guarantee the wealth and profits of Wall Street, and that sufficient sacrifices should be imposed on the American people.

The week before the press conference was dominated by the explosion of public anger over the revelation that \$165 million in taxpayer funds were being used to pay bonuses to executives at AIG, the giant financial services firm whose speculative operations helped trigger the worldwide crisis. Over the past six months, the firm has received over \$170 billion in federal funds to stave off bankruptcy.

After the passage Thursday by the House of Representatives of a bill to impose punitive taxes on the bonuses, there was a sharp backlash in ruling circles, as the Obama administration, congressional Republicans and Democrats, and much of the media began to denounce the attacks on AIG as counterproductive and even illegitimate.

Obama continued along this line in his opening statement to the press conference, where he concluded a summary of his administration's economic policies by declaring that "our economy only works if we recognize that we're all in this together" (an implicit rejection of

efforts to blame the financial speculators for the crisis), followed by an explicit defense of "bankers and executives on Wall Street" and the capitalist system as a whole.

"The rest of us can't afford to demonize every investor or entrepreneur who seeks to make a profit," he said. "That drive is what has always fueled our prosperity, and it is what will ultimately get these banks lending and our economy moving once more."

It was hardly to be expected that this proposition would be challenged by the representatives of the big business media, some of whom are themselves multimillionaires. It appeared from the pattern of questioning that there was a tacit agreement on both sides—president and press corps—to downplay the AIG scandal and forestall the danger that it could trigger a wider opposition among the American people to the entire Wall Street bailout.

There was only one question on AIG, and none at all on the plan announced only the day before by Treasury Secretary Timothy Geithner to subsidize the bank sell-off of toxic assets, to the tune of hundreds of billions more in taxpayer funds. Hedge funds and other financial speculators are already slaving over the prospects of double-digit returns on investments where they put up little cash and enjoy a federal guarantee against losses.

The failure to ask a single question on the latest bank bailout is extraordinary and can be explained only as a conscious decision by the corporate-controlled media to avoid any further inflaming of "populist" sentiments.

Instead, both Obama and his media questioners sought to change the subject to the ongoing conflict in Congress over the new administration budget, with Obama repeatedly pressed to explain why, given the huge and mounting projected deficits, he was proposing to expend large amounts for health care, energy conservation and

education (never mind that these supposedly vast sums are dwarfed by the amounts being handed over to Wall Street).

All the press questions on fiscal policy echoed the administration's right-wing critics, Republican and Democrat, and Obama responded in kind, presenting fiscal responsibility as his central goal and boasting at one point that he was reducing discretionary federal spending on social programs—the amount not legally required by entitlement programs like Social Security and Medicare—to the lowest percentage of GDP since the 1960s.

Particularly revealing was Obama's treatment of health care reform, which his opening statement relegated to the last in a list of his major priorities. He described it in the following terms: "We invest in reform that will bring down the cost of health care for families, businesses and our government."

Millions of working people voted for Obama in the belief that a Democratic administration would expand access to health care and put an end to the scandal of 50 million people living without health insurance, and tens of millions more underinsured. The new administration, however, treats health care not as a basic human right or a necessity of modern life, but as a fiscal problem, the focus of cost-cutting efforts.

In response to one question about what he would require to sign a budget bill, Obama said, "I expect that there's serious efforts at health care reform and that we are driving down costs for families and businesses, and ultimately for the federal and state governments that are going to be broke if we continue on the current path."

He later went so far as to declare the slashing of healthcare costs an economic as well as a fiscal imperative. "If we don't drive down the costs of health care," he said, "then we won't grow 2.6 percent, we won't grow 2.2 percent. We won't grow."

Obama likewise referred several times to the necessity to control the rising costs of entitlement programs like Social Security and Medicare, although he suggested that it was premature to discuss such measures openly in the midst of an economic crisis (and the bailout of Wall Street).

There was not a single question from the press about rising unemployment and the ongoing destruction of jobs, which is proceeding at a far more rapid pace than the alleged job creation under the Obama stimulus plan. The jobless toll has risen by more than 600,000 in each of the past three months, and is expected to show another huge

increase when figures for March are reported next week.

There was only one question on the mounting social crisis, when a writer for the African-American magazine *Ebony* asked Obama about a recent report that two percent of American children are now homeless. Obama made a perfunctory expression of sympathy and then returned to the subject of his budget proposal.

The single-minded focus on the fortunes of Wall Street was expressed as well by the absence of any questions on Afghanistan, Iraq, Iran or US relations with China and Russia. Not a single question was asked on foreign policy—aside from the crisis on the US border with Mexico—until the press conference was nearly at an end.

The chasm separating the press conference participants and ordinary people was perhaps most starkly demonstrated by the question by NBC White House correspondent Chuck Todd, who asked Obama, "Why, given this new era of responsibility that you're asking for, why haven't you asked for something specific that the public should be sacrificing to participate in this economic recovery?"

Obama was compelled to note in response that working people are already facing severe hardships from the impact of the economic crisis, in the form of jobs eliminated, wages cut, and opportunities lost for themselves and their children. But Todd followed up by pressing for an explicit call by the president for public sacrifice.

The representative of NBC (owned by one of the biggest US corporations, General Electric) was apparently indifferent to the obscene double standard involved in demanding further cuts for working people while trillions of dollars are being handed over to bankers, speculators and hedge fund billionaires.



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