

As unemployment and poverty rise

Obama turns to the financial elite for campaign cash

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Under conditions of growing unemployment and deepening social misery for working people throughout the US, President Barack Obama flew into New York City Tuesday to raise millions of dollars in campaign donations from America's financial elite.

He was expected to clear at least \$3 million, largely from a Manhattan bash with an entry fee of \$30,400 per couple—the maximum contribution allowed by law.

According to the *Los Angeles Times*, four of the seven co-chairs of the event and about a third of the guests come from the big banks and Wall Street.

Behind all the rhetoric about “change,” this is Obama's most important constituency. In his run for the presidency in 2008, he captured the lion's share of donations from Wall Street, taking in \$15 million from securities and investment firms, \$3 million from commercial banks, and \$6 million from other financial institutions.

The *New York Times* reported that some major financial firms, including Goldman Sachs, Citigroup and JPMorgan Chase, had decided to limit their participation in the fund-raising gala. The newspaper offered seemingly contradictory explanations for their shying away from the event.

The *Times* quoted Scott Talbot of the Financial Services Roundtable, an industry lobby group, as saying, “There are sensitivities there,” and citing fears that contributions from Wall Street firms “can make a donor a target.”

In other words, some leading figures of finance capital are conscious of the growing popular outrage over soaring bank profits and lavish executive bonuses—subsidized by public money—under conditions where virtually nothing is being done for the unemployed and the millions losing their homes.

Their instinct is to lie low and not be seen as gloating over what their 2008 contributions to the Obama

campaign bought for them, or as delivering payback for services rendered.

On the other hand, Orin Kramer, a partner in the Boston Provident LP hedge fund and a major “bundler” of Wall Street contributions in 2008, suggested that the reason had more to do with the arrogance of Wall Street's masters of the universe. He indicated that many of them are incapable of comprehending the Obama administration's political need to make occasional rhetorical thrusts against their financial “excesses,” even as the White House pursues policies that are tailored to the interests to the biggest banks and finance houses.

“There is some failure in the finance industry to appreciate the level of public antagonism toward whatever Wall Street symbolizes,” said Kramer, who was one of the chairmen of Tuesday's fund-raising event. “But in order to save the capitalist system, the administration has to be responsive to the public mood, and that is a nuance which can get lost on Wall Street.”

Another chairman of the event, Daniel Fass, a wealthy oncologist from Greenwich, Connecticut, the hedge fund capital of America, seemed to second this concern over the financial oligarchy's indifference to popular sentiments.

“The investment community feels very put-upon,” he told the *Times*. “They feel there is no reason why they shouldn't earn \$1 million to \$200 million a year, and they don't want to be held responsible for the global financial meltdown.”

The “investment community” feels “put-upon?” This, as Wall Street prepares to dole out \$26 billion in year-end bonuses during the worst economic crisis since the Great Depression. The near-record figure represents a 40 percent increase over 2008. At Goldman Sachs, the bonus pool has doubled.

The *Washington Post* reported Tuesday that at 29 of the biggest financial companies which have received bailout funds, perks and benefits for chief executives have been increased, averaging more than \$380,000 in 2008. Taxpayer money went to pay for private use of corporate jets and \$200,000 membership fees in exclusive country clubs, as well as to pick up the tab on taxes owed by the CEOs on their multimillion-dollar bonuses.

That Wall Street's bankers and traders continue receiving tens and hundreds of millions of dollars is only thanks to the massive transfusion of public money over which the Obama administration has presided. Some \$700 billion in taxpayer funds have been pumped in through the Troubled Asset Relief Program (TARP) enacted last year to bail out the banks and finance industry. The total amount of loans, guarantees, cash infusions and other government commitments to the financial sector could be as much as \$23 trillion.

The Obama White House has zealously protected the incomes of the banking and financial executives, squelching any legislation that would place caps on executive compensation and rejecting any serious restraints on the financial speculation that triggered the financial collapse.

The result is the greatest transfer of wealth in history, to the benefit of a narrow elite and at the expense of the working class, i.e., the vast majority of the population.

Obama's fundraiser was held at the Mandarin Oriental, one of Manhattan's most luxurious hotels, where the cheapest room goes for \$700 a night and an apartment is on sale for \$11 million. The hotel boasts that it towers above Central Park and offers a sweeping vista of the Manhattan skyline.

Obama and his multimillionaire guests presumably could not see the nearby Bronx, the poorest urban county in America, where the median family income is barely \$35,000 and fully 28 percent of the population lives below the poverty line.

While Obama commiserated with "put-upon" financiers, life at street level in New York City, as in the rest of the country, has grown harder for growing numbers of people. The city's official jobless rate hit 10.3 percent last month, with the real number of unemployed far higher. Nearly 100,000 jobs have been wiped out since the onset of the financial crisis.

The number of homeless individuals and families is now higher than at any time since the 1930s, with 39,000 people—16,500 of them children—forced to sleep in the city's shelters every night. This is before the onset of

winter, when the demand for shelter surges.

Food programs across the city are strained to capacity, reporting on average a 25 percent increase in those seeking meals. The number of people in New York having difficulty affording food has doubled over the past five years to four million (nearly half of the city's population).

Obama had nothing to say to this New York. His only other stop outside of fundraisers was a visit to the Joint Terrorism Task Force, where he thanked FBI agents and New York City cops for protecting the "homeland."

The real terror confronting millions of working people in New York and across the country is losing their jobs, being thrown out of their homes and being unable to provide for their families. Those responsible are precisely the Wall Street multimillionaires to whom Obama turns for support and whose interests he serves.

The thinking of these layers, as revealed by Obama's visit to New York, recalls nothing so much as the aristocracy of the *Ancien Régime* on the eve of the French Revolution, which similarly evinced indifference to the conditions of life confronting working people and an unwillingness to surrender an inch of its wealth and privilege, no matter what the consequences for the people.

A solution to the social crisis is impossible outside of a frontal assault on the power of the American financial aristocracy and the social inequality that pervades every facet of life. The vast wealth monopolized by Wall Street must be confiscated so that it can be utilized to create jobs, fund health care and education and raise living standards. These tasks can be achieved only in struggle against the Obama administration and by workers mobilizing themselves independently in the fight for a socialist alternative.



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