

Obama affirms right-wing, pro-business policies in interview

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In an interview published in the latest edition of *Bloomberg BusinessWeek*, US president Barack Obama defended the right-wing credentials of his administration, insisting that everything he has done and intends to do is in the interests of corporations.

Prior to the publication of the full interview, a passage was released in which Obama declares that he does not “begrudge” the \$26 million in bonuses awarded to Wall Street CEOs Jamie Dimon and Lloyd Blankfein. The declaration was intended to make clear his loyalty to the financial elite. (See “Obama doesn’t ‘begrudge’ bankers their multi-million-dollar bonuses”)

The entire interview (now available here) is along the same lines. Obama stressed his role in bailing out the banks, his regular discussions with CEOs, his plans for corporate tax cuts and cuts in health care.

The interview begins with the question: “The Administration is perceived as anti-business. Why?”

Obama responds, “I think this is a good question, because if you actually look at our policies, everything that we have done over the last year, and everything we intend to do over the next several years, I think is going to put American business on a stronger footing.”

Obama declares that the economic policies of his administration, consisting primarily of the multi-trillion-dollar bailout of the banks, have restored the country to economic health. “We had an economy that was contracting at 6 percent. It is now growing by 6 percent. We had a market that people had no idea where it would bottom out, and that market has now stabilized. We had a banking system that was on the verge of meltdown that now is showing significant health, at least in terms of their bottom lines. And so the steps we have taken, I think has created an environment in which businesses can be profitable.”

While referring to the resumption of bank profits and the stabilization of the stock markets, Obama does not so much as mention the immense social crisis in the United States. Millions of jobs have been wiped out since Obama came to office, and the administration anticipates that mass unemployment will continue for years, even on optimistic assumptions about the resumption of economic growth.

The administration has proposed absolutely nothing to address the unemployment crisis, and its “jobs” legislation consists largely of tax cuts for businesses. (See “White House projects long-term mass unemployment”)

Obama speaks with concern about the mass opposition that is building up within the population against Wall Street and the corporate elite. “I do think that the anger directed toward the big banks has a spillover effect,” he says. As for the White House’s own positions, Obama insists, “We have actually been restrained this year, if you look at the statements coming put of this White House.... The irony is, is that on the left we are perceived as being in the pockets of Big Business. And then on the business side, we are perceived as being anti-business.”

Obama makes no doubt, however, which criticism is correct. “The important message I would have for the business community—and this is something that I emphasize every time I have lunch with CEOs, and we have a lot of them in here [the White House]—is we have every interest in you succeeding.... I think it is a legitimate point to say that we want and need more input from the corporate community, if nothing else, just so that we can communicate to the corporate community and to the business community the fact that, if you look at our actual policies, as opposed to the speculation around our policies, they have been fundamentally business-friendly.”

When asked what CEO he particularly admires, Obama

goes out of his way to praise Frederick Smith, chief executive of FedEx. Obama says Smith is “very thoughtful. He’s an example of somebody who is thinking long-term.”

This statement is certainly a calculated move, part of Obama’s attempt to accommodate sections of the corporate elite that are closer to the Republican Party. Smith was the national co-chairman of the finance committee of Obama’s rival in the 2008 elections, John McCain, and may have had a government post if McCain had been elected. Smith took home over \$10 million in 2008.

On tax policy, Obama says that he is now “agnostic” about raising taxes on middle class families, which he had pledged not to do as part of his campaign. “I don’t want to prejudge the commission [on tax increases] because the whole point of it is to make sure that all ideas are on the table, and let’s see what folks can come up with.”

The “commission” refers to a bipartisan group proposed by Obama to discuss ways to resolve growing budget deficits, which have been vastly compounded by the bank bailouts. In addition to cutting spending on Medicare and other health care programs, which Obama has made a centerpiece of his health care overhaul, leading Democratic advisers have also called for raising the retirement age for Social Security and implementing a regressive consumption tax.

The extremely unpopular policies the administration is planning are only alluded to in the interview. “The real problem has to do with the fact that there is just a mismatch between the amount of money coming in and the amount of money going out,” Obama states. “And that is going to require some big, tough choices that, so far, the political system has been unable to deal with.”

The health care overhaul is also intended to cut costs for businesses. Obama speaks in his interview of establishing “a health-care system that is not a drag on business,” and states later, “Large businesses who are already providing health insurance to their employees would end up benefiting from significant changes in delivery systems that would promise to lower costs over the long term.” In other words, reductions in health care would lead to reduced labor costs for businesses, and therefore increased profitability.

While defending in apologetic terms his plan to marginally increase taxes for the wealthy by not continuing the Bush-era tax cuts, Obama declares that corporations have big tax cuts in store. “This year I will sign legislation that will cut

corporate taxes by about \$7 billion.... This notion, somehow, that we have been putting this enormous tax burden on business is just not true. It is not supported by the facts.”

Obama’s longer-term strategy for increasing corporate profits is to increase exports, both by vastly expanding the exploitation of the working class and escalating pressure on China to increase the value of its currency.

Obama makes a deliberate point of referring to the government-sponsored loans for US auto giants General Motors and Chrysler, which were conditioned on massive pay and benefit cuts for auto workers, along with the destruction of thousands of jobs. “So that is an example of a very hard decision and a very politically unpopular decision that from my vantage point is pro-business,” he says. The attack on auto workers, carried out in the spring of 2009, was a spearhead for corporate cost-cutting and wage reductions throughout the country.

Obama makes clear his plans to escalate nationalist and anti-Chinese rhetoric to help American corporations. “China and its currency policies are impeding the rebalancing that’s necessary,” Obama says. “What you are seeing are a lot of corporate CEOs who are concerned about mercantilist practices by other countries and feel as if the US is not being aggressive enough in terms of our export promotion and getting the best deal possible.”

Obama concludes: “You would be hard-pressed to identify a piece of legislation that we have proposed out there that, net, is not good for businesses.”



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