

On eve of health care summit

## Obama courts US corporate elite

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In a bid for corporate support on the eve of his televised health care summit with Republicans, President Obama on Wednesday told top CEOs gathered at the Business Roundtable that his health care reform would improve the competitiveness of their firms.

Obama used the event to reassert his pro-business credentials, all but grovelling before an organization whose CEOs head firms that control half of all US corporate profits.

“Contrary to the claims of some of my critics, I am an ardent believer in the free market,” Obama assured his audience. “I believe businesses like yours are the engines of economic growth in this country. You create the jobs. ... I firmly believe that America’s success in large part depends on your success.”

Far from creating jobs, US corporations have shed them by the millions since 2007, while the past year has made abundantly clear that the success of major corporations has nothing to do with the well-being of the American people. The former have enjoyed enormous profits as a result of trillions of dollars in federal money pumped into the finance markets, while the population as a whole continues to suffer through the worst social crisis since the Great Depression.

Obama reiterated his mantra that “most Americans—including myself—don’t begrudge reasonable rewards for a job well done.” In fact, Americans not only “begrudge” executives’ salaries that are hundreds of times greater than those of workers, they wonder why the CEOs, whose predatory financial schemes triggered the economic collapse, have not been arrested and prosecuted.

The president stressed that any government intervention into the market would be temporary, thereby reassuring

the CEOs that the worst economic crisis since the 1930s would result in no reforms of the financial system. The highest elected official, supposedly the democratic representative of the people, felt obliged to justify the role of government before his audience of multi-millionaires and billionaires, declaring that it served a “limited” and subordinate, but necessary, function in enabling the financial elite to increase its wealth and profits.

“Government hasn’t stepped in to supplant private enterprise,” he declared, “but to catalyze it, to create the conditions for entrepreneurs and new businesses to adapt and to thrive.” His pro-business bona fides established, Obama moved to his primary aim—to win support among the corporate elite for his health care legislation, which has been stalled by Republican political maneuvering. Republicans fully support the central purpose of Obama’s “reform” agenda, which is to slash Medicare spending and drive down health care costs through the limitation of medical services to tens of millions. But they sense a political opportunity to capitalize on widespread and justified fears over the reform’s reactionary character.

Obama called health care an “undeniable drag on our economy,” while hailing “the willingness of the Business Roundtable to work with us” in addressing the issue. “Still, I know there are many who have been skeptical of our reform efforts,” he said. “[I]t’s been an easy political tactic to characterize any effort at health reform as a ‘big government takeover.’”

“The truth is just the opposite,” Obama continued, adding that the plan would deliver “more customers” to insurers, and pointing out that the legislation had “incorporated almost every serious idea from across the political spectrum about how to contain the rising cost of health care,” resulting in a proposal that “would reduce the deficit by as much as \$1 trillion over the next two decades.”

“One of the benefits of health care reform is that by bringing down the cost of Medicare and Medicaid, it would significantly reduce our deficit,” Obama added. “I know this is an issue of great concern to many of you. Believe me—it’s been on my mind too.”

The 30 minute speech offered other revealing moments, among them a rather frank admission that the Wall Street bailout now necessitated attacks on social programs.

“The steps we took to save the economy from depression last year have necessarily added to the deficit,” Obama said. “But I’ve also said that we intend to pay for what we added. My administration is doing what families and businesses all across the country are doing during these difficult times: we’re tightening our belts and making tough decisions. We’re investing only in what we need and sacrificing what we can do without.”

He boasted that the administration has “identified more than 120 programs for elimination—a total of \$20 billion in savings for next year,” and has imposed “a freeze on non-security, discretionary government spending for three years.”

Obama repeated his goal, first announced in his State of the Union address, to double US exports in five years, a plan that presages trade war and the restructuring of US manufacturing on the basis of near-poverty wages.

Obama told the CEOs that the US cannot go back “to the pre-crisis status quo,” which he described as “an economy too dependent on a housing bubble, consumer debt, financial speculation, and growing deficits.”

“We will pursue a more strategic and aggressive effort to open up new markets for our goods,” he said. The US economy must “send more products overseas” and “borrow less and produce more.”

At the same time that he promised a vigorous expansion of exports, Obama partially reversed another of his campaign pledges—to eliminate loopholes that allow US corporations that make money abroad to avoid paying taxes. “Mr. Obama said he modified his proposal, originally designed to raise as much as \$210 billion, after listening to complaints from businesses, which say the deferral rule lets them better compete against overseas competition,” the *Wall Street Journal* reported.

Obama also pointed to his proposal to create a two-tier system of public education in the US, which has won widespread Republican support. By pitting states and school districts in competition for limited funding, the plan aims to tear up teachers’ work rules and promote charter schools. “Race to the Top,” as the administration dubs its plan, “is one of those rare issues where both Democrats and Republicans are enthusiastic,” Obama said.

The Business Roundtable is among the most influential of US business organizations. “The group’s support is seen as crucial to Obama’s agenda as he faces a rough road heading toward November’s midterm elections,” the *New York Times* wrote. “Obama has wooed the Roundtable’s leaders since the start of his presidency.” The *Wall Street Journal* noted that “administration officials say they have been inviting chief executives to the White House for months, and prefer meeting company leaders to their lobbyists.”

Obama’s wooing of the nation’s top CEOs included a private White House dinner on Tuesday evening attended by 17 leading executives, including JPMorgan Chase CEO Jamie Dimon.

Obama well understands the decisive power asserted by the financial elite over the political life of the nation. His career was taken in hand early on by powerful financial interests in Chicago, and in the 2008 elections the finance sector gave him far more in campaign contributions than any other candidate.



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