

After the 2010 Democratic defeat

# **Obama, Republicans prepare for joint assault on American workers**

**Patrick Martin**  
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In back-to-back press conferences Wednesday, the day after sweeping Republican gains in the 2010 midterm election, victorious Republican Party leaders and Democratic President Barack Obama took their first tentative steps towards an open political partnership directed against the American working class.

The man who will become speaker of house in January, Ohio Republican Congressman John Boehner, made an appearance on Capitol Hill, flanked by Senate Minority Leader Mitch McConnell and Governor Haley Barbour of Mississippi, chairman of the Republican Governors Association.

All three repeated bromides about listening to the American people and following their lead, although the policies they support—slashing social programs such as Social Security, Medicare, education and unemployment compensation, and further tax breaks for the rich—are overwhelmingly opposed by the population.

Boehner was conciliatory in his demeanor, calling on the Obama White House and congressional Democrats, who still control the Senate, to work together with the new Republican majority in the House for a “smaller, less costly and more accountable government in Washington, DC.”

McConnell was more belligerent, declaring, “We’ll work with the administration when we agree with it and confront it when we don’t.” But he said, “it’s clear that we’ll have to have some kind of bipartisan agreement” on spending cuts, adding, “We anticipate enough Democrats will support this to make progress.”

Barbour issued the clearest call for across-the-board cuts in spending, saying, “In state government, we’ve

learned to make real cuts, and we hope that will be an example to the new Congress.”

The calls for spending restraint and “smaller” government apply only to the programs that provide assistance to working people, the sick and the elderly. No Republican congressional leader favors cuts in spending on the military or the gargantuan tax subsidies to Wall Street and the wealthy.

On the contrary, Boehner and McConnell both reiterated their support for an extension of the Bush administration tax cuts for the wealthy, which are due to expire December 31. An extension has been held up by the dispute between the White House, which wants to limit the cuts to those making \$250,000 a year or less, and the congressional Republicans, with considerable Democratic support, who want the tax cuts continued without any income ceiling, at the cost of \$800 billion.

At his press conference an hour later, President Obama made it clear that he was open to the Republican approach, pledging bipartisan cooperation to cut spending and repeatedly suggesting areas of “common ground,” such as energy policy, education and tax cuts for investment.

Obama blamed the Democratic Party rout in the election on the dismal state of the US economy, particularly the widespread concern over the lack of jobs and high unemployment. But he proposed absolutely nothing to create jobs except more tax breaks for business, while offering to listen to any measures the Republicans might propose.

In an echo of the statements of an earlier Democratic president, Bill Clinton, after his party lost control of Congress in 1994, Obama asserted his continued

relevance, declaring, “no one party will be able to dictate where we go from here” and expressing his desire to sit down with Boehner and McConnell.

In a comment that is particularly significant coming on the eve of a long trip to Asia, including a G20 economic summit in South Korea, Obama said, “The most important contest we face is not the contest between Democrats and Republicans. In this century, the most important competition we face is between America and our economic competitors around the world.”

This suggests an appeal to the Republicans to join forces for an aggressive program of economic nationalism to promote the interests of American corporations against their international rivals. A key element in the Obama administration’s campaign for “export-led” growth is to lower the wage levels of American workers so that American corporations can become more competitive in the world market.

In response to repeated questions about whether the election represented a repudiation of his administration’s policies, Obama would concede only that the US economy had so far failed to generate enough jobs for the rapidly growing number of unemployed, although he claimed to have “stabilized the economy” and produced “job growth in the private sector.” He added, “But people all across America aren’t feeling that progress. They don’t see it.”

In a clear olive branch to his right-wing opponents, Obama embraced their rhetoric against “big government.” He said that in the course of his first two years in office, with crisis interventions in the banking system, the auto industry and health care, “I think people started looking at all this and it felt as if government was getting much more intrusive into people’s lives than they were accustomed to.”

It is notable that neither Obama nor his Republican opponents classify government spying, wiretapping, secret prisons or assassination orders—all the trappings of a police state—as “big government.” What the Republicans demonize is the slightest government restriction on the activities of giant corporations, banks and wealthy individuals to plunder and exploit working people.

Obama pointed to the bipartisan deficit commission he appointed in March, which is to submit proposals next month for cuts in entitlement programs such as

Medicare, Medicaid and Social Security, as well as possible consumption taxes on the working class.

He also touted his embrace of accelerated depreciation rules for business, so companies “get a huge tax break next year,” citing this as “an idea that business groups and Republicans I think have supported for a very long time.”

Obama concluded with a paean to the capitalist market that could have been given by newly elected Republican Senator Rand Paul, declaring, “The reason we’ve got a unparalleled standard of living in the history of the world is because we’ve got a free market that is dynamic and entrepreneurial, and that free market has to be nurtured and cultivated.”

What “unparalleled standard of living” is Obama talking about? American workers who are facing levels of poverty, unemployment and social misery unprecedented in three-quarters of a century might respond with an impolite gesture.

The president wanted above all to reassure corporate America that he had learned his lesson from the election and would never again speak ill of Wall Street, no matter what crimes are committed by the bankers and CEOs. Citing the financial crash, the scandal of huge executive bonuses, and the BP oil spill in the Gulf of Mexico, he said, “I think business took the message that, well, gosh, it seems like we may be always painted as the bad guy.”

This extraordinary apology to those who have wrecked the US and world economy, despoiled the environment, and destroyed the livelihoods of tens of millions of working people demonstrates the complete subservience of both parties and all of official Washington to the ruling financial aristocracy.



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