

Obama picks Wall Street insider as White House chief of staff

Jerry White
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President Obama's choice of William Daley for the post of White House chief of staff is a clear signal to corporate America that his administration will dedicate the next two years to accommodating the wishes of big business for reduced regulations and taxes for corporations and austerity measures for the working class.

In the midst of the worst economic crisis since the Great Depression—with workers facing long-term unemployment and rising personal bankruptcies, hunger and poverty—the president has picked a multi-millionaire banking executive from JPMorgan Chase for the key White House post.

On Friday, the day after he announced his appointment of Daley, Obama tapped Gene Sperling—another figure with close ties to Wall Street—to head the White House's National Economic Council. As NEC chair in the Clinton administration in the mid-1990s, Sperling pushed for the repeal of the Glass-Steagall Act and other financial regulations, fueling the speculative frenzy that led to the Wall Street crash of 2008.

After working as a consultant for Goldman Sachs and several hedge funds, and serving as director of the Philadelphia Stock Exchange, Sperling returned to Washington as chief counsel to Treasury Secretary Timothy Geithner. He played a major role in brokering the deal last month between Obama and Senate Republicans to extend the Bush-era tax cuts for the richest Americans.

Announcing Daley's selection on Thursday, Obama said, "Few Americans can boast the breadth of experience that Bill brings to this job," adding that he "possesses a deep understanding of how jobs are created and how to grow our economy. And needless to say, Bill also has a smidgen of awareness of how our system of government and politics works. You might say it is a genetic trait."

The latter is a reference to the fact that the new chief of staff is the brother of Richard Daley, who is retiring after six terms as mayor of Chicago, and scion of the Chicago family whose name is synonymous with the term "machine politics."

In the 1990s, Daley served as special counsel to the

Clinton administration and spearheaded the drive to pass the North American Free Trade Agreement, much favored by big business. He was then appointed to the cabinet position of commerce secretary.

Daley leveraged his connections into a lucrative career as a corporate executive at SBC Communications, now part of AT&T, then at JPMorgan Chase, the nation's second largest bank. He has also served on numerous corporate boards, including defense contractor Boeing and pharmaceutical giants Merck & Co. and Abbott Laboratories. In 2009, he took in \$230,000 from Boeing in compensation and stock awards and \$220,867 from Abbott Laboratories.

As head of JPMorgan Chase's global lobbying department—the euphemistically named Office of Corporate Social Responsibility—Daley worked to block parts of the Obama administration's financial regulatory overhaul, including the establishment of a consumer financial protection bureau. Chase reportedly paid him between \$3 million and \$5 million a year for his services.

The *New York Times* noted that Daley maintained the closest ties to the Obama administration while working at the Wall Street firm. It wrote: "Mr. Daley was never registered as a lobbyist for Chase, but he played a role in hiring and was the direct supervisor of Peter L. Scher, another former Clinton administration official, who runs the bank's lobbying shop in Washington. Mr. Daley also served as the bank's chief liaison with the White House, frequently consulting with Valerie Jarrett, a senior adviser to Mr. Obama, and Rahm Emanuel, whom he is replacing."

Daley epitomizes the nexus between corporate America and the political establishment. According to the Center for Public Integrity, in early 2007, Daley "played a star role in the business community's push to roll back regulations imposed after the Enron debacle and other accounting scandals. Daley co-chaired a US Chamber of Commerce commission that urged the federal government to revise the 2002 Sarbanes-Oxley corporate reform law and protect corporate auditors from lawsuits and investigations."

In his position as White House chief of staff, Daley will be

involved in reviewing regulatory and legislative matters that directly bear on his former employers, including, as the *New York Times* noted, “a tax in the health care bill that could cost medical-device makers like Abbott \$20 billion over the next decade,” and “major Defense Department acquisitions, like the contract for a giant Air Force refueling tanker for which Boeing is competing.”

Business groups hailed the appointment, with the US Chamber of Commerce calling Daley “a man of stature and extraordinary experience in government, business, trade negotiations, and global affairs.”

“He is a very accomplished and strong business leader,” added Jay Timmons, executive vice president of the National Association of Manufacturers. “The NAM had a strong relationship with him during his days as secretary of commerce, and we look forward to working with him again on policies that will move our country forward—especially on job creation, economic growth and global competitiveness.”

Daley’s selection is part of the demonstrative shift to the right by the White House since the Democrats’ debacle in the 2010 mid-term elections—which was chiefly the result of popular discontent over Obama’s betrayal of his campaign promises, his refusal to provide any serious relief for the victims of the economic crisis, and the generally right-wing policies of his administration. Obama has sought to use the election result to forge an even closer bond with the Republicans to impose fiscal austerity and, in the name of “creating jobs” and “growing the economy,” lift virtually all restrictions on corporate profit-making.

A so-called “centrist,” Daley has consistently sought to push the Democrats further to the right. In an opinion piece published in the *Washington Post* in December 2009, Daley said the Democrats must either “plot a more moderate, centrist course” or risk major election losses. In an interview last year with the *New York Times*, he criticized congressional Democrats and the White House, saying they had overreached and attempted policies that were too liberal. “The election of ’08 sent a message that after 30 years of center-right governing, we had moved to center left—not left,” he said.

In July, Daley joined the board of trustees of Third Way, a Democratic think tank whose agenda he characterized as “moderate, pro-business and pro-growth.” The organization’s leader, Jonathan Cowan, responded to Daley’s selection by praising Obama’s “brilliant choice,” and noting that Daley “has the business credentials to help the White House continue to heal the breach between the administration and the private sector.”

Daley would “help the president recapture the center of American politics,” Cowan added, by being “a passionate and effective champion for the kind of bi-partisan, pro-

growth, fiscally responsible agenda that should be the cornerstone of the second half of the president’s term.”

Obama has gone to great lengths to demonstrate his obeisance to corporate America, holding a closed door meeting with 20 top executives last month, where he told them, “I want to dispel any notion that we want to inhibit your success. ... We want to be boosters because when you do well, America does well.” Next month he plans to meet with the US Chamber of Commerce, which publicly denounced Obama for his financial regulatory proposals and funded Republican candidates in the November midterm election.

“I think going forward you’re going to see an environment where business is not as concerned about the direction of regulation as they have been over the last two years,” Robert Wolf, chairman of UBS Group Americas, told the *Wall Street Journal*.

Obama’s groveling before big business and determined swing further to the right expose the so-called “lefts” and liberals who rallied on his behalf, presenting as good coin his campaign rhetoric about “new politics” and keeping lobbyists out of Washington. Their claims that the president can be pushed to the left are being mercilessly exposed. This will not, however, prevent them from continuing their efforts to somehow refurbish Obama’s image and block the development of a political movement of the working class outside of and against the Democratic Party and the two party system of American capitalism.

In its response to Daley’s appointment, the *Nation* magazine lamented that “progressive writers and organizers are rightly irked and puzzled.” Nevertheless, the *Nation*’s Richard Kim wrote, “It’s almost impossible to imagine a scenario in which progressives abandon Obama en masse without courting disaster.”

Such “progressives” have nothing in common with the interests of the working class—the vast majority of the American people. The evolution of the Obama administration has clarified the fundamental class divisions under capitalism and exposed the domination of both parties and the entire political system by a financial aristocracy. The critical issue is the development of a mass socialist movement of the working class to put and end to the dictatorship of the banks and corporations.



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