

# Obama's jobs fraud

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22 January 2011

The Obama administration on Friday announced the appointment of Jeffrey Immelt, the chief executive officer of energy giant General Electric, to head the new White House Council on Jobs and Competitiveness.

The announcement is a further demonstration that the Obama administration is a government by, for and increasingly *of* the corporate and financial elite. Immelt, whose pay is about \$15 million a year, is one of the country's most highly compensated executives. His appointment follows on the heels of the selection of multimillionaire William Daley—commerce secretary under Bill Clinton and most recently a top executive at JPMorgan Chase—to be White House chief of staff.

Immelt's task at the misnamed council on jobs will be to increase US corporate profits and exports. The proclaimed goal of the Obama administration to double exports in five years—an aim that Obama reiterated in announcing Immelt's selection—is to be achieved by slashing the wages and benefits of US workers while driving up their productivity, combined with trade war measures against American capitalism's international rivals, particularly China.

The council, Obama said in a pre-announcement statement, would be focused on “finding new ways to encourage the private sector to hire and invest in American competitiveness.” Speaking at a GE plant in Schenectady, New York later in the day, Obama declared that the challenge was “to do everything we can to make it easier for folks to bring products to market, and to start and expand new businesses, and to grow and hire new workers.”

The universal line promoted by both big business parties and the mass media is that job-creation is synonymous with the elimination of all restrictions on corporate profit-making. This is an extension of the poppycock, repeated endlessly by Obama, that the private sector is the true engine of job growth. This

claim is belied by some stubborn facts: for example, the fact that over the course of the first decade of the 21st century, the US private sector generated no net increase in jobs. Today, the American private sector is keeping unemployment near 10 percent by sitting on a cash hoard of several trillion dollars and refusing to use it to hire workers.

Obama once again claimed that the basic problem with the American economy is that the working class is living beyond its means. It is necessary, he said, to “go from an economy that was powered by what we borrow and what we consume” to one geared to production.

The demand for reduced consumption does not apply to the wealthy, who, thanks to a deal worked out last month between the Democrats and Republicans, have received a massive windfall in the form of an extension of Bush-era tax cuts. Obama did not mention this in his comments in Schenectady, but he did take the opportunity to praise a number of corporate tax cuts that were included in the package as an example of his administration's efforts to create jobs.

The selection of Immelt won immediate praise from other banking and corporate executives as well as the US Chamber of Commerce. JPMorgan Chase CEO Jamie Dimon said he “fully supports” Immelt and the creation of the new council.

Among the reasons Dimon was pleased was Immelt's opposition, in 2009, to any caps on executives receiving bailout funds from the government. “It's in the best interest of the citizens of the country for Jamie Dimon to run JPMorgan,” Immelt declared at the time. “He's worth more than \$500,000” a year.

GE itself exemplifies the administration's aim of increasing profits by reducing wages. On Friday, the company announced a significant increase in profits in 2010 over the previous year. In 2007, it was able to push through a new contract, with the support of the unions, which reduced wages for new-hires by \$10 an

hour.

The attempt to portray an unabashedly pro-corporate agenda as a “jobs program” is also designed to obscure the fact that the Obama administration has pursued a deliberate policy of maintaining high unemployment as a means of forcing workers to accept wage cuts and other concessions. From the beginning of his term in office, Obama has rejected any government hiring program and the administration has now put an end to even the limited “stimulus” measures adopted early on.

The other side of the administration’s campaign to increase exports is the ratcheting up of pressure on China. The selection of Immelt came at the tail end of a state visit by Chinese President Hu Jintao. During the trip, Obama added to the demand that Beijing revalue its currency new demands that it lift all restrictions on US corporate investments in and exports to China. Immelt has in the past voiced strong criticisms of the policy of the Chinese government, and GE has significant commercial interests in the country.

Obama utilized Hu’s visit as an opportunity to hustle for contracts in behalf of US corporations. At a joint press conference following a White House meeting with US and Chinese business leaders, Obama turned to Hu and declared: “We want to sell you all kinds of stuff. We want to sell you planes. We want to sell you cars. We want to sell you software.”

Since the November midterm elections—which, due to widespread disillusionment over Obama’s right-wing policies, produced a victory for the Republican Party—the administration’s courtship of corporate executives has assumed an ever more naked character.

In addition to the choice of Daley and the extension of tax cuts for the wealthy, the selection of Immelt comes less than a week after a new executive order calling on all government agencies to review existing regulations. Any such regulations, Obama wrote in an opinion piece published in the *Wall Street Journal*, must be evaluated on a “cost-benefit” basis, following extensive prior discussion with businesses.

The deregulation drive has had immediate consequences. The *Journal* reported Thursday that the Labor Department is withdrawing a proposal on noise in the workplace “that could have forced manufacturers to install noise-reducing equipment.” And the Food and Drug Administration has retreated from plans to tighten rules on the approval process for medical devices.

Also on Thursday, First Lady Michelle Obama lavished praise on retailer Walmart for its participation in a phony healthful foods initiative. “When I see a company like Walmart launch an initiative like this, I feel more hopeful than ever before,” she declared. The *Washington Post* noted, “The announcement amounted to a very public display of affection for a company that had long been a thorn in the side of Democrats.”

The prostration of the Obama administration before corporate America comes as the social crisis in the United States intensifies. The federal government is moving decisively toward austerity, with major cuts in social programs to be announced this year. State governments throughout the country are facing massive budget deficits that will be addressed by slashing education, health care and other basic social services, while laying off tens of thousands of workers, cutting wages and slashing pension benefits.

Twenty six months after the eruption of the financial meltdown in 2008, the American ruling class and the Obama administration are exploiting the crisis to permanently restructure class relations in the US, increasing the wealth of the financial aristocracy on the basis of the impoverishment of tens of millions of working people.

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