

The White House's corporate agenda

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The White House has in recent days gone out of its way to make clear that tonight's State of the Union Address will outline an agenda tailored to the demands of the American financial aristocracy.

A video preview of the address distributed by the administration to supporters has been the subject of numerous media reports and commentaries. In the name of making the US competitive and creating jobs, Obama will call for an even closer relationship with big business, outline a program of deeper cuts in social spending, and signal further reductions in corporate taxes and the lifting of regulations that impede profit making.

The State of the Union speech will reiterate the propaganda of the administration and the media that "job creation" is inseparable from the unfettered operation of free market capitalism.

"My principal focus, my number one focus, is going to be making sure that we are competitive, that we are growing, and we are creating jobs not just now but well into the future," Obama said in the video. "We're also going to have to deal with our deficits and our debt in a responsible way. And we've got to reform government so that it's leaner and smarter for the 21st century," he added.

In the coded language of American politics, this means an intensification of wage cutting and cuts in social spending.

It is a damning commentary on the reactionary consensus of US politics that nearly two-and-a-half years after Wall Street propelled America and the entire world into the deepest crisis since the Great Depression, a Democratic president flaunts his complete subordination to the banks and corporations.

Nothing is to be done to provide relief to the unemployed or those who are losing their homes. No social measures will be taken to address the rapid growth of poverty, hunger and homelessness. No aid will be given to state and local governments facing massive budget deficits, the full cost of which is being imposed on teachers and other public employees and the working-class population in general, which faces the gutting of

basic services from education to fire protection.

The administration's domestic program will have as its central aim increasing the share of the nation's resources monopolized by the richest one percent. This has been signaled by a number of actions since the November midterm elections:

- On December 3, Obama's National Commission on Fiscal Responsibility and Reform issued a report calling for cuts in Social Security, Medicare and Medicaid combined with new taxes on consumer goods and employee health insurance. The commission at the same time proposed massive cuts in the tax rate for the richest Americans and for corporations.

- On December 17, Obama signed into law a tax bill that perpetuated Bush-era tax cuts for the highest income brackets and drastically cut the tax rate on the estates of multimillionaires.

- On January 6, Obama announced that his new chief of staff would be William Daley, commerce secretary under Bill Clinton and multimillionaire executive at JPMorgan Chase, and on January 21 he placed Jeffrey Immelt, the \$15 million-per-year CEO of General Electric, in charge of the newly created Council on Jobs and Competitiveness, which is tasked with driving down workers' wages to beef up exports and undercut US trade rivals.

- On January 18, he issued an executive order requiring all government agencies to eliminate regulations that "stifle job creation and make our economy less competitive"—i.e., that inhibit corporate profit making.

This right-wing program is being presented as an effort by the administration to adjust its policies in accordance with public opinion, which, it is declared, signaled its desire for austerity and pro-corporate policies in the midterm election. This is part of a specious political narrative that has been carefully cultivated by the media and both the Democratic and Republican parties.

The *Financial Times* succinctly summed up this narrative in its Monday edition, writing, "President

Barack Obama will seek to cast himself as a transformed leader in his State of the Union address on Tuesday—a president who has been tempered by last year’s mid-term election loss and is willing to lock arms with Big Business to hasten job creation.”

This picture is false on two counts. First, it completely misrepresents popular sentiment, which is not clamoring for budget cuts and more windfalls for big business. On the contrary, the population is growing increasingly angered by the callous indifference of the Obama administration and the entire political system to mounting social distress.

Second, it totally misrepresents the first two years of the Obama administration. The portrayal of Obama as undergoing some sort of transformation in relationship to business—abandoning his “big government” and liberal policies and adopting a pro-business outlook—is a fraud.

From his first day in office, Obama’s overriding concern has been to rescue Wall Street and protect the wealth of the financial elite. Moreover, his administration has worked systematically to utilize the crisis in order to increase the wealth and power of the corporate elite and reduce the living standards of the working class.

In this, Obama has been remarkably successful. From the multitrillion-dollar bailout of Wall Street to the corporate assault on wages spearheaded by the forced reorganization of General Motors and Chrysler, Obama’s policies have generated an 83 percent increase in US stock prices since March 2009 and a string of record-breaking bank and corporate profit statements. The richest 1 percent of the population is now monopolizing a greater share of the national wealth than ever.

The midterm election was itself thoroughly manipulated by the corporate elite and the media to create the most favorable conditions for the implementation of an even more right-wing agenda, which had already been decided upon. With no genuine economic recovery in sight and the decline in the global position of American capitalism fully exposed by the crisis, the US ruling class was determined to go much farther in destroying more than a century of social gains of the working class.

The election campaign featured the relentless media promotion of Tea Party groups financed by billionaires and pawned off as some sort of grass roots movement, and the phony war of words between Wall Street and the White House designed to give the impression of bitter animosity.

The Democrats, in fact, lost the election because Obama had continued the hated policies of the Bush

administration in spite of his promotion as the candidate of “change” in 2008: the wars in Afghanistan and Iraq, the attack on democratic rights including the defense of torture and the perpetuation of the Guantanamo prison camp, the bailout of Wall Street, and the relentless attack on working-class living standards.

The ruling class took advantage of the peculiar and thoroughly antidemocratic character of the American two-party system, monopolized by two right-wing parties of big business, in which the social interests and aspirations of the masses of people can find no expression. Exploiting the cowardice and duplicity of the Democrats, the bourgeoisie was able to engineer a thumping victory for the Republican right.

What are the political lessons of this experience? First, the impossibility of the American people effecting any real change in policy by means of elections, and the complete domination of the political system by the financial elite. Second, the bankruptcy of all those liberal and “left” groups that promote the illusion that progressive change can be achieved by pressuring the Democratic Party and its adjuncts, including the trade unions.

The fundamental lesson is the need for the working class to break with the Democratic Party and the two-party system and build an independent political movement to fight for socialism in the US and internationally.

The Socialist Equality Party and the International Students for Social Equality are holding conferences in April under the title “The Fight for Socialism Today.” These conferences will discuss the most critical issues facing the working class and a program to defend its basic social rights. All those interested in building such an alternative should make plans to attend.

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