

Obama tells corporate leaders US will be “best place to do business”

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President Obama spoke at the US Chamber of Commerce in Washington, DC Monday, assuring the crowd of top executives that his administration was committed to making “America the best place to do business.” In his remarks, he outlined a vision in which social programs are cut to the bone in order to tailor the government entirely to the profit interests of US corporations.

The speech was billed as rapprochement with the nation’s largest business-lobbying group, which had aggressively opposed the administration’s health care plan and financial regulatory policies. Whatever small differences there had been, the president told his well-heeled audience, his administration was fully committed to boosting the “competitiveness” of corporate America by eliminating regulations and taxes and providing one incentive after the other.

The speech was remarkable only in so far as it underscored the nakedness of the Obama administration’s servitude to the corporate elite. It was the president’s latest in a series of moves even further to the right since the Democratic debacle in last year’s midterm elections. Recent measures included the agreement on extending Bush-era tax cuts for the rich, the appointment of JP Morgan Chase executive William Daley as Obama’s chief of staff, and the president’s executive order to review all regulations that could adversely affect big business.

With more than 25 million Americans without a job or being forced to work part-time, and levels of social distress not seen since the Great Depression, Obama hailed the success of American “capitalism,” which produced “ingenious entrepreneurs” like those in the room.

His remarks came as US corporations are engaged in a virtual hiring strike—even as they sit on a cash hoard

of \$2 trillion—and are using mass unemployment to drive down labor costs and increase productivity. The Labor Department reported last week that US companies created only 36,000 jobs in January—a figure, Obama said afterwards, showed, “We continue to head in the right direction.”

In an article entitled, “No Rush to Hire Even as Profits Soar,” the *Wall Street Journal* noted Monday, “The lack of significant job gains 18 months after the recession was declared over isn’t such a mystery when considering how companies were able to return to strong profit growth in a relatively short period. They mainly relied on aggressive job cuts, and with companies now pleased with their revitalized earnings and demand still choppy, they seem to be in no hurry to add to their payrolls.”

The president acknowledged that technological developments and globalization had made it more profitable to send production to lower-wage countries, like India and China. He said, “I understand the challenges you face. I understand that you’re under incredible pressure to cut costs and keep your margins up. I understand the significance of your obligations to your shareholders. I get it.”

He warned, however, that the years of corporate downsizing and falling living standards, combined with “a brutal and devastating recession” have “shaken the faith of the American people—in the institutions of business and government. They see a widening chasm of wealth and opportunity in this country, and they wonder if the American Dream is slipping away.”

He implored the executives not to “ignore these concerns,” suggesting that they could lead to a social explosion. Calling on the businesses to retain more jobs in the US, he made clear that this would entail a further lowering of working-class living standards. “We need

an economy that's based not on what we consume and borrow from other nations, but what we make and sell around the world. We need to make America the best place on earth to do business."

With a wink and a nod to the millionaire executives in the audience, the president said these policies "can't just translate into greater profits and bonuses for those at the top" but should be shared by American workers "who need to know that expanding trade and opening markets will lift their standard of living as well as your bottom line."

In fact, the plan to transform America into an export platform is predicated on closing the wage gap between US workers and their brutally exploited counterparts in Asia and Latin America.

The government would be refashioned in accordance with the needs of big business, the president added. This included promoting research and development that companies find too costly to do themselves; upgrading "transportation and communications networks so you can move goods and information more quickly and cheaply;" and "knocking down barriers that make it harder for you to compete, from the tax code to the regulatory system."

To pay for this transformation, Obama said, unnecessary spending, i.e., resources for social programs that do not directly benefit business, would have to be slashed. "To make room for these investments," he said, "government also has a responsibility to cut the spending that we just can't afford." This from a president who has handed out trillions for Wall Street bailouts, tax cuts for the rich and two criminal wars.

Obama pledged to "freeze annual domestic spending for the next five years, which would reduce the deficit by more than \$400 billion over the next decade, and bring this spending down to the lowest share of our economy since Eisenhower was president."

After spelling out this pro-corporate agenda, Obama appealed to the business lobby group to stop its opposition to his health care plan, saying that experts commissioned by the Business Roundtable "suggest that health insurance reform could ultimately save large employers anywhere from \$2,000 to \$3,000 per family."

Budget director Jacob Lew wrote an opinion piece in the *New York Times* Sunday signaling the brutal cuts

that are coming when Obama releases his budget next week. In addition to other cuts, the administration plans to slash hundreds of millions in funding to already bankrupt cities and towns that provide social services.



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