

Obama pushes budget-cutting plan in California tour

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President Barack Obama completed his West Coast trip Thursday with a series of fundraisers in the Los Angeles area that reportedly netted his reelection campaign at least \$4 million. In public forums in Northern California and Reno, Nevada, Obama touted his proposals to cut trillions of dollars in government spending over the next decade.

Obama promoted right-wing policies already implemented, including his health care “reform” that slashes government and corporate costs, his “Race to the Top” education program that promotes charter schools and attacks public school teachers, and his bailout of the auto industry, the spearhead for a nationwide attack on workers’ wages.

The president sought to posture as a defender of Medicare against Republican proposals to dismantle the program. He did so despite the fact that his own proposal includes \$1 trillion in further cuts to health care programs. He also touted his pledge to end tax cuts for the wealthy that he himself extended for two years in December.

Obama did not mention the \$8 billion in budget cuts that have been implemented this year by California’s Democratic governor, Jerry Brown, who attended one of the fundraising events in Los Angeles. In Obama’s remarks on health care, he said nothing about Medicaid. Brown’s budget includes \$1.7 billion in cuts to the program.

The entire tour served to underscore the fraud of the so-called economic “recovery” and highlights the contrast between the worsening conditions facing the majority of the population and the rebound in the fortunes of those who determine the policies of both the Democrats and Republicans. Polls released this week show overwhelming popular opposition to cuts in health care programs.

At one of the events in Los Angeles, Obama told his largely well-heeled audience that thanks to their support for his 2008 campaign, “the country avoided a Great Depression, made college more affordable and helped

create jobs in clean energy and elsewhere.” No one pointed out to the president that official unemployment in California is over 12 percent (and real unemployment is much higher), or that college tuition has soared over 30 percent during the past year. Further hikes will follow as a result of cuts of \$1.4 billion in higher education in the latest state budget.

At town hall meetings in the Bay Area town of Palo Alto and in Reno, Nevada there were several questions addressing the economic crisis. Nevada’s official unemployment rate is over 13 percent, and both states are centers of the ongoing housing crisis, which has thrown millions out of their homes. Obama’s answers only demonstrated the complete indifference of the administration to the social crisis facing tens of millions of Americans.

One questioner in Palo Alto, who said she was originally from Detroit, noted that Obama’s rhetoric had shifted from “job creation and economic recovery to that of spending cuts and the deficit.” In response, Obama boasted of the federal government’s extremely limited 2009 “stimulus plan,” including wholly inadequate aid to the states, which has now entirely dried up.

On the deficit, Obama said, “If the markets start feeling that we’re not serious about the problem, and if you start seeing investors feel uncertain about the future, then they could pull back right at the time when the economy is taking off.” This was an allusion to the recent decision by Wall Street ratings agency Standard & Poor’s to downgrade the US debt outlook to negative, part of a coordinated effort by the financial aristocracy to push the discussion on budget cuts even further to the right.

By invoking “the markets” as the arbiter of social policy, Obama was tacitly acknowledging the complete subordination of his presidency, his party and the entire political system to the profit interests of the banks.

Obama also took the opportunity to praise his

administration's forced restructuring of the auto industry, saying that "folks in Detroit ... know that our investments can make a difference because we essentially saved the US auto industry." He continued: "We now have three auto companies here in America that are all turning a profit."

This profit has been based on sharp attacks on auto workers' benefits and a halving of the wages for new-hires. As a whole, the city of Detroit confronts real unemployment of 50 percent and a poverty rate well above 30 percent.

In response to another question noting that "mortgage financing for new homebuyers with low to moderate income is becoming very difficult," Obama praised the impact of the administration's mortgage "readjustment" programs. These programs, based on encouraging banks to voluntarily renegotiate loans, have done nothing to aid the vast majority of those facing foreclosure.

Responding to a question on immigration policy, Obama reiterated his commitment to negotiating "comprehensive immigration reform" with the Republicans, which would include requiring all undocumented immigrants to pay a fine, learn English and "go to the back of the line" in seeking legal residency in the US. In contrast to this punitive policy toward immigrant workers, Obama insisted that it should be made easier for "job creators" and "job generators" such as former Intel CEO Andy Grove, originally from Hungary, to enter the country.

In both Northern and Southern California, Obama was confronted by protesters. Several of those attending a fundraising event in San Francisco on Thursday morning broke into a song denouncing the treatment of Private Bradley Manning, who has been tortured and held by the military under solitary confinement for his alleged role in leaking documents to WikiLeaks. He faces charges that could bring the death penalty. Obama said nothing about the treatment of Manning in response to the protests.

In Southern California, hundreds of demonstrators gathered to protest the administration's immigration and economic policy.

One of the central purposes of Obama's trip was to raise campaign contributions from wealthy Californians. He is reportedly seeking to become the first presidential candidate to raise more than \$1 billion in a single campaign cycle.

Obama held three fundraisers each in Northern and Southern California, including several dinners with an entry fee of \$38,500. One, in San Francisco, was hosted

by Salesforce.com Chief Executive Marc Benioff (net worth \$2.1 billion).

In Los Angeles, a private dinner Thursday was held at the home of DreamWorks Animation CEO Jeffrey Katzenberg (net worth \$1 billion). Another private dinner was hosted by John Emerson, CEO of investment firm Capital Group, and Ken Solomon, the CEO of the Tennis Channel. The two are co-chairs of the Democratic Party's Southern California finance committee. Among those in attendance were real estate tycoon Eli Broad (net worth \$5.8 billion) and Sony Entertainment Co-chair Amy Pascal. Also attending the LA events were several Hollywood actors and directors, including George Clooney and Steven Spielberg (net worth \$3 billion).

Obama, himself a millionaire, spoke as one of the wealthy. At a town hall meeting in Palo Alto, hosted by Facebook CEO Mark Zuckerberg (net worth \$6.9 billion), Obama joked that people like himself and Zuckerberg should be willing to pay a bit more as part of a deal to sharply cut social spending.

In Los Angeles he declared, "We want a society where if we're asking people to sacrifice, don't just tell millionaires and billionaires you don't have to do anything, just count your money." In fact, this is precisely what Obama has done, overseeing a multitrillion-dollar bailout of the banks that has left the financial aristocracy more wealthy than ever.

"It's not that I want to punish success," Obama told the select crowd at one of his fundraisers, "I want everybody here to be rich."



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