

# Obama promotes corporate profits in the name of job creation

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In the face of rising unemployment, a disastrous jobs report for May and a contraction in economic growth in the US and internationally, President Barack Obama made it clear at a meeting Monday with his Jobs and Competitiveness Council that no government measures will be taken to create jobs or provide serious relief for the unemployed.

The meeting was held at the manufacturing headquarters of Cree, Inc., a producer of LED lighting equipment in Durham, North Carolina. After the meeting, Obama gave a speech to Cree employees in which he touted the proposals of the corporate-dominated Jobs Council, which he set up last February as part of White House efforts to shore up business support for his administration following the Democratic debacle in the November 2010 congressional elections.

The photo-op was designed at one level to fool the public into believing that the administration is seriously working to create jobs and put an end to mass unemployment. But the main focus of Obama and other White House officials was to reassure the corporate and financial elite that there will be no retreat from policies of austerity, wage-cutting and deregulation despite the worsening economic and social crisis.

In remarks to the Jobs Council prior to his speech to the Cree workers, Obama was shameless in his fawning before the corporate CEOs whom he had selected for the purported purpose of spearheading the drive for jobs.

Obama declared: "So we've got a combination of factors, as Jeff [Council Chairman Jeffrey Immelt, CEO of General Electric] said, that come into how do we create jobs. I cannot think of a better group of people to help us tackle it than those who are sitting around the table."

That group included the CEOs of GE, Intel, Xerox, American Express, Southwest Airlines, DuPont, Eastman Kodak, Comcast, Facebook, and the banking giants Citigroup and UBS. It also included Obama's longtime financial backer Penny Pritzker, a multi-millionaire Chicago real estate mogul, and Joseph T. Hansen, president of the United Food and Commercial Workers Union. Richard Trumka, president of the AFL-CIO, who is also on the council, did not attend the event.

Obama repeated the complacent mantras of White House spokesmen about 2 million new jobs having been created over the past 15 months (compared to 7 million jobs lost since the current recession began) and dismissed the rise in unemployment to 9.1 percent (9.7 percent in North Carolina) and the virtual collapse in

payroll gains as "headwinds."

He made a point of reiterating his support for massive cuts in social spending, boasting that Washington was "getting its act together and making sure that we've got a credible plan for not simply raising the debt limit but also medium- and long-range deficit reduction."

Noting that at the first meeting of the council in March the assembled CEOs and bankers had demanded a reduction of regulations on business, Obama said, "I took this very much to heart." He continued: "So what we've done is to initiate a full-scale review not just of pending regulations, but actually looking back for the first time at all existing regulations."

Obama went on to brag that the White House had already singled out scores of regulations for elimination by executive order. One can only surmise that the corporate bosses and bankers in the room were rubbing their hands in anticipation of the increased profits that will result from the gutting of rules designed to protect worker health and safety, safeguard the environment, and limit consumer fraud.

Obama made sure, before completing his remarks, to repeat the obligatory obeisance to capitalism, declaring: "As Jeff said, ultimately job growth is going to be driven by the private sector."

The role of government, Obama reiterated, is to enact policies that facilitate profit-making. "But we can make some smart decisions," he said, "to encourage businesses to feel like this is the right time to invest and that America is the right place to invest."

In his remarks to the employees, Obama sought to play up token job creation proposals from the Jobs Council that are so paltry as to be insulting. "And today, with the Jobs Council," he said, "we're announcing an all-hands-on-deck strategy to train 10,000 new American engineers every year."

This is said in a country with, according to official figures, nearly 14 million unemployed, including 6 million out of work for six months or more!

The president went on to tout a proposal to bring together community colleges and companies to train people for high-skill jobs. Meanwhile, the White House is presiding over an unprecedented assault on public education and vicious attacks on teachers across the country.

Obama also announced an utterly vague Better Buildings Initiative that will supposedly put construction workers back to work upgrading buildings for energy efficiency.

In a *Wall Street Journal* column published Monday, Jobs

Council Chairman Immelt and American Express CEO Kenneth Chenault, another council member, listed deregulation and four other proposals which they said could generate 1 million jobs over two years. Even were this figure accurate, it would barely make a dent in an economy that needs to create 11 million jobs to make up for those lost combined with the normal growth in the labor force.

Entirely absent from Obama's remarks was any acknowledgment of the social crisis and worsening human suffering in America. Words such as "poverty," "foreclosure," "homelessness" and "hunger" were not uttered.

White House officials who accompanied Obama were, if anything, even more transparent in their indifference toward the American people and servility toward big business. White House adviser and Chicago real estate multi-millionaire Valerie Jarrett said in a briefing with reporters: "We have had 15 straight months of private sector job creation and seven straight quarters of growth. We are moving in the right direction... There is broad agreement that the recovery will be driven by the private sector."

Austan Goolsbee, chairman of the White House Council of Economic Advisers, said in an interview on Bloomberg TV, "We want to be for any policies that are going to help incentivize and stand up the private sector to drive the recovery."

Nothing was said about the fact that the corporate elite represented by the members of the council is raking in record profits and awarding itself ever-higher compensation, while sitting on a cash hoard of \$2.6 trillion and refusing to spend it on hiring workers.

The reality is that corporate America, with the support of the government, is using mass unemployment as a bludgeon to drive down wages, destroy working conditions and force workers to accept poverty wages and sweatshop conditions. The same process is unfolding internationally, as the bourgeoisie utilizes the crisis of its own making to destroy social gains won by the working class over more than a century of struggle.

Council Chairman Immelt's company, GE, is a case in point. It made a profit of \$14.1 billion in 2010, and yet it paid no federal taxes. On the contrary, the government paid it \$3.2 billion in tax credits.

Immelt himself saw his compensation double to \$15 million. Meanwhile, GE earlier this year sought to impose a 25 percent pay cut on new-hires at its River Works plant in Lynn, Massachusetts as the price for keeping a section of the complex open. When the workers balked, GE finalized the facility's closure.

The complete subordination of the Obama administration to Wall Street was further documented in an article published Monday by the *New York Times* on the feverish efforts of the White House to make amends with bankers and financiers alienated by the very minor restrictions contained in the financial regulatory bill passed last year. The campaign is being led by his chief of staff, William Daley, the former JPMorgan Chase executive Obama appointed last year to replace the outgoing Rahm Emanuel.

The article reported that Obama hosted a White House dinner last March for two dozen Wall Street executives, which was followed in April by back-to-back meetings of his 2012 reelection campaign manager with Wall Street donors in New York. This

month Obama will travel to New York to host a dinner with bankers, hedge fund executives and private equity investors at the exclusive Upper East Side Manhattan restaurant Daniel.

There is a minority within the Democratic Party establishment that is concerned over the political and social implications of the jobs crisis and the Obama administration's openly right-wing, pro-corporate response. In the short term, they fear Obama will lose the 2012 election. More fundamentally, they fear the growth of social opposition.

One of these, Robert Reich, the former labor secretary under Bill Clinton, pleaded with Obama on the Sunday news interview program, "This Week with Christiane Amanpour," to propose a jobs program. He suggested something akin to Roosevelt's Depression-era Works Projects Administration and Civilian Conservation Corps for the 6 million people unemployed for six months or more.

There is emphatic opposition to any such measure within the corporate-financial elite and, as Monday's public relations event demonstrated, Obama rejects any government job-creation program or any other measure that might cut into corporate profits.

The presence on the reactionary Jobs and Competitiveness Council of union leaders Trumka and Hansen underscores the corporatist and anti-working class character of the official trade union organizations. They support the destruction of the living standards of the working class, seeking only to secure the position and privileges of the union executives as accomplices in the attacks on working people.

As in Europe and Asia, where governments are pursuing ruthless austerity policies to impoverish the workers, working people in the US can defend the social right to a job and a living wage only on the basis of a revolutionary political struggle against the capitalist system and all of its political representatives.



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