

Obama's bus tour—a right-wing political stunt

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The three-day, campaign-style bus tour by President Barack Obama through parts of the upper Midwest could be dismissed as a shallow publicity stunt, but it has a deeper—and quite reactionary—political significance.

In the guise of displaying his supposed concern over jobs and economic growth, and making a “pivot” from the focus in Washington over the past four months on deficit reduction, Obama is actually further distancing himself from any effort to provide jobs for the tens of millions of unemployed workers.

Short of actually leaving the country, it would be hard to find a place more remote from the devastating impact of the US social crisis than the small towns he has visited in Minnesota and Iowa, in a trip that ends in agricultural western Illinois. The unemployment rate throughout this area is well below the national average.

The location of the “jobs” tour speaks volumes about the political calculations of White House strategists. Obama is not visiting urban centers, let alone those most blighted by unemployment, like Detroit, Cleveland, or St. Louis.

His audiences have been those typical of small-town America, in which small businessmen—farmers, shopkeepers and independent professionals—play a major role, far out of their proportion to the population as a whole.

The policies that Obama outlined in his stump speeches Monday and Tuesday were geared to that audience: small-bore efforts to encourage small businesses, particularly in rural areas, through targeted lending by the Small Business Administration and expanded job training by the Department of Agriculture, totaling a miserable \$70 million a year.

Agriculture secretary Tom Vilsack, who is accompanying Obama on the trip, admitted that the total impact of all these efforts, should they prove successful, would be the creation of “tens of

thousands” of new jobs—in an economy where some 25 million people are out of work, many of them for two years or more.

Obama also pledged to introduce a jobs initiative next month when Congress comes back in session, although he gave no details. “I’ll be putting forward, when they come back in September, a very specific plan to boost the economy, to create jobs, and to control our deficit,” he said, embracing the self-contradictory identification of job creation and spending cuts espoused by the Republican congressional leaders.

A columnist for the Washington magazine *National Journal* noted the right-wing character of Obama’s remarks: “He’s still talking first and foremost about deficits. The first 650 words of his 1,500-word speech on Monday centered on the S&P downgrade, the details of the debt-limit deal, his willingness to talk about reducing social safety net spending and his commitment to stay on deficit reduction ‘until we get the job done’.”

In the town halls held in Minnesota and Iowa, Obama reiterated his desire for compromise with the Republicans and bipartisan government. Even from these small-town audiences, he faced criticism for caving in to the Republicans in the deficit talks, with one young woman asking why his former supporters shouldn’t feel that his approach had “cut away at that trust.”

Obama replied, “I make no apologies for being reasonable,” claiming that the deficit reduction deal he signed two weeks ago involved only “modest sacrifices.” He said the only alternative was a national default that would have had disastrous economic consequences.

Another woman asked how he could expect to have a jobs initiative passed by Congress given Republican opposition. Obama responded that measures like extending the payroll tax deduction, passing free trade

bills and reforming the patent system “are all ideas that traditionally Republicans have agreed to, have agreed to countless times in the past,” he said. “There’s no reason we shouldn’t act on them now. None.”

When a lung cancer patient in the audience raised the issue of Obama’s willingness to cut Social Security and Medicare, he responded that he was in favor of preserving the program for future generations, the same formulation used by Republicans demanding massive cuts in benefits (to “save” Social Security for the future).

Obama then criticized those who opposed any cuts, saying, “I have to say, in fairness—because I’ve commented on the other side not always being flexible—there have been times where our side—when Democrats aren’t always as flexible as we need to be. I mean, sometimes I do get frustrated when I hear folks say, you can’t make any changes to any government programs.”

In response to a question on taxes, Obama declared himself in favor of an across-the-board restructuring that would “lower the overall rate, broaden the base.” This means cutting tax rates for the super-rich, while closing a few tax loopholes for specific industries and shifting much of the tax burden to working-class families whose incomes are so low that they currently pay no income tax.

Obama sought to give a populist gloss to this position by echoing the comments of billionaire Warren Buffett, calling for raising taxes on millionaires. In an op-ed in the *New York Times*, likely coordinated with the White House, Buffett pointed out that he personally paid only 17.4 percent of his income in taxes, a lower rate than any of his own employees and far below the US average, because of tax prerogatives enjoyed by the wealthy.

The president also publicly criticized the candidates for the Republican nomination to oppose him next year, pointing out that in last week’s debate in Iowa, every one rejected a budget deal that would increase taxes, even if there were \$10 in spending cuts for every dollar in tax increases. “That’s just not common sense,” he said.

Obama added that his own health care plan, demonized by all the Republican candidates, was modeled directly on the plan established by Republican frontrunner Mitt Romney when he was governor of

Massachusetts.

While apologists for Obama, from the *Times* to the liberal *Nation* magazine, claim that he is constrained by the Republican majority in the House of Representatives, there is no indication in Obama’s own speeches of any fundamental difference on economic policy.

Both Obama and the Republicans maintain that “job creation” is the exclusive function of business, and that the role of government is to provide the most favorable conditions for the “job creators” to do their work. Both reject any direct job creation by the government, let alone a massive public works program that would hire millions of unemployed immediately and put them to work.

The only difference between the two capitalist parties is exactly what combination of tax incentives, deregulation and easy credit is required to encourage businesses to hire—under conditions where corporate America is currently sitting on a cash hoard of more than \$2 trillion, while it waits for prolonged mass unemployment to drive down real wage levels even further.



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