

Obama nominates billionaire backer as commerce secretary

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6 May 2013

US President Barack Obama's recent nominations of Penny Pritzker to US commerce secretary and Michael Froman to US trade secretary are a continuation of a general trend, in which government officials are themselves members of the corporate and financial elite.

In Pritzker—heiress to the Hyatt fortune, Democratic Party fundraiser, and billionaire real estate magnate with a personal wealth of \$1.85 billion—Obama has selected an individual who will become, by all accounts, the wealthiest person in US history to serve in the president's cabinet. The commerce secretary has influence in both foreign and domestic economic policy.

Based in Chicago, Pritzker operates an international empire based on low-wage service work in Hyatt-operated hotels and nursing homes, along with several investment firms.

Pritzker also has a decades-long career as a political fundraiser and influential figure in Democratic Party politics. She chaired Obama's 2008 campaign finance operations and co-chaired, alongside Chicago Mayor Rahm Emanuel, Obama's 2012 re-election campaign. She also contributed \$250,000 to Obama's 2013 inauguration festivities.

Already a member of Obama's Jobs Council, Pritzker's appointment gives the lie to Obama's opening comment, made at the announcement of her nomination, that his "top priority as president is to grow the economy, create good middle-class jobs, make sure that the next generation prospers."

Fifty-eight percent of the jobs created since the 2008 financial collapse have been in the low-paying service sector. Seventy-nine percent of jobs lost in the collapse were in the middle and higher earning positions.

In addition to chairing the failed Superior Bank, in

which depositors—mostly from working class areas of Chicago—collectively lost millions in savings, Pritzker has also been at the forefront of efforts to "reform" public education in the city, creating opportunities for venture capitalist involvement in the privatization process. In 2011, she was appointed by Mayor Emanuel to the Chicago Board of Education.

Making his opposition to any government programs to create jobs, Obama went on to say, "[Pritzker] knows from experience that no government program alone can take the place of a great entrepreneur. She knows that what we can do is to give every business and every worker the best possible chance to succeed by making America a magnet for good jobs."

On May 2, Obama also nominated Michael Froman, a finance industry executive and advocate of pro-US free trade policies, for US trade secretary, where he will lead international trade negotiations. Froman previously worked as CEO of CitiInsurance in developing markets, and was recently managing director at Citigroup for infrastructure and sustainable development investment.

Citigroup is one of the first financial mega-institutions to be created in the wave of banking deregulation in the 1990s, under President Bill Clinton's Treasury Secretary Robert Rubin. Froman is Rubin's former chief of staff at the Treasury Department, where he also worked as a deputy assistant secretary.

In April, the Obama administration announced that it would pursue a free trade agreement between the US and Europe, comprising about one-half of the global economy, in which investors would have unprecedented political power to oppose regulatory rules.

This agreement, as well as an expansion of the Trans-

Pacific Partnership, a critical aspect of the Obama administration's "pivot to Asia," are expected to be the focus of Froman's work.

In January, Obama also appointed former Citigroup operations executive Jacob Lew to the head the US Department of the Treasury, replacing Timothy Geithner.



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