

Obama at the Business Roundtable

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On Thursday, President Barack Obama spoke before the Business Roundtable, an organization of leading corporate CEOs. Obama used the opportunity to deliver a paean to American capitalism.

The speech, delivered in the midst of the greatest economic crisis since the Great Depression, had an air of provocation against the American people about it. Not a few of the CEOs assembled at the conference have overseen the ruination of their own corporations. Collectively, they bear responsibility for the economic collapse and the impoverishment of millions of Americans and hundreds of millions the world over.

Sixty-five CEOs from top corporations attended the event. Prior to Obama, Treasury Secretary Timothy Geithner, Education Secretary Arne Duncan, Budget Director Peter Orszag and energy czar Carol Browner addressed the gathering, each promising to cooperate with big business in the formation of policy.

Before this audience, Obama presented an utterly false image of American capitalism. "Your companies have fueled the prosperity of communities across the country and the success stories of countless individuals," Obama declared. "They've enriched our nation; they've served as a tribute to the enduring spirit of American capitalism.... You've looked beyond the bottom line and the next quarter to the long-term health of your company. You've not only served as accomplished leaders, but as engaged citizens."

This homage to American capitalism turns reality on its head. Had Obama the ability to speak truthfully to the CEOs, he might have told them something like this: "Your companies have ruined communities and broken lives across the planet. You've impoverished the nation to your own benefit and exposed the ruthlessness and parasitism of American capitalism before the eyes of the world. Your overriding concern for immediate profits has destroyed your own companies and the entire financial system. Your control of industry and finance, and through them your domination of government, has resulted in a social disaster of epic proportions."

In his comments, Obama made clear that the central point of the gathering was to reassure the financial elite that there will be no limit to the resources his administration will place at their disposal.

"[T]he only way we can truly unlock credit and heal our financial system for good is to address the state of our banking system," Obama explained. "And I know that this crisis is at the top of your list of immediate concerns—and I promise you, it is at the top of mine, as well."

Passing out trillions of dollars to the financiers is not, however, at the “top of the list” for most Americans. The crisis bears down on the working masses in quite a different way than it affects the CEOs, threatening the livelihoods, homes and lives of millions of people.

Obama used the speech to defend last month’s stimulus legislation. Sections of business denounced the nearly \$800 billion package, singling out for criticism its modest appropriations for social programs and infrastructure and its longer-term ramifications for the federal deficit. However, they have raised few concerns about the bailout of the financial industry, which may now exceed \$8 trillion.

To placate such right-wing criticism, Obama pledged his support for big business. “I’ve always been a strong believer in the power of the free market,” he said. “It has been and will remain the very engine of America’s progress—the source of a prosperity that has gone unmatched in human history. I believe that jobs are best created not by government, but by businesses and entrepreneurs like you who are willing to take risks on a good idea. And I believe that our role as lawmakers is not to disparage wealth, but to expand its reach; not to stifle the market....”

Obama presented his tax policies as highly favorable to the business elite. “For the top 3 percent of all taxpayers,” he said, “the top tax rate across the board will still be lower than they were during the prosperity of the 1990s. It will still be lower than they were during the Clinton era. You will pay a tax rate on capital gains and dividends that is also lower than it was during most of the 1990s.”

In the question-and-answer period following Obama’s remarks, two CEOs raised veiled criticisms of specific Obama policies. Samuel Palmisano, CEO of IBM, questioned Obama about his campaign promise to close tax loopholes on corporations that earn profits overseas. Obama indicated that he would compensate any closures in this “deferral tax” loophole by lowering the overall tax rate on corporations. He also indicated that groups like the Business Roundtable could cooperate with the Treasury in drafting tax policy. “I don’t want you to be placed at a competitive disadvantage with other countries,” he said.

Another CEO, Daniel S. Fulton of Weyerhaeuser, warned that Obama’s “cap and trade” proposals on carbon emissions would be too costly for business. Obama abandoned the proposal, a prominent part of his presidential campaign, on the spot. “We are not going to be able to move this in an effective way without partnership with the business community,” he said. “But we just—we can’t get it done.”

Obama was warmly received by the CEOs in attendance. The chairman of the proceedings, Harold McGraw, said that the popular presentation of business hostility toward Obama “couldn’t be farther from the truth.”

Obama’s speech demonstrated not only his obsequiousness before big business, but also his contempt for liberal and “left” elements, such as the Nation magazine, which nonetheless continue in their efforts to paint everything he does in a progressive light. This demonstrates not only the bankruptcy of liberalism, but its active role in maintaining the political domination of the financial elite over the working class.

Even within the framework of the historical traditions of liberalism, Obama’s remarks testify to the total collapse of that ideology. In the Great Depression, it was taken for granted that the economic crisis signified a devastating failure of free enterprise and the mythology of

American individualism. Even Franklin Delano Roosevelt, conservative in his political instincts and patrician in background, felt the need to adapt his rhetoric to that powerful public sentiment.

Roosevelt frequently hurled rhetorical thunderbolts against “the moneychangers in the temple.” Obama’s rhetorical bouquets tossed to American capitalism would have been inconceivable for virtually any politician in Roosevelt’s day.

Yet Obama’s performance before the Business Roundtable signifies not just a rhetorical weakness. There is a larger issue. Obama has no program to confront the economic crisis. In all of his proposals and initiatives, he presents himself as seeking “bipartisanship” and “reaching out” to competing interest groups. In reality, Obama is inviting the various factions of the ruling class to use his office to hammer out the policies that will best advance their interests.

If the financial elite, working through the Obama administration, is allowed to determine the resolution of the economic crisis, workers will foot the bill at a terrible cost. It is urgent that the working class impose its own solution to the crisis, one based on the democratic control and social ownership of finance and industry in the US and internationally. This is the perspective of the Socialist Equality Party.

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