

Obama holds “very pleasant” meeting with top US bankers

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Global Research, March 28, 2009

[World Socialist Web Site](#) 28 March 2009

Region: [USA](#)

Theme: [Global Economy](#)

US President Barack Obama met behind closed doors for more than an hour and a half with the chief executives of the largest American banks on Friday, reassuring the titans of finance that his administration has their best interests at heart.

According to White House press secretary Robert Gibbs, the meeting’s agenda included the Obama administration’s “toxic asset” purchase program, proposals for regulation of the finance industry, and executive compensation.

Every aspect of the administration’s economic policy caters to the interests of the financial elite, of which the president is merely a mouthpiece. The private meeting at the White House had the air of a conspiracy against the public, a gathering to discuss carving up state resources in order to hand them over to the banks and major investors.

Among those attending were 13 CEOs and two banking industry lobbyists. The individuals gathered at the White House stand at the helm of companies that together control much of American finance. They played a significant role in driving the speculative orgy on Wall Street that has now collapsed, precipitating the greatest economic crisis since the Great Depression.

While no transcript of the discussions has been released (nor will there be), the bankers emerged very pleased. Their post-meeting comments included:

* Ken Lewis, CEO of Bank of America: “We’re just in this together. There’s still some hard work to do, but a pleasant meeting.” On executive bonuses, Lewis added, “I got the impression, both from [Obama] and from some of the things that are going on behind the scenes that cooler heads will prevail and nothing will be done that is that punitive.”

* Vikram Pandit of Citigroup: “We all have a common goal for building momentum for a recovery. It was good constructive meeting with a lot of open dialogue.”

* Jamie Dimon of JPMorgan: On the question of AIG bonuses, Obama “is very clear that he is not against wealth.... I think he would like to see an awful lot of self-restraint,” as opposed to government regulation.

* Robert Kelly of New York Mellon Corp, on the toxic asset program detailed by Treasury Secretary Tim Geithner earlier this week: “We don’t know all the details...but we think it’s a really encouraging first step to get the plan out there.... I think there’s going to be a lot of interest in it.... I think that we are very much aligned with the administration.”

* John Koskinen of Freddie Mac: “No one in that room gave any indication at all that they were anything other than enthusiastic about supporting the president and this program.”

* John Mack of Morgan Stanley: “There was no tension. It was all about cooperation...It was all about getting the economy going and the banks taking a crucial role in making sure that happens...It was all about working together and was very encouraging.”

* Lloyd Blankfein of Goldman Sachs: “Everybody was on the same page, one of cooperation. What we really wanted the president to understand, which of course he does understand, was that we recognize our interests are aligned, that we only do well if the economy does well.”

For his part, White House spokesman Robert Gibbs said that Obama was “very pleased” with the outcome and that he hoped to keep the lines of communication open with the bankers.

Top Obama adviser Valerie Jarrett, who participated in the meeting with the bankers, said Thursday, “We’re reliant upon them to help rebuild our economy. It would be very unnatural if we didn’t engage them and have a direct opportunity to pick their brains and look to the future.”

The bankers have every reason to be happy. Over the past week, the Obama administration has enacted or announced a series of measures that are tailored to serve the interests of this financial oligarchy.

Obama’s fraternal dialogue with the Wall Street bankers comes as Congress is preparing to ditch any moves to tax bonuses. Following a wave of popular outrage, the US House of Representatives passed a bill March 19 that would tax bonuses to executives at AIG and other companies receiving significant government aid by 90 percent. Wall Street bankers, detecting a threat to their personal bank accounts, responded with fury, in public and behind the scenes.

Obama has now indicated his opposition to the House plan, and the issue is quickly being sidelined. Democratic House Majority Leader Steny Hoyer said on Wednesday that if more AIG executives returned their bonuses, then the legislation “might not be necessary.” Senate Majority Leader Harry Reid has said that the Senate will not take up any legislation until at least late April, giving Congress plenty of time to water it down or ditch it altogether.

On Monday, Geithner—who also participated in the meeting with the bankers—released details of the White House plan for toxic assets. The plan will amount to a massive government subsidy for private investors to buy up the worthless assets on the balance sheets of the banks. The investors will fund these purchases with cheap government loans, will be guaranteed against losses, and will benefit from any profits. The plan will benefit everyone who matters, namely the bankers and the hedge funds.

This is only the latest—and by no means the last—of the bank bailout schemes initiated by the Bush administration and continued under Obama. Before it is all over, upwards of \$10 trillion will be handed over to these institutions.

On Tuesday, during his prime time press conference, Obama insisted, “The rest of us can’t afford to demonize every investor or entrepreneur who seeks to make a profit. That drive is what has always fueled our prosperity, and it is what will ultimately get these banks lending

and our economy moving once more.”

As the administration works with Wall Street to make the banks—and the personal portfolios of the bankers—whole, Obama is preparing a massive attack on the working class. During his press conference, the president repeatedly stressed his determination to tackle “high health care costs” and implement “Entitlement reform”—i.e., cuts in Social Security, Medicare and Medicaid.

As the question of restrictions on executive bonuses is dropped, Obama repeated on Thursday his insistence that any aid to the auto industry be conditioned on further job and wage cuts from autoworkers. In an online town hall meeting, the president said that the auto industry will have to “make some pretty drastic changes. And some of those are still going to be painful.”

The policy of the administration is to ensure that this “pain” is born entirely by the working class, while the looting of public assets by the financial elite continues.

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