

# Obama Press Conference on the Economy: An Exercise in Demagoguery and Lies

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President Barack Obama used his White House press conference Friday to continue his pre-election efforts to portray his pro-Wall Street economic policies as a boon to ordinary Americans and a radical departure from the policies of the Bush administration.

The news conference, the first since May, topped off a week of demagoguery and shameless lying that began with a Labor Day speech in Milwaukee and continued with a Wednesday speech on the economy in Cleveland.

Obama and his handlers have evidently decided that the best way to confront rising anger over the administration's refusal to provide jobs or serious relief for the unemployed is to use the Big Lie technique—presenting pro-corporate policies as their opposite, touting deepening crisis as “recovery,” and citing the reactionary nostrums of the Republicans to justify the White House's own right-wing program.

The assumption that underlies this cynical public relations campaign is that the American people are infinitely gullible and suffer from collective amnesia.

Over the past week, with unemployment affecting 26 million workers and rising, Obama has announced a series of token measures meant to demonstrate his focus on the plight of the unemployed. The measures—\$50 billion in infrastructure spending for rail lines, roads and airports; tens of billions of dollars in expanded tax breaks for corporate research and development and new equipment—are all extensions of previous programs and will do little to reduce the unemployment rate. They will, however, funnel billions of additional dollars into the coffers of companies that are already reporting booming profits.

Commenting Thursday on Obama's propaganda blitz on the economy, *Washington Post* columnist David Broder wrote with unusual perceptivity and bluntness: “What he said this week is that he is prepared to adopt business's own favorite remedy, and subsidize private firms in hopes they will invest and hire more rapidly. The centerpiece is a classic bit of pro-business tax manipulation, allowing immediate expensing of equipment purchases and making permanent the research and development tax credit. This is the kind of tax reform Republicans can love, and it's now been placed on offer by a Democratic president, even before the election results are weighed.”

In his press conference, Obama attacked the Republicans for opposing these measures and holding up a small business bill that provides \$12 billion in tax give-aways to businesses large and small and \$30 billion in subsidies to so-called “community” banks. He also sought

to give himself a populist veneer by focusing on the Republicans' insistence that the Bush tax cuts for the wealthy be extended beyond their December 31 expiration date.

In his opening remarks to the White House press corps, Obama laid out his claim to be fighting, as opposed to the pro-business Bush years, for "middle-class" Americans. "I believed the policies of the previous decade had left our economy weaker and our middle class struggling," he said. "They were policies that cut taxes, especially for millionaires and billionaires, cut regulations for corporations and for special interests, and left everyone else pretty much fendng for themselves ... We came into office with a different view about how our economy should work."

He reiterated this fiction several times during the press conference, at one point stating in reply to a question: "Prior to us getting here, as I indicated before, you had a set of policies that were skewed toward special interests, skewed toward the most powerful, and ordinary families out there were being left behind. And since we've gotten here ... on a whole range of issues over the last 18 months, we've put in place policies that are going to help a middle class and lay the foundations for long-term economic growth."

One can only wonder whether Obama believes that the American people have forgotten the actual record of his administration: his multi-trillion-dollar bailout of Wall Street, his intervention to block legislation limiting bankers' pay, his insistence that newly hired General Motors and Chrysler workers' pay be cut in half, his refusal to bail out bankrupt state and local governments, his rejection of any public works programs to actually create jobs, his health care "reform" that slashes hundreds of billions of dollars from Medicare and rations services to working people, his attacks on teachers and public schools in the name of education "reform," his banking "reform" that strengthens the grip of the biggest Wall Street firms and sanctions the forms of swindling that led to the crash, and his efforts to run interference for the corporate criminal BP.

The claim that policies dedicated to enriching the corporate-financial elite at the expense of working people are unique to Bush and the Republicans is patently false. Bush inherited policies of tax cuts for the rich and deregulation from Clinton and escalated them. Obama has likewise made the protection of the wealth of the financial aristocracy the cornerstone of his domestic and international policies.

His economic team is stacked with Wall Street cronies who oversaw the dismantling of bank regulations, beginning with his chief adviser Lawrence Summers and his treasury secretary, former New York Fed President Timothy Geithner.

The most revealing moment in the press conference came in an exchange with reporter April Ryan, who asked: "On the economy, could you discuss your efforts at reviewing history as it relates to the poverty agenda, meaning LBJ and Dr. King?"

Obama responded by ruling out any government anti-poverty programs. In words that could have been uttered by Bush or any other "free market" ideologue, Obama said, "Now, I think the history of anti-poverty efforts is that the most important anti-poverty effort is growing the economy and making sure there are enough jobs out there—single most important thing we can do. It's more important than any program we could set up. It's more important than any transfer payment we could have. If we can grow the economy faster and create more jobs, then everybody is swept up into that virtuous circle..."

The meaning of this repudiation of past reform measures is clear: nothing is permissible that does not directly contribute to enhancing the profits of corporations and the fortunes of their executives and major shareholders. Above all, no steps can be taken to reduce the staggering concentration of wealth at the very top of the economic ladder.

Obama went on to declare, “That doesn’t mean that there aren’t some targeted things we can do to help communities that are especially in need... And I am very proud of the efforts that we’ve made on education reform—which have received praise from Democrats and Republicans.”

Here Obama revealed the actual nature of his so-called “targeted reforms.” He is “very proud” of spearheading an unprecedented assault on public education, scape-goating teachers for years of government neglect of the schools and promoting quasi-private charter schools while encouraging the closure of thousands of public institutions.

In response to another question, Obama suggested that, for all his demagogy on the subject, he was open to negotiating with the Republicans on extending the Bush tax cuts for the richest two percent of the population. Asked if there was “room for a middle ground whereby the tax cuts for the wealthy could be extended for a period of time and then allowed to expire.” Obama said, “Well, certainly there is going to be room for discussion.”

He went on to indicate that he might be willing to trade an extension of the tax cut for the rich for Republican support for his small business bill and other token stimulus measures.

At one point Obama incorrectly spoke of a 9.5 percent official jobless rate. The fact that he evidently forgot that the figure has risen to 9.6 percent is of some significance, given his pretense of being singlemindedly focused on the jobs crisis. The complacency and indifference this misstatement expresses is of a piece with his insistence that his policies are moving the economy “in the right direction.”

In reality, the administration is ruthlessly pursuing the ruling class policy of utilizing the economic crisis to permanently reduce the living standards of the American working class, using mass unemployment as a bludgeon to compel workers to accept cuts in wages and benefits as well as speedup. The aim is to sharply reduce the wage differential between US workers and super-exploited workers in China and other “emerging economies,” and on this basis revive American manufacturing as a cheap labor platform for export to world markets.

That this is the real content of Obama’s talk of “long-term economic growth” was highlighted by the publication Friday of a *New York Times* article noting the appointment of Ron Bloom as Obama’s special adviser on manufacturing. Bloom, a former investment banker and adviser to the president of the United Steelworkers union, was co-chair of Obama’s auto task force. In that capacity he oversaw the forced bankruptcy of GM and Chrysler and the imposition of poverty-level wages for new-hires as well as drastic cuts in health benefits for retirees.

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