The Role of Wealth and Neoliberalism in Barack Obama's Selection, Election, and Presidency

by

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Abstract

Given the entry of the wealthy class of capitalists into the American government after 1861, the primary intent of this research paper is to demonstrate that from 1861 to the present, this elite class increasingly concentrated in its hands more and more wealth. At the same time, through use of its accumulated wealth, it was able to directly influence American political leadership and decision-making, from the Hoover Administration to the Obama Administration. Special emphasis is placed on the wealthy class' use of its accumulated economic power to elect presidential candidate Barack Obama. In addition, attention is given to the on-going political trend that began during the Hoover Administration, and continued during the Obama Administration, which was the presidential appointment of *millionaires in their cabinets, including other high level government positions.* Interestingly, although this historical trend has proceeded unabated during the past 150 years, the American public, generally speaking, continues to be unaware of it, and instead, much, if not all, of its attention has been focused on such slogans as "*Change We Can Believe In" and "Yes We Can."* Presidential candidate Barack Obama effectively used these two, among others, to garner a majority of American votes during the 2008 Presidential Election. Ultimately, as we shall see, these slogans served to disguise Obama's loyalty to, and subsequent enactment of, the current economic agenda of the American plutocracy, neoliberalism, whose principal policies include privatization, the hands-off approach to markets, and cutting social welfare spending. Moreover, the neoliberal policies of deregulation, especially of the financial sector, and colorblind racism, are specifically germane to this analysis.

Introduction

From the Eisenhower Administration first term in 1953, to half a century or more later, a close examination of President Barack Obama, and his Administration's surge into office in 2008, seems like a break from the long tradition of the direct involvement of the wealthy in politics, but empirical information tells an interesting and remarkable story. The latter is a compelling one, given the fact candidate Barack Obama was the first individual of African descent to be elected President in American History. So many Americans pinned their hopes for a new deal on President Obama's claim that "a vote for me is Change You Can Believe in." As the campaign drama unfolded over a nearly two year period, in the back of mind, I wondered what is the source of this political campaign. Many believers cried the Barack Obama Presidential Campaign was financially supported primarily by grass root, small, mom and pop, nickel and dime donations. As a student of history, I wanted to believe the Obama Presidential Campaign was novel, new, fresh, different, and self-supporting financially; everywhere I traveled, people were talking about Obama; they wore hats, T-Shirts, and pins; on one occasion, I was on an airplane flying from Miami, Florida to New Orleans, LA, and I was seated beside a young African-American couple. Rather than keep my mouth closed and get some much needed rest, I mentioned to the couple that Obama's Presidential Campaign was probably being supported by wealthy individuals, who none of us knew anything about. For more than an hour, I was emphatically told by the young couple that I was wrong; that Obama is self-supported; and, most importantly, that he does not move to the drum of anyone; he is truly a *Messiah Come To Deliver Daniel--African-Americans In Particular.*

Before we proceed with our discussion of the influence the American Plutocracy had on Barack Obama's Presidential Campaign, and its subsequent involvement in the Obama Administration, it is necessary to show that the former has grown as a ruling class since 1860. Specifically, Samuel stated "Americans accounted for a disproportionate number of the richest people in the world in 2001, with eight of the top ten and twenty-three of the top forty wealthiest from the …USA…The collective net worth of the Four Hundred dropped from $1.2 trillion to $950 billion that year". [1] By President George W. Bush's third year in office, the American Plutocracy was benefiting from his federal tax cuts; and, by the first year of President George W. Bush's second term in 2005, Samuel added "…it was clear that the rich were back on track; the Forbes Four Hundred from that year picked up a tidy $125 billion in net worth. Of the Four Hundred, 374 were billionaires."[2]

In sum, by 2007, one year before Barack Obama was elected president, the American Plutocracy had grown from a few thousand millionaires before 1860 into a ruling class, consisting of several million. Samuel stated "…there were 9.9 million millionaire households in June 2007-and although the economy has headed south, the wealthy elite have never been more influential than now."[3]How its influence created the Barack Obama Presidential Campaign, and his administration, is outlined below.

Barack Obama's Presidential Campaign and the Financial Backers That Made It Possible

A. Candidate Selection

The first, and most important step in the political process, especially when politicians seek political office at the federal government level, is the securing of financial backers. In *Who Rules America, Fifth Edition*, G. William Domhoff stated "because the candidate-selection process is relatively individualistic, and therefore dependent upon name recognition and personal image, it has been in good part controlled by members of the power elite through large campaign contributions."[4]When candidate for President Barack Obama exploded on the 2008 Presidential Campaign Scene, his personal image was packaged by wealthy ruling class backers as the "first African-American who had a legitimate chance to be elected President of the United States in American History." His image also included a personality adjustment that espoused the "thought" that America had moved beyond race, and "racism" was no longer a problem. Here, Obama echoed one of the tenets of neoliberalism specifically as regards race, viz. colorblind racism. Other tenets of neoliberalism include privatization, deregulation, laissez faire capitalism, and cutting social welfare spending (austerity). [5] Given the slavery experience in America, this part of Barack Obama's image created a firestorm of curiosity, and to a large cross-section of white voters, it was psychologically cleansing and comforting to see and hear an African-American candidate for president say "The era of racism in America is over". This personal image was worked-out for Barack Obama before he ever announced his intent to seek the Office of President. To create it, try it on him like trying on a pair of shoes for size, the latter had to go through an all-important candidate selection audition. Most Republican candidates usually go through the candidate selection process at the Bohemian Grove Club located near San Francisco, California. Domhoff added it "…is the most unusual and widely known club of the upper class."[6] Ronald Reagan, Richard Nixon, George H.W. Bush, Gerald Ford, and Herbert Hoover—all got their audition at this club. Occasionally, an aspiring Democratic candidate might be invited to the Bohemian Club. In Barack Obama's case, he was not; his initiation took place in another setting, although the aim of was the same.

This is where we continue the behind the scene Barack Obama Cinderella story. It provides a clear picture of how the making of the first African-American president in American history was manufactured for later public electorate consumption.

Throughout American History, every candidate, who sought the Office of the President, was connected to a group of wealthy financial backers. Domhoff noted "President Obama's network of donors is similar to those of most other successful political candidates in the United States in that it builds on wealthy contributors."[7]

After observing Barack Obama win a state senate seat in Illinois in the late 1990s, and later a U.S. Senate seat in 2004, his circle of wealthy donors-- which at the time included the largest Black-owned management firm in America, a CEO of real estate development, many Black executives who worked for a number of local Chicago corporations, and James Nesbitt, African-American VP in the Pritzker family business-- was expanded by "…Bettylu Saltzman, an heir to a large real estate fortune, [who] was impressed with his political skills, [and] introduced him to as many wealthy donors as she could…"[8] After Obama gained the confidence of wealthy developers in the Chicago area, and though his statewide election campaigns were well-supported by them, if he had any aspirations to run for president in 2008, surely his circle of wealthy financial backers would have to expand greatly. The water was tested when candidate Barack Obama announced he would seek a U.S. Senate seat in 2004.

Realizing larger campaign donations were needed to mount a successful U.S. Senate Campaign, Bettylu Saltzman first introduced Barack Obama to a very influential group of women in the Chicago Gold Coast District. Bettylu Saltzman introduced Obama to "…the Ladies Who Lunch, a group of nineteen women executives and heiresses 'who see themselves as talent scouts and angel investors for up-and-coming liberal candidates and activists'"[9]During this important introduction to members of the American Plutocracy, Barack Obama met some of its wealthiest members.

For example, he was introduced to Christie Hefner, owner of Playboy Enterprises, who inherited it from her father; In time, Christie Hefner, in turn, introduce Barack Obama to wealthy financial backers in Chicago, New York, and Los Angeles. As his introductions to members of the American Plutocracy widened, Domhoff asserted that "he [Obama] also came to know members of the billionaire Crown Family…In particular, he gained the confidence of the president of the family holding and investment company, James S. Crown, the member of the family who sits on the board of General Dynamics and JP Morgan Chase"[10]At this point, Barack Obama's biggest test was an audition at the Pritzker Family weekend home located 45 minutes east of Chicago.

B. Barack Obama's Audition

As mentioned earlier, James Nesbitt, African-American Vice President in the Pritzker Realty Company, arranged for Barack and Michelle Obama "…to spend two days with Penny Pritzker and her husband…at the Pritzker's weekend home."[11]During the audition, Barack Obama was assessed to determine if he would carry-out the economic agenda of the American Plutocracy in all aspects, and to the fullest extent, even if this meant, for example, announcing, as he recently did, his decision to send American working people's sons and daughters to fight a war in Afghanistan. No stone could be left unturned. According to Domhoff,

> "…the visit was in many ways an audition because she [Penny Pritzker] asked the candidate many questions about his general philosophy and campaign plans. By the end of the weekend she had agreed to help raise money for him…Pritzker, who ranked 135th on the 2007 Forbes list of the richest 400 in America, with an estimated net worth of $2.8 billion gave the campaign immediate credibility in the Chicago community…With the help of Pritzker, Saltzman, Crown, Jordan, and many other wealthy donors, the campaign raised over $5 million, half of which came from just 300 people."[12]

Obviously, from the groundswell of campaign donations, candidate Barack Obama passed his audition, and even before he could finish out his first U.S. Senate term, the American Plutocracy was on one accord that Senator Barack Obama would be elected the first African-American President of the United States (This image was for the American electorate), and continue the long tradition of making it possible for them to accumulate greater wealth than before, an objective that extends as far back as beginning of the Republic. The same mentioned financial network of backers "…was in place as Senator Obama prepared to enter the presidential primaries in 2007. This time Pritzker was the national campaign finance chair."[13]As candidate Barack Obama's Presidential Campaign took shape during 2007, and continuing to rely on his "Ladies Who Lunch," connections, he was successful in raising large sums of campaign contributions from Wall Street executives and wealthy Americans in Los Angeles. By March 2008, Presidential Candidate Barack Obama had "…79 top money raisers, five of them billionaires, [who] had collected at least $200,000 each."[14]By September 2008, Emshwiller and Mullins added "an Obama Hollywood fundraiser…before the general election but after he defeated Mrs. Clinton for the Democratic nomination…brought $11 million jointly for his presidential campaign…."[15] Moreover, during his presidential campaign, Obama told his liberal supporters that he had decided not to accept public funding for his campaign. As a way to shield his connection to the American plutocracy's huge financial infusion into his presidential campaign, Obama told the American public that he "…had created a parallel public financing system of small donors via the internet and door-to-door campaigning…[but] his dependence on small donors turned out to be exaggerated."[16]

C. Federal Election Campaign Act, 1971

The Federal Election Campaign Act enacted in 1971 was especially aimed at limiting the amount of "hard money/cash" an individual could contribute to a candidate during a Presidential Election. This law came into existence as a result of the overly large sums of hard money donated to the Richard Nixon Presidential Campaign, which eventually came to light during the Watergate Hearing. As enacted, the Federal Election Campaign Act requires the following:

- That candidates disclose sources of campaign contributions and campaign expenditures;

- That public funding be available for Presidential primaries and general election. The law set legal limits on campaign expenditures for those who accept public funding;

- That legal limits be set on campaign contributions by individuals and organizations; and

- Prohibits cash contributions over $100.

Moreover, contributions limits in a federal election were established:

- Individuals may give $2,400 to each candidate;

- Individuals may give $5,000 to a Political Action Committee per year; and

- Individuals may give $30,400 to a national party per year.

In view of the above federal law, Presidential Candidate Barack Obama in 2007 chose to circumvent it in order to pave the way for the American plutocracy to donate huge sums of campaign contributions in excess of the requirements of law. Domhoff provided the following information, which provides insight into Presidential Candidate Obama's underlying motivation to forego his eligibility to receive public funding in accordance with the guidelines of the Federal Election Campaign Act, 1971. Domhoff contended that:

> "…the Obama forces set up a special party committee, the Committee for Change, so that donors who had given the maximum to the candidate ($2,300) and to the Democratic National Committee ($28, 500) could provide [additional]money…Individual checks for $5,000 to $66, 000 poured in from the financial sector… Members of the Crown Family, who already had raised $500,000 and donated $57,000 to the Obama Victory Fund, gave another $74,000 to the Committee for Change."[17]

Operating behind this cover of a created parallel system of campaign donations, Candidate Obama was able to turn his Presidential Campaign into one largely financed by the American Plutocracy. Emshwiller and Mullins stated "Mr. Obama's headlining of the big-dollar events comes after a campaign when he promised to curb the influence of money in politics--and then effectively crippled post-Watergate campaign-finance overhauls by opting out of public financing. That allowed him to raise $750 million for his White House bid."[18]As we see, Candidate Barack Obama opted out of public financing of his presidential campaign because the campaign was taken over by the American plutocracy. In short, he would not have been able to accept the huge amounts of campaign funding that he did had he taken the public financing route. Where would a first term, junior senator get $750 million to independently finance his own presidential campaign? Further corroborating the fact that candidate Obama's presidential campaign belonged to the American Plutocracy, Mullins and Farnam declared that:

> "Some of the most vocal critics of American International Group Inc.'s bonus payments are also the biggest recipients of campaign contributions from the company, including President Barack Obama… [President Obama is] among the top Democrats who have taken donations from AIG…"[19]

According to Mullins and Farnam, President Obama accepted $110,332 from AIG during his presidential campaign, ranking him number four on the list of politicians who received the most campaign contributions from AIG since 1989. Moreover, John McCain received $59, 499 during his run for the Presidency; Hillary Clinton received $37,965; and Joseph Biden received $19,975. How can these individuals, who currently head the federal government, make an objective assessment of AIG's role in the Wall Street Financial Crisis in view of the campaign donations they accepted from AIG? As we have already seen, President Obama received $750 million in campaign donations from the American Plutocracy that selected him to run for President. Recently, a new Supreme Court Ruling will make it much easier for the American Plutocracy to influence the American election process with its wealth [Citizens United v. Federal Election Commission, 2010].

According to Jess Bravin, the U.S. Supreme Court made it enormously easier for corporations to use their wealth to influence the outcome of elections when it recently struck down every existing law that regulates corporate donations to the campaigns of political candidates dating back to 1900. Bravin maintained that:

> "a divided Supreme Court struck down decades-old limits on corporate political spending…reshaping the 2010 election landscape by permitting businesses…to spend freely on commercials for and against candidates…The ruling, which overturned two precedents, underscored the impact of former President George W. Bush's two appointments to the court. Chief Justice John Roberts and Justice Samuel Alito joined the five-justice majority that struck down not only a provision of the 2002 McCain-Feingold campaign-finance act limiting corporate-funded political ads immediately before federal elections, but also federal laws dating to 1947, and state laws that were older still."[20]

In one sweeping ruling, the U.S. Supreme Court swept away the 1907 Tillman Act, which was the first federal legislation passed to prohibit the influence of the wealth of the American Plutocracy in federal political campaigns. It also swept away the 2002 McCain-Feingold Act, which prohibited the influence of corporate wealth in political elections related to payment for ads for or against a political candidate. In 2003, the Supreme Court voted 5 to 4 to uphold the McCain-Feingold Act, protecting it from Republican challenges. All of these safeguards were dismantled by the Supreme Court in January 2010, opening up the floodgates of wealth that aims to drown out the political voice of the average American. What political voice do the vast majority of American people have, for example, when President Obama was given $750 million by the American plutocracy to conduct his presidential campaign? The wolf in lamb clothing effect is to package Presidential Candidate Obama, and others, in an image that *makes the American electorate feel like it has a viable political voice, or more importantly, to make it seem as if a political candidate represents the political interests of the American working class when, in reality, as the President Obama image is slowly revealing, the latter's main goal is to advance the political and economic agenda of the American plutocracy who selected him for the political consumption of the American people.* To make sure this result is achieved more consistently, Sherman and Kuhnhenn added "the ruling reversed a century-long trend to limit the political muscle of corporations…and their massive war chests. It also recast the political landscape just as crucial midterm election campaigns are getting under way."[21]

All-in-all, President Barack Obama did not appear on the presidential horizon as an independent politician free of the long standing tradition of involvement of the American Plutocracy in presidential campaigns. The various media, however, tried their very best to present him as a single-minded "reformer" of the best in American politics. Though well-dressed and well-spoken, we shall see, and similar to every American Presidential Administration over the past 150 years, President Barack Obama, like all of his predecessors, has fallen under the influence of "big Money" in American politics. Domhoff declared that "big money is back in American politics as never before."[22]

A careful examination of President Obama's cabinet, staff appointments, and policy decisions will demonstrate on the one hand, the elitist character of his appointments, and, on the other, that major policy decisions made by the Obama Administration significantly favor the American plutocracy, which, as we already have seen, made millions of dollars of campaign contributions to influence them even before a vote was taken. Similar to other Presidential Administrations dating back to 1860 and earlier, Obama's cabinet and staff appointments have close ties to the business community.

The Obama Administration's Allegiance

After all the pundits' columns and TV appearances came to an end related to the every move Presidential Candidate Barack Obama made for nearly two years on the campaign trail, the time came for the American people to elect a President in 2008 who had, as we have already seen, been auditioned and selected in 2007. This fact was lost in the euphoria and excitement of the personal image surrounding Candidate Barack Obama, being the first African-American President ever elected President in American History. Nearly everyone was hopeful that the "Change You Can Believe In" and "Yes We Can" slogans were more than hollow words; the time had finally come for a much needed change from the "Cowboy Mentality of Preemptive Strike" that dominated President George W. Bush's two terms in office to "Reason and a New Deal" for the average American. Throngs of Americans gathered in a park in Chicago, IL on election night, waving flags, jumping up and down screaming, shaking hands, hugging one another, and even some longtime Civil Rights Leaders were shown overtly crying tears of joy.

During the few months after the 2008 Presidential Election, commonly known as a Transition Period, President Barack Obama's transition Team met in a Chicago hotel daily to consider who would be appointed to his cabinet and important staff posts?

A. Obama Administration Cabinet and Staff Appointments

Throughout the past 150 years, a majority of the individuals appointed to serve in presidential cabinet and staff posts, dating back to the James Buchanan Administration (1857 -1861) to the recent Obama Administration (2009-), have been corporate directors or corporate lawyers. Domhoff documented this fact when he wrote:

> "…96 percent of the cabinet and diplomatic appointees from 1780 to 1861 were members of this economic elite…from 1862 to 1933, the figure was 84 percent, with an increasing number of financiers and corporate lawyers…from 1934 to 1980, the overall percentage was 64…[From] 1897 to 1972…60 percent were members of the upper class and 78 percent members of the corporate community."[23]

Lapham added "…it is no accident that our Presidents appoint as cabinet members and ambassadors men readily identified as the masters or servants of wealth…Without money it is all but impossible to aspire to a public voice…in American society…"[24]That being so, did President Obama break this long standing tradition of Presidential appointments of men and women who have close ties to the American Plutocracy? He did not, there has been hardly any noticeable change in President Obama's Cabinet appointments.

Although President Barack Obama's Cabinet and Staff Appointments do not come directly from the Board Rooms of Corporations, all of them have two things in common, namely, they were generally educated at Ivy League Universities, and they have close ties to the Corporate Community. As such, the economic agenda of the American Plutocracy is moved forward. For example, John D. McKinnon and T.W. Farnam reported the following:

> "Top White House economic advisor Lawrence Summers received about $5.2 million in compensation over the past year from hedge fund D.E. Shaw & Co…Mr. Summers also received hundreds of thousands of dollars in speaking fees last year from major financial firms, making appearances for J.P. Morgan Chase Co., Citigroup Inc., Goldman Sachs Group Inc and Lehman Brothers Holding Inc…Mr. Summers joined D.E. Shaw in late 2006 as a managing director. He developed strategies for new businesses and evaluated investments for the New York firm, which oversees about $30 billion of assets, making it one of the biggest hedge-fund managers in the world."[25]

In a related article, McKinnon wrote,

> "National-Security adviser James Jones reported $900,000 in salary and bonus from the U.S. Chamber of Commerce, as well as director fees from a number of corporations, including $330,000 from Boeing Co. and $290,000 from Chevron Corp…His deputy, Tom Donilon, earned $3.9 million as a partner at the law firm O'Melveny & Meyers LLP, where his clients included Citigroup Inc., Goldman Sachs Group Inc. and Obama fund-raiser and hotel heiress Penny Pritzker …Some of Mr. Obama's cabinet members are financially well off, including Secretary of State Hillary Clinton and Commerce Secretary Gary Locke…"[26]

Moreover, McKinnon and Farnam also made note of the fact "Mr. Summers is helping to shape the Obama administration's policies on the meltdown and the U.S. recession"[27]Alicia Mundy added "the new commissioner of the Food and Drug Administration [Margaret A. Hamburg] is among the wealthiest Obama administration appointees, with income of at least $10 million in 2008 thanks mostly to her husband, a hedge-fund executive…"[28]In addition, though the current Federal Reserve Chairperson, Ben Bernanke, is not a member of the Obama Administration's Cabinet, he is appointed by the President, and confirmed by the U.S. Congress. Similar to the wealth of many of the Obama Administration's cabinet and staff appointees, according to Brian Blackstone and Sudeep Reddy "as of the end of 2008, Mr. Bernanke's asset holdings were between $850,000 and $1.9 million. That compares with $1.2 million to $2.5 million the year before."[29]

All-in-all, the Obama Administration, as we see, is heavily influenced by individuals who have very strong ties to the Corporate Community, and Wall Street in particular. How can, for example, Mr. Larry Summers, who has deep financial involvement in Wall Street financial affairs, objectively advise President Obama on a course of action that would provide major financial assistance to the average American? President Obama, like the vast majority of American Presidents before him, was *auditioned and selected to play the predetermined role in the American Political Drama as a Weak President, one who remains subservient to wealth, and hands-off when it comes to any major political decisions that could adversely affect the American Plutocracy's economic agenda.*

B. Weak Presidency

Since President Obama took office in January 2009, he has taken a hands-off stance with every piece of major congressional legislation that directly affects the well-being of the American wage-worker, and, simultaneously, he has acted, aggressively and swiftly, to get congressional stimulus package legislation passed, within a week's time, which rewarded Wall Street with more than a trillion dollar bailout to save the American financial system from meltdown and ultimate collapse, a situation caused by Wall Street investment firms themselves. Consider the following.

Jonathan Weisman and Dan Fitzpatrick stated "the Obama administration wants to soften the impact of bills speeding through Congress that would impose heavy new taxes on Wall Street bonuses…."[30] Senate banking Committee Chairman Christopher Dodd "…took the blame for watering down executive-compensation legislation, which came at the behest of the administration."[31] As mentioned earlier, Mr. Lawrence Summers, President Obama's Chief Economic Advisor, had very close ties to Wall Street Investment Firms before he was appointed. Senator Christopher Dodd watered down the executive-compensation legislation "…after the president's economic aides objected to its legality"[32]

In the thick of the furor surrounding the massive Wall Street bailout, President Obama took a highly conciliatory position regarding Wall Street taking responsibility for the meltdown of the American economy. In March 2009, Monica Langley added "…the White House worked to tone down its Wall Street bashing and to win support from bankers for the bailout plan…In weekend television appearances, President Barack Obama and other administration officials tempered their criticisms of the financial sector…They told executives they don't favor using the tax code to retroactively penalize specific individuals who had received bonuses…"[33]

Briefly, President Obama's administration turned its head and passively ignored the subprime mortgage bubble that Wall Street used to bankrupt millions of American voters who voted him into office. Sewer and Sloan, in their Time Magazine article titled "The Price Of Greed", stated "you've heard…that subprime mortgages--*subprime* is Wall Street's euphemism for *junk*--are where the problem started."[34]In effect, Wall Street investment firms took large amounts of bad housing loans made to Americans who could not afford them, and rather than these very "risky" housing loans be rated BBB (Subprime Junk), the Wall Street Rating Agencies, in conjunction with the Wall Street investment firms, rated them AAA, or the best rated bonds. Lewis continued:

> "There's a simple measure of sanity in housing prices: the ratio of median home price to income. Historically, it runs around 3 to 1; by late 2004, it had risen nationally to 4 to 1…But the problem wasn't just that it was 4 to 1. In Los Angles, it was 10 to 1, and in Miami, 8.5 to 1. And then you coupled that with the buyers. They were speculators…In 2000, there had been $130 billion in subprime mortgage lending, with $55 billion repackaged as mortgage bonds. But in 2005, there was $625 billion in subprime mortgage loans, $507 billion of which found its way into mortgage bonds"[35]

In addition, Harrop added "the modern Republican philosophy of deregulation [one of the tenets of neoliberalism] was clearly a sham. According to that ideology, Washington would let the traders and speculators and pushers of risky [subprime mortgage] debt do as they pleased"[36] The net effect of this policy led to a collapse of the American financial system, and the housing bubble was the primary cause.

Moreover, the housing bubble, energized by subprime or junk bonds, was 42.0 percent of mortgage lending in 2000; the packaging of subprime junk bonds amounted to 81.0 percent by 2005. This indicates that the housing bubble created by Wall Street investment banks during the Bush administration was ready to burst by 2008. While the American people were preoccupied with the prospect that Presidential Candidate Barack Obama might be elected the first African-American President in American History, underneath this euphoria was a subprime housing mortgage bubble that was timed to explode several months before the 2008 Presidential Election.

Lewis added "…Wall Street had built a doomsday machine"[37], and for bankrupting and causing the collapse of the American financial system, President Barack Obama rewarded Wall Street Bankers for their *unbridled greed.* The big reward came to Wall Street in the form of a massive and unprecedented simple proposal. According to Herszenhorn,

> "the Bush administration [on Saturday, September 19, 2008] formally proposed to Congress what could become the largest financial bailout in United States history, requesting virtually unfettered authority for the Treasury to buy up to $700 billion in mortgage-related assets from financial institutions based in the United States…The proposal was stunning for its stark simplicity: less than three pages, it would raise the national debt ceiling to $11.3 trillion…A $700 billion expenditure on distressed mortgage-related assets would be roughly what the country has spent in direct costs on the Iraq war and more than the Pentagon's total yearly budget appropriation. It represents more than $2,000 for every man, woman and child in the United States"[38]

The above $700 billion bailout plan was approved by both Houses of Congress in the shortest interval of time relative to any other major legislation that deals with the economic rights and freedoms of the vast majority of American people such the 1964 Civil Rights Bill, etc. Presidential Candidate Obama was a drum major for the bailout plan's approval before his November 2008 election as President, which was inspired by what we now know about his *behind scenes connections with the American ruling plutocracy.* We shall see later that the health care bill, for example, has been politically kicked around, like a football, throughout the first year of the Obama administration; although, as this is written, more than 47 million Americans live daily without any type of health insurance. Once President Obama assumed office in January 2009, he has, like the American voter, observed Wall Street investment bankers and others continue to be handsomely rewarded with billions of dollars, although the latter caused the September 2008 financial system crash.

Eugene Robinson captured the Weak Presidency of the Obama administration in an article titled "Why won't Obama get tough on bankers?" complaining that:

> "The president is telling Detroit to shape up or die while at the same time politely asking Wall Street, whose recklessness and greed caused this economic crisis, if it would be so kind as to accept another heaping helping of taxpayers funds…the administration's plan for rescuing the banking sector involves generous inducements, big subsidies and the opportunity for wealthy investors to become much wealthier while assuming little risk…It is worth pointing out the $17.4 billion the federal government has given GM and Chrysler since the bottom fell out of the automotive market last fall [2008] is dwarfed by the more than $1 trillion we've poured into the financial sector"[39]

In short, the Obama administration, which is underwritten by the American plutocracy, is following its "hands-off" position of "non-interference," in the daily political decision-making on matters of economic importance to the latter, as planned during President Obama's selection interview already discussed. According to Meckler,

> "President Barack Obama is taking a unusual approach to dealing with Congress on his top priorities of health care and energy: He's laying out the big picture, and letting lawmakers fill in the critical details…A congressional aide involved in writing the health-care bill confirms that, behind the scenes, the administration is mostly hands-off. 'They want a bill to pass, and are happy to leave the details to Congress,' the aide said. 'They provide technical support when asked, and they seem to recognize that they will have to help us with the politics later down the road. But they are definitely not pressing a particular point of view or specific policies'…Administration officials…weigh in along the way. But often, the intervention will be to push a deal that can pass, rather than toward any particular outcome, White House and congressional officials say"[40]

What is more, Seib stated "as a matter of political and legislative strategy, the White House has never actually presented an "Obama health-care bill." As in the earlier quest for an economic stimulus package, it chose instead to enunciate some general principles and let Congress craft the actual legislation. Four committees have done so, and a fifth is trying"[41]Many Americans are very confused about what happened to the connection they had with Presidential Candidate Obama and the current disconnection and aloofness they feel between themselves and President Obama. Peggy Noonan did a very good job explaining this disconnect in her article titled "Slug the Obama Story 'Disconnect.'"

Noonan is right on target. She asserted that,

> "we're at the first anniversary of the inauguration of President Barack Obama, and the slug, the word that captures its essence, is 'Disconnect.' This is…a surprising word to use about the canny operatives who perfectly judged the public mood in 2008. But they haven't connected since…There is a disconnect, a detachment between the president's preoccupations and the concerns of the people. There is a disconnect between the policy proposals and the people's sense…of what the immediate problems are…the president …is not emotional enough when he speaks, he doesn't wear his heart on his sleeve, he is aloof, like a lab technician observing the movements within a petri dish called America. Americans want him to be on the same page as they are. But he's on a different page, and he may in fact be reading a different book…The people are here, and he is there. The popularity of his healthcare plan is very low, at 35% support. Someone on television the other day noted it is as low as George Bush's popularity ratings in 2008…He negotiates each day with Congress, not with the people."[42]

President Obama's disconnect from the American people since they *elected* him President should not be surprising at this point. Given the fact, as has previously been pointed out, that the American plutocracy *selected* him to run for President, and, for supporting him with their wealth, he is expected to follow the agenda of the American plutocracy, and remain disconnected from the American people. After President Obama's first year in office, he has followed the agenda of the American plutocracy without the slightest deviation or hesitation.

Specific Policy Positions

Regarding anti-terrorism efforts, for example, the Obama administration is using the same model implemented by the Bush 43 administration.

a. Anti-Terrorism Plans

The Obama administration does not have an original plan of its own, but, rather, it will rely on the one implemented by the Bush 43 administration. For example, Simpson stated "Homeland Security Secretary Janet Napolitano is expected to outline…a strategy that will rely in large measure on refining and expanding initiatives launched under President George Bush…Ms. Napolitano…isn't contemplating a wholesale revision of the agencies or programs created under Mr. Bush to further antiterrorism efforts"[43]The Patriot Act, and many of its anti-freedom rules, are being pursued by the Obama administration. Another indicator of the Obama administration's Hands-off and Non-interference in political decision-making is earmarks, or "pork", in congressional legislation.

b. Earmarks and Bank Bonuses

While on the campaign trail, Candidate Obama told the American people he would bring an end to earmarks, or "bridges to nowhere." After seven months in office, nothing has changed. Sherman stated the following:

> "A House panel approved a big Pentagon spending bill…that included nearly 150 items tucked in by lawmakers on behalf of companies and other entities whose employees donated to their campaigns…When Mr. Obama signed a spending bill for the current fiscal year[2009]…he said the earmark-laden legislation should be an 'end to the old way of doing business, and the beginning of a new era of responsibility and accountability'…But as lawmakers work their way through spending bills for the next fiscal year, which begins Oct. 1, earmarks appear alive an well…The $636.3 billion 2010 defense-spending bill passed…by the House Appropriations Committee includes more than 1,100 earmarks, totaling more than $2.7 billion"[44]

Similar to anti-terrorism, earmarks further indicate that the "Change You Can Believe In" is merely an illusion because, as we see, the Obama administration is conducting "business as usual." Toward this end, when the American financial system collapsed in September 2008, and when it became clear to the Obama administration that it was Wall Street Bankers' greed that caused the market crash, President Obama became temporarily vocal about halting Wall Street payment of large bonuses to its employees.

In keeping with the above trend, Craig and Solomon reported that:

> "Nine banks …[receiving] government aid money paid out bonuses of nearly $33 billion last year [2008]--including more than $1 million apiece to nearly 5,000 employees--despite huge losses that plunged the U.S. into economic turmoil…The $32.6 billion in bonuses is one-third larger than California's budget deficit"[45]

Even though Wall Street Bankers caused the collapse of the American Financial System, and in spite of the big bonuses, the Obama administration agreed to inject $175 billion of taxpayers' money into the nine Wall Street banks that paid out $33 billion to their employees. As for the Obama administration, and in line with its hands-off and non-interference approach to governing, "the White House was more muted. 'The president continues to believe that the American people don't begrudge people making money for what they do as long as…we're not basically incentivizing wild risk-taking that somebody else picks up the tab for,' said White House Spokesman Robert Gibbs."[46] The housing bubble was, in fact, wild risk-taking, and somebody else is picking up the tab, namely this and future generations of Americans. By November 2009, Lucchetti added "incentive pay on Wall Street is set to rise by about 40%..."[47]

Lucchetti's observation is right on the mark. Stephen Grocer's article, "Banks Set for Record Pay," demonstrates that instead of the Obama administration reigning in the Wall Street bank robbers, the latter have profited tenfold using American taxpayer bailout money. In the short interval of one year from the time major U.S. banks were given bailout taxpayer money by the Obama administration, Grocer stated,

> "major U.S. banks and securities firms are on pace to pay their people about $145 billion for 2009, record sum that indicates how compensation is climbing despite fury over Wall Street's pay culture…The surge in bonuses comes barely one a year after the government bailed out the U.S. financial system amid the worst economic crisis in generations. This year [2010] major U.S. banks and securities firms are poised to pay their employees a record a-mount in compensation and benefits-about $145.54 billion…The Wall Street Journal shows that executives, traders, investment bankers, money managers and others at 38 top financial companies can expect to earn nearly 18% more than they did last year-and slightly more than in the record year of 2007"[48]

Interestingly, the Wall Street gang wrung the American financial system dry of money during the Bush 43 administration's last year in office. This raid took place underneath the cover of the Bush 43 administration's rhetoric about Saddam Hussein, and the Iraq War. While the American people were led to look at the killing going on in Iraq, the Wall Street bankers and others made a *killing stealing and robbing the U.S. Treasury.* There were no Weapons of Mass Destruction found in Iraq; but the *housing bubble, right here on Main Street, turned out to be the biggest Weapon of Mass Destruction for the American people inasmuch as millions of their homes were foreclosed, and other millions lost their jobs.* Moreover, Grocer further stated the following:

> "the firms in the analysis are on pace to report $450 billion in revenue, a 25% increase from 2007…Total compensation and benefits at the publicly traded firms…are on track to increase 18% from last year's[2009] $123.37 billion, and 6% from 2007's $137.23 billion payout. This year [2010], employees at the com-panies will earn an estimated $148,877 on average, up almost $2,500 from 2007 levels…The analysis includes banking giants J.P. Morgan, Bank of America and Citigroup, securities firms such as Goldman and Morgan Stanley, asset managers BlackRock Inc. and Franklin Resources Inc., online brokerage firms Charles Schwab Corp. and exchange operators CME Group Inc and NYSE Euronext Inc." [49]

The political picture becomes clear similar to a Polaroid camera. The American plutocracy selects George W. Bush President; uses the Iraq war as a distraction; pillages the U.S. Treasury with the housing bubble; the housing bubble bursts at the end of President George W. Bush's second term; selects Barack Obama and uses the first African-American who might be elected President; the American people fall for this image; Presidential Candidate Barack Obama is elected President in November 2008; and by January 2010, the end of his first year in office, Wall Street makes more profits than they did during the record 2007 profit year during the last year of the Bush administration. If this seems very clever, or ingenious, it is for the simple reason that the vast majority of the American people live in an externally, politically constructed dream world of *smoke and mirrors, where their reality is manufactured moment-to-moment within the disguise of an abstract freedom.*

c. Big Oil and Iraq

When President George Bush ordered American Troops into Iraq, the rationale, which immediately became indefensible, was the location, removal of Weapons of Mass destruction (WMD), and President Saddam Hussein. Nearly all Americans bought this rationale. However, by 2009, nearly seven years later, the underlying rationale has surfaced.

Gina Cohn, in her Wall Street Journal article, "Big Oil Ready for Big Gamble in Iraq," revealed that

> "…Iraqi officials plan a welcome-back party for Big Oil. The government intends to auction off oil contracts to foreign companies for the first time since Iraq nationalized its oil industry more than three decades ago…Iraq is thought to have one of the world's largest supplies of crude oil, with 115 billion barrels in proven reserves…Western oil companies are clamoring to get in…Thirty-five companies qualified to bid, including Exxon Mobil Corp., Royal Dutch Shell PLC, Italy's Eni SpA, Russia's Lukoil and China Petroleum & Chemical Corp…The six oil fields at stake are believed to hold reserves of more than 43 billion barrels"[50]

This oil bonanza, and all of its political negotiations, was going on by June 2009, only six months after President Obama took office. However, none of the above information to date has reached the American public. By November 2009, Chon and Gold reported "the Iraqi Oil Ministry has awarded an Exxon Mobil Corp. consortium the right to develop one of the world's largest oil fields, marking the first time an American-led group has been allowed into the Iraqi oil patch since the U.S.-led invasion began"[51]As it is, Exxon Mobil Corp. and Royal Dutch Shell PLC have been given "…the right to develop the giant West Qurna-1 oil field in southern Iraq"[52]Needless to say, few, if any, Americans know about this oil contract, and the fact it was signed during the Obama administration's first year in office without any public mention or objection.

As in this case, and the others, the Obama administration was selected and elected to maintain a hands-off approach of not interfering, or becoming an obstacle to, the fulfillment of the American plutocracy's neoliberal economic agenda.

Conclusion

In sum, the preponderance of the foregoing evidence establishes an historical pattern of wealth's direct influence on the American political system. By 2007, there were 10 million millionaire households in the United States. Of the 111.2 million American households in 2007, .09, or less than 10 percent, own a majority of all accumulated American wealth. As we have already seen, it is this class, or ruling plutocracy, that has exerted an ever increasing influence on the executive and legislative branches of government, beginning in 1860 and continuing throughout the next150 years. And as we have seen, the Obama administrationis no exception. Strategically utilizing its wealth, the American plutocracy poured nearly $700 million into the Barack Obama Presidential Campaign, although the average American, who was caught up in the euphoria of the image of the possibility that the first African-American might be elected President, was told that the latter's presidential campaign was primarily financed by small donations received from working class Americans. This was exaggerated by the mass media. We conclude with a statement made by Lewis Lapham, which sums up the historical influence of wealth on the Obama administration, and all of those that preceded it. Lapham maintained that:

> "Every now and then the country's politics seem to fall into the hands of reformers eager to violate the protocols of wealth and bring down the walls of established privilege. But when these high-minded gentlemen manage to win an election and capture the insignia of office, their noble intentions somehow remain embalmed in the tombs of rhetoric. Their supposed enemies ("vicious profiteers," oppressors of the common man," "the resplendent economic aristocracy," etc.) somehow end up, much to everybody's wonder and surprise, with an even larger percentage of the spoils"[53]

The economic stimulus bill, among many others, signed by President Barack Obama, is representative of the larger percentage of the spoils that continues to go to the "resplendent economic aristocracy." Several major findings demonstrate that the same factors at work 150 years ago continue to make this a reality during the Obama administration. They are as follows:

- That similar to the large sums of money injected into presidential campaigns during the past 150 years, the influence of wealth in the selection and election of the Presidency and the Senate persisted during the Barack Obama Presidential Campaign of 2007-2008, given the fact the American plutocracy donated $750 million to elect President Barack Obama;

- That similar to the Presidential cabinet and staff appointments over the past 150 years, where elected Presidents appointed wealthy individuals to serve in these key positions, this pattern was observed after President Barack Obama made his cabinet and staff appointments, given the fact that numerous appointees have a background of wealth, are Ivy League educated, and maintained close ties to corporations before their appointments. Of major notice is the fact that President Barack Obama appointed Larry Summers his Chief White House Economic Advisor, although the latter played a key role serving Wall Street investment firms before his appointment;

- That similar to previous Presidential administrations during the past 150 years, characterized by limited, or minimal, involvement in major decision-making, the Obama administration has, likewise, followed closely in the footsteps of his predecessors, given the fact he has left the development of policy related to the economic stimulus bill, energy, the healthcare bill, and the Iraq and Afghanistan wars, among others, to the legislative branch of government, and

- That similar to Presidential administrations during the twentieth century and before, where the socio-economic and health needs, or basic necessities of life, were desperately needed by millions of Americans, the Obama administration has followed the same indifferent course inasmuch as although millions of Americans need governmental assistance to avoid foreclosure of their homes, instead, President Obama has aggressively fought for, and won, legislative approval of billions of dollars of bailout money for Wall Street investment firms, which created the housing bubble that ultimately bankrupted the American financial system, and millions of Americans simultaneously.

In the end, American voters did go to the voting polls, and vote President Barack Obama into office. Yet, Lapham added "appearances pass muster as reality, words stand as surrogates for things, "junk bonds" count as before, and it turns out that nobody else seems to notice the unbearable lightness of being"[54]

Hopefully, this analysis will cause the American public to wake up and take notice that there is a very huge difference between the personality and images injected into the political process by the American plutocracy and the American public's selection and election of its own political leaders from among their own grassroots ranks to represent them. The average American has never attended an Ivy League University, yet, generally speaking, most decisions affecting their lives are currently being made by individuals who graduated from one whose interests are worlds apart from the man and woman who live on Main Street, regardless of race, color, or religion.

Finally, to demonstrate Wall Street greed that caused the September 2008 crash of the American Financial System is not unique, but systemic, we turn to a statement made by David Crane in his article "A capitalist system driven by greed," which he wrote in 2002.

David Crane wrote the following:

> "As IN ANY financial scandal, it is almost always the average person who bears the consequences. And the growing evidence of greed and corruption from Wall Street, the heart of American-style capitalism, is no exception. Tens of thousands of ordinary workers have lost their jobs. Those employees who made invest ments based on trust in the system have been fleeced of savings set aside for retirement. Meanwhile, many of those who perpetuated a culture of self-aggrandizement cashed out early and are now living high off the hog while victims of their frauds and deceits struggle to survive. Such is the inherent unfairness of our economic system, which depends so much on greed as a motivator…when you design an economic system in which there is an extraordinary strong incentive to manipulate stock prices for a fast and huge reward, and where partners in accounting firms and investment banks can win huge fees and commissions by acting as co-conspirators to shady practices, then something is badly out of kilter. And when it is, it is the average citizen who pays the price."[55]

Doesn't David Crane's 2002 statement about the American capitalist system provide a perfect insight into the way it operates? Similar to 2002, in 2008, the average American paid for the enormous bailout of Wall Street greed. This is not history repeating itself; this is the way the American capitalist system operates. The hardship variable is only a function of the intensity of greed.

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