It's Going to be a Bumpy Ride

By Mel Lavine

I would like to take heart about prospects for jobs and the economy in America now that President Obama has picked Jeffrey Immelt, the chief executive of General Electric, to run his Council on Jobs and Competitiveness which replaced the Economic Recovery Board the president created two years ago.

But it isn't easy.

As Paul Krugman said in the New York Times Monday, Immelt heads a company "with fewer than half its workers based in the United States and less than half its revenues coming from U.S. operations. G.E.'s fortunes have very little to do with U.S. prosperity."

Pointing out that some have praised the appointment because Immelt runs a company that "actually makes things, rather than being yet another financial wheeler-dealer," Krugman adds: "Sorry to burst this bubble, but these days G.E. derives more revenue from its financial operations than it does from manufacturing – indeed GE Capital, which received a government guarantee for its debt, was a major beneficiary of the Wall Street bailout."

(The Times ran a correction the next day to say that although G.E.'s financial operations "did account for roughly half of G.E.'s profits before the financial crisis, that segment has declined in importance since then.")

Be that as it may, Immelt's appointment is in synch with the president's avowed intention, since the "shellacking" his party took last November, to govern from the middle in the last two years of his first term.

In a video preview of his State of the Union address, Obama signaled his approach to independent voters, business owners and executives. They were assured they could rest easy. The administration is backing away from moves to expand government and focusing on "finding common ground (with Republicans) even as we're having some very vigorous debates."

"My number one focus," he said in the video, "is going to be making sure that we are competitive, and we are creating jobs, not just now but well into the future. These are big challenges that are in front us. But we're up to it, as long as we come together as a people – Republicans, Democrats, independents – as long as we focus on what binds us together as a people..."

In the speech he delivered Tuesday night he reiterated much the same, calling on the country to close ranks and join together to out-do our economic rivals in the global market-place. This was our road with the help of advancing technology out of our discontent. The signature word is competitiveness. Bi-partisan solutions for what ails the nation was the theme. He was even open to a bi-partisan solution to fix Social Security. I thought this a curious thing for a Democratic president to propose since there really is no crisis.

But this is the start of a new election cycle. So buckle up your safety belts, as Bette Davis said in the “All Abut Eve” movie. “It’s going to be a bumpy ride.”

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