OBAMA'S KABUKI JOBS COUNCIL, BROUGHT TO YOU BY "NUT ON CHINA" JEFF IMMELT

When Google announced that Eric Schmidt was stepping down yesterday, I joked that Schmidt must be leaving to lead Obama's campaign economy – the one he'll use to get re-elected with. After all, Schmidt is one of the Obama's closest CEO buddies, and he's leaving at the same time as Jim Messina and Patrick Gaspard are leaving to take over the campaign infrastructure. The decision to close the Office of Political Affairs seems to indicate a decision to stop governing and start spinning wildly to ensure re-election. There's no area where Obama will need to spin more wildly than with the economy, right?

Turns out, I wasn't far off.

What else can you conclude from the news that Obama is replacing his President's Economic Recovery Advisory Board, led by Paul Volcker, with a President's Council on Jobs and Competitiveness, led by General Electric CEO Jeff "Nut on China" Immelt?

> President Obama has asked me to chair his new President's Council on Jobs and Competitiveness. I have served for the past two years on the President's Economic Recovery Advisory Board, and I look forward to leading the next phase of this effort as we transition from recovery to long-term growth. The president and I are committed to a candid and full dialogue among business, labor and government to help ensure that the United States has the most competitive and innovative economy in the world.

Aside from the tired DC trick of renaming the Council with the latest buzzwords – jobs and competitiveness – there's all the things GE has done under Immelt that make the U.S. less competitive. I noted the other day that GE had signed a big deal with China that will involve us sharing our jet technology with China, which will ultimately help China compete with both GE and – China has said explicitly – Boeing. Then there's the fact that, even as Immelt has been calling for manufacturing in the U.S., his company has been shutting U.S. plants to move the work to China.

> While Immelt was calling for manufacturing to stay in the U.S., his company was at the same time shipping manufacturing jobs overseas by canceling an order with an American-based wind turbine maker, ATI Casting Service in LaPorte, Ind., so that GE could instead buy the parts from a factory in China.
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> Recently, ATI made $30 million worth of investments to buy, convert, and modernize a shuttered factory in economically ravaged Michigan so the company could provide more parts to GE as the green economy expands with federal stimulus funding. But a Chinese firm underbid ATI, and the factory faced having to lay off 302 union workers and shutter the plant.
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> In an aggressive bid to keep the factory open, ATI offered to match the price of the Chinese producers. GE once again said they would prefer to buy from China. The ATI plant is now closed, the jobs gone.

Then there is Immelt's call for Free – not Fair – Trade in his op-ed announcing the Kabuki Council.

> Free trade: America cannot expand its manufacturing base without greatly

> increasing the volume of goods it sells overseas. That is why I applaud the free-trade agreement recently concluded between the United States and South Korea, which will eliminate barriers to U.S. exports and support export-oriented jobs. We should seek to conclude trade and investment agreements with other fast-growing markets and modernize our systems for export finance and trade control. Those who advocate increasing domestic manufacturing jobs by erecting trade barriers have it exactly wrong.

And then, finally, there's the little detail that GE managed, alone of "manufacturing companies" in the U.S., to turn itself into a Too Big To Fail overleveraged finance company in need of a $16 billion bailout from the government (as has happened with all the TBTF finance companies, bailouts have made GE's financing business profitable again).

In short, no matter how many times Immelt gets up on a podium or in an op-ed and feigns an interest in American jobs, his actions make him the poster child for everything wrong with the U.S. economy right now.

And that's what Obama is rolling out, as he moves into campaign mode, to convince Americans he's going to do a damn thing about jobs.