

Once again: Why Obama won't—and can't—be Roosevelt

Patrick Martin
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A lengthy commentary published August 7 in the Sunday Review section of the *New York Times* makes many criticisms of the policies of President Barack Obama, but collapses in the face of the most vital and compelling issue: which class interests the Obama administration serves.

Under the headline, “What Happened to Obama?” Drew Westen, a professor of psychology at Emory University, expresses the disillusionment of many liberal supporters of Obama, who believed that the election of the first African-American president represented a watershed and an opportunity to revive the liberal reform policies associated with Roosevelt’s New Deal and the Great Society measures of the 1960s.

While couched in the language of post-modernism—Westen complains about Obama’s failure to “tell a story” or provide a compelling “counternarrative” to the Republican ultra-right—the criticisms are sharper than anything that has appeared recently in the *Times*, especially after the departure of two of the newspaper’s more liberal columnists, Bob Herbert and Frank Rich.

Westen focuses his critique especially on Obama’s refusal to denounce those responsible for the 2008 financial collapse—the bankers and billionaire speculators—and to promote an aggressively liberal alternative to the bank bailout initiated in the final months of the Bush administration and then expanded after the Democratic administration took over.

Pinning the blame for the crisis on the financial elite “would have made clear that the president understood that the American people had given Democrats the presidency and majorities in both houses of Congress to fix the mess the Republicans and Wall Street had made of the country, and that this would not be a power-sharing arrangement,” he argues.

“It would have made clear that the problem wasn’t tax-and-spend liberalism or the deficit—a deficit that didn’t exist until George W. Bush gave nearly \$2 trillion in tax breaks largely to the wealthiest Americans and squandered \$1 trillion in two wars. And perhaps most important, it would have offered a clear, compelling alternative to the dominant narrative of the right, that our problem is not due to spending on things like the pensions of firefighters, but to the fact that those who can afford to buy influence are rewriting the rules so they can cut themselves progressively larger slices of the American pie while paying less of their fair share for it.”

Westen contrasts Obama’s failure to the actions and words of President Franklin D. Roosevelt, whose New Deal policies used government resources to “put Americans directly to work,” and who made a regular display of hostility to the big bankers, and vice versa. He cites the famous speech in 1936 at Madison Square Garden, when

Roosevelt declared, “Never before in all our history have these forces been so united against one candidate as they stand today. They are unanimous in their hate for me--and I welcome their hatred.”

While Roosevelt was himself just as committed to the capitalist system as his Wall Street foes, he clearly understood that in order to save capitalism, it was necessary to chastise the capitalists publicly, to appease popular anger, and to place some constraints on their operations in order to prevent a recurrence of the financial manipulations that produced the 1929 stock market crash.

Westen bemoans Obama’s refusal to follow this example. He writes: “In contrast, when faced with the greatest economic crisis, the greatest levels of economic inequality, and the greatest levels of corporate influence on politics since the Depression, Barack Obama stared into the eyes of history and chose to avert his gaze. Instead of indicting the people whose recklessness wrecked the economy, he put them in charge of it. He never explained that decision to the public—a failure in storytelling as extraordinary as the failure in judgment behind it.”

This criticism assumes, of course, that Obama could have provided a credible explanation for his decision to put the lunatics in charge of the capitalist asylum—including, most obviously, his selection of Timothy Geithner, head of the New York Federal Reserve during the 2008 crash and one of three principal organizers of the bank bailout, as his secretary of the treasury. Likewise, he chose to renominate Federal Reserve Board Chairman Ben Bernanke, another key architect of the bailout, for a new four-year term.

More importantly, Obama chose to continue the bailout of the banks begun by Geithner, Bernanke and Bush’s treasury secretary, Henry Paulson, and then to greatly expand it. Every aspect of the new administration’s financial and economic policy was driven by the determination to restore solvency to the investment banks, stock traders and hedge funds, at the expense of the working class.

Obama proposed an economic stimulus policy tailored to boosting corporate profitability, not jobs, and rejected any direct job creation by the federal government. After blocking efforts to limit executive pay at the bailed-out banks, the president demanded a 50 percent wage cut for newly hired auto workers as the price of bailing out General Motors and Chrysler. And his health care “reform” was driven by cost-cutting, not the extension of coverage to the uninsured.

Westen admits that these policies led to widespread confusion and then disillusionment among those voters who had expected a progressive alternative from Obama, and opened the way for the ultra-right Tea Party movement to divert popular discontent and gain influence. But he attributes this to Obama’s failure to motivate his policies, not to the objective content of the policies themselves. Thus

he writes that no administration official would “explain why saving the banks was such a priority, when saving the homes the banks were foreclosing didn’t seem to be.”

Such a formulation suggests that such an explanation was possible; in other words, that Obama was pursuing a policy that was ultimately in the interests of working people, but failed to communicate it properly. The truth is far different: Obama’s policies were determined solely by the interests of the banks and corporations, and it proved impossible for him to disguise this fact from the working class. The Madison Avenue techniques and rhetoric of “hope” and “change” employed during the 2008 presidential campaign proved inadequate for gulling the masses indefinitely in the face of continued double-digit unemployment and declining living standards.

Westen concludes by effectively throwing up his hands over the recent confrontation between the Republican-controlled House of Representatives and the Obama administration over raising the federal debt ceiling and cutting the federal deficit. He describes the deficit debate as divorced from the real concerns of the American people about jobs and the ongoing economic slump, but expresses bewilderment about Obama’s role.

“Like most Americans, at this point,” he concludes, “I have no idea what Barack Obama—and by extension the party he leads—believes on virtually any issue.” This is only because he refuses to take seriously what Obama himself has said in the course of the deficit talks: that he supports massive cuts in entitlement programs, including Social Security, and that he supports the most modest of tax increases on the wealthy in order to provide a patina of “fairness” and “shared sacrifice,” without materially affecting the super-rich.

In attempting to explain why Obama made the decisions he did, however, Westen reduces great historical questions to the small change of personality and temperament, citing “lack of experience and a character defect that might not have been so debilitating at some other time in history.”

He writes: “Those of us who were bewitched by his eloquence on the campaign trail chose to ignore some disquieting aspects of his biography: that he had accomplished very little before he ran for president, having never run a business or a state; that he had a singularly unremarkable career as a law professor, publishing nothing in 12 years at the University of Chicago other than an autobiography...”

These aspects of Obama’s biography are significant, but only in demonstrating that his elevation to the presidency was not the result of his personal achievements, but rather a decision by powerful sections of the ruling elite that a change in image and personnel was needed, along with some adjustments in foreign policy after the disasters of the Bush years, and a young African-American Democrat with conservative and solidly pro-capitalist loyalties would fit the bill.

While Westen faults Obama for his failure to indict the Wall Street criminals for causing the 2008 crash, it was precisely his behavior during those critical weeks that reassured the ruling elite that he could be entrusted with the presidency. While Republican John McCain improvised wildly—suspending his campaign, attempting to cancel the first debate, then reversing himself—and congressional Republicans precipitated a stock market collapse by initially voting down the bailout bill, Obama lined up 100 percent behind the Bush administration and the Federal Reserve in mobilizing every possible federal resource to save the banks and speculators.

September 2008 was Obama’s final audition for the White House, and he passed with flying colors. Why should anyone expect anything

different from his presidency?

Westen ends his lament with a litany of complaints about the growing economic inequality in America, where

“400 people control more of the wealth than 150 million of their fellow Americans... the average middle-class family has seen its income stagnate over the last 30 years while the richest 1 percent has seen its income rise astronomically... we cut the fixed incomes of our parents and grandparents so hedge fund managers can keep their 15 percent tax rates.”

Obama’s failure to challenge this social reality is not a personal one, or the result of individual policy choices. It rather is an objectively determined expression of very different circumstances from those that prevailed when Franklin Roosevelt was in the White House. The major difference is the long-term historical decline of American capitalism.

When Roosevelt took office, the economic conditions were even more dire than those confronting Obama in January 2009, but even in the depths of the Great Depression the United States was still the most powerful capitalist nation, with enormous economic reserves and industrial might. Today, however, the United States is a declining power, with a national debt approaching \$17 trillion, an enormous negative balance of trade, and a shrinking industrial base.

Obama’s failure to offer a New Deal or echo the reformist rhetoric of FDR is not merely the product of his failure of imagination. It is an expression of the un-viability of such a policy today and the lack of support for it in the American ruling elite.

In the 1930s, fearful of the recent example of the Russian Revolution, facing immense upheavals from the American working class, the US capitalist class could afford to part with a relatively small portion of its vast wealth to stave off social and political disaster. Today it can neither afford nor envision such a policy. That makes a revolutionary settling of accounts by the American working class all the more necessary and historically inevitable.



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