Baker, K. (July 2009). Barack Hoover Obama: The best and the brightest blow it again. *Harper's Magazine*.

Three months into his presidency, Barack Obama has proven to be every bit as charismatic and intelligent as his most ardent supporters could have hoped. At home or abroad, he invariably appears to be the only adult in the room, the first American president in at least forty years to convey any gravitas. Even the most liberal of voters are finding it hard to believe they managed to elect this man to be their president.

It is impossible not to wish desperately for his success as he tries to grapple with all that confronts him: a worldwide depression, catastrophic climate change, an unjust and inadequate health-care system, wars in Afghanistan and Iraq, the ongoing disgrace of Guantanamo, a floundering education system.

Obama's failure would be unthinkable. And yet the best indications now are that he *will* fail, because he will be unable—indeed he will refuse—to seize the radical moment at hand.

Every instinct the president has honed, every voice he hears in Washington, every inclination of our political culture urges incrementalism, urges deliberation, if any significant change is to be brought about. The trouble is that we are at one of those rare moments in history when the radical becomes pragmatic, when deliberation and compromise foster disaster. The question is not what can be done but *what must be done*.

We have confronted such emergencies only a few times before in the history of the Republic: during the secession crisis of 1860-61, at the start of World War II, at the outset of the Cold War and the nuclear age. Probably the moment most comparable to the present was the start of the Great Depression, and for the scope and the quantity of the problems he is facing, Obama has frequently been compared with Franklin Roosevelt. So far, though, he most resembles the other president who had to confront that crisis, Herbert Hoover.

The comparison is not meant to be flippant. It has nothing to do with the received image of Hoover, the dour, round-collared, gerbil-cheeked technocrat who looked on with indifference while the country went to pieces. To understand how dire our situation is now it is necessary to remember that when he was elected president in 1928, Herbert Hoover was widely considered the most capable public figure in the country. Hoover—like Obama—was almost certainly someone gifted with more intelligence, a better education, and a greater range of life experience than FDR. And Hoover, through the first three years of the Depression, was also the man who comprehended better than anyone else what was happening and what needed to be done. And yet he failed.

The story of the real Herbert Hoover reads like something out of an Indiana Jones script, with touches of Dickens and the memoirs of Albert Schweitzer. Orphaned and penniless by the age of nine, Hoover was raised by an exploitative uncle who considered him more chattel than son. He had no illusions about the America he grew up in, writing years later, "As gentle as are the memories of the times, I am not recommending a return to the good old days. Sadness was greater, and death came sooner."

Removed from public school at fourteen to work as his uncle's office boy, Hoover nonetheless learned enough at night school to make the very first class at the newly opened Stanford University, where he studied geology and engineering. He paid his own way by working as a waiter, a typist, and a handyman, and eventually running a laundry service, a baggage service, and a newspaper route. (Unsurprisingly, his favorite book was *David Copperfield*). After graduation, he ran mining camps and scouted new strikes around the globe. It was an adventurous life; on one occasion he made a small fortune by following an ancient Chinese map and tiger tracks into a moribund silver mine in Burma. By the time he was forty, Hoover was worth \$85 million in today's dollars, and he retired from business to take up public life. "The ideal of service," he would later write, was no burden on the striving entrepreneur but a "great spiritual force poured out by our people as never before in the history of the world."

He had long lived up to his ideals. Caught in the siege of the Western delegations in Peking during the Boxer Rebellion of 1900, only Hoover and his fearless wife, Lou, cared enough to sneak food and water to the Chinese Christians besieged elsewhere in the city. He first came to national attention after the start of World War I, when he led the effort to feed the 7 million people of occupied Belgium and France. He worked for free, donated part of his own fortune to the cause, and risked his life repeatedly crossing the U-boat-infested waters of the North Atlantic. His postwar relief efforts rescued millions more throughout Europe and especially in the Soviet Union; it's unlikely that any other individual in human history saved so many people from death by starvation and want. Questioned about feeding populations under Bolshevik control, he banged a table and insisted, "Twenty million people are starving. Whatever their politics, they shall be fed!" In 1920, many people in both major parties wanted to run him for president, but he opted for the Republican cabinet. As secretary of commerce under Warren Harding and Calvin Coolidge, he was a dynamic figure, tirelessly promoting new technologies, work-safety rules, and voluntary industry standards; he supervised relief to Mississippi and Louisiana during the terrible 1927 floods and advocated cooperation between labor and management.

"We had summoned a great engineer to solve our problems for us; now we sat back comfortably and confidently to watch the problems being solved," the journalist Anne O'Hare McCormick wrote of Hoover's inauguration in March 1929, in words that might easily have been used in January 2009. "Almost with the air of giving genius its chance, we waited for the performance to begin."

Genius got its chance less than eight months after Hoover was sworn in, when the stock market collapsed. At the time, such an event wasn't seen as having anything much to do with the president. Wall Street crashes happened every five to ten years in the old American economy, and it was understood that these crashes would sometimes start nationwide recessions. They might last a year or two, like the recession that started in 1920, or for much longer, like the devastating depression that began in 1873 and, according to some economists, didn't really end until 1897. How long would it take to recover from the crash of '29? Who could know? Mere politicians were supposed to leave the outcome to the workings of the market. But Hoover—much like Obama—plunged right in, with a response that was designed to rise above old ideological battles and effect a new partnership between the public and private sectors. Less than a month after the Wall Street crash, he began what would be weeks of meetings at the White House with hundreds of "key men" from the business world. There the president briefed them on everything he had done so far and urged them to cut as few jobs as possible for the duration of the slump. He also encouraged public and private construction projects, signed bills recognizing the right of unions to organize, and used the fledgling Federal Reserve both to ease credit and to discourage banks from calling in their stock-market loans.

All of these projects were anathema to old-line conservatives in Hoover's own party, such as Andrew Mellon, the tax-slashing secretary of the treasury throughout the go-go years of the 1920s boom, who offered the president the absurdist advice to let the market "liquidate labor, liquidate stocks, liquidate the farmers, liquidate real estate." Cutting one of the main ties to the trickle-down wisdom of what was suddenly a previous era, Hoover eventually shipped Mellon off to serve as ambassador to England.

Yet there remained little immediate action that the president could take, hobbled as he was by the limits of a federal government that made up less than 4 percent of the GDP and by the reluctance of those around him to interfere in any way with the sanctity of the markets. At what John Kenneth Galbraith would later skewer as "no-business" meetings, the key men of industry pledged their full support, then went home to slash wages and cut as many jobs as they could. By the end of 1930, the gross national product had dropped by nearly 13 percent, unemployment had shot up to nearly 9 percent, and over 600 banks had closed. The Democrats won a majority in the House of Representatives, but the primary response to the Depression offered by their laconic speaker, "Cactus Jack" Garner, was a national sales tax designed to balance the budget. Liberal legislators in both parties were more sympathetic, but they wielded little power.

As the Depression spread around the world, Hoover-like Obama- towered above the

squabbling, suspicious leaders of Europe as well. Only Hoover, who had lived all around the world (like Obama) and also been part of the U.S. delegation at Versailles, seemed to understand the true threat the Depression posed to the global economy. Democratic forms of government were under assault everywhere in the West, and especially in the Weimar Republic, still staggering under the indemnity the victorious Allies had imposed on Germany in 1919. Hoover sought to alleviate the growing world credit crunch by pushing through a moratorium on the repayment of Europe's considerable war debt to the United States—on the condition that the Allies also forgave Germany its indemnity. It was an example of statesmanship at its most enlightened, and if any single U.S. action at the time could have prevented the rise of the Nazis to power, this would have been it.

Back on the domestic front, Hoover tried to organize national, voluntary efforts to hire the unemployed, provide charity, and create a private banking pool. When these efforts collapsed or fell short, he started a dozen Home Loan Discount Banks to help individuals refinance their mortgages and save their homes, and created an unprecedented government entity called the Reconstruction Finance Corporation. Authorized to spend up to the then-astonishing sum of \$2 billion, the RFC was a direct rebuttal to Andrew Mellon's prescription of creative destruction. Rather than liquidating banks, railroads, and agricultural cooperatives, the RFC would lend them money to stay afloat.

Hoover, as the historian David M. Kennedy writes, had shown "himself capable of the most pragmatic, far-reaching, economic heterodoxy," a trait that "would in the end carry him and the country into uncharted economic and political territory." New Dealer Rexford Tugwell would, many years later, claim that "practically the whole New Deal was extrapolated from programs that Hoover started." Indeed, "Hoover had wanted—and had said clearly enough that he wanted—nearly all the changes now brought under the New Deal label."

Tugwell's appraisal, though considerably exaggerated, nonetheless testifies to the boldness of Hoover's program. The only problem was that it did not work. The nation's credit system still would not thaw, banks kept falling like dominoes, unemployment rates and human suffering continued to rise. For all of his willingness to break with precedent and intervene directly in the economy, Hoover remained unable to turn his back fully on what Kennedy describes as the prevailing "legacy of perception and understanding of economic theory."

As Europe faltered, for instance, foreign gold began to flow out of America's banks and back home. Hoover reacted by increasing interest rates and raising taxes, in an effort to further deflate the economy, balance the federal budget, and thereby lure the gold back. This was the textbook economic response of the time to fleeing gold reserves; in the midst of the Great Depression, it was a disaster.

Meanwhile, the RFC was derided by populist critics as "bank relief and "a millionaire's dole"—criticisms echoed today by all those who see George W. Bush's Troubled Asset Relief Program and Obama's own Public-Private Investment Program as outrageous giveaways. And, as Kennedy points out, once Hoover had set in motion the great bank bailout of 1931, he "had given up the ground of high principle" and "implicitly legitimated the claims of other sectors for federal assistance." Critics raised the same criticisms they would raise about Obama's bailout plans seventy-eight years later. If the banks get a bailout, why not everyone else? Were bailouts only for the rich?

Exacerbating the entire situation was the RFC itself. Hoover's leading weapon to combat the Depression performed with TARP-like languor, secrecy, and nepotism. Throughout 1932, as banks continued to topple by the hundreds, the RFC disbursed only three-quarters of its available money. Although Hoover had declared that the agency was "not created for the aid of big industries or big banks," a record of its operations revealed that most of its money had indeed gone to a very few of the country's biggest financial institutions. In June of 1932, the RFC's president, Charles G. Dawes—who had just served as vice president of the United States under Calvin Coolidge—resigned his post, took a new job as head of the Central Republic Bank in Chicago, and promptly secured for his employer an RFC loan that nearly equaled the bank's total deposits. Dawes's successor, Atlee Pomerene, then lent another \$12 million to a Cleveland bank of which *he* remained a director.

These facts were, in the end, wrestled out in the open only by congressional fiat. The recipients of some \$642 million of the RFC's loans—nearly half its total expenditures—were not revealed at all. Hoover, like Obama, had insisted on secrecy to keep the proceedings from being "politicized," but,

inevitably, this fear of politicization in the end only led to more politics. The writer John T. Flynn, who reported much of the RFC scandal in the pages of this magazine, found that most of the money was distributed "by a group of directors drawn from those business groups whose performances during the pre-crash years have rendered them objects of suspicion to the American people" and that the "immense sums they dispensed were given to borrowers, many of whom, to put it mildly, have forfeited, justly or unjustly, the confidence of the people."

The RFC's deliberations were understood—with good reason—not as effective management but as insider dealing: common financial practice through the 1920s, but politically and morally insupportable at a time when millions of Americans were losing their jobs, their homes, and their savings, and when some were literally dying of starvation. What's more, even the loans that were made proved less than effective. The rescued banks, much like the rescued banks today, simply hoarded the new capital and refused to venture out into the marketplace.

Neither the RFC nor any of Hoover's other programs did anything to seriously address the other major problems then plaguing the American economy: the decades-long farm crisis that was sweeping away Dust Bowl farmers' actual soil along with their holdings; the near annihilation of the labor movement; a wildly unequal distribution of wealth; the lack of any real safety net for the old, the indigent, and the unemployable; a corrupt, non-transparent financial system that remained largely unregulated—in short, the need for systematic, wholesale reform of a nation that had foundered on the changing circumstances of the modern world.

It would have been very difficult to make most of these changes, because by and large they were advocated only by what were then the most radical individuals on the fringes of the political system. The one thing to be said in favor of such changes was that they were absolutely necessary.

By the summer of 1932, the country was in a state of near rebellion, with the "Bonus Army" of angry veterans camped out in Washington, farmers dumping their produce on the highways in protest, and mobs forcibly stopping evictions in the cities. The liberals in Congress had moved at last beyond Hoover, with even Jack Garner backing a \$2.1-billion package of public works and direct relief. Hoover vetoed it, warning against the moral entrapments of "the dole."

Why was Herbert Hoover so reluctant to make the radical changes that were so clearly needed? It could not have been a question of competence or compassion for this lifelong Quaker, who had rushed sustenance to starving people around the world regardless of their nationalities or beliefs. Ultimately, Hoover could not break with the prevailing beliefs of his day. The essence of the Progressive Era in which he had come of age—the very essence of his own public image—was that government was a *science*. It was not a coincidence that this era brought us the very term "political science," along with the advent of "nonpartisan" elections and "city managers" to replace mayors.

Since the 1890s, Hoover and his contemporaries had promoted this brand of progressivism as an alternative not only to the political and corporate corruption of the Gilded Age but also to the furious class and regional warfare that progressivism's predecessor, populism, seemed to promise. Progressivism aspired to be something of a political science itself, untrammeled by ideological or partisan influence: there was a right way and a wrong way to do things, and all unselfish and uncorrupted individuals could be counted on to do the right thing, once they were shown what that was.

There were plenty of progressives, led by Teddy Roosevelt, who understood that bringing real change meant fighting to bust up trusts, regain public ownership of utilities, and secure rights for labor, women, and others. But the great national effort inspired by World War I softened memories of the bitter class conflict that had characterized much of American politics since the Civil War, just as the rollicking prosperity of the 1920s erased memories of the postwar Red Scare and the crushing of labor unions. Throughout the decade, big business sought to co-opt any lingering labor resentments by forming "company unions" under what they called "the American Plan." Volunteerism and boosterism would take care of the rest. Prosperity would come through an always rising stock market.

Hoover's every decision in fighting the Great Depression mirrored the sentiments of 1920s "business progressivism," even as he understood intellectually that something more was required.

Farsighted as he was compared with almost everyone else in public life, believing as much as he did in activist government, he still could not convince himself to take the next step and accept that the basic economic tenets he had believed in all his life were discredited; that something wholly new was required.

Such a transformation would have required a mental suppleness that was simply not in the makeup of this fabulously successful scientist and self-made businessman. And it was this inability to radically alter his thinking that, ultimately, distinguished Hoover from Franklin Roosevelt. FDR was by no means the rigorous thinker that Hoover was, and many observers then and since have accused him of having no fixed principles whatsoever. And yet it was Roosevelt, the Great Improviser, who was able to patch and borrow and fudge his way to solutions not only to the Depression but also to sustained prosperity and democracy. It was FDR, brought up with the entitled, patronizing worldview of a Hudson Valley aristocrat, who was able to overcome attachments to all classes, all theories. It was Roosevelt who understood the imperfections, the rough-and-tumble of politics. The programs of the First and Second New Deals were a hodgepodge of ideologies—which is precisely why they worked. The innovations they brought about, however sloppily, were the core of twentieth-century American liberalism in that they reflected the complex ever-changing realities of the modern world.

Originally, Roosevelt, too, endorsed much of the progressive vision—or at least its pale 1920s imitation—as evidenced by his National Recovery Administration, a flabby Utopian plan that would have had business, labor, and government collaborate to set prices, wages, and industry standards down to the most minute details. The NRA would have carried 1920s-style business progressivism right to the doorstep of the corporate state, had it been even vaguely workable. But right from the beginning, Roosevelt also endorsed reforms, from regulating Wall Street to saving the farmers to backing labor unions in their organizing wars, that required *conflict*—the only way in which a political and economic system can be fundamentally remade. When the NRA quickly proved to be *a* bust, FDR discarded it, and replaced his failure with the Second New Deal, in which business, labor, and government were situated as countervailing forces against one another—a fundamental power shift that enabled advances in both prosperity and democracy unmatched in human history.

Much like Herbert Hoover, Barack Obama is a man attempting to realize a stirring new vision of his society without cutting himself free from the dogmas of the past—without accepting the inevitable conflict. Like Hoover, he is bound to fail.

President Obama, to be fair, seems to be even more alone than Hoover was in facing the emergency at hand. The most appalling aspect of the present crisis has been the utter fecklessness of the American elite in failing to confront it. From both the private and public sectors, across the entire political spectrum, the lack of both will and new ideas has been stunning. When it came to the opposition, Franklin Roosevelt reaped the creative support of any number of progressive Republicans throughout his twelve years in office, ranging from New York Mayor Fiorello La Guardia to Nebraska Senator George Norris to key cabinet members such as Henry A. Wallace, Harold Ickes, Henry Stimson, and Frank Knox. Obama, by contrast, has had to contend with a knee-jerk rejectionist Republican Party.

More frustrating has been the torpor among Obama's fellow Democrats. One might have assumed that the adrenaline rush of regaining power after decades of conservative hegemony, not to mention relief at surviving the depredations of the Bush years, or losing the vestigial tail of the white Southern branch of the party, would have liberated congressional Democrats to loose a burst of pent-up, imaginative liberal initiatives.

Instead, we have seen a parade of aged satraps from vast, windy places stepping forward to tell us what is *off* the table. Every week, there is another Max Baucus of Montana, another Kent Conrad of North Dakota, another Ben Nelson of Nebraska, huffing and puffing and harrumphing that we had better forget about single-payer health care, a carbon tax, nationalizing the banks, funding for mass transit, closing tax loopholes for the rich. These are men with tiny constituencies who sat for decades in the Senate without doing or saying anything of note, who acquiesced shamelessly to the worst abuses of the Bush Administration and who come forward now to chide the president for not

concentrating enough on reducing the budget deficit, or for "trying to do too much," as if he were as old and as indolent as they are.

Senate Majority Leader Harry Reid—yet another small gray man from a great big space where the tumbleweeds blow—seems unwilling to make even a symbolic effort at party discipline. Within days of President Obama's announcing his legislative agenda, the perpetually callow Indiana Senator Evan Bayh came forward to announce the formation of a breakaway caucus of fifteen "moderate" Democrats from the Midwest who sought to help the country make "the changes we need" but "make sure that they're done in a practical way that will actually work"—a statement that was almost Zen-like in its perfect vacuousness. Even most of the Senate's more enlightened notables, such as Russ Feingold of Wisconsin or Claire McCaskill of Missouri or Sherrod Brown of Ohio, have had little to contribute beyond some hand-wringing whenever the idea of a carbon tax or any other restrictions on burning coal are proposed.

President Obama, with a laudable respect for the separation of powers, has left the details and even the main tenets of his agenda to be worked out by these same congressional Democrats. This approach looks like an exercise in democracy drawn from his days as a community organizer, the sort of strategy that helps a neighborhood to decide whether it wants, say, a health clinic or a youth center. What he doesn't care to acknowledge is that, in the case of the U.S. Congress, he's dealing with a neighborhood where maybe half want a health clinic and the rest are holding out for grenade launchers and crystal meth.

Some have suggested that this is a subtle strategy to ensure that the White House retains the whip hand, that Obama is reserving for himself the role of "decider" over competing plans. But what is the decision then? Half a health clinic and one grenade launcher? A plan for universal health care that is not universal and doesn't cut costs will not work. A plan for combating climate change that perpetuates the shibboleth of "clean coal" will do nothing. Far from controlling the process, Obama's procedure is more likely to commit him to one of Congress's nebulous non-plans.

Yet Obama's lack of direction, his lack of accomplishments in his Hundred Days and counting, cannot be attributed solely to his illusions about the august body he just vacated. Obama, like Hoover in his time, is almost alone among politicians in grasping the magnitude of the crisis. In his masterful February speech before the joint houses of Congress, Obama explained to the country why we cannot afford to continue with a tottering health-care system that has left 46 million Americans uninsured and that impedes our exports by adding, for instance, \$1,500 to the cost of every GM car; why it is that climate change has to be addressed now, and how by addressing it we can regain our industrial base and actually begin to make things again; why it is that our financial system could not simply be bailed out and patched up but must be fundamentally reformed and re-regulated. Above all, he explained the necessary interaction of all these reforms, of how they were not just some liberal wish list but the actions that the radical moment demanded.

Speeches almost as powerful have followed, always linking these ideas together. But, like Hoover, Obama has been unable to make his actions live up to his words. Health care is being gummed to death on Capitol Hill. Obama has done nothing to pass "card check" provisions that would facilitate union organization and quietly announced that he would not seek stronger labor and environmental protections in NAFTA. He has capitulated on cap-and-trade in the budget outline and never even bothered to push for an actual carbon tax. Only minuscule portions of the stimulus bill or his budget proposals were dedicated to mass transit, and his indifference to the issue—what must be a major component of any serious effort to go green—was reflected in his appointment of a mediocre Republican time-server, Ray LaHood, as his transportation secretary.

Still worse is Obama's decision to leave the reordering of the financial world solely to Larry Summers and Timothy Geithner, both of whom played such a major role in deregulating Wall Street and bringing on the disaster in the first place. It's as if, after winning election in 1932, FDR had brought Andrew Mellon back to the Treasury. Just as Herbert Hoover could not, in the end, break away from the best economic advice of the 1920s, Barack Obama is sticking with the "key men" of the 1990s. The predictable result is that, even as he claims to recognize the interlocking nature of the problems facing us and vows to solve them as a whole, the president is in fact abandoning most of his program, at least for the time being.

No doubt, President Obama and his chief of staff, Rahm Emanuel, would claim that by practicing "the art of the possible," they are ensuring that "the perfect does not become the enemy of the good." But by not even proposing the relevant legislation, Obama has ceded a key part of the process—so much so that his retreat seems not so much tactical as a reversion to his core political beliefs.

A major theme of Obama's 2006 book *The Audacity of Hope* is impatience with "the smallness of our politics" and its "partisanship and acrimony." He expresses frustration at how "the tumult of the sixties and the subsequent backlash continues to drive our political discourse," and voices a professional appreciation for Ronald Reagan's ability to exploit such divisions. The politician he admires the most—ironically enough, considering the campaign that was to come—is Bill Clinton. For all his faults, Clinton, in Obama's eyes, "instinctively understood the falseness of the choices being presented to the American people" and came up with his "Third Way," which "tapped into the pragmatic, non-ideological attitude of the majority of Americans."

This is an analysis consistent with Obama's personal story. Like Herbert Hoover, Obama grew up as an outsider and overcame formidable odds—hence his constant promotion of personal responsibility and education. He came of age in a time when hardworking young men and women like him went to Wall Street or to Silicon Valley, and—once properly "incentivized" by the likes of Ronald Reagan and Bill Clinton—seemed to save the national economy, creating what appeared to be great general prosperity while doing well themselves. There's no need to do battle with these strivers and achievers, individuals as accomplished in their fields as Obama is in his. All that's required is to get them back on their feet, get the money running again, and maybe give them a few new rules to live by, a new set of incentives to get them back on track.

Just as Herbert Hoover came to internalize the "business progressivism" of his era as a welcome alternative to the futile, counterproductive conflicts of an earlier time, so has Obama internalized what might be called Clinton's "business liberalism" as an alternative to useless battles from another time—battles that liberals, in any case, tended to lose.

Clinton's business liberalism, however, is a chimera, every bit as much a capitulation to powerful and selfish interests as was Hoover's 1920s progressivism. We are back in Evan Bayh territory here, espousing a "pragmatism" that is not really pragmatism at all, just surrender to the usual corporate interests. The common thread running through all of Obama's major proposals right now is that they are labyrinthine solutions designed mainly to avoid conflict. The bank bailout, cap-and-trade on carbon emissions, health-care pools—all of these ideas are, like Hillary Clinton's ill-fated 1993 health plan, simultaneously too complicated to draw a constituency and too threatening for Congress to shape and pass as Obama would like. They bear the seeds of their own defeat.

Obama will have to directly attack the fortified bastions of the newest "new class"—the makers of the paper economy in which he came of age— if he is to accomplish anything. These interests did not spend fifty years shipping the greatest industrial economy in the history of the world overseas only to be challenged by a newly empowered, green-economy working class. They did not spend much of the past two decades gobbling up previously public sectors such as health care, education, and transportation only to have to compete with a reinvigorated public sector. They mean, even now, to use the bailout to make the government their helpless junior partner, and if they can they will devour every federal dollar available to recoup their own losses, and thereby preclude the use of any monies for the rest of Barack Obama's splendid vision.

Franklin Roosevelt also took office imagining that he could bring all classes of Americans together in some big, mushy, cooperative scheme. Quickly disabused of this notion, he threw himself into the bumptious give-and-take of practical politics; lying, deceiving, manipulating, arraying one group after another on his side—a transit encapsulated by how, at the end of his first term, his outraged opponents were calling him a "traitor to his class" and he was gleefully inveighing against "economic royalists" and announcing, "They are unanimous in their hatred for me—and I welcome their hatred."

Obama should not deceive himself into thinking that such interest-group politics can be banished any more than can the cycles of Wall Street. It is not too late for him to change direction and seize the radical moment at hand. But for the moment, just like another very good man, Barack Obama is moving prudently, carefully, reasonably toward disaster.