After the Massachusetts Massacre

By FRANK RICH, the New York Times, January 24, 2010

It was not a referendum on Barack Obama, who in every poll remains one of the most popular politicians in America. It was not a rejection of universal health care, which Massachusetts mandated (with Scott Brown's State Senate vote) in 2006. It was not a harbinger of a resurgent G.O.P., whose numbers remain in the toilet. Brown had the good sense not to identify himself as a Republican in either his campaign advertising or his victory speech.

And yet Tuesday's special election was a dire omen for this White House. If the administration sticks to this trajectory, all bets are off for the political future of a president who rode into office blessed with more high hopes, good will and serious promise than any in modern memory. It's time for him to stop deluding himself. Yes, last week's political obituaries were ludicrously premature. Obama's 50-ish percent first-anniversary approval rating matches not just Carter's but Reagan's. (Bushes 41 and 43 both skyrocketed in Year One.) Still, minor adjustments can't right what's wrong.

Obama's plight has been unchanged for months. Neither in action nor in message is he in front of the anger roiling a country where high unemployment remains unchecked and spiraling foreclosures are demolishing the bedrock American dream of home ownership. The president is no longer seen as a savior but as a captive of the interests who ginned up the mess and still profit, hugely, from it.

That's no place for any politician of any party or ideology to be. There's a reason why the otherwise antithetical Leno and Conan camps are united in their derision of NBC's titans. A TV network has become a handy proxy for every mismanaged, greedy, disloyal and unaccountable corporation in our dysfunctional economy. It's a business culture where the rich and well-connected get richer while the employees, shareholders and customers get the shaft. And the conviction that the game is fixed is nonpartisan. If the tea party right and populist left agree on anything, it's that big bailed-out banks have and will get away with murder while we pay the bill on credit cards — with ever-rising fees.

Politically, no other issue counts. In last weekend's Washington Post/ABC News poll, 42 percent of Americans chose the economy as the country's most pressing concern. Only 5 percent picked terrorism, and 2 percent Afghanistan. Obama's highest approval ratings are now on foreign policy and national security issues — despite the relentless hammering from the Cheney right — but voters don't care.

Does health care matter? Not as much as you'd think after this yearlong crusade. In the Post/ABC poll, the issue was second-tier — at 24 percent. Obama has blundered, not by positioning himself too far to the left but by landing nowhere — frittering away his political capital by being too vague, too slow and too deferential to Congress. The smartest thing said as the Massachusetts returns came in Tuesday night was by Howard Fineman on MSNBC: "Obama took all his winnings and turned them over to Max Baucus."

Worse, the master communicator in the White House has still not delivered a coherent message on his signature policy. He not only refused to signal his health care imperatives early on but even now he, like Congressional Democrats, has failed to explain clearly why and how reform relates to economic recovery — or, for that matter, what he wants the final bill to contain. Sure, a president needs political wiggle room as legislative sausage is made, but Scott Brown could and did drive his truck through the wide, wobbly parameters set by Obama.

Ask yourself this: All these months later, do you yet know what the health care plan means for your family's bottom line, your taxes, your insurance? It's this nebulousness, magnified by endless Senate versus House squabbling, that has allowed reform to be caricatured by its foes as an impenetrable Rube Goldberg monstrosity, a parody of deficit-ridden big government. Since most voters are understandably confused about what the bills contain, the opponents have been able to attribute any evil they want to Obamacare, from death panels to the death of Medicare, without fear of contradiction.

It's too late to rewrite that history, but it may not be too late for White House decisiveness. Whatever happens now — good, bad or ugly — must happen fast. Each day Washington spends dickering over health care is another day lost while the election-year economy, stupid, remains intractable for Americans who are suffering.

On the economic front, Obama needs both stylistic and substantive makeovers. He has stepped up the populist rhetoric lately — and markedly after political disaster struck last week — but few find this serene

Harvard-trained lawyer credible when slinging populist rhetoric at “fat-cat” bankers. His two principal economic policy makers are useless, if not counterproductive, surrogates. Timothy Geithner, the Treasury secretary, was probably fatally compromised from the moment his tax lapses surfaced; now he is stalked by the pileup of unanswered questions about the still-not-transparent machinations at the New York Fed when he was knee-deep in the A.I.G. bailout. Lawrence Summers, the top administration economic guru, is a symbol of the Clinton-era deregulatory orgy that helped fuel the bubble.

The White House clearly knows this duo is a political albatross. After the news broke that 85,000 more jobs had been lost in December despite some economists’ more optimistic predictions, Christina Romer, a more user-friendly (though still academic) economic hand, was dispatched to the Sunday shows. This is at best a makeshift solution.

Obama needs more independent economists like Paul Volcker, who was hastily retrieved from exile last week after the Massachusetts massacre prompted the White House to tardily embrace his strictures on big banks. Obama also needs economic spokesmen who are not economists and who can authentically speak to life on the ground. Obama must also reconnect. The former community organizer whose credit card was denied at the Hertz counter during the 2000 Democratic convention now spends too much time at the White House presiding over boardroom-table meetings and stiff initiative rollouts instead of engaging with Americans not dressed in business suits.

When it comes to economic substance, small symbolic gestures (the proposed new bank “fee”) won’t cut it. Nor will ineffectual presidential sound bites railing against Wall Street bonuses beyond the federal government’s purview. There’s no chance of a second stimulus. The White House will have to jawbone banks on foreclosures, credit card racketeering and the loosening of credit to small businesses. This means taking on bankers who were among the Obama campaign’s biggest backers and whose lobbyists have castrated regulatory reform by buying off congressmen of both parties. It means pressing for all constitutional remedies that might counter last week’s 5-to-4 Supreme Court decision allowing corporate campaign contributions to buy off even more.

It’s become so easy to pin financial elitism on Democrats that the morning after Brown’s victory the Republican Senatorial Campaign Committee had the gall to accuse them of being the “one party who bailed out the automakers and insurance companies.” Never mind that the Bush White House gave us the bank (and A.I.G.) bailouts, or that the G.O.P. is even more in hock than Democrats to corporate patrons. The Obama administration is so overstocked with Goldman Sachs-Robert Rubin alumni and so tainted by its back-room health care deals with pharmaceutical and insurance companies that conservative politicians, Brown included, can masquerade shamelessly as the populist alternative.

Last year the president pointedly studied J.F.K.’s decision-making process on Vietnam while seeking the way forward in Afghanistan. In the end, he didn’t emulate his predecessor and escalated the war. We’ll see how that turns out. Meanwhile, Obama might look at another pivotal moment in the Kennedy presidency — and this time heed the example.

The incident unfolded in April 1962 — some 15 months into the new president’s term — when J.F.K. was infuriated by the U.S. Steel chairman’s decision to break a White House-brokered labor-management contract agreement and raise the price of steel (but not wages). Kennedy was no radical. He hailed from the American elite — like Obama, a product of Harvard, but, unlike Obama, the patrician scion of a wealthy family. And yet he, like that other Harvard patrician, F.D.R., had no hang-ups about battling his own class.

Kennedy didn’t settle for the generic populist rhetoric of Obama’s latest threats to “fight” unspecified bankers some indeterminate day. He instead took the strong action of dressing down U.S. Steel by name. As Richard Reeves writes in his book “President Kennedy,” reporters were left “literally gasping.” The young president called out big steel for threatening “economic recovery and stability” while Americans risked their lives in Southeast Asia. J.F.K. threatened to sic his brother’s Justice Department on corporate records and then held firm as his opponents likened his flex of muscle to the power grabs of Hitler and Mussolini. (Sound familiar?) U.S. Steel capitulated in two days. The Times soon reported on its front page that Kennedy was at “a high point in popular support.”

Can anyone picture Obama exerting such take-no-prisoners leadership to challenge those who threaten our own economic recovery and stability at a time of deep recession and war? That we can’t is a powerful indicator of why what happened in Massachusetts will not stay in Massachusetts if this White House fails to reboot.