

Obama at Georgetown: Echoes of FDR

by *The St. Louis Post-Dispatch*

In a major economic speech Tuesday at Georgetown University's Gaston Hall, President Barack Obama turned to the Sermon on the Mount to urge that America, in rebuilding its economy, "build our house upon a rock."

(Parenthetical aside: Is Obama aware that the Sermon on the Mount — Matthew 5-7 — is a radical document? There's a lot of "blessed are the merciful," "turn the other cheek," "love your enemies," "do not store up for yourselves treasures on earth" stuff in there.)

Warning that his speech would be "prose, not poetry," Obama offered a straightforward exegesis of how the economy got where it is, what's being done to fix it and what must be done to make sure this kind of thing doesn't happen again.

Beyond that, he argued for systemic changes in corporate governance, banking regulation, the industrial base and health care economics to build, upon a rock, "a new vision of America's economic future that is far different from our troubled past."

This was Barack Obama as lecturer, not orator. But his Georgetown address may represent the broadest call for radical reform by any American leader since Franklin D. Roosevelt during the 1932 campaign, called for adopting "new terms of the old social contract" among citizens, corporations and government.

"We must do so," FDR warned, "lest a rising tide of misery engendered by our common failure, engulf us."

Obama spoke in similar apocalyptic terms: "We have been called to govern in extraordinary times. And that requires an extraordinary sense of responsibility — to ourselves, to the men and women who sent us here, and to the many generations whose lives will be affected for good or for ill because of what we do here."

Like FDR, Obama must deal with the power of banks. Roosevelt kept them closed before allowing the healthy ones to reopen on his terms. Obama has chosen to proceed more cautiously, first working to prop them up and then subjecting them to "stress tests" to see which ones could survive if things get worse.

The results of those stress tests were at first going to be kept private, but the administration correctly decided this week to make the results public — after first leaking word that no banks would actually "fail." Nervous bankers worry that federal examiners may have a different view of their assets and liabilities than they do. And Obama is under pressure from the left to roll a few heads to indicate his seriousness.

Goldman Sachs, the big investment bank, this week sold \$5 billion in stock to begin repaying billions in government bailout help, thus getting out from under Treasury's scrutiny and executive compensation limits. The government, however close its ties to Wall Street, should carefully examine Goldman's accounting; this last of the huge investment banks must not be allowed to become too big to fail.

Obama spoke to another problem FDR didn't have: "When a crisis hits, there's all too often a lurch from shock to trance, with everyone responding to the tempest of the moment until the furor has died away and the media coverage has moved on, instead of confronting the major challenges that will shape our future in a sustained and focused way."

This is a tough challenge for an impatient society full of quick-fix charlatans. It is the challenge of our lifetime.

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