FDR'S New Deal v. Obamanomics in Their First 100 Days

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With good reason, progressive economists reflect positively on Roosevelt's New Deal even though:

— it failed to end the Great Depression;

— had many flaws;

— did too little for blacks, women, immigrants, small farmers, agricultural workers, and the poor;

— let blacks be persecuted, discriminated against, and in the South denied their voting rights and lynched;

— 10 weeks after Pearl Harbor, he signed an Executive Order interning loyal Japanese American citizens because of their ethnicity; smaller numbers of German and Italian Americans as well;

— despite popular discontent with US broadcasting, he signed the 1934 Communications Act establishing permanent broadcasting law that handed the public airwaves to entrenched interests and laid the foundation for today's corrupted media; he called it a "New Deal in Radio Law," indeed for the broadcasters that profited;

— his main task was to save capitalism, not remake America into a social democracy beyond what was necessary at the time;

— like all elected officials, Roosevelt was above all a politician who wanted to be re-elected; and

— it took a world war to restore prosperity.

Nonetheless, his achievements were impressive, and the differences between then and now are stark – during the two gravest economic periods in US history. Obama embraces the Money Trust. Roosevelt, rhetorically at least, confronted "the unscrupulous money changers."

The problem is what he did, how, what he didn't do; what he could have done better; and if he had, maybe the Great Depression might not have been as Great or, in fact, Great at all.

He failed to do what Jackson and Lincoln did – return money-creation power to the people, as the Constitution mandates, instead leaving it in private hands – the very "moneychangers" he denounced with the Federal Reserve atop its pyramid.

Rather than finance New Deal programs with interest-free money, he chose debt obligations to private bankers, left the Fed's power unchanged, and turned deep recessionary years into the Great Depression.

Government-created money would have eliminated the national debt, income taxes, and most important given the gravity of the crisis, would have produced stable growth and prosperity without needing a world war to get it. Lincoln did it, the Civil War notwithstanding, and so did early colonists with interest-free money. Their decision to break free from the Bank of England (run by bankers) sparked the War of Independence. Britain wanted its power back, colonists resisted, hence the war.

A future article addresses this topic and much more. This one focuses on Roosevelt's first 100 days v. Obama's and the differences in their approaches – helping people, not bankers, the above comments notwithstanding; curbing speculation, not protecting it; imposing regulations and enforcing them, not disdaining them; establishing social services, not ignoring public needs; and much more.

In all, 15 landmark laws were enacted that (imperfections aside) set a standard for dealing with a troubled economy – so grave in March 1933 that (except for the Civil War period), machine guns protected government buildings because the nation's financial system had collapsed, peoples' life savings and jobs were being lost, and it was feared they'd react violently as a result.

The Emergency Banking Act

Roosevelt took office on March 4, 1933. The next day (through a special congressional session), he declared a four-day bank holiday. On March 9, the Emergency Banking Act passed that closed insolvent banks, then reorganized and reopened viable ones under Treasury supervision, with federal loans available if needed.

By mid-March, one-half of all banks with 90% of deposits were judged solvent and reopened. Forty-five percent of the others were reorganized under "conservators." The rest were shut down. By mid-April, over 12,800 banks were operating, 4000 fewer by year end after closures and mergers, and by 1935 one-third were nationalized, an idea the Obama administration rejects, but sooner or later will have no alternative but to embrace for the large most troubled ones.

The Bank Act of 1933 – Glass-Steagall

On June 16, the Bank Act of 1933 (Glass-Steagall) created the FDIC insuring bank deposits up to $5000 and separated commercial from investment banks and insurance companies, among other provisions to curb speculation. Senator Carter Glass was its prime mover and got Senator Henry Steagall to go along by attaching his amendment to protect deposits. For years, Glass believed bankers should stick to their knitting, not deal in or hold corporate securities. He blamed them for the 1929 crash, the subsequent bank failures, and Great Depression that followed. The Bank Act of 1933 passed quickly to curb them.

Much more as well and largely people-oriented, not Obama's agenda to reward banksters with trillions of public dollars. More on that below.

Other economic measures enacted were:

The Reconstruction Finance Corporation (RFC)

In 1932, Herbert Hoover created it, but Roosevelt streamlined its bureaucracy and increased its funding to recapitalize troubled banks and corporations. Under Hoover, it had $500 million in capital with authorization to borrow up to $1.5 billion more. In its first six months, it loaned banks over $800 million but didn't halt the crisis. Like today, they retained their reserves, shunned lending, and, besides, public trust was lacking.

Roosevelt's New Deal changed things. Under the 1933 Emergency Banking Act, RFC could buy bank equity and within a year bought more than $1 billion, or about one-third of total banks' capital. At the same time, government measures and oversight restored public confidence enough to attract hundreds of millions in deposits that pumped life into troubled banks if only for starters.

During his tenure, Roosevelt used RFC funding for agencies like the Home Owners' Loan Corporation, Farm Credit Administration, Rural Electrification Administration, Public Works Administration, and others as well as emergency relief loans to states, something Hoover never did, let alone establish New Deal policies to let him.

The Securities and Exchange Act of 1934 – Following the Securities Act of 1933

The 1933 law (enacted May 27, 1933) required that offers and sales of securities be registered, pursuant to the Constitution's interstate commerce clause. Previously, they were governed by state laws, known as "blue sky laws" to protect against fraud.

The 1934 law (enacted June 6, 1934) regulates secondary trading of financial securities and established the SEC under Section 4 to enforce the new Act, then later the Trust Indenture Act of 1939, the 1940 Investment Company Act and Investment Advisers Act, Sarbanes-Oxley of 2002, and the 2006 Credit Rating Agency Reform Act.

Overall, it's to enforce federal securities laws, the securities industry, the nation's financial and options exchanges, and other electronic securities markets unknown in the 1930s along with derivatives and other forms of speculation. Then and now, it's charged with uncovering wrongdoing, assuring investors aren't swindled, and keeping the nation's financial markets free from fraud. At least that was the idea. Eventually, the fulfillment fell far short of the promise.

In the 1930s, regulation worked by requiring that salesmen and brokers be licensed, prospectuses be used, full disclosure provided, and enough enforcement as well to cut fraud significantly. In addition, Glass-Steagall eliminated many 1920s shenanigans, a decade, like today, when Wall Street did as it pleased, created speculative excesses, and caused the inevitable crash.

Reforms were simpler to implement at a time fewer than 5% of the public owned stocks compared to 50% today, and most were sophisticated enough to know what they were doing or thought so. Also, there were no 401ks, IRAs, or a proliferation of mutual and hedge funds like today let alone:

— securitization/structured finance asset-backed securities (ABSs), mortgage-backed securities (MBSs), collateralized mortgage obligations (CMOs), collateralized debt obligations

(CDOs), collateralized bond obligations (CBOs), credit default swaps (CDSs), and collateralized fund obligations (CFOs) – combined, sliced, diced, packaged, repackaged, and sold in tranches to sophisticated and ordinary investors, many to mutual fund buyers, never knowing they owned any, let alone were being swindled; and

— derivative futures, options, forwards, swaps, warrants, leaps, baskets, swaptions, and whatever else Wall Street minds can invent, package, and sell in various ways and forms – too much of it not on the up and up as the current crisis revealed.

Home Owners' Loan Corporation (HOLC)

It was established in 1933 under the Homeowners Refinancing Act to refinance homes and prevent foreclosures, something largely missing in Obama's Homeowners Affordability and Stability Plan, the so-called mortgage bailout. It mainly helps lenders, does nothing for homeowners under water or those with second mortgages. Nor does it address plunging property valuations and its affect on millions.

In contrast, HOLC extended short and longer-term loans for up to 30 years and prevented the loss of over a million homes (about one-fifth of those owned with mortgages, the equivalent of 10 million today) at a time half were in default, and annual mortgage lending and residential construction was down 80%.

States began enacting foreclosure moratoriums at a time the average owner was two years in delinquency and three years behind on property taxes. In today's dollars, relative to current GDP, HOLC was initially authorized to issue $200 billion in bonds, acquire defaulted properties in exchange for them from lenders and investors, then refinance mortgages at lower rates (at a maximum 5%) to keep owners from losing their homes.

An essential HOLC element was for lenders and investors to take losses to provide more affordable mortgages for their holders – something missing in Obama's plan that lets issuers add unpaid balances to principal in return for lower rates and term extensions, meaning defaults are delayed, not stopped, and as valuations keep falling, millions more may lose their homes.

HOLC was hugely successful but not perfect. Given the dire conditions of the times, around 200,000 owners eventually defaulted but 80% were saved, far different from today with over four million foreclosures and 2009 estimates ranging from three million more to much higher numbers, plus many more in 2010.

The Economy Act

It was enacted on March 14, 1933 to deliver on Roosevelt's campaign promise to balance the "regular" non-emergency budget, be fiscally prudent, and do it by cutting government employees' salaries and veterans pensions by 40% for a $500 million savings at the worst possible time to do it. As a candidate, Roosevelt said deficit spending impaired recovery and hurt business confidence. However, as president, New Deal spending took precedence. By 1936, even four million veterans got their $1.5 billion bonus, in Bonus Bill cash and welfare benefits over Roosevelt's veto.

The Beer-Wine Revenue Act

On February 17, 1933, a dismal experiment ended when the Blaine Act repealed Prohibition, the Constitution's 18th Amendment, then formally adopted iti in December under the 21st Amendment.

On March 22, passage of the Beer-Wine Revenue Act levied a $5 tax on every barrel of beer and wine and reenacted parts of the Webb-Kenyon Act to protect states with laws prohibiting alcoholic beverages in excess of 3.2%. States also were left in charge of the sale and distribution of spirits.

The Civilian Conservation Corps (CCC)

The March 31, 1933 Emergency Conservation Work Act (CCC) put unemployed men to work on numerous projects – building roads, bridges, parts of dams, developing state parks, planting trees, and various forestry and recreational programs for the Forest Service, National Park Service, Fish and Wildlife Service, Bureau of Reclamation, Bureau of Land Management, and Soil Conservation Service.

Reportedly, it was FDR's favorite initiative. On April 5, Executive Order 6101 launched it by appointing a Director of Emergency Conservation Work "By virtue of the authority vested in me by the (CCC) Act of Congress…." It had great public support. By year end 1935, it employed over 600,000 in 2650 camps (including supervisors and administrators) in every state engaged in more than 100 kinds of work.

Civilian Works Administration (CWA)

On May 12, 1933, enactment of the Federal Emergency Relief Act established the Federal Emergency Relief Administration (FERA) to provide funds to states (from May through December 1935) to reduce unemployment. It set up CWA, supplied over $3 billion for various work and transient projects, created temporary jobs for over 20 million, then was gradually ended in favor of the Works Progress Administration (WPA).

Before it did, it was considered a significant initiative with Washington taking responsibility for the welfare of millions, both employable and unemployable, at a time of desperate need. Its flexibility and high administrative standards made it a model for later relief efforts.

The National Industrial Recovery Act (NIRA)

Passed on June 16, 1933, Roosevelt called it "the most important and far-reaching (law) ever enacted by the American Congress." It established the National Recovery Administration (NRA) as an initiative to revive economic growth, encourage collective bargaining, set maximum work hours, minimum wages, at times prices, and forbid child labor in industry.

Business response was mixed. GE helped write it, and the Chamber of Commerce said it was "a most important step in our progress towards business rehabilitation." In contrast, the National Association of Manufacturers and Henry Ford, among others, opposed it.

So did the Supreme Court unanimously in its Poultry Corp. v. United States (May 1935) ruling that NIRA/NRA "lay outside the authority of Congress," infringed on states' rights, unreasonably stretched the Commerce Clause, and gave legislative powers to the president in violation of the Nondelegation doctrine. It added that "extraordinary conditions do not create or enlarge constitutional powers."

By then, the Act was increasingly unpopular, and many doubted its effectiveness. Some economists called it counterproductive and damaging to economic stability by weakening antitrust laws and allowing collusion.

Public Works Administration (PWA)

It was created by NIRA for PWA-initiated projects to provide jobs, increase purchasing power, improve public welfare, and help revive the economy. Some called it designed to prime the pump and spend "big bucks on big projects," including electricity-generating dams, airports, schools, hospitals, affordable housing, even aircraft carriers.

While it operated, it spent over $6 billion but did little to lift the economy or reduce unemployment because it didn't do enough toward for either. When the nation moved toward war production, PWA became irrelevant and was ended.

Works Progress Administration (WPA)

It was a post-first 100 day initiative funded by the April 1935 Emergency Relief Appropriation Act and launched by Roosevelt's May 6 Executive Order 7034 "to move from the relief rolls to work on (various) projects or in private employment the maximum number of persons in the shortest time possible."

It replaced FERA, CWA and PWA to became the largest New Deal agency, employing millions in every state, especially in rural and western areas – those able to work, not the aged, handicapped or otherwise unemployable to be helped mostly at state and local levels. It and other programs eventually found jobs for about 60% of the nation's unemployed, paying around $50 a month (on WPA jobs) that went a lot further then than now.

WPA focused heavily on construction and developmental programs but also in areas of education, the arts, health, and other community projects for professional and white collar workers as well as efforts to feed children and redistribute food, clothing and provide housing.

Most observers called WPA a success. Others, however, objected to its competing unfairly with business, dispensing jobs as political favors, undercutting prevailing wages, and letting social protest themes be part of various arts projects. Once war production began, WPA shifted focus in that direction. By mid-1943, most alphabet soup agencies ended in favor of business as usual taking over post-war.

The Tennessee Valley Authority (TVA)

On May 18, 1933, the Tennessee Valley Authority Act became law creating TVA as a federally-owned corporation to provide navigation, flood control, electricity generation, economic development, and promote agriculture in the depression-impacted Tennessee Valley area covering most of Tennessee as well as parts of Alabama, Mississippi, Kentucky, Georgia, North Carolina, and Virginia. It was the federal government's largest regional planning agency and remains so.

From 1933 – 1944, it built 16 dams and a steam plant, produced electricity cheaply, and by 1941 was its largest producer in the country. It also established the Electric Home and Farm Authority (EHFA) to help farmers buy major electric appliances with EHFA low-cost financing.

In Ashwander v. TVA (February 1936), the Supreme Court ruled it constitutional, noting that regulating interstate commerce includes doing it for streams. They require flood control for navigability, and electricity generation is a by-product of this effort.

Today, TVA remains America's largest public power company, with over 34,600 megawatts in generating capacity serving about 8.5 million customers.

The Agricultural Adjustment Act (AAA)

Enacted on May 12, 1933, it restricted production by paying farmers to reduce and/or destroy crops and kill livestock at a time millions were impoverished and hungry. The idea was to decrease supply and raise prices (at the worst possible time) with farmers getting government payments for agreeing not to plant specific crops, not produce milk and butter, nor raise pigs and lambs. In addition, the Agriculture Secretary had exclusive powers to license food processors to control supply and raise prices.

In United States v. Butler (January 1936), the Supreme Court ruled that the tax underwriting AAA was unconstitutional because, among other reasons, it assessed one farmer to pay another. Congress later achieved part of AAA's goals through the 1935 Soil Conservation and Domestic Allotment Act until enactment of the second AAA in February 1938. It was funded through general taxation and thus constitutionally acceptable to the High Court.

AAA was conceptually flawed. It ran counter to vitally needed policy to produce low-cost food, make it affordable for millions, and relieve hunger. It also subsidized owners, not tenant farmers or sharecroppers, and ended up depressing incomes and increasing unemployment at the worst possible time.

The Farm Credit Act of 1933

Enacted on June 16, 1933 (the last of FDR's first 100 days), it was established to help farmers refinance mortgages over an extended time at below-market rates, and by so doing, helped them stay solvent and survive. It also created the Farm Credit Administration to make loans for the production and marketing of agricultural products as well as regulate and examine banks, associations, and related Farm Credit System entities – a network of borrower-owned financial institutions to provide credit to farmers, ranchers, and agricultural and rural utility cooperatives.

The May 1933 Emergency Farm Mortgage Act, established during the time of the Dust Bowl, provided refinancing help for farmers facing foreclosure.

An Overall Assessment

Despite its flaws and failures, FDR's New Deal was remarkable in what it accomplished. It helped people, put millions back to work, reinvigorated the national spirit, built or renovated 700,000 miles of roads, 7800 bridges, 45,000 schools, 2500 hospitals, 13,000 parks and playgrounds, 1000 airfields, and various other infrastructure, including much of Chicago's lakefront where this writer lives. It cut unemployment from 25% in May 1933 to 11% in 1937, then it spiked before early war production revived economic growth and headed it lower.

The Great Depression was, in fact, two severe recessions:

— from summer 1929 – March 1933;

— followed by a 1933 – 1937 recovery; impressive enough for the Dow Industrials to rise from a July 1932 low of 43 to 187 in February 1937 for a near-335% gain; however, the rally followed an 89% decline so even the new top ended up 50% below the 1929 peak of 385, a level it took 25 years to regain; then

— from May 1937 – June 1938, another slump followed (and a 47% Dow average decline) in response to reduced government spending before early war preparations produced recovery.

It might have been stronger and quicker had Roosevelt embraced all of Keynes' advice in a December 31, 1933 New York Times "Open Letter" (republished on November 25, 2008 in the London Guardian) to:

— "spend, spend, spend;"

— supply "cheap and abundant credit;"

— stress "speed and quick" recovery over reform that can come later;

— hold back on recovery-impeding reforms initially;

— direct recovery to "increas(ing) the national output," increasing purchasing power, and "put(ting) more men to work;"

— let rising output, not government policies, produce price increases; "increasing aggregate purchasing power is the right way to get prices up and not the other way around;"

— undertake "a large volume of Loan-expenditures under Government auspices" but work cooperatively with business; and

— concentrate on projects that "can be made to mature quickly on a large scale, as for example the rehabilitation of the physical condition of the railroads."

Roosevelt did much of the above, but not enough of it, then in 1937 declared victory too early and precipitated another downturn. Nonetheless, he deserves praise for what he accomplished during the gravest ever economic period to that time. He confronted it head-on with emergency first 100 days measures and vital reforms, Keynes advice notwithstanding, including:

— the above-cited "first 100 days" legislation, then later

— the National Labor Relations Board with the passage of the 1935 Wagner Act, that, for the first time, let labor bargain collectively on equal terms with management – something very much eroded in today's environment;

— the 1935 Social Security Act that to this day is the single most important federal program responsible for keeping seniors and others eligible out of poverty;

— unemployment insurance in partnership with the states; by 1935, nearly all the unemployed got social benefit payments;

— the Revenue Acts of 1934 and 1935, so-called "Soak the Rich" ones to make high income earners pay their fair share;

— the Revenue Act of 1936 that established an "undistributed profits tax" on corporations;

— the Revenue Act of 1937 that cracked down on tax evasion;

— a minimum wage, a 40-hour week, and time-and-a-half for overtime guarantees under the 1938 Fair Labor Standards Act (FLSA);

— public housing under the 1934 National Housing Act (creating the Federal Housing Administration – FHA) to make housing and mortgages more affordable through FHA and Federal Savings and Loan Insurance Corporation (FSLIC) financing;

— the May 1935-established Rural Electrification Administration (REA) to bring electrical power to rural and remote areas;

— the 1937 Housing Act (Wagner-Steagall Act) providing subsidies to local public housing agencies;

— the Railroad Retirement System, separate from Social Security, administering a social insurance program for railroad workers and their families;

— the National Youth Administration (NYA) under WPA to help youth unemployment through grants to high school and college students in return for work; it also aided unemployed young people not in school with on-the-job training in federally-funded work projects to provide marketable future skills; and

— more initiatives in an effort to reform and revive the economy.

Obamanomics – Obama's Bad Deal

As stated above, Roosevelt confronted "the money changers," even though mostly through rhetoric. Obama, like Bush, embraces them openly to the tune of $12.8 trillion "spent, lent or guaranteed," according to Bloomberg on March 31 while people needs go begging at a time they're most essential. He leads:

— an imperial enterprise presided over by a war cabinet engaged in unbridled militarism, aggressive wars and occupation with a budget well above $1 trillion annually;

— a bogus democracy under a homeland police state apparatus;

— an anti-labor job destruction offensive, from 800,000 – one million a month since his inauguration, compared to FDR creating employment for most workers and reviving the national spirit; and

— a criminal cabal in charge of the greatest ever wealth transfer in history – from the public to the top 1%, mainly powerful corrupt Wall Street institutions.

As Michel Chossudovsky explains, his budget reflects "the most drastic curtailment in public spending in American history." It's a "War Budget (affecting) all major federal (programs except): 1. Defense and the Middle East War(s and whatever new ones are planned); 2. the Wall Street bank bailout, (and) 3. Interest payments (approaching $500 billion annually) on a staggering (growing) public debt."

People needs don't matter. They get little more than lip service, and in his April 14 Georgetown University economic policy speech, Obama promised disappointment. When he should have been Rooseveltian, he defended bank bailouts, suggested more are coming, championed "free market" rubbish, and presented "five pillars (to) make the new century another American (one):"

— no-teeth financial regulations;

— education reform, meaning the Bush agenda to end public education;

— renewable energy and technology investments, likely to be far less than needed and for the wrong things;

— health care reform minus Medicare-for-all to assure profits trump human need; and

— "restoring fiscal discipline (by) reduc(ing) discretionary spending for domestic programs" at the same time it's been recklessly abandoned for bankers and militarism....we (cannot solve this problem by trimming a few earmarks; (the) biggest (budget costs) are entitlement programs like Medicare, Medicaid, and Social Security all of which get more expensive every year....So if we want to get serious about fiscal discipline – and I do – we will have to get serious about entitlement reform" – meaning phase them out in future years, or something close to that.

Unless policies like these are reversed, this agenda is heading the nation toward insolvency, tyranny and ruin with ordinary people hurt most.

Simon Johnson is a former IMF chief economist, now teaching at MIT's Sloan School of Management. His article in the Atlantic's May issue, titled "The Quiet Coup," suggests that Wall Street (a "financial oligarchy") is turning America into a "banana republic," given the depth, similarities and shock "reminiscent of" earlier crises in Southeast Asia, Russia, Latin America, and other developing countries.

His analysis is long and detailed, concluding as follows:

"The conventional wisdom among the elite is still that the current slump 'cannot be as bad as the Great Depression.' This view is wrong. What we face now could, in fact, be worse than the Great Depression – because the world is now so much more interconnected and the banking sector so big. We face a synchronized downturn in almost all countries, a weakening of confidence among individuals and firms, and major problems for government finances. If our leadership wakes up to the potential consequences, we may yet see dramatic action on the banking system and a breaking of the old elite."

So far policy is mirror-opposite, hugely destructive, publicly papered over but evident in divergent G 20 views, raging on London and other European streets, to a lesser degree in America, and openly stated by Czech prime minister/EU president Mirek Topolanek calling Washington's stimulus "a way to hell (that will) undermine the stability of" global finance.

Obama is wrecking America. Roosevelt determined to revive it and help people as the way to do it.

He had his "Brain Trust," notable figures like Felix Frankfurter, (a future Supreme Court justice), Justice Louis Brandeis, consumerist/labor supporter Frances Perkins, economist Rexford Tugwell, educator/author Adolph Berle, and close personal confidant Louis Howe, among others – officials and advisors dedicated to reviving the economy by putting people back to work. One other was prominent as well, his wife Eleanor.

Rexford Tugwell said this about her:

"No one who ever saw Eleanor Roosevelt sit down facing her husband, and, holding his eye firmly, say to him, 'Franklin, I think you should….or, 'Franklin, surely you will not….' will ever forget the experience….It would be impossible to say how often and to what extent American governmental processes have been turned in new directions because of her determination."

At first, she worried she'd be marginalized as first lady, unable to speak publicly about causes she championed. But it didn't stop her. She held press conferences for women reporters only; pressed FDR to appoint more women and much more:

— she urged the creation of the National Youth Administration;

— became a civil rights champion and pushed for including blacks in government programs;

— supported the Southern Tenant Farmer's Union;

— worked with the PWA's Housing Division for planned communities ("greenbelt towns") and slum clearance;

— backed Federal Arts Projects, even ones with "controversial" themes;

— supported worker rights and lobbied for the Wagner and Fair Labor Standards Acts;

— visited coal mines, migrant camps, homes of sharecroppers and slum-dwellers;

— wrote articles, spoke publicly and on radio;

— traveled widely to see firsthand how the Depression affected the most vulnerable; and

— displayed an unmatched spirit, passion and dedication, and, by so doing, set a standard never matched by another first lady; few, in fact, even tried.

That Was Then, This Is Now – A Different Time, A Different President, A Different Agenda

The differences between FDR and Obama are stark during the two gravest economic crises in our history. Obama chose a financial coup d'etat "dream team" to address it. It includes a rogue's gallery of 1990s and earlier retreads, many of them proteges of former Treasury Secretary Robert Rubin who plundered world economies during his tenure, then led Citigroup close to collapse – disciples like Treasury Secretary Timothy Geithner, former New York Fed president who partnered with Ben Bernanke and Hank Paulson's Treasury-looting under Bush.

Reportedly he was also one of the architects behind the Bear Stearns bailout and various others, including Fannie, Freddie, AIG, Merrill Lynch, Washington Mutual, and Lehman Bros.' suspicious collapse that shocked financial markets globally. He now runs the Treasury and continues looting on a grander scale on the pretext of reviving the economy. Instead, he's wrecking it – by design.

Others like Lawrence Summers, a former Reaganite and World Bank chief economist before becoming Clinton's Under-Treasury Secretary for International Affairs, then Treasury Secretary from 1999 – 2001. He helped deregulate financial markets and played a key role in the 1999 Gramm-Leach-Bliley Act that repealed Glass-Steagall and opened the door to the kinds of rampant speculation, fraud, and abuse that created today's crisis.

He was also instrumental in the passage of the 2000 Commodity Futures Modernation Act (CFMA). It legitimized "swap agreements" and other "hybrid instruments" at the heart of today's problems by preventing regulatory oversight of derivatives and leveraging that turned Wall Street into a casino.

Now he's do for Obama what he did earlier – as Director of the National Economic Council where he's part of a criminal cabal triumvirate in charge of economic policies along with Geithner and Bernanke.

Another Rubin protege, Peter Orszag, heads the Office of Management and Budget. Earlier he was on Clinton's Council of Economic Advisors, then was Congressional Budget Office Director from early 2007 to late 2008. He's for destroying Social Security through a combination of payroll and "benefits adjustments" as a way of cutting retiree payouts.

Also close to Rubin and for Social Security privatization is Jason Furman, Deputy Director of the National Economic Council. In the Clinton administration, he served as Special Assistant to the President for Economic Policy and on the Council of Economic Advisors.

UC Berkeley economist Christina Romer chairs the Council of Economic Advisors where she's close to the president but with less clout than Geithner, Summers and Bernanke. Her idea of good government – the less the better, except for handouts to the rich. In praise of Ronald Reagan she once wrote: "The costly wrong turn in ideas and macropolicy of the 1960s and 1970s has been set right, and the future of stabilization looks bright," meaning, of course, to take from the many for the few.

That's also true for Paul Volker (former Fed chairman, Trilateralist, corporatist and no friend of working people), now serving as 1st Chair of the President's Economic Recovery Advisory Board, a position with lots of bark and little bite, but enough to pay attention to nonetheless, especially when he differs on public policy.

Former Washington governor Gary Locke is the new Commerce Secretary, hailed as "safe (and) strait-laced," but his record shows otherwise. He skirted campaign finance laws; handed Boeing a $3.2 billion tax break; paid Boeing's private consultant and outside auditor $715,000; and arranged favors for his brother-in-law's business above and beyond what's ethical.

Former Colorado senator and rancher Ken Salazar heads the Interior Department. He backed the worst of Bush administration appointments, including Alberto Gonzales for Attorney General and right-winger Gale Norton for Interior. He's an anti-environmentist and is staunchly pro-business, clearly why he was appointed in the first place.

That's true as well for Tom Vilsack, former Iowa governor, chair of the right wing Democratic Leadership Council (DLC), now new Agriculture Secretary. Agribusiness loves him. He's for ethanol and other biofuel production, big subsidies for the giants, and the proliferation of harmful GMO seeds.

As new Education Secretary, Arne Duncan will do for the nation what he did to Chicago – preside over public education's destruction by privatizing it for profit, and in the process, destroy the futures of millions of youths in the country.

The 1934 Securities and Exchange Act created an SEC with teeth and, for a while, it worked. At least since the 1980s, it hasn't, and under George Bush it became a travesty of non-enforcement.

Mary Schapiro is its new head, hand-picked by the industry she'll regulate so there's no doubt where her allegiance lies. She's a high-level insider, former FINRA and NASD head and earlier CFTC chairperson. In each job, she was a facilitator, not a regulator, credentials making her perfect for SEC where industry interests matter, not enforcing the nation's securities laws.

Other Obama officials are as tainted – his top team and their underlings. Roosevelt promised change and delivered. So did Obama – for his Wall Street backers and beneficiaries.

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