

# Eliot Spitzer: Obama Economic Policies Ineffective, A Continuation Of Bush

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Are Obama's economic policies *actually working*?

Intelligence Squared posed this question to six policy experts at a debate in New York this week. The statement, "Obama's economic policies are working effectively," was defended by Lawrence Mishel from the Economic Policy Institute; investor and former 'Car Czar' Steven Rattner; and Mark Zandi, the chief economist and co-founder of Moody's Economy.com.

Arguing that Obama's economic approach is failing were James Galbraith of the University of Texas; Carnegie Mellon's Allan Meltzer; and former New York governor Eliot Spitzer.

The speakers defending Obama's handling of the economic crisis insisted that the economy, at the precipice a year ago, was brought back from the edge by the administration's strategy. They urged patience in allowing Obama's policies to broaden and take effect, and Zandi, who called the measures "successful," counseled that we should be careful not to be too rash in fundamentally restructuring the economic system:

"The proposition is, "Obama's Economic Policies Are Working Effectively." It's not, they have worked. This is not a mission accomplished, no one is arguing that this is over and done with, we have more work to do, and the administration is still working...And more importantly and perhaps most importantly, we are working through some of the structural problems in our economy, working on the hard, difficult issues, the most obvious would be financial regulatory reform. Now this is something you don't want to do quickly, you don't want to make a mistake. Our financial regulatory structure has been in place since the Great Depression. It feels like it, and we have got to take time to make it right. So, in my view, what the administration has done has been highly successful."

Mishel pointed out that the philosophy of deregulation, which he blamed for the crisis, has a deep-seated history in America -- for which Obama is not responsible:

"But the question is, are you going to judge the Obama administration policy ineffective, because it hasn't corrected what I think is 30 years of generating inequality, false-hearted, silly deregulation and worshipping of markets where we shouldn't have done it that got us into this darn mess? I don't think that's quite appropriate."

But Spitzer took aim at the administration's approach, accusing it of shying away from the kind of comprehensive reform that the financial system needs. The Obama administration is not so different from the Bush administration, at least so far as their approach to the banking crisis goes, he claimed:

"The fundamental error of this administration is that it is continuity. They have embraced the Bush Administration view that if you solve the problem of big banks everything else flows from that. They are wrong. Too big to fail is too big. They don't get it. The only two people I know who don't appreciate that are Tim Geithner and Larry Summers. Paul Volcker, Alan Greenspan, Henry Kaufman, Mervyn King -- every major academic has said, "We must get rid of too big to fail."