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OP-ED COLUMNIST

Awake and Sing!

By FRANK RICH

"I am pronouncing the depression over!" declared CNBC's irrepressible Jim Cramer on April 2. The next day the unemployment rate, already at the highest level in 25 years, jumped yet again, but Cramer wasn't thinking about the 663,000 jobs that disappeared in March. He was thinking about the market. Mad money. Fast money. Big money. The Dow, after all, has rallied in the weeks since Timothy Geithner announced his bank bailout 2.0. Par-tay! On Wednesday, Cramer rang the opening bell at the New York Stock Exchange, in celebration of the 1,000th broadcast of his nightly stock-tip jamboree.

Given Cramer's track record on those tips, there's no reason to believe he's right this time. But for the sake of argument, let's say he is. (And let's hope he is.) The question then arises: What, if anything, have we learned from this decade's man-made economic disaster? It wasn't just trillions of dollars of wealth that went poof in the bubble. Certain American values also crumbled and vanished. Making quick killings by reckless gambling in the markets — rather than by investing long-term in new products, innovations, technologies or services that might grow and benefit America and the world — became the holy grail in the upper echelons of finance.

This was not an exact replay of the preceding dot-com bubble. As a veteran of the tech gold rush recently observed to me, in Silicon Valley "the money comes later" and "the thing you make comes first, however whimsical, silly, microscopic, recondite it may be." On Wall Street over the past decade, the money usually came first, last and in between. There was no "thing" being made at all unless you count the slicing and dicing of debt into financial "products," the incomprehensible derivatives that helped bring down the economy, costing some five million Americans their jobs (so far) and countless more their 401(k)'s.

On the same Friday that the Labor Department reported the latest jobless numbers, the White House released (in the evening, after the network news) some other telling figures on the financial disclosure forms of its top officials. From those we learned more about how much the bubble's culture permeated this administration.

We discovered, for instance, that Lawrence Summers, the president's chief economic adviser, made $5.2 million in 2008 from a hedge fund, D. E. Shaw, for a one-day-a-week job. He also earned $2.7 million in speaking fees from the likes of Citigroup and Goldman Sachs. Those institutions are not merely the beneficiaries of taxpayers' bailouts since the crash. They also benefited during the boom from government favors: the Wall Street deregulation that both Summers and Robert Rubin, his mentor and predecessor as Treasury secretary, championed in the Clinton administration. This dynamic duo's innovative gift to their country was banks "too big to fail."

Some spoilsports raise the conflict-of-interest question about Summers: Can he be a fair broker of the bailout when he so recently received lavish compensation from some of its present and, no doubt, future players? This question can be answered only when every transaction in the new "public-private investment plan" to buy the banks' toxic assets is made transparent. We need verification that this deal is not, as the economist Joseph Stiglitz has warned, a Rube Goldberg contraption contrived to facilitate "huge transfers of wealth to the financial markets" from taxpayers.

But perhaps I've become numb to the perennial and bipartisan revolving-door incestuousness of Washington and Wall Street. I was less shocked by the White House's disclosure of Summers's recent paydays than by a bit of reporting that appeared deep down in the Times follow-up article on that initial news. The reporter Louise Story wrote that Summers had done consulting work for another hedge fund, Taconic Capital Advisors, from 2004 to 2006, while still president of Harvard.

That the highly paid leader of arguably America's most esteemed educational institution (disclosure: I went there) would simultaneously freelance as a hedge-fund guy might stand as a symbol for the values of our time. At the start of his stormy and short-lived presidency, Summers picked a fight with Cornel West for allegedly neglecting his professorial duties by taking on such extracurricular tasks as cutting a spoken-word CD. Yet Summers saw no conflict with moonlighting in the money racket while running the entire university. The students didn't even get a CD for his efforts — and Harvard's deflated endowment, now in a daunting liquidity crisis, didn't exactly benefit either.

Summers's dual portfolio in Cambridge has already led to one potential intermingling of private business and public policy in his new White House post. He tried — and, mercifully, failed — to install the co-founder of Taconic in the job of running the TARP bailouts. But again, Summers's potential conflicts of interest seem less telling than the conflict of values that his Harvard double-résumé exemplifies.

In the bubble decade, making money as an end in itself boomed as a calling among students at elite universities like Harvard, siphoning off gifted undergraduates who might otherwise have been scientists, teachers, doctors, entrepreneurs, artists or inventors. The Harvard Crimson reported that in the class of 2007, 58 percent of the men and 43 percent of the women entering the work force took jobs in the finance and consulting industries. The figures were similar everywhere, from Duke to the University of Pennsylvania. Dan Rather, on his HDNet television program in December, reported that at Penn this was even true of "over half the students who graduated with engineering degrees — not a field commonly associated with Wall Street."

Clearly the last person to serve as an inspiring role model for alternative values would have been Summers. But in her first baccalaureate address last June, his successor as Harvard president, Drew Gilpin Faust, stepped into that moral vacuum, zeroing in on the huge number of students heading into finance, consulting and investment banking. "Find work you love," she implored the class of 2008. The "most remunerative" job choice "may not be the most meaningful and the most satisfying."

This same note was hit a month earlier by the commencement speaker at Wesleyan University, Barack Obama. "The big house and the nice suits and all the other things that our money culture says you should buy," he said, amount to "a poverty of ambition." He wasn't speaking idly. As America knows, Obama turned down the lucrative career path guaranteed to the first African-American president of The Harvard Law Review to pursue the missions of service and teaching instead. The potential rewards for our country, now that that early choice has led him into the White House, are enormous.

But it’s hardly a given that the entrenched money culture has evaporated along with the paper profits it generated. One skeptic is Howard Gardner, the Harvard education professor who has created seminars at several elite colleges to counsel students in the notion of pursuing meaningful, ethical and effective work — “Good Work,” as he has titled it. He believes that many students may still be operating on the assumption that the world of finance will just pick up where it left off in a few years. “But we’re not going to be back there,” Gardner told me last week, “and we shouldn’t be back there.”

He notes that while the New Deal was built from ideas developed in the Progressive Era and that the Reagan counterrevolution was the culmination of the conservative movement of the 1950s and ’60s, there is as yet “no counternarrative to replace ‘money is king.’ ” The post-crash influx of graduates into Teach for America, while laudable, may be transitory unless there’s the political vision and leadership to make altruistic values stick after our crisis has passed. “It’s completely up in the air what’s going to happen,” Gardner said.

No one is better placed or more philosophically suited than Obama to construct the new counternarrative as we go forward in our new New Deal. But many masters of the old universe, including quite possibly his chief economic adviser, can’t recognize that the world has changed or should change. Even at the cratered Citigroup, a technical analyst was moved to write a report last month urging his peers to stop living in “denial” and recognize that we are witnessing the end of “25 to 30 years worth of excess.” The “new normal” in lifestyle, wealth creation and profitability of companies, he wrote, “may be a shadow of the past.”

There was a poignant quality to this Citi report, which cited as its mantra the R.E.M. song “It’s the End of the World as We Know It (and I Feel Fine).” Its tone somehow reminded me of the stirring speech written by the American playwright Clifford Odets in his classic drama of the Great Depression, “Awake and Sing!” (1935). “Boychick, wake up!” the grandfather Jacob tells his grandson, Ralph, as the battered Berger family disintegrates in the Bronx. “Be something! Make your life something good ... Go out and fight so life shouldn’t be printed on dollar bills.”

When Lawrence Summers was president of Harvard, he famously delighted students by signing his autograph on dollar bills that already bore his signature from his Treasury secretary days. How we leave that bankrupt culture behind and get to “something good” will be as much a factor in our recovery from this Depression as the fate of the unemployment rate and the Dow.