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OP-ED COLUMNIST

No One Is to Blame for Anything

By [FRANK RICH](#)

“I was right 70 percent of the time, but I was wrong 30 percent of the time,” said Alan Greenspan as [he testified last week on Capitol Hill](#). Greenspan — a k a the Oracle during his 18-year-plus tenure as Fed chairman — could not have more vividly illustrated how and why geniuses of his stature were out to lunch while Wall Street imploded. No doubt he applied his full brain power to that 70-30 calculation. But the big picture eludes him. If the captain of the Titanic followed the Greenspan model, he could claim he was on course at least 70 percent of the time too.

Greenspan was testifying to the commission trying to pry loose the still incomplete story of how the American economy was driven at full speed into its iceberg. He was eager to portray himself as an innocent bystander to forces beyond his control. In his rewriting of history, his clout in Washington was so slight that [he was ineffectual at “influencing the Congress.”](#) The “roots” of the crisis, he lectured, dated back to the fall of the Berlin Wall in 1989. In other words: Wherever the buck stops, you had better believe it’s not within several thousand miles of the Oracle. As [he has previously said](#) in defending his inability to spot the colossal bubble, “Everybody missed it — academia, the Federal Reserve, all regulators.”

That, of course, is not true. In last Sunday’s Times, one of those who predicted the bubble’s burst — Michael Burry, an investor chronicled in “The Big Short” by Michael Lewis — [told in detail](#) of how Greenspan and others in power “either willfully or ignorantly aided and abetted” the reckless boom and the ensuing bust. But Greenspan is nothing if not a representative leader of his time. We live in a culture where accountability and responsibility are forgotten values. When “mistakes are made” they are always made by someone else.

This syndrome is hardly limited to the financial sector. The Vatican hierarchy and its American apologists blame the press, anti-Catholic bigots and “[petty gossip](#)” for a decades-long failure to police the church’s widespread criminal culture of child molestation. Michael Steele, the G.O.P. chairman, has [tried to duck criticism](#) for his blunders by talking about his “slimmer margin” of error as a black man. New York’s dynamic Democratic duo of political scandal, [David Paterson and Charles Rangel](#), have both attributed their woes to newspapers like The Times, not their own misbehavior.

Such is our current state of national fecklessness that the gold medal for prompt contrition by anyone on the public stage belongs, by default, to David Letterman. He wasted little time in [telling a national audience](#) point blank that he had done “something stupid,” hurt those he loved and had a “responsibility” to “try to fix it.” In the land of Rod Blagojevich and Tiger Woods, the candid late-night talk show star is king.

Woods’s [apologetic Masters press conference](#) last week came only after months of stalling, sponsor defections and well-publicized “rehab.” Along the way he [briefly hired Ari Fleischer](#), the former Bush press secretary, to help manage his mess. Fleischer is not the only Bush spin artist to re-emerge as a hired damage-control hand in the post-Bush era. Dan Bartlett, a former presidential counselor, is a honcho at Public Strategies, the company [recently enlisted by Goldman Sachs](#) to help erase the indelible tattoo of “a great vampire squid” imprinted on its image [by Matt Taibbi of Rolling Stone](#).

Former Bush propagandists will never lack for work in this climate. It’s remarkable how often apologists for Wall Street’s self-inflicted calamity mirror the apologists for Washington’s self-inflicted calamity of Iraq. In the case of that catastrophic war, its perpetrators and enablers almost always give the same alibi: “Everyone” was misled by the same

“bad intelligence” about Saddam Hussein’s W.M.D. Hence, no one is to blame and no one could have prevented the rush to war.

That, of course, is no more true than Greenspan’s claim that “everyone” was ignorant of the potentially catastrophic dangers in the securitization of subprime mortgages. There were dissenters in the press, intelligence agencies and Congress who did doubt the W.M.D. evidence and asked tough questions akin to those asked by financial apostates like Michael Burry during the housing bubble. But these dissenting voices were either ignored, ridiculed or censored in the feverish rally to war just as voices like Burry’s were marginalized in the feverish rally of the Dow.

In the crash’s aftermath, those who created, sold and hyped mortgage-backed securities and exotic derivatives (“financial weapons of mass destruction,” [as Warren Buffett called them](#)) are just as eager to escape accountability as those who peddled Saddam’s nonexistent nukes. In [an appearance at the 92nd Street Y in New York](#) last month, the former Citigroup guru Robert Rubin floated the same talking points as Greenspan. He described Wall Street’s meltdown as “a crisis that virtually nobody saw coming,” citing regulators, auditors, analysts and commentators. It seems they were all the passive dupes of AAA ratings from Moody’s and Standard & Poor’s on toxic subprime assets, just as all those Iraq cheerleaders were innocently victimized by the bad C.I.A. intelligence on Saddam’s assets.

No top player in the Bush administration has taken responsibility for his or her role in selling faulty intelligence products without exerting proper due diligence. There have been few unequivocal mea culpas from those who failed in their oversight roles during the housing bubble either — whether Greenspan, the Bush Treasury Secretary Henry Paulson or Timothy Geithner in his pre-Obama incarnation leading the New York Fed.

In his own testimony before the Financial Crisis Inquiry Commission last week, Rubin took no responsibility for his record, as Clinton Treasury secretary, in opening the floodgates of deregulation that would fatten his wallet in his post-Washington migration to Citigroup. Nor did he own up to his role as [a proselytizer for increased risk](#) at that mammoth bank, where the bad bets would ultimately require [a \\$45 billion taxpayers’ bailout](#). Rubin maintains that he had [no significant operational responsibility](#) as chairman of Citigroup’s executive committee — a role that paid him [well over \\$100 million while there](#). But as Roger Lowenstein writes in his new book, “The End of Wall Street,” Rubin’s responsibilities did include [writing a letter to shareholders in early 2007](#) for the Citigroup annual report. In sharp contrast to [Jamie Dimon’s contemporaneous letter to shareholders](#) at JPMorgan Chase — which darkly confronted potential “negative scenarios” from “recent industry excesses” — Rubin glossed over any gathering clouds.

Last week [Rubin testified](#) he “deeply” regretted what happened, but his invocation of collective guilt — “we all bear responsibility” — deflected any accounting for his own individual actions. Even Blagojevich did better than this [in his new role as a contestant](#) on the reality show “Celebrity Apprentice.” When Donald Trump “fired” him a week ago, the former Illinois governor at last said, “I take full responsibility.”

Surveying America’s moral landscape [in his Inaugural Address](#), Barack Obama called for “a new era of responsibility.” And he has tried to live up to his own creed. “I’m here on television saying I screwed up and that’s part of the era of responsibility,” [he said after Tom Daschle withdrew as a cabinet nominee](#). The president has also taken responsibility for screw-ups ranging from his administration’s [tardy discovery of bonuses given to bailed-out bankers at A.I.G.](#) to its failed surveillance of the [Christmas Day bomber](#). Though the president is never shy about attributing a \$1.3 trillion annual deficit to his predecessor, he is [usually quick to hold himself accountable](#) as well for the \$787 billion in deficit spending added by his stimulus package.

Obama has been less forceful in stewarding a new era of responsibility when it comes to adjudicating unresolved misdeeds in the previous White House. “Turn the page” is his style, even if at times to a fault. Many of the Bush national security transgressions, including the manipulation of the case for war, are rapidly receding into history and America’s great memory hole.

The president will not have the luxury of mass amnesia when it comes to the recent economic past. The tax-free Iraq war, as cunningly conceived by the Bush White House, directly affected only those American families whose sons and daughters volunteered to fight it. But the Great Recession has affected nearly everyone. Most of its victims are genuinely innocent bystanders who lost their jobs and savings while financial elites cashed in on the crash.

Both as policy and politics, a serious reckoning for those who gamed the system is a win-win. Yet the fear that the Obama administration is protecting its friends persists. On the same morning that Rubin testified last week, [Eamon Javers of Politico wrote about](#) his continued influence on his many acolytes in the White House. That includes Geithner, whom Rubin talked with repeatedly in the weeks before the president released his financial regulatory reform proposal last June.

Americans still waiting on Main Street for the recovery that lifted Wall Street once invested their hopes in Obama. Getting the new era of responsibility only 70 percent right won't do.

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