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The Old Enemies

By **PAUL KRUGMAN**

So here's how it is: They're as mad as hell, and they're not going to take this anymore. Am I talking about the Tea Partiers? No, I'm talking about the corporations.

Much reporting on opposition to the Obama administration portrays it as a sort of populist uprising. Yet the antics of the socialism-and-death-panels crowd are only part of the story of anti-Obamaism, and arguably the less important part. If you really want to know what's going on, watch the corporations.

How can you do that? Follow the money — donations by corporate political action committees.

Look, for example, at the campaign contributions of commercial banks — traditionally Republican-leaning, but only mildly so. So far this year, [according to The Washington Post](#), 63 percent of spending by banks' corporate PACs has gone to Republicans, up from 53 percent last year. Securities and investment firms, traditionally Democratic-leaning, are now giving more money to Republicans. And oil and gas companies, always Republican-leaning, have gone all out, bestowing 76 percent of their largess on the G.O.P.

These are extraordinary numbers given the normal tendency of corporate money to flow to the party in power. Corporate America, however, really, truly hates the current administration. Wall Street, for example, is in "a state of bitter, seething, hysterical fury" toward the president, [writes John Heilemann](#) of New York magazine. What's going on?

One answer is taxes — not so much on corporations themselves as on the people who run them. The Obama administration plans to raise tax rates on upper brackets back to Clinton-era levels. Furthermore, health reform will in part be paid for with surtaxes on high-income individuals. All this will amount to a significant financial hit to C.E.O.'s, investment bankers and other masters of the universe.

Now, don't cry for these people: they'll still be doing extremely well, and by and large they'll be paying little more as a percentage of their income than they did in the 1990s. Yet the fact that the tax increases they're facing are reasonable doesn't stop them from being very, very angry.

Nor are taxes the whole story.

Many Obama supporters have been disappointed by what they see as the administration's mildness on regulatory issues — its embrace of limited financial reform that doesn't break up the biggest banks, its support for offshore drilling, and so on. Yet corporate interests are balking at even modest changes from the permissiveness of the Bush era.

From the outside, this rage against regulation seems bizarre. I mean, what did they expect? The financial industry, in particular, ran wild under deregulation, eventually bringing on a crisis that has left 15 million Americans unemployed, and required large-scale taxpayer-financed bailouts to avoid an even worse outcome. Did Wall Street expect to emerge from all that without facing some new restrictions? Apparently it did.

So what President Obama and his party now face isn't just, or even mainly, an opposition grounded in right-wing populism. For grass-roots anger is being channeled and exploited by corporate interests, which will be the big winners if the G.O.P. does well in November.

If this sounds familiar, it should: it's the same formula the right has been using for a generation. Use identity politics to whip up the base; then, when the election is over, give priority to the concerns of your corporate donors. Run as the candidate of "real Americans," not those soft-on-terror East coast liberals; then, once you've won, declare that you have a mandate to privatize Social Security. It comes as no surprise to learn that American Crossroads, a new organization whose goal is to deploy large amounts of corporate cash on behalf of Republican candidates, is the brainchild of none other than Karl Rove.

But won't the grass-roots rebel at being used? Don't count on it. Last week Rand Paul, the Tea Party darling who is now the Republican nominee for senator from Kentucky, declared that the president's criticism of BP over the disastrous oil spill in the gulf is "un-American," that "sometimes accidents happen." The mood on the right may be populist, but it's a kind of populism that's remarkably sympathetic to big corporations.

So where does that leave the president and his party? Mr. Obama wanted to transcend partisanship. Instead, however, he finds himself very much in the position Franklin Roosevelt described in a famous 1936 speech, struggling with "the old enemies of peace — business and financial monopoly, speculation, reckless banking, class antagonism, sectionalism, war profiteering."

And that's not necessarily a bad thing. Roosevelt turned corporate opposition into a badge of honor: "I welcome their hatred," he declared. It's time for President Obama to find his inner F.D.R., and do the same.