



Written by [Ralph R. Reiland](#) on February 22, 2010

Krugman Cracks Up Over Obama's "Lemon Socialism"

Paul Krugman, a top columnist and liberal opinion-maker at the New York Times, sounded last week like he was tied to the tracks and saw a train coming around the bend.

"We're doomed," he cried. "Oh. My. God."

The melodramatic periods after each of the aforementioned words are Krugman's punctuation, conveying a picture of himself in a disastrous and rapid developing meltdown at his keyboard.

His problem was that President Obama failed to be sufficiently anti-rich, anti-Wall Street, anti-bonus, and anti-banker in a recent interview with Bloomberg/*Business Week*.



Here was the interview question to Obama, about the CEO bonuses coming at bailout recipients Goldman Sachs and JPMorgan Chase: "Let's talk bonuses for a minute. Lloyd Blankfein, \$9 million. Jamie Dimon, \$17 million. Now, granted, those were in stock and less than what some had expected. But are those numbers okay?"

Obama's answer, expressing none of his previously expressed outrage when he used the words "shameful," "height of irresponsibility" and "obscene" to denounce bonuses at banks on the receiving end of billions in bailouts: "Well, look, first of all, I know both those guys. They're very savvy businessmen. And I, like most of the American people, don't begrudge people success or wealth. That's part of the free market system."

It's nice for a change to hear Obama talking in favor of success, wealth, and free markets, but Golden Sachs and JPMorgan Chase, both subsidized by the taxpayers and the beneficiaries of billions in bailouts, are a long way from operating in the "free market system." Neither company, both officially deemed by government policymakers as "too big to fail," is on its own to sink or swim when the nation's taxpayers are on the hook to be the bailout backstop should anything go wrong.

"Listen, \$17 million is an extraordinary amount of money," continued Obama in the interview, speaking of CEO Dimon's bonus at JPMorgan Chase. "Of course, there are some baseball players who are making more than that who don't get to the World Series either."

Asked Krugman, "How is it possible, at this late date, for Obama to be this clueless?"

"First of all, to my knowledge," continued Krugman, "irresponsible behavior by baseball players hasn't brought the world economy to the brink of collapse and cost millions of innocent Americans their jobs and/or houses."

Secondly, Krugman explained, correctly, that "these bank executives are not free agents who are earning big bucks in fair competition; they run companies that are essentially wards of the state."



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There's good reason to feel outraged at the growing appearance that we're running a system of lemon socialism, in which losses are public but gains are private."

So that's it, the reason for the "Oh. My. God." cry at the *Times*. "We're doomed" because we're getting "lemon socialism" instead of the real thing where an allegedly exploited working class seizes political power and systematically expropriates the income, wealth, and property of the capitalist class and reassigns those assets to collective ownership, i.e., government ownership, in order to create a more fair, equal, and centrally controlled social order.

And now Obama goes and spoils the revolution, derails the egalitarian utopia, by saying that his agenda is "fundamentally business-friendly" and that he and his administration are "fierce advocates" for the free market.

And then he calls for new nuclear power plants and more drone attacks into Pakistan.

It's enough to make guys like Krugman lose their faith in government.

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