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## Obama's Foreign-Policy Team Bests Economy Stars: Albert Hunt

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Dec. 28 (Bloomberg) -- A year ago, the expectation was that President-elect Barack Obama's economic team would be a smooth-functioning machine, and the outlook was for turbulence in the national-security arena.

Timothy Geithner, the Treasury-secretary designate, and Lawrence Summers, chosen to head the White House National Economic Council, were unusually able veterans of Washington and financial crises. They were joined by a star-studded cast of economic advisers starting with former Federal Reserve Chairman Paul Volcker, perhaps the most respected financial figure in the world, and prominent academic economists.

By contrast, the national-security advisers featured Senator Hillary Clinton of New York, who Obama upset to win the nomination and was still surrounded by aides who thought the wrong person won; Defense Secretary Robert Gates, a holdover from President George W. Bush's administration, and national-security adviser and former North Atlantic Treaty Organization commander Jim Jones, who barely knew his new boss.

Twelve months later, this conventional wisdom has turned upside down. The foreign-policy team, despite a few glitches, wins high marks and is beset by less rivalry and rancor than most any administration in memory. The vaunted economic team is faulted for poor coordination, drawing even the president's ire, and an inability to convey an overarching policy.

### Deficit vs. Jobs

Two recent anecdotes illustrate this problem. On Dec. 2, as Obama prepared to give a major economic speech at the Brookings Institution on Dec. 8 (and a day after his Afghanistan speech at West Point) he met with policy makers. He heard a familiar reprise of the previous several meetings with budget director Peter Orszag arguing for more emphasis on reducing the deficit and Council of Economic Advisers chief Christina Romer leading the contingent espousing a greater short-term stress on jobs.

The president, by his standards, exploded. "Why are we having this meeting again, the same discussion," participants quoted him as saying.

Several administration insiders, prominent outside Democratic economic advisers and a few Congressional heavyweights, all worry this is symptomatic of a process that isn't working well. Summers, they argue, is brilliant on policy and ill-suited for a high-level staff job, which is what the head of the National Economic Council is.

"If you came up with 10 words to describe Larry, coordination and collaboration would not be two," says one person requesting anonymity who has worked with Summers extensively and admires his intellectual force.

### 'Top-Flight Players'

David Axelrod, Obama's top adviser, cautions not to read too much into one meeting. "When you bring in top-flight players, strong personalities, there's going to be issues of mediation," he says. "The president wants strong players, he synthesizes their best thinking, and the product is working."

Still, others say Summers too often is dismissive of fellow economic advisers, other than Geithner, although he gets a bum rap for supposedly freezing Volcker out of major decisions. The 82-year-old Volcker wants a freewheeling advisory role. But advisers acknowledge Summers rarely reaches out to include him. Volcker takes a much tougher line than Summers or Geithner toward Wall Street.

The other problem, an inability to effectively communicate an economic policy, was typified in a Dec. 4 interview with Geithner, who was asked what is the "clear, coherent economic message" of the administration.

### 'High-Class Education'

He proceeded to talk about "high-class education" for children, affordable health care, better incentives for energy and infrastructure, public-private arrangements and the like.

There are 15.4 million unemployed Americans and another 11.5 million "underemployed," either having given up looking and thus not counted in the jobless numbers or involuntarily relegated to part-time work. A laundry list of the Democrats' agenda is unlikely to prove comforting.

Geithner, who wins praise from Obama and others for his substantive performance after a shaky start and some more recent cheap political shots, acknowledges that public communications isn't his forte. It isn't Summers' either. And those who are more effective, including Roemer and fellow Council of Economic Advisers member Austan Goolsbee, sometimes are cut out of the action.

#### Loss of Confidence

The result: On the economy, Americans are losing confidence in the president, who gets little credit for policies that avoided an economic calamity and are starting to turn things around. In a survey by pollster Ann Selzer a few weeks ago for Bloomberg News, voters by 50 percent to 45 percent disapprove of Obama's performance on the economy; the numbers were worse on handling the budget deficit and dealing with Wall Street.

The best numbers were in foreign policy, including Afghanistan. The national-security apparatus isn't without problems. There has been periodic sniping at Jones, and top deputies have different perspectives. The deputy director, Tom Donilon, a well-regarded political operative, is seen as an extension of White House Chief of Staff Rahm Emanuel; and top aide Denis McDonough, is the keeper of the Obama campaign flame.

Still, on the big stuff, especially the decision to escalate the war in Afghanistan, Obama has been well-served by his national-security team.

#### Biden's Role

Clinton has been a loyal and effective secretary of state and Gates has earned great respect from his commander in chief. There's almost none of the bitter infighting like that between Secretary of State Colin Powell and Defense Secretary Donald Rumsfeld in the Bush administration, or George Shultz and Caspar Weinberger in the Reagan years, or the incompetence that marked President Bill Clinton's first term. These tensions have been eased in the Obama administration by the constructive role played by Vice President Joseph Biden on foreign affairs.

If the war in Afghanistan goes south this could change. But the framework for handling tough situations has been set.

That isn't true with the economy. Inexplicably, Emanuel, a man with little tolerance for disarray, seems to have stayed on the sidelines here.

In an election year, with the dueling dilemmas of huge deficits and high unemployment, the president can't regain credibility if saddled with a decision-making process that doesn't work effectively and a message that lacks coherence and clarity.

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