

More Proof Obama Is An Idiot

The Obama administration announced on January 14 that it is imposing a new tax on large banks. The “crisis responsibility fee” will apply to banks that have assets of at least \$50 billion.

Millions of Americans are no doubt saying, “Good! Stick it to those evil, greedy bankers!” That’s why Obama did it. He knew it would be popular—mostly with people who do not know how to think (that is, people who voted for him). He also knows it will give the government another \$90 billion he can spend on programs that benefit his leftist supporters. (Anyone who believes Obama will use that \$90 billion to reduce the federal deficit probably also believes ObamaCare will reduce health insurance premiums.)

Obama’s argument is that the new tax is needed to recover the TARP funds given the banks. Of course, repayment does not call for a new tax, because the TARP legislation requires that the banks pay back the loans (with interest). Several banks have already repaid the money, along with the necessary interest. Some banks never needed or wanted the money in the first place, but were forced into taking the funds. Those banks repaid the money as soon as they could. They too will be nailed with the new tax.

After all the TARP money has been repaid, the federal government will have gotten back every dollar it gave them. It will also have the interest the banks paid. It will also have the \$90 billion in new taxes. That’s a sweet deal for the feds, and the scheme gives credence to the old saying that when someone says, “I’m from the government, and I’m here to help you” you should immediately run for the hills and not look back.

Will Obama’s new tax indeed “stick it to the banks?” No, not really... it will “stick it to the consumers.” The bank executives will still have their jobs. *But the banks will have \$90 billion less to lend to consumers.* That is the equivalent of 45,000 home mortgages of \$200,000 each. Or business loans of \$1 million each to start or expand 90,000 small businesses and create jobs. Or car loans of \$20,000 each to enable the purchase of 4.5 million new cars. Americans can find quite a lot of productive things to do with \$90 billion, but Obama is taking those opportunities away from them in order to “punish” the banks for approving subprime mortgages (which the government had pressured them to make in the first place).

While the banks are repaying the TARP funds and getting punished for doing so, Obama is not imposing any new tax on General Motors or Chrysler—which received tens of billions in taxpayer dollars to stay in business. Of course, they can’t afford to repay those loans... not after Obama just cost them 4.5 million new car sales.

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