

## Perverved Priorities...

On March 15 Obama's chair-homo-sapien of the Council of Economic Advisors, Christina Romer, appeared on NBC's "Meet the Press," where she was asked if the fundamentals of the economy are sound. Romer replied, *"Of course they are sound."* Only a week before Obama's budget director, Peter Orszag, had said, *"Fundamentally, the economy is weak."* You might think Obama would want his people on the same page. One explanation for the shift in attitude may, of course, have been the remarks of Chinese Premier Wen Jiabo, who warned the United States government not to devalue the dollar through reckless spending.

Timing is everything, and someone in the White House must have finally figured out that although constantly bashing the economy may frighten some legislators and their constituents into supporting incredibly wasteful spending bills, it does little to encourage the Chinese – who hold an estimated \$1 trillion in U.S. bonds. China wisely fears that the U.S. paper it holds will be worth a lot less in real terms if Obama keeps racking up the debt and printing money. At some point a Treasury bond will be more valuable as toilet paper than as an "investment." (*Can you spell h-y-p-e-r-i-n-f-l-a-t-i-o-n?*)

Wen Jiabo stated, *"Of course we are concerned about the safety of our assets. To be honest, I'm a little bit worried. I would like to call on the United States to honor its words, stay a credible nation, and ensure the safety of Chinese assets."* If the U.S. is not careful China will not only stop buying bonds, it may even start selling them off – leaving the U.S. government with the problem of finding buyers for the enormous debt Obama, Pelosi, and Reid are engineering for the people who were dumb enough to place them in power (along with those who knew better). To further drive home the financial responsibility point, the president of the China Investment Company, Gao Xiqing, warned, *"Be nice to the countries that lend you money."*

The advantage of being straight with the facts is that it's a relatively easy thing to do. Just observe the facts and state them. The problem with trying to convince people that things are not what they appear to be is that you have to pay an awful lot of attention to changing facts and deciding how to tailor your story to fit them. By the time the "Meet the Press" cameras were turned on, however, Obama's team made sure that Romer got the story straight: *"Everything is rosy, Obama has a firm grip on the reins of the economy, the United States is a perfectly wonderful place for China to park its money, and Treasury Secretary Tim 'I forgot to pay my taxes' Geithner really is brilliant even though he looks like a college freshman still trying to find his dorm room."*

So Romer enthusiastically said, *"Of course the fundamentals of the economy are sound."* What else could she say? She knew the Chinese were watching, despite the difference in time zones.

Some people might recall an incident during the campaign that involved an astoundingly similar statement. When the economy was in better shape and the Dow Jones Industrial

Average was about 4,000 points higher, Senator John McCain insisted that “*The fundamentals of the economy are strong.*” Obama and the media immediately pounced on McCain and ridiculed him for that remark. Romer, of course, received no such criticism, despite the fact that the economy has tanked substantially since her boss took the oath of office. (This is where Obama supporters are required to respond with e-mails insisting that *strong* and *sound* mean totally different things, McCain doesn’t use a Blackberry, and everything is the fault of George W. Bush.)

Romer also announced that \$730 million of the \$787 billion stimulus package would be available to help owners of small businesses via reduced lending fees and higher loan guarantees. “*We know that small businesses are the engine of growth,*” said Romer (somewhat unconvincingly, for those of you who are taking notes). “*We absolutely want to do things to help them.*”

If the administration truly believes that small businesses are the engine of job growth it is unclear why – in the middle of a recession that Obama keeps insisting is the worst since the creation of the universe – it would allocate *less than one-tenth of one per cent* of its stimulus bill funds for helping small businesses. If stimulating the economy is the goal, it might have been wise to allocate a bit more assistance to those enterprises that create the majority of the nation’s new jobs. That’s just a suggestion for Romer, of course. But inasmuch as she is a former professor of economics at the University of California at Berkeley, one can understand her lack of understanding of how capitalism creates jobs. Her curriculum no doubt covered the topics of wealth redistribution... not wealth creation.

Those in the crowd who are eager to find the light at the end of the recession tunnel may want to consider just what small businesses can do with \$730 million. There are about 23 million small businesses in the United States. The resulting average of \$31.74 per business should work job-creation wonders... if there’s anything left after the \$1.3 trillion in “global warming cap-and-trade” taxes.

And those who have the stomach to follow the exploits of Secretary of State Hillary Clinton may have noticed that while on her recent Middle East jaunt a week or two ago she stopped in Egypt, where she pledged at least \$900 million in aid for the Palestinian Authority’s Gaza recovery operations. Not surprisingly, Hamas spokesman Fawzi Barhoum said, “*We are very happy with this decision.*” Few will be surprised if the funds are not used as intended. A large percentage of American and United Nations funds given to the Palestinian Authority over the years ended up as the personal fortune of Yasser Arafat. His widow, Suha, is alleged to have inherited as much as \$2.8 billion which Arafat had hidden in accounts in various countries. Suha Arafat now lives in luxury in Paris, far from the miseries of poor Palestinians, and receives an annual payment of about \$17 million from the Palestinian Authority. Terrorism, it appears, can be a lucrative profession if one is in charge of the terrorists.

Clinton insists, of course, that none of the \$900 million in aid to Gaza relief operations will end up in the hands of the terrorist group Hamas. The money will supposedly go to

the Palestinian Authority, various nongovernmental organizations, and the United Nations Relief and Work Agency (UNWRA). Israeli critics argue that aid to Gaza necessarily helps Hamas, and that corruption will likely leave Hamas getting a large chunk of the cash. For the record, the largely corrupt NRWA has used the state-owned Commercial Bank of Syria for fund-raising. The U.S. Treasury imposed sanctions on that bank for laundering money in the U.N.'s scandalous Iraqi "oil for food" program, and the bank has handled transactions that involved terrorist financing.

But not to worry, Clinton – who still hasn't found all of the missing Rose Law Firm records – said the \$900 million would be carefully monitored.

Twenty-three million small businesses may not be able to do much with \$31.74 each, but if even a small portion of the \$900 million makes its way to Hamas, Obama and Clinton will have Israeli blood on their hands. Congressman Mark Kirk (R-IL) gave a stern but more subtle warning, *"To route \$900 million to this area, and let's say Hamas was only able to steal 10 percent of that, we would still become Hamas' second-largest funder after Iran. If it goes thru UNRWA, which has not had an outside audit, then there's going to be grave concern."*

Obama, through Clinton, gave \$900 million to the Palestinian Authority. A few weeks later Obama, through Romer, announced \$730 million in assistance to owners of small businesses. Some may wonder about Obama's priorities, when more money was given more quickly to people who hate the United States than to those patriots who maintain the engine of the American economy.

*Those who have studied Obama's past aren't surprised at all...*

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