



THE BIGGEST LIE YET

“It is natural to man to indulge in the illusions of hope. We are apt to shut our eyes against a painful truth -- and listen to the song of that siren, till she transforms us into beasts. ... For my part, whatever anguish of spirit it might cost, I am willing to know the whole truth; to know the worst, and to provide for it.” --Patrick Henry

Sometimes the biggest lies come under cover of a truth.

Such was the case this week, when Barack Hussein Obama proffered this observation about deficits: “I think it is important, though, to recognize if we keep on adding to the debt, even in the midst of this recovery, that at some point, people could lose confidence in the U.S. economy in a way that could actually lead to a double-dip recession.”

“Keep on adding to the debt”? From this, one might conclude that Obama has never suggested such a thing, and is truly concerned about deficits.

His revelation came amid discussion of tax reductions engineered to increase employment, as if our Constitution has a provision for that, anymore than for Obama’s other proposals.

Obama is feigning concern about deficits now that there is discussion of tax cuts, which he concludes would increase deficits.

“At some point, people could lose confidence in the U.S. economy”? Like the Red Chinese, who hold more U.S. government debt than any other nation (\$800 billion), and upon whom we are depending to fund more of our debt. No coincidence that Obama’s remarks were made while on his most recent appeasement tour in Beijing.

“Even in the midst of this recovery”? What recovery?

Oh, the one that his \$787 billion “hope-n-change” big-government payout package was supposed to ensure?

At the time of that proposal, the nonpartisan Congressional Budget Office offered this summary: “In the longer

run, the [Obama] legislation would result in a slight *decrease* in gross domestic product compared with CBO’s baseline economic forecast.” Put another way, the CBO static scoring projected that Obama’s big government pork giveaway would hinder economic recovery. Dynamic scoring by economists shows a much worse destiny.

But Obama warned, “If nothing is done, this recession might linger for years. Unemployment will approach double digits. Our nation will sink deeper into a crisis that, at some point, we may not be able to reverse.”

Now, after a quick assessment of the Obama Recovery through October, one is stuck with the conclusion that his spending spree has resulted in 10.2 percent unemployment -- except, of course, in such places as Washington, DC, where government jobs are immune to recession.

That would be *double-digit* unemployment -- so now you know why Obama cleverly framed his recovery program in terms of jobs “created or saved.” His administration announced that through October, the American Recovery Act had “created” or “saved” 640,329 jobs. However, a growing number of skeptics, even among his once-adoring media, found some very questionable accounting methods used to come up with that figure.

Asked about some of the discrepancies, Obama’s Recovery Czar, Ed Pound, responded, “Who knows, man, who really knows?”

Recovery reality check: Remember when Obama claimed, “This is our moment, this is our time to turn the page on the policies of the past, to offer a new direction”?

That is a reference to Obama’s v Reagan’s policies, big government solutions v. free enterprise solutions.

Ronald Reagan’s economic policies unleashed an unprecedented period of growth, which continued right up until the financial sector collapse in ‘08, a calamity resulting from policies implemented during the Clinton years, which undermined the values of derivatives used as collateral due. Those policies, as we now know, gave license for Fannie Mae and Freddie Mac to back high-risk loans to unqualified buyers, thereby setting the stage for the

subprime mortgage meltdown and the crash of 2008.

Recall that in 2005, Sen. John McCain sponsored the Federal Housing Enterprise Regulatory Reform Act, saying, “For years I have been concerned about the regulatory structure that governs Fannie Mae and Freddie Mac ... and the sheer magnitude of these companies and the role they play in the housing market. ... If Congress does not act, American taxpayers will continue to be exposed to the enormous risk that Fannie Mae and Freddie Mac pose to the housing market, the overall financial system, and the economy as a whole.”

McCain noted that Fannie Mae and Freddie Mac regulators concluded that profits were “illusions deliberately and systematically created by the company’s senior management.”

McCain was right, but Democrats, including Barney Frank, chairman of the House Financial Services Committee, ensured that nothing would be done to alter current practices at Fannie and Freddie. “These two entities ... are not facing any kind of financial crisis,” Frank said at the time.

The net result of the derivative dilution was a crisis of confidence in the U.S. economy, second only to that which led to the Great Depression.

Remember when Obama claimed, “We are fundamentally transforming the United States of America”? Well, we’re in mid-transformation, and how are things looking now?

Obama also said, “Generations from now, we will be able to look back and tell our children that this was our time.”

Indeed, his time to saddle them and their children with unprecedented debt, not only from his “stimulus” folly, but next up, ObamaCare, and then his job-killing cap-and-tax scheme.

If you think you can count on the administration’s estimates of the true cost of ObamaCare, think again. The Washington Times recently reminded us of the estimated cost of Medicare shortly after Democrats implemented it in 1965. Then, it was predicted to cost \$12 billion by 1990. In actuality, it cost \$98 billion, which is to say the original estimate was short by more than a factor of seven.

In my home state of Tennessee, we’ve already been there and done that. Our state’s version of ObamaCare, known as TennCare, implemented by Democrats in 1994 ostensi-

bly to contain healthcare expenses, has quickly grown to consume more than a third of state revenues.

The CBO now says that the \$1 trillion estimated cost of ObamaCare is “subject to substantial uncertainty.” How’s *that* for qualifying understatement?

As for the big picture, U.S. National Debt topped the \$12 trillion mark this week, or approximately \$39,000 for every man, woman and child in America, and the federal deficit that Obama now pretends to be concerned about hit a record high \$1.42 trillion for fiscal year 2009.

Obama’s administration projects that the national debt will top \$14 trillion by this time next year, and my sense is that they’re being modest. At the current pace, within 10 years our national debt will exceed our Gross Domestic Product.

Of these staggering debt figures, Obama now claims, “I intend to take serious steps to reduce America’s long-term deficit because debt-driven growth cannot fuel America’s long-term prosperity.”

But, what’s his real endgame?

We can be certain that Obama’s solution to deficits will not be less government. Instead, it will be unprecedented tax increases, a.k.a., socialist redistribution of wealth, a.k.a., “the fundamental transformation of America.”

The Tax Foundation now estimates that to offset deficits, “Federal income tax rates would have to be nearly tripled across the income spectrum,” with the lowest bracket at 27 percent and the highest at 95. Even the CBO estimates that rates would have to exceed 80 percent, and that’s *before* state and local taxes.

Do you get the picture, folks?

Obama will succeed in his effort to socialize the U.S. economy, using the tax code as his hammer and sickle, unless growing ranks of Americans object to the fact that he has no constitutional authority to do so.

In the meantime, Patriots, keep your powder dry.

Semper Vigilo, Fortis, Paratus et Fidelis!

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