

The President's Speech: As regular readers of this missive know, I am a lifelong Republican. Accordingly, I have never been to a Democrat campaign rally. That is to say at least until last week. Last Thursday, I attended one.....on the floor of the United States House of Representatives. President Obama made a special request to speak to a Joint Session of Congress and I assumed it would be a major policy address. Far from it. It was a campaign speech. There was scarcely little serious policy content present. The first indicator of this was when Obama asked us to "pass this right away", a line which appears on the first page of an 8 page speech, before saying what was in his plan. That's like demanding that someone buy something inside a box without telling them what is in the box. Another indicator of lack of substance was his repeated assertions that the \$450 billion one-year cost of the bill would be "paid for". He also made this assertion on the first page of his address. Three pages later he says, "It will be paid for. And here's how: The agreement we passed in July will cut government spending by about \$1 trillion over the next 10 years. It also charges Congress to come up with an additional \$1.5 trillion in savings by Christmas. Tonight, I'm asking you to increase that amount so that it covers the full cost of the American Jobs Act."

Are you kidding me? He outlines \$450 billion in new stimulus spending in one year and then says it will be "paid for" over 10 years by something the rest of you guys need to figure out later? This is ludicrous! He says it is "paid for", but in this speech had no proposal on how to do it? And, of course, he is trying to match one year's spending against 10 years of paying for it. But apparently, he can figure out how to spend the money in one year, but not how to save it over the next 10 years. This, of course, is part of how we got into this problem in the first place. Spend money right now and pay for it later over many years. It's like taking a 30 year mortgage out to buy groceries.

However, just yesterday, the President did outline his own "pay for" that may cover part of the costs. Naturally, it is a bunch of tax increases, largely on businesses, that he has already outlined in the past and used repeatedly to "pay for" many times more spending than said increases could ever raise. Now, he is using them again. And, the tax increases are permanent and take 10 years to "pay for" one year's spending. And, of course, they are the same tax increases that Obama used months ago to make his budget look better, which budget, of course, did not include this new spending. Because he has previously used these tax increases in his baseline budget, this really is no proposal at all. But interestingly, all the "tax cuts" and spending and giveaways in his program will all occur before the next election and then stop. But, he has postponed all of his proposed tax increases until after next year's election when he will stand for reelection. So, a lot of people get money from the government before the election and no one pays any more taxes. Then, after the election, taxes go up literally for every single American by a lot and permanently. Coincidence? I'll let you be the judge.

If he had been serious about seeking a bipartisan job creation agreement, maybe he should have included a few of the [13 job bills passed by the House](#) so far this year that would each individually stimulate job creation in some sector of the economy without spending a single dime of taxpayer money. But no, despite at least 13 bills to choose from, he did not include a single proposal passed by the House in his "plan". In other words, he ignored every single Republican proposal, many of which have been out there for months.

This "proposal" (and I hesitate to dignify it even with that designation) is simply Stimulus II. And, since Stimulus I was \$1 trillion spent over two years, this \$450 billion spent over the one year until Obama's reelection is at about the same level. It is universally recognized that Stimulus I failed. It served only to deepen our debt crisis. Obama's Stimulus II would fail also, if enacted. In fact, with the exception of the trade agreements, I cannot readily point to a single element of his plan that I support separately or in combination with the others. Even the "tax cuts" are all one-year only. The economy needs certainty and permanence in tax policy, not more one-year only giveaways that will soon expire and be replaced by tax increases. But then again, it's not serious policy.

The really sad part here is not that the President used the House floor for a campaign speech. Or, that he made factual errors and misstatements and that his proposal doesn't add up and won't work. The real tragedy is that while this political theater is going on, the government actually needs to do some things to try to shake loose this stagnant to declining economy. We need to remove many of the uncertainties and government burdens that are holding back capital deployment, risk taking and job creation. The President did not try to reach across the aisle here. If anything, his lack of interest in any Republican proposal and the tone of his speech served to place further distance between the parties. We do need to take action. That action clearly must contain some Republican priorities and some Democratic priorities because the government is divided. Obama is clearly not ready to do that now. I certainly hope that he changes his position and his tone in the coming months and leaves the campaign trail to be president instead of candidate for a while.

One other thing stuck me during the campaign rally. At one point, he described Abraham Lincoln as the "founder of the Republican party". Interestingly, I could not find this remark in the pre-printed written text of the speech. Presumably, he ad-libbed it. Problem is, he is wrong. Lincoln was not even the first nominee for president of the Republican Party. That honor belongs to Californian John C. Fremont. This is not the first time this President has stood on the House floor or elsewhere and uttered "facts" that were blatantly wrong. As a "car guy", I remember when he said that we Americans "invented" the automobile. Well, we invented many things, but not that. No one is actually credited with said innovation although the first self-propelled, internal combustion engine, 4 wheeled vehicle is recognized as being built in Germany by Mercedes in 1886 - a fact that that the current Mercedes-Benz Corporation gently

pointed out to the President after his remarks. I'm not upset that he made a mistake. We all make mistakes. What drives me crazy is how unequally the mainstream media (MSM) treats such errors. Every such error made by President Bush was treated to huge media coverage and proof of his supposed lack of intellect. But, when this President makes numerous and egregious factual misstatements, nary a word is uttered by the media lest it interfere with his carefully crafted image of intelligence and infallibility.

By the way, the President also said, "We have to reform Medicare to strengthen it." I'm sure that will make a cold chill run up the spines of some more liberal readers of these missives. He is right about this. But, he has never proposed such reforms.