



## A House of Games Obamanomics and the Pillaging of the American Taxpayer

Playwright and screenwriter David Mamet brought his disturbing film *A House of Games* to the screen in 1987. *Games* was a psychological film that dramatized how a psychiatrist was seduced by the criminal machinations of a gang of con artists. Playing on her deep-seated need to be a part of something out of the ordinary, this brilliant but susceptible woman threw caution to the wind, exposing herself to ultimate betrayal.

### A Natural Alliance

Many people cannot understand why so many American big businesses support President Obama's economic agenda. Like Mamet's heroine they have succumbed to the seductive charms and destructive machinations of its leaders who have mortgaged the country's future. For want of a better name, this calculated violation of the American economic system can be called *Obamanomics*.

*Obamanomics* underscores the natural alliance between Wall Street and Washington. Established corporations recognize that government regulations greatly increase overhead costs for their smaller rivals, making it more difficult for them to compete, and forcing many of them out of business. This was a key ingredient in the health care and insurance industries being seduced into supporting ObamaCare.

In his 2009 book *Obamanomics: How Barack Obama Is Bankrupting You and Enriching His Wall Street Friends, Corporate Lobbyists and Union Bosses*, Timothy Carney unveils the Obaman plan that has effectively repealed the *Reagan Economic Revolution*. During the Reagan ascendancy in the 1980s until recently, the most trenchant description of his prevailing vision was *Starve the Beast*.

This idea, which originated with economist Milton Friedman, held that the most effective means to restrain the growth of the Leviathan state was to cut taxes perennially, metaphorically cutting off the *beast of government's* food supply. Without a steady flow of revenue the beast would starve to death. Carney argues that Obama's *corporatism*—the use of big

government regulations to support corporate profits—is designed to drown the American economy with a steady flow of the redistribution of the nation's wealth.

### A Historical Irony

Historical irony permeates Obamanomics. In 2008 the Obama camp portrayed John McCain as a representative of *Big Business* while suggesting that the Illinois Senator Obama was funded by donations from average Americans. In truth Obama received more contributions from corporations than any other presidential candidate in history, including such giants as drug-maker Pfizer, oil companies like Exxon Mobil, and other corporate behemoths, such as GE and Goldman Sachs.

In fulfilling his side of the *quid pro quo*, Obama not only opened the US Treasury for health care, stimulus packages, cap and trade legislation, and auto industry bailouts but has also unleashed an ambitious package of regulations, taxes, mandates, and spending that benefit many big businesses at the expense of their smaller, perhaps more efficient competitors. For example, ObamaCare will provide billions of dollars to hospitals and drug makers in the initial stages. The insurance companies also hope to get millions of new subscribers.

This is especially true of cap and trade as the linchpin of the *Green Industries* or what Carney calls the *Climate Racquet*. The Waxman-Markey Act would give away 85% of all the emissions permits in 2012, the first year they would be in force. The rest would be auctioned off. The Environmental Protection Agency estimates that the credits were worth \$60 billion, meaning the government has given-away \$51 billion in benefits to its corporate allies. Their competitors would be forced to bid against the remaining available credits, putting them in a disadvantageous economic situation. These industries have placed their hope and trust in a president who has been gaming them since 2008. It will be years before the sticker shock of payments due will hit the American people. Then it will be too late.

## The Clinton Triangle

The conventional narrative since 2008 has been that big business got the country into its financial quagmire. The truth is that without the assistance and encouragement of their *partners in government*, this crisis would never have reached the magnitude that it did in 2008-09. With Obama's Chief of Staff Rahm Emanuel leading the charge, the government immediately seized the crisis they had created with the unrealistic loans through Fanny Mae and Freddie Mac which got the nation in such dire straits, to ascerbate the situation with billions of bailouts. Obama has just been continuing in the ideological footsteps of former presidents, Franklin Roosevelt, Lyndon Johnson and Bill Clinton.

It has been Clinton's triangulation of using big government to foster conservative principles, emanating from the Progressive Period of Theodore Roosevelt and Woodrow Wilson that has energized Obamanomics. Clinton's was the first regime to enter into a partnership with the financial industry that amounted to a form of liberal state capitalism. It didn't take Clinton long to realize that the best way to ensure his reelection in 1996 was to enhance his partnership with American high finance, especially the bankers.

This was another page from the Saul Alinsky rules for revolution book. Alinsky realized their potential to act as a fulcrum by which he could upset the American economy. They worked feverishly through the mortgage sections of the banks, using poor people as pawns in their diabolical scheme. By getting government to mandate the loans that the banks lend to people without means to repay, they put the banks in jeopardy because of billions of what they later labeled *toxic assets*.

Clinton made home ownership a civil right when he mandated home ownership and community stability into law. It was without any regard for the necessity and responsibility of the individual to earn enough for the down payment with the honest prospect of repaying that loan. The banks were only too willing to comply because the Federal Reserve had kept the interest rates historically low and the banks did not have many other areas that would bring a good return on their investments. As a result many banks foolishly granted loans that seriously breached the levels of the moral hazard standard. Fannie Mae and Freddie Mack conspired to lower oversight standards, such as minimum down payment, mortgage insurance, and detailed credit histories.

## A Culture of Risk

It was Clinton's *culture of risk* on Wall St. that eventually engulfed the country's economy in a smoldering inferno of easy credit and affordable housing. Unlike earlier generations that valued the free-market system, despite its flaws, liberal baby-boomers, caught in a psychological vice of their affluence and guilt, saw capitalism as inherently unfair and even evil.

Their deep-seated feelings have energized an activist liberal government that believes it must constantly intervene in social and economic situations in order to balance the scales between

justice and equity. While liberals always revert to the populist rhetorical of their classic affection for the poor, their behavior suggests something radically different. In reality Obamanomics has done nothing to alleviate poverty but only to line the pockets of its strongest allies in business and the community.

Obamanomics squeezes consumers and small businesses so that there is little incentive for them to renew or initiate economic activity. The result has been the government spending trillions of dollars, on top of its unfunded debt of trillions more, while many of its policies destroy the incentive for the very engines of prosperity, such as industry and entrepreneurship.

The seeds of Obamanomics date back to the seventies' radical Saul Alinsky, who realized that the best way to advance the left's goals was to tap into the vast corporate wealth by making business as dependent upon government as were the poor in the housing projects. He knew that businesses had the financial resources, human capital and global influence to advance their progressive causes. Consequently corporations have been drafted into the fight against world poverty, global warming, AIDs and future progressive projects that come with a steep price tag.

Corporate profits are good for America but not when they are generated from government mandates and subsidies that don't create any wealth but merely take it from the taxpayer and redistribute it upwards. Obamanomics as a redistribution tool is only a half-truth because the money does not even trickle down to the general public but is siphoned off to the corporate elite which is in league with the Obama government.

## The Winners' Circle

The Obama regime has assumed the role of mercantilists, favoring one sector over another, one firm over another, rather than simply encouraging an open and free market system. Not only is the Obama regime institutionalizing the concept of *too big to fail* with trillions of taxpayer dollars, but it is also using that money to select its favored companies that discriminate against its competition. In 2009 it was obvious that Lehman Brothers was not too big to fail while AIG was. After only 17 months it is clear who are those favored companies basking in the winners' circle.

GE is the fifth largest company in America. It leads corporate America in lobbying-related spending. In 2008 Obama raised more money from GE than any other candidate in history. GE expects that its millions of dollars in campaign contributions will multiply to billions in taxpayer subsidies. GE expects to turn greenhouse gases into greenbacks with its lithium battery manufacturing, wind power projects and power-generation equipment because of the Obama regime's strong determination to paint the US economy with a green paintbrush. A residual of Obama's underwriting of GE is the fact that MSNBC, along with NBC and CNBC are all GE affiliates. Is it any wonder why there is a virtual media blackout with regard to the machinations of the Obama regime?

GE is not the only *favoured company*. Some pundits now call GM *Government Motors* while Goldman Sachs is *Government Sachs*. The so-called *Cash for Clunkers* not only subsidized a weakened automotive industry, but also removed millions of clunkers from the road since they had to be junked and not fixed and resold. This substantially reduced the supply of available cars. The cozy relationship dates back to their former Co-Chairman, Robert Rubin, who eventually became Clinton's Secretary of the Treasury.

Other big companies benefiting from government regulations were cigarette kingpin Philip Morris, toymaker Mattel and biotech giant Monsanto. As subsidies and bailouts become a larger part of the American economy, businesses are increasingly compelled to employ more lobbyists to do their bidding like the old Chinese tribute system where foreign representatives would kow-tow to the emperor and make their pleas for a greater share of the Chinese economic pie.

These seduced CEO's have signed their corporate souls away so they can avoid the volatility of the free market. Author Jonah Goldberg sees this parasitic relationship, not as socialism but more likened to fascism where *the government enlists corporations in the realization of approved social ends*. They had better heed the plight of Mamet's protagonist and be aware the Leviathan will eventually consume them as well.

### A Sinless Religion

A natural feature of a healthy free market system is that businesses, even big business that cannot compete, will ultimately fail. This traditional economic principle has become unwelcome on both Wall Street and Pennsylvania Ave. Obamanomics is predicated on the idea that many vital American businesses are *too big to fail*. Under Obamanomics, the U. S. Treasury stands determined to prevent *favoured* businesses from failing by siphoning trillions of American taxpayer dollars from an already over-burdened economy.

Since the early 20th century the once American free economy has been slowly transformed into a piggy bank for companies which cross *the moral hazard* barrier. While liberals were busy micromanaging the political economy, big businesses have engaged in a kind of economic promiscuity. By increasing their *moral hazard*, that is, their fearless willingness to take extreme risks in search of additional profit, the federal government not only underwrites their mistakes, but also encourages them to

continue making the same mistakes. This will inevitably create a new financial crisis that will make 2008-09 look like boom years.

According to author Peter Schweizer's 2009 book *Architects of Ruin: How Big Government Liberals Wrecked the Global Economy—and How they Will Do it Again If No One Stops Them*, the Obama regime wants to institutionalize the idea of *too big to fail*, so that *privileged* companies will be permanent beneficiaries of the taxpayer largesse. Bailouts reward failure, sending a false message to the businesses that there will always be a safety net despite their imprudent behavior.

### The Vatican Triangle

Veritate in 2009, the papacy has tried to walk tightrope through the excesses of these parallel ways of thinking. The laissez-faire world-view reflected the emergent worship for the goddess *Liberty* that came with the French Revolution, which actually engendered the two opposite sides of the Vatican triangle. In 2004 Pope Benedict XVI's 30,000-word encyclical, *Caritas in Veritate* emphasizes that both capitalism and socialism must defer to what the Pope calls *integral human development*. According to Benedict the challenge for a world that is becoming more globalized is *Love in truth—Caritas in Veritate*. The risk for the world is that the interdependence of its people will not be matched by ethical interaction of consciences and minds that would lead to real human development. To become fully human, people have to be aware of their relationship with God, the source of all love and truth.

Obamanomics is woefully lacking in the principles outlined in the Pope's encyclical. It underscores the fact that something beautiful about America has perhaps been irretrievably lost. America was once a *land of Cinderellas* where the potential for success was theoretically the domain of each individual who was willing to pay the price of hard work, self-sacrifice and creativity.

It is a sad testament on the country's future when its government is a disingenuous *House of Games* that affects every American's life, so altering the American field of dreams that it is making it much more difficult to achieve financial and emotional success. That is why people of good faith have to oppose Obamanomics plan with every fiber of their being.



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