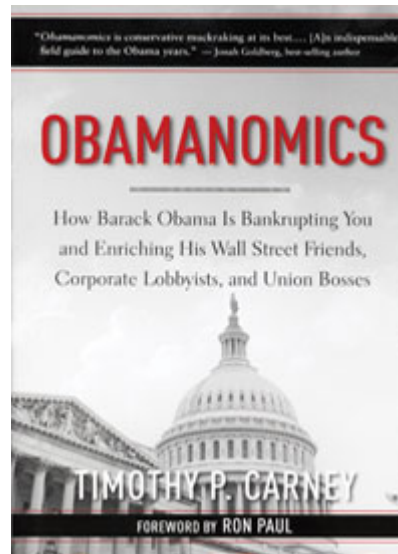




Written by [Ed Hiserodt](#) on January 22, 2010

How “Obamanomics” Is Bankrupting You

Fewer and fewer Americans would accept the clichés “Big business always resists government intrusion” and “Democrats are for the working class, while Republicans support the rich.” In the day of the Internet, it is often all too easy to figure out the less-than-altruistic motives of our elected officials and which costly, ineffective, and unconstitutional programs politicians support merely to “buy” votes for reelection. But most Americans (including your reviewer before reading *Obamanomics*) have no idea how totally corrupt our federal government has become.



In [*Obamanomics: How Barack Obama Is Bankrupting You and Enriching His Wall Street Friends, Corporate Lobbyists, and Union Bosses*](#), Timothy Carney shows us the true face of politics — warts, blackheads, and all other blemishes included.

There are few generalities in this book. Carney brings us specific, highly documented accounts of what is going on in Washington under the auspices of such programs as cap and trade, bailouts, and healthcare. Common to all the programs are (a) the expansion of government on a pretext of helping some unfortunate group or necessary cause, (b) the jockeying for position of lobbyists representing special interests seeking the best seat at the trough, and (c) the appropriations of huge sums of money, often in the tens or hundreds of billions of dollars, that end up in the coffers of those with the best lobbyists.

Helping ... Themselves

As an example, Americans hear a drumbeat in the mainstream media about the Obama administration’s brawl with the evil insurance industry and greedy pharmaceutical companies. Ah, but what are things like when nobody’s looking?

In 1997, Republicans created the State Children’s Health Insurance Program (SCHIP) to provide health insurance coverage for young children. While the program represented an expansion of government, it was relatively benign, as states administered the program and subsidized private insurance wrote the policies. Democrats immediately attempted to expand it, and Republicans were flayed by the media for their opposition. The Democratic Congress passed the bill expanding SCHIP in January 2009, with Obama signing it as soon as he took office.

Washington Post writer Jeffery Birnbaum had excoriated opposition to the bill by “the tobacco lobby and America’s Health Insurance Plans [AHIP], the leading trade organization for health insurance companies.” Author Carney notes Birnbaum was correct that AHIP was lobbying heavily on the issue of SCHIP expansion, but “he apparently missed the fact that AHIP was among the earliest, most consistent, and most influential lobbyists *supporting* the expansion.” (Emphasis in the original.)

The pharmaceutical lobby PhRMA was equally interested in the program, as it provided government subsidies for people to buy prescription drugs. Carney asks, “If you can get taxpayers to funnel money



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to your consumers, why wouldn't you support it? AHIP's stake in the fight is equally obvious. SCHIP is a subsidy for people to buy insurance. Expanding it expands the pipeline from taxpayers to HMOs."

There are parallels here to the present healthcare debate. At present, the Obama forces are backing away from proposals such as "the public option" that would hurt the insurance industry, and pushing initiatives such as the individual mandate that would deliver millions of new customers to insurance companies on a silver platter. Regulations on profits are welcomed by the lobbyists, along with continuation of the ban on selling across state lines, as these help to keep out new competitors.

The companies and organizations named by Carney as complicit in these attacks on our federal system and healthcare system include AARP, Abbot, ABC, Aetna, AIG, Alcoa, Alston & Bird, Altair, Altria, AANA, American Electric Power, American Health Care Association, American Hospital Association, American Nurses Association, American Optometric Association, America's Health Insurance Plans, Ameritech, Anheuser Busch, AP, Assurant, AT&T, and *Atlantic*. And that's just the A's.

There are many, many others, two of which were personally upsetting to me — the main one being Walmart.

I have always been a supporter of Walmart, as I see them bringing low prices on many otherwise unavailable items to small towns. I know firsthand that they run the tightest of ships in purchasing and transportation, major elements in the ability to offer discounted pricing. For many years I was told that they didn't have a lobbyist in Washington; they didn't need one. Just do business better than anyone else, and people will flock to you — as they indeed did. But that has changed.

Walmart self-insures its employees, doing what it does best — obtaining low prices through its massive buying power. Target Corporation, only a quarter the size of Walmart, provides fewer benefits for its employees for the same dollars. Walmart's lobbyists are striving to ensure that Target gives its employees benefits equal to that of Walmart. But if Target is required by law to meet Walmart's standards, their costs (and prices) will go up, while Walmart would be unaffected. What a lousy manipulative thing to do.

It would seem that none of the CEOs, board members, or large stockholders of these companies ever read Frederic Bastiat. They seemingly know nothing of "stupid greed" or, for that matter, of the goose that laid the golden eggs. They are destroying free-market capitalism and individual liberty for short-term gains.

One might note that in this system the government and the special interests are not adversarial, but working together to fleece taxpayers. Lobbyists swing huge amounts of money from the government to their special interest, while the politicians enjoy the contributions from company PACs (individuals who are part of lobbying efforts), favorable publicity, and introductions to donors. Politicians needn't worry about being caught with their hands in the till; there are amazingly clever ways that someone with money can use to get it to a candidate for reelection needs — often through party coffers.

Pre-Obamanomics

Obamanomics, however, did not start with Obama — in fact, it has been going on for many years. Free-market Republicans will be appalled at the degree to which the Bush administration was in the tank for Wall Street. "I've abandoned free-market principles to save the free-market system," said our former President as "we" bought AIG (a conduit to save Wall Street investment banks) and initiated the first \$700 billion TARP bailout. Nor will they will be encouraged by current GOP chairman Michael Steele. After making an assessment that politicians shouldn't be reshaping healthcare, he disastrously



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suggested that the AMA, AARP, SEIU, and representatives for the pharmaceutical and insurance industries — the same lobbyists in bed with the Obama administration — should vie for ways to secure the biggest helping of tax-paid pork.

While George W. Bush appeared somewhat remorseful about destruction of free enterprise and had several advisors who warned him against his actions, Obama has shown no such restraints. He and his crew are refining government expansion techniques, and they are perfecting enrichment of supporters as an art form. And whom does Carney consider the worst of Obama's advisors to be?

Worst of the Worst

Rahm Emanuel is not merely a holdover from the Clinton administration, but a seasoned veteran of Chicago politics. Carney quotes the *Chicago Tribune's* description of Emanuel: "A portrait of the often murky, below-the-surface intersection of money and power and politics." Even the pro-Democrat *Washington Post* showed concern over the Clinton administration appointing "an individual whose principal responsibility has been to raise huge sums of money from special interests seeking influence over government decisions." With a résumé like that, it's no wonder that he was hired as Obama's chief of staff!

Then there's Tom Daschle, Obama's failed nominee for Secretary of Health and Human Services, who dropped out of the running after paying \$130,000 in unpaid taxes. Carney relates how former Senate Minority and Majority Leader Daschle has become wealthy as a lobbyist since being un-elected by voters, except he hasn't bothered to register as a lobbyist. (His wife, Linda, however, represents Lockheed Martin, Boeing, and other defense contractors.) Even the liberal *Salon* moans, "[Daschle] embodies everything that is sleazy, sickly, and soulless about Washington," and goes on to say that "Daschle oozes Beltway slime from every pore."

Timothy Geithner, U.S. Secretary of the Treasury under Obama and another member of the government expansion team, showed his stuff as chairman of the New York Federal Reserve Bank where, during the Bush administration, he arranged a New York Fed loan of \$8.5 billion to AIG in exchange for 79.9 percent ownership by the federal government, sidestepping the illegality of the Federal Reserve Bank owning a private bank. This action saved Goldman Sachs, the same Goldman Sachs that gave more money to Obama alone than to 500 Republican politicians running for federal office.

And while the diagnosis of this cancer of corruption is horrifying, unless we understand its nature we have no hope in prescribing a successful cure. You need to read this book. Buy two, because you'll want someone else to read it also and you won't want to let yours go.

[Obamanomics: How Barack Obama Is Bankrupting You and Enriching His Wall Street Friends, Corporate Lobbyists, and Union Bosses](#), by Timothy P. Carney with a Foreword by Ron Paul, Washington, D.C.; Regnery Publishing, 2009, 297 pages, hardcover, \$27.95.



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