



Obama Getting Away With “Failed Policies of the Past”

How is that not repeating the “failed policies of the past”? And more importantly, why hasn’t a single member of the press asked Obama or any of his spokesmen why they are following the Bush economic policy precisely? As someone who has been a member of the press for more than 20 years, but who does not have access to White House press conferences, I find this a disgusting dereliction of duty.



“We can’t expect relief from the tired old theories that, in eight short years, doubled the national debt, threw our economy into a tailspin, and led us into this mess in the first place,” Obama said in his [February 7 weekly video address](#).

I agree. But why haven’t the major media pointed out that the \$787 billion economic “stimulus” package just passed by Congress, and to be signed into law by Obama tomorrow, would do just that: increase spending, cut taxes, and increase the deficit to nearly \$2 trillion? Please understand, I am all for cutting taxes *so long as the size and cost of government is also cut*. But cutting taxes without cutting government spending simply means that the taxpayers will have to pay a larger part of their taxes another way — through inflation, when the the Fed creates the money out of thin air (and devalues the money already in circulation) in order to finance the growing government deficit.

President Obama himself even indicated that he was following in the footsteps of Republican deficit expansion, when he said in his [February 9 press conference](#) that “it’s a little hard for me to take criticism from folks about this recovery package after they presided over a doubling of the national debt. I’m not sure they have a lot of credibility when it comes to fiscal responsibility.”

In what type of bizzare world does a statement like that give him a pass to be even more fiscally irresponsible?

But a pass is just what the press has given him. The talking points have gone out to all the Obama advisers to use this same tactic: don’t criticize us, because we’re using the same policies the Republicans used to get us into this mess. And it has worked. For example, Senior Adviser to President Obama David Axelrod said essentially the same thing on NBC’s [“Meet the Press” on February 15](#):

For eight years when we were doubling the national debt, I didn’t hear many of these people moralizing about, about spending. I didn’t hear them scrutinizing.... I think that this is — it’s sort of late in the game to be raising the debt issue for folks who doubled the debt over eight years. But beyond that, much of this spending, most of this spending is going to spend out very, very quickly.

If even Obama and all of his advisers are admitting they’re doing exactly what got us into the current economic crisis, why can’t the press simply ask them “why”? David Gregory of “Meet the Press” let Axelrod get away with it.

In Obama’s defense, the increasing deficit was only a contributing factor to the current economic recession. The primary cause of our economic recession was the Federal Reserve artificially



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[suppressing interest rates beginning in 1995](#). That started the housing bubble, which ended in the current banking crisis.

But Obama has simply let the Federal Reserve [suppress interest rates again to record lows](#). The Federal Funds rate at which banks now borrow from each other is nearly zero, and the Federal Discount Rate is only half of one percent. Neither has ever been this low. In other words, Obama's letting the Federal Reserve do exactly the same thing that led to the current crisis — except he's letting the Fed do it worse than before. Can you say “failed policies of the past”?

The deficit is now set to magnify the banking crisis by crushing the domestic credit market, since the U.S. Treasury will have to float an estimated \$2.5 trillion in debt (including the nearly \$2 trillion in new debt and re-issuing existing debt) in fiscal 2009. All of that money will be taken away from home and small business loans that could be used to finance a recovery. No one in the press is asking questions about this looming crisis either.

“You rejected those ideas because you know they haven't worked,” President Obama told people in Ft. Myers, Florida of the spend and deficit Republican policies. “You didn't send us to Washington because you were hoping for more of the same,” Obama told people in Elkhart, Indiana on February 9.

But that's exactly what we're getting. A whole lot more of the same. And the compliant press is letting them get away with it.

Another multi-trillion dollar bailout package for banks that copies what the Bush Administration passed looms on the political horizon.

And if we keep doing more of what got us into this mess, then the economic crisis is only going to get worse.

The question is, when will the American people demand the press start asking the obvious questions?



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