



Written by [Thomas R. Eddlem](#) on November 10, 2011

CNBC Presidential Debate: Clueless Questions as Rick Perry Zones Out

The November 9 Republican presidential debate in Detroit highlighted the utter economic cluelessness of the overwhelming majority of CNBC hosts and another Rick Perry debate mental lapse (picture at left).

CNBC host Maria Bartiromo began the [debate](#) by claiming, “We will be joined by an all-star lineup of the smartest people on CNBC.”

But the debate only proved again why CNBC is the most economically ignorant “financial network.” The bad predictions by CNBC hosts during the housing and financial bubble led comedian Jon Stewart to [quip](#) on Comedy Central’s *The Daily Show* in 2009, “If I’d only followed CNBC’s advice, I’d have a million dollars today... provided I started with 100 million dollars.”



CNBC hosts and guests routinely mocked and laughed at sober analysts of the housing bubble, such as EuroPacific Capital’s Peter Schiff. Schiff’s fans famously put together YouTube videos of analysts mocking Schiff entitled “Peter Schiff was Right,” and were able to put together a [CNBC-only edition](#) of bad economic advice being given against Schiff’s sober analysis during the economic bubble.

The November 9 debate demonstrated that the network hasn’t learned from its past financial mistakes. Bartiromo began the debate by implying the U.S. government should bail out the Italian economy by [asking](#) Herman Cain: “As President, what will you do to make sure that their problems do not take down the U.S. financial system? It is the world’s seventh largest economy. As President, what will you do to make sure their problems do not take down the U.S. financial system?”

The [famously wrong Jim Cramer](#) of CNBC’s *Mad Money* show pressed the issue further with a [question](#) for Ron Paul, “Surely you must recognize that this is a moment-to-moment situation for people who have 401(k)s and IRAs on the line and you wouldn’t just let it fail, just go away and take our banking system with it?”

“You have to let it liquidate,” Paul [replied](#). “If you prop it up, you’ll do exactly what we did during the depression, prolong the agony. If you prop it up, you’ll do what Japan has done for 20 years.”

Undeterred, Cramer continued to predict financial doom without government intervention, [pushing](#) for an Italian bailout in a subsequent question for former Utah Governor Jon Huntsman: “Governor, Italy’s too big to fail. It’s great. I’d love it if we were independent. It would be terrific to say, ‘It’s your fault. It’s your fault. It’s your problem.’ But if this goes, the world banking system could shut down. Doesn’t that involve our banks, too?”



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CNBC hosts likewise saw the bursting of the housing bubble not as an economically necessary correction, but as a disastrous and unnecessary catastrophe that desperately needs reinflating. Bartiromo [opined](#):

Most economists agree that there can be no economic recovery without a recovery in housing. American families have lost some \$7 trillion in home value in the last five years. Right now, four million people are behind on their mortgage or in foreclosure, 25 percent of homeowners owe more to the banks than their house is actually worth.

Likewise, Steve Liesman repeatedly [asked](#) questions about reinflating the housing bubble:

Governor Governor Perry, every quarter I get to report the GDP figures, and it's a negative number for housing, and we've lost some 2 million construction jobs. Housing creates jobs, as well, doesn't it?

And:

Mr. Cain, government-sponsored entities Fannie Mae and Freddie Mac, as Congresswoman Bachmann said, now underwrite or guarantee 90 percent of the home financing in this country. What would you do with these with Fannie Mae and Freddie Mac? Would you shut them down even though it could mean higher interest rates for America? Does it make it even harder than it is right now for Americans to get home loans?

But perhaps the most economically ignorant question of the evening goes to Maria Bartiromo, who [asked](#) Ron Paul what will happen to the jobs cut if government gets cut:

You have said you want to close down agencies. Tell us about your tax plan as well as closing agencies - federal agencies. Where do those jobs go?

Rep. Paul has [proposed a \\$1 trillion spending cut](#) in his first year as President, by far the boldest proposal among presidential candidates. Despite Bartiromo's economically ignorant assumption that the government creates jobs with money taken out of a void (as opposed to taking the money from the productive sector of the economy), Rep. Paul answered in a straightforward and professorial tone that "eventually they go into the private sector."

But it was never clear that Bartiromo or the other CNBC hosts learned anything from the debate.

Not all of the candidates took the foolish questioning by CNBC hosts in a straightforward manner. Newt Gingrich noted that the news media regularly fails to accurately take on genuine economic issues, which led to Bartiromo [asking](#) Gingrich, "What is the media reporting inaccurately about the economy?"

Gingrich responded, to wild audience laughter: "I love humor disguised as a question. That's terrific."

Other than the absurd display of economic ignorance by the debate moderators, the only newsworthy event of the debate was the mental lapse by Texas Governor Rick Perry. Perry couldn't remember which three federal cabinet agencies he would seek to abolish if he were elected President. "And I will tell you, it's three agencies when I get there that are gone. Commerce, Education, and the the uh, what's the third one there? Let's see," Perry [said](#), apparently looking to Rep. Ron Paul for an answer. Asked again by moderator John Hardwood if he could name the third agency he'd abolish, Perry drew a mental blank: "The third agency of government, I would do away with education, uh, the, uh commerce, and let's see, I can't. The third one. I can't. Oops."

Romney advisor Eric Fehrnstrom [pounced on](#) Perry in spin after the debate. "There is nothing I could



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say that could darken the night that Rick Perry had," he told reporters.

Some Ron Paul supporters have claimed for some time that Rick Perry has been trying to copy Ron Paul on spending cuts. They may have had some new evidence to believe this from the November 9 debate, as Perry [appeared](#) to look to Ron Paul for the answer when he couldn't think of another Cabinet-level agency to eliminate.

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