



Written by [Joe Wolverton, II, J.D.](#) on February 7, 2016

Obama Owns Stock in Gun and Ammo Manufacturers, Profiting From His Policies

While with his infamous "[pen and ... phone](#)" President Barack Obama has acted to limit the availability of guns and ammunition; with his investments he profits from the purchase of both these objects which have "[taken a heartbreaking toll on too many communities across the country.](#)"

A [special report published by Reuters](#) on February 5 reveals that President Obama owns stock in a couple of manufacturers of guns and ammunition.



From Reuters:

From his days in the Illinois General Assembly, President Obama has up to \$100,000 invested in a nearly \$16 billion state pension plan, which has about \$5 million invested directly in several gun and ammo makers. The retirement plan, which covers state employees, judges and the general assembly, also holds shares in a small-cap mutual fund with a \$9.5 million stake in Smith & Wesson.

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While this is admittedly a minuscule amount of money for one a man of the president's net worth ([\\$7 million as of 2014](#)), the inconsistency between his advocacy of tighter gun controls and his increase in personal prosperity from the increased demand for weapons and ammunition is noteworthy.

As [The New American has reported](#), President Obama has signed numerous executive orders (edicts masquerading as valid law) restricting the right of Americans to purchase, sell, trade, and own firearms and the ammunition that make them useful.

Such a seizure of power is inarguably tyrannical. While there may be millions who depend on the tyranny for their living and millions of others who support the tyrant's usurpation as something good, there can be no doubt that for a president to issue fiats from the White House effectively repealing the Second Amendment is the act of a tyrant.

As with most of the notorious tyrants of history, President Obama draws near to the people with his lips, but his heart is set on lining his own pockets. Nowhere is this hypocrisy more evident than in the revelation of his ownership of stock in manufacturers of firearms and ammunition.

The effect on the bottom line of these companies since Barack Obama settled in the Oval Office is remarkable. Again, as reported by Reuters:

Since Obama was elected in 2009, mutual funds have raised their stakes to about \$510 million from \$30 million in the nation's two largest gun manufacturers with publicly traded shares, Smith & Wesson Corp and Sturm, Ruger & Co. That means such stocks are now common in retirement and college savings plans.



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The influx has helped to boost both companies' shares by more than 750 percent during the Obama presidency; each now has a market value of about \$1 billion.

To many, this double dealing may seem inexplicable. When analyzed economically rather than morally, the problem is solved very easily.

According to principles of supply and demand, when the supply of a good decreases and the demand for that good simultaneously increases, the price ascends proportionally.

That is to say, President Obama's attack on the gun and ammo industries serves not only to advance his agenda on the Constitution, but to manipulate the price of those two items in a way that favors his personal fortunes.

He can have his cake of decreasing public liberty while eating the cake of increasing personal wealth.

Later in the story of the seeming discrepancy between public policy and personal investment, Reuters painted a clear and condemning picture of the favorable economic developments in the firearm sector that followed Obama's 2008 election:

By the end of 2015, more than 150 mutual funds owned Smith & Wesson shares, up from 53 at the end of 2008, and nearly 130 held stock in Ruger, up from 52, according to data from Morningstar Inc.

It would have taken investors "minimal due diligence" to see massive profit potential in Ruger stock when Obama was first elected, said Ruger Chief Executive Mike Fifer. Shares hit a low of \$4.50 the Friday after that Tuesday election; the stock was changing hands today at \$61.61.

"Orders at every level of the distribution channel exploded" the week of Obama's election, Fifer recalled. "And continued to do so for months afterward."

And, later in the article, the benefit to the president's portfolio created by his drive to disarm civilians is reported:

"Let's just say he's been good for business," Jack Leshner, manager of Chuck's Firearms in Atlanta, said of Obama.

Gun sales jumped again recently after the president blasted congressional inaction on gun control and vowed to use executive powers to expand background checks for buyers and bolster licensing requirements for dealers. His announcement followed yet another mass shooting, on Dec. 2 in San Bernardino, California, where a couple pledging allegiance to Islamic State killed 14 people.

For the week that ended Dec. 20, firearms background checks - a proxy for guns sales - totaled 839,109, the second-highest week since 1998. Only the week after the Sandy Hook shootings was higher, according to the Federal Bureau of Investigation.

Vista's main factories have churned out bullets 24 hours, seven days a week for at least two years, Vista Chief Financial Officer Stephen Nolan told investors in November.

Now the industry is ready for an election-year surge.

"The politics of gun control could stay in the headlines, which we believe could lead to a record year," wrote Chris Krueger, senior research analyst at Lake Street Capital Markets, in a note to investors in January.

Ruger is boosting inventories to prepare, after learning a costly lesson going into the last presidential



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election. Demand peaked that year, based on the number of FBI background checks sought for new gun purchases. The surge followed Obama's re-election and the Sandy Hook shooting.

"When we went into late 2011, we got cleaned out of inventory ... even though we increased production dramatically," company CEO Fifer told investors during a November conference call.

Regardless, there will be those who will defend the president's profiting from the companies whose wares have contributed to the crisis of public safety in which "[more than 100,000 people have been killed as a result of gun violence.](#)"

These advocates will point out that the president's percent of ownership in these industries is indirect and insignificant. Both of those adjectives are apt, but they do not accurately describe the bigger picture.

"Obama and his tiny stake are typical of most Americans with holdings in firearms investments: They are invested in funds that buy shares of the relatively small part of the firearms industry that is publicly traded. But collectively, their investments are a boon to the gun industry and amount to a sizable stake in major gun and ammo makers," Tim McLaughlin and Peter Eisler write in the Reuters story.

Not surprisingly, Reuters notes that "The White House declined to comment on Obama's holdings in the Illinois General Assembly's pension plan, which he earned while serving in that state's senate."



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