



Obama Deals, Feels Pressure on Stimulus

President Obama is really starting to feel the heat on the bogus economic projections he used to sell the “stimulus” package and budget to Americans, and he’s also used cabinet-level executive branch officials to bite back at political critics.

Responding to Arizona Senator Jon Kyl’s criticism of his \$787 billion “stimulus” package, formally called the American Recovery and Reinvestment Act, four Obama administration cabinet officers fired off letters to Arizona Governor Janice Brewer. Two of the letters suggested that Brewer could always refuse the money if she didn’t like the bill. Transportation Secretary [Ray LaHood wrote](#), “If you prefer to forfeit the money we are making available to your state, as Senator Kyl suggests, please let me know.” Interior Secretary [Ken Salazar wrote](#) an almost identical line, except he omitted Kyl’s name: “If you prefer to forfeit the money we are making available to Arizona, please let me know.” [Agriculture Secretary Vilsack](#) and [HUD Secretary Donovan](#) also wrote letters to Brewer.



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“It was a thinly veiled threat,” Kyl [told](#) Fox News’ Greta Van Susteren. “And they combined that with some ads that the Democrat campaign committee ran on their Web site, and so on. Obviously, the effort is to shut us up, but we’re not going to — those of us who oppose the stimulus are going to continue to oppose it.” The strategy Obama is employing is to paint Kyl as a pork-lover, as someone who loves it when money comes to the home district but hates to let other districts have money.

To people like Kyl, the reality is that the stimulus package is a bit like making a person purchase a car at gunpoint for twice its value. After he’s been forced to overpay for the car, the salesman then criticizes him later and calls him a hypocrite for driving the car he had been forced to purchase. “You didn’t want to buy the car,” the salesman rails at his unwilling customer, “where are your principles?”

Kyl [responded](#) to Obama’s intimidation by publicly exposing the tactics: “It’s unfortunate that President Obama and his administration seem unwilling to debate the merits of the stimulus bill and acknowledge its shortcomings. Instead, they have resorted to coordinated political attacks with the Democratic National Committee and the politicization of departments of government by using cabinet secretaries to issue thinly veiled threats to the governor and the people of Arizona,” Kyl told the press after the kaffuffle. “Since even the president acknowledges the stimulus isn’t working as well as he hoped, the



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administration should instead be willing to consider whether the unallocated stimulus money could be put to better use.”

Thus far, the best jobs “success” Obama officials have been able to brag about with the stimulus package has been that it delayed layoffs at state and municipal governments. Transportation Secretary LaHood, who has been something of a Johnny Appleseed of optimism on the stimulus, could only boast in his [July 15 speech](#) at the leftist Center for National Policy: “The Government Accountability Office recently reported that recovery funds have helped states avoid major service cuts, tax hikes, and widespread layoffs.... I can tell you this. I talk to governors, mayors, state transportation officials, and private contractors on a weekly basis all over the country, and there is widespread agreement that without these well-timed federal investments in infrastructure and state services, we’d probably be in much worse shape.”

If the only people who can tell you good news about an economic stimulus package are the ones on the dole, it’s a pretty good bet that the stimulus isn’t working. LaHood let slip a little factoid about his economic analysis of the stimulus at that speech, adding, “Yet it may be hard to grasp how effective this program is because we don’t really know how much worse off we’d be without it.” Of course, if measuring the effectiveness is difficult to “grasp,” then one might just as well wonder if the American people would have been much better off they’d be without it.

And it’s that Obama administration uncertainty about the economic situation, combined with its already incorrect rosy assumptions used to sell the “stimulus” package, that have started to win skepticism and even derision from serious thinkers. Obama had famously promised that if the stimulus package were passed, unemployment wouldn’t surpass eight percent. (It’s now [9.5 percent, and rising.](#))

And even members of the press have called Obama to task for his poor predictions, specifically at a [June 23 press conference](#) where a Bloomberg News reporter asked, “What’s the high water mark, then, for unemployment? Eleven percent?” Obama responded, “Well, I’m not suggesting that I have a crystal ball. Since you just threw back at us our last prognosis, let’s not — let’s not engage in another one.”

Obama’s Chairwoman of Economic Advisors Christina Romer has taken a cue from the boss, [telling Politico](#) this week, “There was just inherently a lot of uncertainty. None of us has a crystal ball, especially at a time when there is a lot of new information coming in. That’s when you have to be ready to update. That’s certainly what a lot of forecasters have done and what we will do, as well.”

Obama has the same Pollyannaish economic assumptions embedded throughout his budget program. Politico [reported](#) on July 14 that it had surveyed “independent economists of varied political stripes [and] found widespread disdain for Obama’s first round of assumptions, with some experts invoking such phrases as ‘rosy’ and ‘fantasy.’”

Politico [noted](#), “Deficit figures do not pack the same emotional punch as unemployment lines do. But they matter greatly to policymakers and the financial markets as a measure of whether the country can afford Obama’s big agenda.” Politico [added](#) that Obama may be forced to adjust his deficit figures upward during the contentious healthcare debate, or face a loss of credibility on cost projections on that issue. “Higher deficit figures also would arrive at a critical moment in the health care debate, as lawmakers are already struggling to find a way to pay for the president’s nearly \$1 trillion reform package.” The Congressional Budget Office [reported](#) July 17 that Obama’s healthcare package would add \$239 billion to the deficit over 10 years despite a \$583 billion tax increase in the House bill ([H.R. 3200](#)), which is modeled after Massachusetts’ failing universal healthcare plan.





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