October 19, 2011

How ignorant is Rep Barbara Lee? This open letter from **Don Boudreaux** of Cafe Hayek will give you an idea.

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Overlooking the fact that you overlook the lower prices on groceries made possible by this labor-saving technology, I've some questions for you:

Do you also avoid using computerized ("automatic") elevators, riding only in those few that still use manual elevator operators?

Do you steer clear of newer automobiles equipped with technologies that enable them to go for 100,000 miles before needing a tune-up? I'm sure I can find for you, say, a 1972 Chevy Vega that will oblige you to employ countless mechanics.

Do you shun tubeless steel-belted radial tires on your car – you know, the kind that go flat far less often than do old-fashioned tires? No telling how many tire-repairing jobs have been destroyed by modern technology-infused tires.

Do you and your family refuse flu shots in order to increase your chances of requiring the services of nurses and M.D.s – and, if the economy gets lucky and you and yours get seriously ill, also of hospital orderlies and administrators? Someone as aware as you are of the full ramifications of your consumption choices surely takes account of the ill effects that flu shots have on the jobs of health-care providers.

You must, indeed, be distressed as you observe the appalling amount of labor-saving technologies in use throughout our economy. It is, alas, a disturbing trend that has been around for quite some time – since, really, the invention of the spear which destroyed the jobs of some hunters. ...

Then again, maybe Barbara Lee takes the lead from her president. This post from The Money Illusion contains an item from the Suskind book about the administration. If you remember, Obama had the same problem with ATM machines. A couple days ago I suggested that Obama might not be particularly well-informed about economics:

"It seems increasingly clear that Obama doesn't have a good understanding of economics. He approaches issues like a very bright non-economist using his common sense."

It now appears that it's even worse than I thought. I found this quotation from Ron Suskind over at <u>DeLong's blog</u>.

' Both, in fact, were concerned by something the President had said in a morning briefing: that he thought the high unemployment was due to productivity gains in the economy. Summers and Romer were startled.

"What was driving unemployment was clearly deficient aggregate demand," Romer said. "We wondered where this could be coming from. We both tried to convince him otherwise. He wouldn't budge."

Mort Zuckerman was interviewed by the Wall Street Journal.

'It's as if he doesn't like people," says real-estate mogul and New York Daily News owner Mortimer Zuckerman of the president of the United States. Barack Obama doesn't seem to care for individuals, elaborates Mr. Zuckerman, though the president enjoys addressing millions of them on television.

The Boston Properties CEO is trying to understand why Mr. Obama has made little effort to build relationships on Capitol Hill or negotiate a bipartisan economic plan. A longtime supporter of the Democratic Party, Mr. Zuckerman wrote in these pages two months ago that the entire business community was "pleading for some kind of adult supervision" in Washington and "desperate for strong leadership." Writing soon after the historic downgrade of U.S. Treasury debt by Standard & Poor's, he wrote, "I long for a triple-A president to run a triple-A country."

His words struck a chord. When I visit Mr. Zuckerman this week in his midtown Manhattan office, he reports that three people approached him at dinner the previous evening to discuss his August op-ed. Among business executives who supported Barack Obama in 2008, he says, "there is enormously widespread anxiety over the political leadership of the country." Mr. Zuckerman reports that among Democrats, "The sense is that the policies of this government have failed. . . . What they say about [Mr. Obama] when he's not in the room, so to speak, is astonishing." ...

... Unprompted, he spends much of our discussion reminiscing about the Reagan presidency. Mr. Zuckerman has for years owned U.S. News and World Report, and in 1986 its Moscow correspondent Nicholas Daniloff was seized without warning by the KGB.

Mr. Zuckerman immediately flew to Russia but returned home when Soviet officials refused to release their new prisoner. "I worked in the White House for the next four weeks virtually every day and through that I met Reagan," says Mr. Zuckerman. Reagan secured Mr. Daniloff's release in a swap that included a Soviet spy held in the U.S.

"Reagan surprised me," says Mr. Zuckerman. "He got the point of every argument. . . . He was very decisive. And everybody loved working for him. They followed his lead because they really respected his decisiveness and his instincts."

'I was not a Republican and I was not an admirer of his before I knew him," continues Mr. Zuckerman. "And you know, Harry Truman had a wonderful definition for the presidency. He said the president has to be someone who can persuade the American people to do what they don't want to do and to like it. And that's what you have to do. Somebody like Reagan had that

authority. He was liked so much and he had a kind of moral authority. That's what this president has lost."

"Democracy does not work without the right leadership," he says later, "and you can't play politics." The smile inspired by Reagan memories is gone now and Mr. Zuckerman is pounding his circular conference table. "The country has got to come to the conclusion at some point that what you're doing is not just because of an ideology or politics but for the interests of the country."

Nile Gardiner notes the 1,000 days of this administration.

If <u>recent polls</u> are any indication, it is doubtful that President Obama will enjoy another 1,000 days in the White House. And looking at his track record over the course of his first 33 months in office, it is not hard to see why. It is hard to think of a presidency in modern times that has done more to damage the United States both at home and abroad than the current one, with the possible exception of Jimmy Carter's. Like his Democratic predecessor in the 1970's, Barack Obama has left the world's dominant superpower on its knees, with faith in US leadership now being questioned across the globe.

Since taking office in January 2009, President Obama has ushered in a period of relentless economic decline for the United States. His administration has <u>added \$4.2 trillion to the national debt (now standing at \$14.9 trillion)</u>, lost 2.2 million jobs, introduced a vastly expensive health-care albatross, and spent nearly \$800 billion on a failed stimulus package. At the same time, house prices across the country have tumbled at an unprecedented rate, consumer confidence has plummeted, and millions more Americans are now dependent upon food stamps. International confidence in the US economy has fallen to its lowest levels in decades, with credit agency Standard and Poor's downgrading of America's AAA credit rating for the first time in 70 years in August this year. ...

More from the **Washington Times**.

One day soon, someone will write a book titled "The Stumbling, Bumbling, One-Term Presidency of Barack Hussein Obama." It will be a best-seller - off the nonfiction shelf, of course.

Every presidency is, to be sure, fraught with missteps, mistakes and even fundamental misunderstandings of the task at hand. But President Obama has taken those pitfalls to new heights, and in so doing has exposed what can be called only "Amateur Hour in the White House."

Just in the past month or so, the president and his jejune minions have delivered every bit of evidence needed to support the theory that no one in the big house knows what they're doing. ...

How about someone from the left. Like a card carrying liberal like <u>Eleanor Clift</u>. ... Washington's scandal du jour has been Solyndra. The California solar company received a rushed half-billion-dollar clean-energy stimulus loan from the Obama administration, only to go

bankrupt and potentially leave taxpayers on the hook—despite warnings from career officials that both Solyndra and the larger solar industry were facing financial pressures.

But it is far from the only blemish on the administration's much-touted green agenda. In addition to weatherization problems, an internal Labor Department report disclosed this month that a multibillion-dollar program to retrain workers for green-energy jobs met only 10 percent of its goal of creating 80,000 jobs. A federal renewable-energy lab in Colorado that got nearly \$300 million from another green-energy program began laying off 10 percent of its workforce last month.

Overall, as the \$787 billion economic stimulus—the primary engine for the green-energy agenda—came to an end Sept. 30, it is clear that the program created far fewer jobs than promised. So-called green-collar jobs are notoriously hard to tally, but numerous estimates by gleeful Republicans put the taxpayer cost of each green-energy job created by the stimulus at more than \$1 million. ...

More from the Las Vegas Review-Journal.

Can we finally put to rest the idea that government creates jobs? Can everyone finally agree that "green jobs" will never be part of an economic recovery -- in Nevada or anywhere else?

There is simply no spinning or distorting the failure of one of President Obama's biggest initiatives and campaign promises. "Hope" and "Change" hinged on creating 5 million green jobs in 10 years. As a down payment, the stimulus abomination set aside billions of dollars, including a \$500 million grant to train 125,000 people for the noble work of the future.

As of this summer, of the nearly 53,000 people who had completed the training at a cost of \$163 million, barely 8,000 had found work. Only 1,000 had held a job for more than six months, according to a report released this month by the Labor Department's inspector general.

Is America just not ready for such new, high-tech positions heralding an age of renewable energy? Could that explain why so many people training for the jobs of the future can't find work today?

Well, no. According to the inspector general's report, some of the positions that fall under the administration's definition of "green jobs" include: forklift operator, sheet metal worker, welder, plumber, electrician, car mechanic and garbage handler.

Did you really think 5 million people in this country would hold sustainable jobs manufacturing, assembling and maintaining solar panels and wind turbines? If you do anything that could conceivably benefit the environment -- install a no-flush urinal or an energy-efficient appliance, drive a hybrid bus, collect used cooking oils, lobby against fossil fuels -- you are a green-collar worker, as far as Washington is concerned. ...

Cafe Hayek Damn All this Progress!

by Don Boudreaux

Rep. Barbara Lee (D-CA) Capitol Hill

Dear Ms. Lee:

Fred Barnes reports in the *Weekly Standard* that you refuse to use computerized checkout lanes at supermarkets ("<u>Boneheaded Economics</u>," Oct. 24). As you – who are described on <u>your website</u> as "progressive" – explain, "I refuse to do that. I know that's a job or two or three that's gone."

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Sincerely, Donald J. Boudreaux Professor of Economics George Mason University Fairfax, VA 22030

. . .

(HT my buddy Lyle Albaugh)

UPDATE: My friend Wilson Mixon, from over at <u>Division of Labour</u>, e-mails to me this reaction to my letter to Rep. Lee:

The spear didn't just destroy jobs. It (and even worse, the bow and arrow) dehumanized the whole process. How much more fulfilling it must have been to take on a boar mano a mano (or mano a colmillo). Think of the empathy and respect between predator and prey that the old fashioned way must have generated. No wonder we're losing touch with nature and with our deeper, truer, fuller self. Ah, the (in)humanity!

The Money Illusion

The most powerful AD denier of all

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"What was driving unemployment was clearly deficient aggregate demand," Romer said. "We wondered where this could be coming from. We both tried to convince him otherwise. He wouldn't budge."

I recall reading similar statements by his former colleagues at the University of Chicago. They'd make arguments to him, and he just wouldn't seem to get the point. He's obviously very bright, but it's also clear that he falls into that relatively large group of Americans who have their own very strong views on economics, and couldn't care less what professional economists think. (An issue recently discussed by Noahpinion, Robin Hanson, and Sean Carrol.)

WSJ

The Exasperation of the Democratic Billionaire

Real-estate and newspaper mogul Mortimer Zuckerman voted for Obama but began seeing trouble as soon as the stimulus went into the pockets of municipal unions. by James Freeman

New York

'It's as if he doesn't like people," says real-estate mogul and New York Daily News owner Mortimer Zuckerman of the president of the United States. Barack Obama doesn't seem to care for individuals, elaborates Mr. Zuckerman, though the president enjoys addressing millions of them on television.

The Boston Properties CEO is trying to understand why Mr. Obama has made little effort to build relationships on Capitol Hill or negotiate a bipartisan economic plan. A longtime supporter of the Democratic Party, Mr. Zuckerman wrote in these pages two months ago that the entire business community was "pleading for some kind of adult supervision" in Washington and "desperate for strong leadership." Writing soon after the historic downgrade of U.S. Treasury debt by Standard & Poor's, he wrote, "I long for a triple-A president to run a triple-A country."

His words struck a chord. When I visit Mr. Zuckerman this week in his midtown Manhattan office, he reports that three people approached him at dinner the previous evening to discuss his August op-ed. Among business executives who supported Barack Obama in 2008, he says, "there is enormously widespread anxiety over the political leadership of the country." Mr. Zuckerman reports that among Democrats, "The sense is that the policies of this government have failed. . . . What they say about [Mr. Obama] when he's not in the room, so to speak, is astonishing."

We are sitting on the 18th floor of a skyscraper the day after protesters have marched on the homes of other Manhattan billionaires. It may seem odd that most of the targeted rich people had nothing to do with creating the financial crisis. But as Mr. Zuckerman ponders the Occupy Wall Street movement, he concludes that "the door to it was opened by the Obama administration, going after the 'millionaires and billionaires' as if everybody is a millionaire and a billionaire and they didn't earn it. . . . To fan that flame of populist anger I think is very divisive and very dangerous for this country."

This doesn't mean that Mr. Zuckerman opposes the protesters or questions their motives. When pressed, he concedes that the crowd in Lower Manhattan may include some full-time radicals, but he argues that the protesters are people with a legitimate grievance, as the country suffers high unemployment and stagnant middle-class incomes.

It is a subject he has obviously studied at length, and he explains how the real unemployment rate is actually well above the official level of 9.1%, which only measures people who have applied for a job within the previous four weeks. In fact, he says, unemployment has even surged beyond the Department of Labor's "U-6" number of 16.5% that has received increasing attention lately because it includes people who have given up looking for work within the past year, plus people who have been cut back from full-time employees to part-timers.

Mr. Zuckerman says that when you also consider the labor-force participation rate and the socalled "birth-death series" that measures business starts and failures, the real U.S. unemployment rate is now 20%. His voice rising with equal parts anger and sadness, he exclaims, "That's not America!"

It certainly isn't the America that Mr. Zuckerman discovered when he moved south from Canada to study at Wharton and Harvard Law School, graduating from both in the early 1960s. He reports feeling immediately at home and says he never considered returning "because of the sheer openness and energy of life in America."

The U.S. "has fundamentally great qualities," he says. "It's a society that welcomes talent, nourishes talent, admires talent . . . and rewards talent." But he sees "potentially catastrophic" political and fiscal problems. Mr. Zuckerman reports that when he was a young man, 50% of the top quartile of graduates from Canadian universities moved to the U.S. Now, he says, "I don't

want my daughter telling me, 'Dad, I want to move back to Canada because that's the land of opportunity."

Mr. Zuckerman's bearish outlook since 2006 has been good for his business. That's when he decided that there was a bubble in commercial real estate and his publicly traded real estate investment trust needed to sell some of its office buildings.

'We've had a strategy in our business of trying to have 'A' assets in 'A' locations. I think we had 126 buildings at that point and we came to the conclusion that 16 of them were either A assets in B locations or B assets in A locations, like 280 Park [Avenue in New York]—it was a great address but not a good building. So we sold. We got through 15 of the 16 and we raised in the range of four and a half billion dollars," he says.

Once the downturn began, that cash pile helped him buy some famous properties at depressed prices, such as the General Motors building in New York and the John Hancock Tower in Boston. But he says his firm is still prepared for possible rough economic times ahead. "We're keeping it very liquid," he says, "because I don't know where this is going."

Mr. Zuckerman maintains that America will solve its problems over the long haul—"I am not somebody who's pessimistic about this country. I have had a life that's been better than my fantasies," he says—but he's certainly pessimistic about the current administration. That began shortly after inauguration day in 2009.

At that time he supported Mr. Obama's call for heavy spending on infrastructure. "But if you look at the make-up of the stimulus program," says Mr. Zuckerman, "roughly half of it went to state and local municipalities, which is in effect to the municipal unions which are at the core of the Democratic Party." He adds that "the Republicans understood this" and it diminished the chances for bipartisan legislating.

Then there was health-care reform: "Eighty percent of the country wanted them to get costs under control, not to extend the coverage. They used all their political capital to extend the coverage. I always had the feeling the country looked at that bill and said, 'Well, he may be doing it because he wants to be a transformational president, but I want to get my costs down!"

Mr. Zuckerman recalls reports of Mr. Obama consulting various historians on the qualities of a transformational president. "But remember, transformations can go up and they can go down."

Now comes the latest fight over Mr. Obama's jobs plan, which has as its centerpiece a tax increase on the wealthy with obvious populist appeal. Mr. Zuckerman supports raising taxes on the rich but says such a proposal cannot be taken seriously unless it's paired with other measures to grow the economy and restrain deficit spending. He also wonders why, if the president wanted to get a plan enacted, he didn't begin with private bipartisan discussions with House and Senate leaders, instead of another address to a joint session of Congress.

"Even if you want to do this to revive your support in the base, to revive your credibility on the issues of the economy and jobs, which has fallen off the table, this isn't going to accomplish it. Another speech from this guy? The country knows this is just another speech. They understand it almost instantaneously, and his numbers have continued to go down for that reason. What the country wanted was some way of coming up with a *solution*."

The only solution Mr. Zuckerman sees now to juice the economy "is to broaden the tax base and simplify and lower tax [rates]. To me that will be as close to revenue-neutral as you're going to have so it isn't going to be seen as a budget buster." He views GOP candidate Herman Cain's "9-9-9 plan" as a "little bit simple-minded," but he says that a reform that closes loopholes and reduces compliance costs will stimulate both business and consumer spending.

Mr. Zuckerman sees a need for a cooperative effort like that of President Ronald Reagan and House Speaker Thomas "Tip" O'Neill when they reformed Social Security in 1983. That wasn't a permanent solution, of course, as Social Security needs more significant changes now, but Mr. Zuckerman sees it as a model of bipartisan progress.

Unprompted, he spends much of our discussion reminiscing about the Reagan presidency. Mr. Zuckerman has for years owned U.S. News and World Report, and in 1986 its Moscow correspondent Nicholas Daniloff was seized without warning by the KGB.

Mr. Zuckerman immediately flew to Russia but returned home when Soviet officials refused to release their new prisoner. "I worked in the White House for the next four weeks virtually every day and through that I met Reagan," says Mr. Zuckerman. Reagan secured Mr. Daniloff's release in a swap that included a Soviet spy held in the U.S.

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"Democracy does not work without the right leadership," he says later, "and you can't play politics." The smile inspired by Reagan memories is gone now and Mr. Zuckerman is pounding his circular conference table. "The country has got to come to the conclusion at some point that what you're doing is not just because of an ideology or politics but for the interests of the country."

Telegraph, UK Barack Obama's disastrous first 1,000 days by Nile Gardiner



Barack Obama: bringing America to its knees

If <u>recent polls</u> are any indication, it is doubtful that President Obama will enjoy another 1,000 days in the White House. And looking at his track record over the course of his first 33 months in office, it is not hard to see why. It is hard to think of a presidency in modern times that has done more to damage the United States both at home and abroad than the current one, with the possible exception of Jimmy Carter's. Like his Democratic predecessor in the 1970's, Barack Obama has left the world's dominant superpower on its knees, with faith in US leadership now being questioned across the globe.

Since taking office in January 2009, President Obama has ushered in a period of relentless economic decline for the United States. His administration has <u>added \$4.2 trillion to the national debt</u> (now standing at \$14.9 trillion), lost 2.2 million jobs, introduced a vastly expensive health-care albatross, and spent nearly \$800 billion on a failed stimulus package. At the same time, house prices across the country have tumbled at an unprecedented rate, consumer confidence has plummeted, and millions more Americans are now dependent upon food stamps. International confidence in the US economy has fallen to its lowest levels in decades, with credit agency Standard and Poor's downgrading of America's AAA credit rating for the first time in 70 years in August this year. As I noted in a piece at the time:

Since President Obama took office in January 2009, the United States has embarked on the most ambitious failed experiment in Washington meddling in US history. Huge increases in government spending, massive federal bailouts, growing regulations on businesses, thinly veiled protectionism, and the launch of a vastly expensive and deeply unpopular health care reform plan, have all combined to instill fear and uncertainty in the markets.

Is it any wonder that just 17 percent of Americans now believe the country is moving in the right direction, <u>according to RealClear Politics</u>? Or that 81 percent of Americans "are dissatisfied with the way the country is being governed", <u>according to Gallup</u>? As a series of major Gallup polls have shown, public disillusionment with the federal government has now reached an all-time

high, with <u>69 percent of Americans</u> now saying "they have little or no confidence in the legislative branch of government", with 46 percent believing "the federal government has become so large and powerful that it poses an immediate threat to the rights and freedoms of ordinary citizens."

And President Obama's record on the world stage has also been poor. Despite two high-profile successes in taking out al-Qaeda leaders Osama bin Laden and more recently Anwar al-Awlaki (both upon the foundations of President Bush's war on terror), US foreign policy under Obama has been a confusing mess. The shameless appeasement of Iran has allowed the rogue state to advance perilously close to nuclear weapons capability, while the naïve "reset" approach towards Russia has only encouraged a more aggressive and assertive Moscow. At the same time, traditional alliances with Great Britain and Israel have been downgraded, and key allies in eastern and central Europe thrown under the bus to feed the Russian bear. While America's defences have grown weaker, China's military might has grown significantly stronger, as have the offensive capabilities of hostile regimes in both Asia and Latin America, including Hugo Chavez's Venezuela.

As Barack Obama approaches the remaining 14 months of his presidency, there is a distinct air of US decline. It is of course a state of decline that can be reversed with the right policies and leadership in place. There is nothing inevitable about the demise of the United States, but its renewal must rest upon a dramatic reversal of the most Left-wing agenda of any American presidency since 1979. As Gallup's polling has emphatically demonstrated, Americans are overwhelmingly rejecting the Big Government agenda of the Obama presidency, which has spectacularly failed to create jobs, generate wealth, and instill economic confidence.

The biggest failure of this administration, and there have been many, has been its central belief that government knows best, and that the way to prosperity is to spend ever greater amounts of taxpayers' money on the backs of hard-working Americans. As a result, the United States is a nation on a precipice, facing towering debts and the threat of a double dip recession at a time when 14 million Americans are already out of work. Ultimately, it is economic freedom, minimal government intervention, and greater individual liberty that can put America back on its feet, rather than endless bailouts, higher taxes and suffocating government regulation, all hallmarks of the Obama experiment. Ultimately, the world needs a powerful United States that is a beacon of hope to the world, rather than a basket case of failed liberal policies.

Washington Times Obama's stumbling, bumbling 1-term presidency by Joseph Curl

One day soon, someone will write a book titled "The Stumbling, Bumbling, One-Term Presidency of Barack Hussein Obama." It will be a best-seller - off the nonfiction shelf, of course.

Every presidency is, to be sure, fraught with missteps, mistakes and even fundamental misunderstandings of the task at hand. But President Obama has taken those pitfalls to new heights, and in so doing has exposed what can be called only "Amateur Hour in the White House."

Just in the past month or so, the president and his jejune minions have delivered every bit of evidence needed to support the theory that no one in the big house knows what they're doing.

First, Mr. Obama announced that he desperately needed to address a joint session of Congress, and it had to be - had to be - the same night as a Republican presidential-primary debate (remember, this was after Mr. Obama announced in mid-August that he'd be making an announcement in mid-September - after a 10-day vacation to Martha's Vineyard).

Or rather, Mr. Obama didn't announce it, he sent out his amateurish press secretary, who, with a straight face, called the timing purely "coincidental."

"There's one president; there's 20-some odd debates," Jay Carney said. "Obviously, one debate of many that's on one channel of many was not enough reason not to have the speech at the time that we decided to have it."

Of course, the president wanted House Speaker John A. Boehner to reject the date, as he did, picking the following day. Mr. Obama then used the dust-up in his campaign speeches, saying Congress was so gridlocked it couldn't even decide when to allow the president to drop by for an important address.

And that speech was another example of the ham-handed clumsiness of this amateur White House. "There should be," Mr. Obama said Sept. 8, "nothing controversial about this piece of legislation. Everything in here is the kind of proposal that's been supported by both Democrats and Republicans - including many who sit here tonight."

But that was a flat-out lie. While Republicans might have supported some job-creating ideas within the \$447 billion spending plan, they certainly had never supported funding that with new taxes.

The president then trotted around the country with more campaign speeches, laying out his simplistic syllogism: America's economy needed his jobs plan. Republicans opposed his jobs plan. Thus, Republicans were obstructionists who did not want to create jobs, and probably hated America too.

Pity the fool who looked past the amateur rhetoric for a deeper strategy: There wasn't one. Mr. Obama didn't even care about Democrats in the Senate, who also had a hard time supporting a new tax bill right before the 2012 elections. He simply needed Congress to reject his plan so he could spread the blame for the terrible economy.

In an even clumsier move, he actually said so. "I would love nothing more than to see a Congress act so aggressively that I can't campaign against them as a do-nothing Congress," he said in an Oct. 6 news conference.

The notion wasn't even original: The big brains at the White House cribbed it from the campaign of Harry S. Truman - who really did run against a do-nothing Congress in his 1948 re-election bid, and won a famous upset victory. But Truman was a highly skilled - and usually underestimated - politician. Mr. Obama is the opposite: without skills and usually overestimated.

The most amusing amateurish move came just last week. With Attorney General Eric H. Holder Jr. about to be subpoenaed by a House committee, the administration announced in a flourish that it had thwarted a major terrorist attack on U.S. soil. Iran, Mr. Holder said, planned to kill the Saudi Arabian ambassador at a Washington restaurant, using an Iranian-American used-car salesman as its primary agent. Even the New York Times said the supposed plot was met with "a wave of puzzlement and skepticism from some foreign leaders and outside experts."

This from the president who, during the campaign, said he would meet with rogue leaders, including Iran's Mahmoud Ahmadinejad. But that was before he made things even worse in the U.S. economy with his trillion-dollar bailout. Now, left with no domestic accomplishments, Mr. Obama is looking to run against a do-nothing Congress while touting his foreign policy and antiterrorism successes (watch for commercials of Mr. Obama and Osama bin Laden, coming soon to a TV set near you).

Mr. Obama is no Truman. And next November, as he's spackling nail holes at the White House hoping to get back his security deposit after he moves out, the amateur president will learn from another Truman aphorism: that the buck really does stop at the White House desk.

Daily Beast

Obama's Big Green Mess

How the White House lost its eco-mojo.

by Daniel Stone and Eleanor Clift

This summer, federal inspectors made a routine visit to 11 homes in St. Louis to see what taxpayers got for the \$5 billion that <u>President Obama</u> spent to help Americans weatherize their homes to save energy.

What they found was quite a surprise. Some of the energy-efficient furnaces installed at taxpayer expense spewed carbon monoxide that could poison occupants. New water heaters lacked required pressure valves, putting them in jeopardy of exploding. And a handful of contractors—unfamiliar with the nuances of specialized weatherization work—had used air blowers in homes with asbestos, potentially dispersing the cancer-causing agent, according to several Energy Department inspector-general reports.

As it closes in on retrofitting 600,000 homes, the government's weatherization program—a key element of President Obama's green-energy initiative—has had its share of happy, energy-saving customers. But it has also been riddled with problems. In one review, Energy Department investigators found that 14 percent of weatherization projects surveyed, from Tennessee to West Virginia, failed to meet safety or quality standards. Many customers were poor or elderly, with few resources to pursue wayward contractors.

It turned out that as so much money was being spent so quickly, a lot of state and local governments, as well as contractors, simply weren't ready for the job at hand. "You don't have trained people to do those jobs in places like Arizona or Florida," says Earl Devaney, chairman of the Recovery Board and Obama's handpicked watchdog to oversee stimulus spending. "It turned into a cottage industry." A senior Energy Department official agreed: "We were clearly not ready to take all this money, especially at the state level."

Washington's scandal du jour has been Solyndra. The California solar company received a rushed half-billion-dollar clean-energy stimulus loan from the Obama administration, only to go bankrupt and potentially leave taxpayers on the hook—despite warnings from career officials that both Solyndra and the larger solar industry were facing financial pressures.

But it is far from the only blemish on the administration's much-touted green agenda. In addition to weatherization problems, an internal Labor Department report disclosed this month that a multibillion-dollar program to retrain workers for green-energy jobs met only 10 percent of its goal of creating 80,000 jobs. A federal renewable-energy lab in Colorado that got nearly \$300 million from another green-energy program began laying off 10 percent of its workforce last month.

Overall, as the \$787 billion economic stimulus—the primary engine for the green-energy agenda—came to an end Sept. 30, it is clear that the program created far fewer jobs than promised. So-called green-collar jobs are notoriously hard to tally, but numerous estimates by gleeful Republicans put the taxpayer cost of each green-energy job created by the stimulus at more than \$1 million.

The White House acknowledges it hit bumps but insists the payoff will become clearer down the road. "Any time you take historic action you're certainly going to learn lessons," says Heather Zichal, Obama's chief energy and environment adviser. "These investments are not just about the jobs they are creating today but also support the long-term competitiveness and health of this important sector of our economy."

Some of the biggest immediate beneficiaries of the green revolution, ironically, may have been politicians themselves. Executives of the top 50 recipients of the government's green-energy aid have donated more than \$2 million to federal campaigns since Obama took office. Some of the biggest recipients of green stimulus money—including NRG Energy and Consolidated Edison—made six-figure donations to candidates and interest groups. The industry as a whole has ponied up more than \$5 million from its executives and political action committees, a notable increase from a formerly quiet sector. Democrats have been the main beneficiaries of cleanenergy money. But Republicans have tapped their allies in the fossil-fuel industries—Exxon Mobil and Koch Industries have been the biggest donors, and overwhelmingly to Republicans—for more than \$20 million in donations since Obama took office.

The clean-energy agenda quickly took on the trappings of the money-for-access game endemic to Washington. Senate Democratic Leader Harry Reid, a chief backer of Obama's agenda, hosted a roundtable in Washington in June 2009 with a dozen major clean-energy executives eager to build projects in his home state of Nevada. Within a year, at least eight executives from those companies donated to Reid's reelection campaign. Reid's office declined to comment.

Republicans put their own squeeze on the industry, pressing for federal largesse while publicly denouncing Obama's program. House Speaker John Boehner, a leading critic on Solyndra, urged Obama to allocate clean-energy grants for a nuclear-enrichment project in Ohio, his home state, just three months after one of the company's executives donated to Boehner's reelection campaign. According to Maplight.org, a nonpartisan researcher of money's influence on politics, Boehner has received nine major donations from nuclear-energy advocates. A spokesman for Boehner says there's nothing improper about the speaker's support of nuclear energy.

Obama's sweeping goal is to generate 80 percent of America's energy from clean sources by 2035. And there have been major victories. Since he took office, the U.S. has doubled its renewable-energy generation and has become the top researcher and producer of advanced batteries for hybrid and electric cars, long a holy grail of sustainable transport.

Frances Beinecke, president of the Natural Resources Defense Council, told *Newsweek* that Obama's deal with automakers to double fuel efficiency by 2025 was "the biggest accomplishment we could have asked for" in the administration's first few years. "In 20 years, kids won't know how to pump gas," says Rep. Ed Markey, a Democrat from Massachusetts.

More recently, however, Obama's environmental supporters have been whipsawed by reversals. The president softened several pollution regulations, most notably canceling an effort by his own EPA to toughen ozone standards. And the State Department prepared to approve a pipeline to carry crude from Canadian tar sands to Gulf of Mexico refineries, infuriating people who saw the project as a source of the very "dirty" fuel Obama had promised to reduce. By last month, in the wake of Solyndra, the green groups that had embraced Obama's vision of a greener economy were suddenly enraged, in some cases sparking street protests and arrests outside the White House.

Internally, some have questioned Energy Secretary Steven Chu's role in overseeing the efforts, noting that the Nobel laureate with the keen grasp of physics at times seems to lack political skills. On one occasion, Chu prepared a dense PowerPoint presentation to brief Obama on the complexities of last summer's BP oil spill. After Chu narrated six slides, one senior adviser who attended the meeting recalled that Obama simply stood up and said, "Steve, I'm done."

The administration is trying to change the narrative on its green record. But the appetite for another round of federal aid is waning, especially as pressures grow on Congress to cut the U.S. deficit.

Even some Democratic defenders offer only cautious support. "I think we admit we're not perfect," says Sen. Barbara Boxer, the California Democrat who chairs the environment committee. "There's always a risk when you fund innovation, but if we abandoned going to the moon when a spacecraft exploded ... where would we be today?"

Las Vegas Review-Journal Exploding the promise of 'green jobs' by Glenn Cook

Can we finally put to rest the idea that government creates jobs? Can everyone finally agree that "green jobs" will never be part of an economic recovery -- in Nevada or anywhere else?

There is simply no spinning or distorting the failure of one of President Obama's biggest initiatives and campaign promises. "Hope" and "Change" hinged on creating 5 million green jobs in 10 years. As a down payment, the stimulus abomination set aside billions of dollars, including a \$500 million grant to train 125,000 people for the noble work of the future.

As of this summer, of the nearly 53,000 people who had completed the training at a cost of \$163 million, barely 8,000 had found work. Only 1,000 had held a job for more than six months, according to a report released this month by the Labor Department's inspector general.

Is America just not ready for such new, high-tech positions heralding an age of renewable energy? Could that explain why so many people training for the jobs of the future can't find work today?

Well, no. According to the inspector general's report, some of the positions that fall under the administration's definition of "green jobs" include: forklift operator, sheet metal worker, welder, plumber, electrician, car mechanic and garbage handler.

Did you really think 5 million people in this country would hold sustainable jobs manufacturing, assembling and maintaining solar panels and wind turbines? If you do anything that could conceivably benefit the environment -- install a no-flush urinal or an energy-efficient appliance, drive a hybrid bus, collect used cooking oils, lobby against fossil fuels -- you are a green-collar worker, as far as Washington is concerned.

Those Republic Services workers who toss your recyclables into a diesel truck? Green jobs! (Why didn't they need taxpayer-funded training to learn that skill?)

Nevada's share of those federal numbers were, as you would expect for a state with the worst unemployment rate in the country, utterly dismal. The state Department of Employment, Training and Rehabilitation got \$6 million to train 7,125 workers, of which 5,238 were projected to retain employment. To date, the department has spent \$147,408 training 375 people. And just four of them have managed to hold a job.

Far from creating new jobs, the government is wasting piles of money reclassifying jobs.

In a related initiative, according to the Labor Department report, the state spent almost \$3.7 million on software and program upgrades, with no new positions resulting -- unless you consider the public employees who disburse the greenbacks as having "green jobs."

This particular boundoggle is separate from another epic stimulus giveaway: weatherization grants. Making the homes of lower-middle and lower-class residents more energy-efficient was seen as a win-win by the Obama administration and the Nevada Legislature's Democratic majorities: It would save those residents a few bucks a month on utility bills and buy their votes in future elections.

The state employment department awarded \$1.57 million in grants to train people in weatherization skills, such as putting in insulation, snapping on solar screens, weather-stripping, caulking, fixing broken windows, inspecting appliances -- the kind of stuff a apprentice learns in a couple of days. And the Nevada Housing Division was allocated some \$37 million to weatherize houses.

But Nevada already had a glut of out-of-work, unionized construction workers who could do the job in their sleep.

So you'll never guess what happened. Existing construction workers did almost all the work -- some \$31 million worth so far. Of the 683 people who completed Nevada's weatherization training program, only 191 found jobs -- many of them in areas other than weatherization. And an undetermined number of those 683 already had construction jobs and used the program to pick up a free certification.

The state employment department stopped funding the training programs in July 2010 because "there was a far greater supply of workers than demand for those job opportunities," Nevada Housing Division spokeswoman Hilary Lopez said.

No demand for new green jobs? Say it ain't so!

Through July of this year, 7,752 Nevada homes had been weatherized at a cost of nearly \$4,000 per home. (That's a lot of weather-stripping!) Whether these handouts will offer any return on investment through utility savings remains to be seen. As part of the program, state inspectors have to verify that contractors have done the work they reported, then help homeowners track their energy usage to see if it's done any good.

Did this initiative create any jobs? Yes, but only temporary ones. Using federal Office of Management and Budget calculations -- which appear to be as mysterious and proprietary as the formulas used to determine your credit score -- the Nevada Housing Division estimates that, month to month, the weatherization program created and/or retained up to 44 jobs among subgrantees (nonprofit program administrators) and up to 53 jobs among contractors.

But when the weatherization program funds are exhausted, likely by the end of this year, those few jobs will be history. In an area where three-quarters of homeowners are underwater on their mortgages, who in their right mind would spend \$4,000 on any home improvement, let alone weatherization, especially when they might not have a job in another year?

At least Nevada managed to actually weatherize a lot of homes. Another stimulus weatherization initiative, called Retrofit Ramp-Up, handed out \$452 million to 25 cities. Seattle collected \$20 million of that with the goal of creating 2,000 green jobs. After a year, Seattle had weatherized just three homes, creating 14 new jobs, mostly administrative. Other cities were a bust, too.

Billions of dollars down the toilet for temporary jobs. A House Oversight Committee report estimates that each green job costs taxpayers about \$157,000. A Government Accountability Office report says 47 overlapping federal employment and training programs cost \$18 billion per year without measuring whether they work.

Last month, in an op-ed for The Wall Street Journal, "Attention Deficit Democracy" author James Bovard pointed out that the federal government has rolled out job-training programs for half a century. "The record is one of failure and scandal," resulting in actual earnings losses for many participants.

"If federal job training efforts worked, Congress would not have thrown out the programs it has created every decade or so and enacted new ones," Bovard wrote. "In reality, government training has always been driven by bureaucratic convenience, or politicians' re-election considerations. There is no reason to believe the latest round of proposals will be any different."

Want to create permanent jobs? Get government out of the way.







