December 13, 2011

Mark Steyn takes us back to the speech.
The President of the United States came to Osawatomie, Kansas, last week to deliver a speech of such fascinating awfulness that archeologists of the future, sifting through the rubble of our civilization, will surely doubt whether it could really have been delivered by the chief executive of the global superpower in the year 2011.

"This isn't about class warfare," declared President Obama. Really? As his fellow Democrat Dale Bumpers testified at the Clinton impeachment trial, "When you hear somebody say, 'This is not about sex,' it's about sex." The president understands that "Wall Street," "banks," "fat cats," etc., remain the most inviting target, and he figures that he can ride the twin steeds of Resentment and Envy to re-election and four more years of even bigger Big Government. His opponents, he told us, "want to return to the same practices that got us into this mess. ... And their philosophy is simple: We are better off when everybody is left to fend for themselves and play by their own rules. ... It doesn't work. It has never worked." He blamed our present fix on "this brand of 'you're on your own' economics."

This is a deliciously perverse analysis of the situation confronting America and a fin de civilisation West. In what area of life are Americans now "on their own"? By 2008, Fannie and Freddie had a piece of over half the mortgages in this country; the "subprime" mortgage was an invention of government. America's collective trillion dollars of college debt has been ramped up by government distortion of the student loan market. Likewise, health care, where Americans labor under the misapprehension that they have a "private" system rather than one whose inflationary pressures and byzantine bureaucracy are both driven largely by remorseless incremental government annexation. Americans are ever less "on their own" in housing, education, health, and most other areas of life – and the present moribund slough is the direct consequence.

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More of this from **Michael Barone**.
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Even by the standards of campaign rhetoric, this is a shockingly shoddy piece of work. ...

... What we have here, it seems a president who has no serious interest in public policy. He has spent nearly half his 15 years in public office running for other public office. The only difference now is that, having run out of higher offices to run for, he is just running for reelection instead. Those who pride themselves on belonging to the party of smart people should be embarrassed.

Ed Morrissey revisits LightSquared.
The saga of LightSquared added a new chapter last night, as Bloomberg reported on the preliminary result of tests of the satellite Internet provider's service in relation to GPS devices. The Obama administration has pushed LightSquared as a provider for its ambitious broadband expansion over the objections of the military, which warned that LightSquared's operations would interfere with the satellite-based navigational system. The draft summary of the November testing shows that the military was right to be concerned: ...

...Why is this important? Philip Falcone is a big donor to the Democratic Party, and he has billions of dollars at stake in LightSquared's approval. Also, Obama himself was an investor in LightSquared at one point, as were or are a number of his associates. The resounding failure in this test makes it look like the White House pressured witnesses to back off of exposing LightSquared's product as exactly the kind of dangerous problem that critics had maintained all along — with the intent to mislead Congress into moving forward with LightSquared's government contracts. ...

Andrew Ferguson tracks down the nutty origins of the nutty ideas of the administration's nuttiest.
Is it possible that the people who run the Obama administration aren't as smart as we've been led to believe?

Stay with me here, seriously. I'm thinking now of the administration's much-publicized devotion to behavioral economics. Not long after his election, Time magazine noted that Barack Obama had surrounded himself with a "dream team" of behavioral economists, outside-the-box envelope-pushers like Peter Orszag, who became the administration's first head of the Office of Management and Budget, and Cass Sunstein, whom the president appointed as his "regulatory czar."

Behavioral economics is très chic. All the coolest economists are into it. It partakes of the obsession with social science that has lately gripped the country's smart people, who exhibit a grinding need to quantify human behavior so that it will become more predictable, describable, and controllable. To meet demand, a steady flow of "studies" in human behavior passes through the sluice gates of university departments of accounting, psychology, marketing, sociology, business, and of course economics. From these the behavioral economists build vast edifices of theory and now, thanks to President Obama, public policy too.

The most salient of these policies was the Making Work Pay tax credit of 2009 and 2010. It was an essential element of the president's famous $250 billion "middle-class tax cut," which was slapped like a defibrillator onto the limp and supine figure of the American economy a couple years ago. The MWP was carefully designed according to the principles of behavioral economics, and now it seems not to have worked the way it was supposed to.

Behavioral economics is based on the belief that we human beings behave irrationally in measurable and predictable ways, and quite often we don't have the slightest idea why we do what we do, though social scientists can do experiments that will tell us. This point of view contrasts with the working premise of more traditional economics, which assumes that people will pursue their economic self-interest, rationally defined.

When the Bush administration decided on a temporary tax cut to stimulate the economy, in 2001 and again in 2008, they merely sent everybody a lump-sum check, assuming that we'd all spend it and send a good jolt through the ol' defibrillator.

The Bush administration, as we all know, was not très chic. It was full of fuddy-duddies. They didn't understand the up-to-date social science experiments with which behavioral economists keep current. The Obama administration, by contrast, decided it would be scientific. Its economists designed what a headline in the New Yorker called "A Smarter Stimulus." ...

... In predicting they would do otherwise, the très chic economists thought they had science on their side. In fact, they didn't have science on their side—they had a flimsy record of fewer than 150 undergraduates who told a handful of graduate students in a Texas classroom in early 2007 how they thought they might behave in a fanciful situation.

Who knew that 141 students in Corpus Christi would wield so vast an influence over U.S. economic policy? Who knew that the government would be run by intellectuals silly enough to let them wield it?

Andrew Malcolm lets Speaker Boehner tout the Keystone bill.
... Another bipartisan provision in this bill supports the job-creating Keystone energy project.

As you may know, the Keystone energy project would create tens of thousands of American jobs and reduce our dependence on oil from the Middle East. This jobs project has bipartisan support in the House and the Senate. It's backed by a broad-based coalition, from small businesses to organized labor.

You've heard President Obama say the American people 'can't wait' to take action on jobs. Well, the Keystone project is the very definition of an idea the American people can't wait for Washington to take action on.

As a matter of fact, Stephen Harper, the prime minister of Canada, has warned that if the United States doesn't approve this project, Canada will be forced to move forward with other customers, potentially China. We can't stand by and allow that to happen. Those jobs are too important.

Unfortunately, the president wants to put off a decision on the Keystone project until after next year's election. Not only that — he now says he will reject the House's jobs bill if it includes support for the project.

This is no time for the same-old my-way-or-the-highway theatrics. ...

Editors at Investor's.com on Keystone.
The president says that extending unemployment benefits and the payroll tax cut will create more jobs than an oil pipeline from Canada. There are at least 20,000 members of the 99% who would disagree.

You can see why the economy is in trouble. Vice President Joe Biden, the stimulus sheriff, says he turned first to MF Global's Jon Corzine for economic advice and President Obama thinks 20,000 people getting extended unemployment benefits does more for the economy than 20,000 people getting paychecks to build the Keystone XL pipeline from Canada.

In the president's view, extending the payroll tax cuts is more important than adding more people to the payrolls, unless they are making electric cars that catch fire or work for solar-panel makers that go bankrupt. ...

Orange County Register
A future looted to bribe the present
by Mark Steyn

The President of the United States came to Osawatomie, Kansas, last week to deliver a speech of such fascinating awfulness that archeologists of the future, sifting through the rubble of our civilization, will surely doubt whether it could really have been delivered by the chief executive of the global superpower in the year 2011.

"This isn't about class warfare," declared President Obama. Really? As his fellow Democrat Dale Bumpers testified at the Clinton impeachment trial, "When you hear somebody say, 'This is not about sex,' it's about sex." The president understands that "Wall Street," "banks," "fat cats," etc., remain the most inviting target, and he figures that he can ride the twin steeds of Resentment and Envy to re-election and four more years of even bigger Big Government. His opponents, he told us, "want to return to the same practices that got us into this mess. ... And their philosophy is simple: We are better off when everybody is left to fend for themselves and play by their own rules. ... It doesn't work. It has never worked." He blamed our present fix on "this brand of 'you're on your own' economics."

This is a deliciously perverse analysis of the situation confronting America and a *fin de civilisation* West. In what area of life are Americans now "on their own"? By 2008, Fannie and Freddie had a piece of over half the mortgages in this country; the "subprime" mortgage was an invention of government. America's collective trillion dollars of college debt has been ramped up by government distortion of the student loan market. Likewise, health care, where Americans labor under the misapprehension that they have a "private" system rather than one whose inflationary pressures and byzantine bureaucracy are both driven largely by remorseless incremental government annexation. Americans are ever less "on their own" in housing, education, health, and most other areas of life – and the present moribund slough is the direct consequence.

It would be truer to say that the present situation reflects the total failure of "you're *not* on your own" economics – the delusion of statists that government can insulate millions of people from the vicissitudes of life. Europeans have assured their citizens of cradle-to-grave welfare since the end of the Second World War. This may or may not be an admirable notion, but, both economically and demographically, the bill has come due. Greece is being bailed out by Germany in order to save the eurozone but to do so requires the help of the IMF, which is principally funded by the United States. The entire Western world resembles the English parlor game "Pass the Parcel," in which a gift wrapped in multiple layers of gaudy paper is passed around until the music stops, and a lucky child removes the final wrapping from the shrunken gift to discover his small gift. Except that, in this case, underneath all the bulky layers, there is no there there: Broke nations are being bailed out by a broke transnational organization bankrolled by a broke superpower in order to save a broke currency. Good luck with that.

The political class looted the future to bribe the present, confident that tomorrow could be endlessly postponed. Hey, why not? "Tomorrow, and tomorrow, and tomorrow, creeps in this petty pace from day to day," says Macbeth. "To borrow, and to borrow, and to borrow," said the political class, like Macbeth with a heavy cold (to reprise a rare joke from Mrs. Thatcher). And they failed to anticipate that the petty pace would accelerate and overwhelm them. On Thursday, John Corzine, former U.S. senator, former governor of New Jersey, former Goldman Sachs golden boy and the man who embodies the malign nexus between Big Government and a financial services sector tap-dancing on derivatives of derivatives, came to Congress to try to explain how the now-bankrupt entity he ran, MF Global, had managed to misplace $1.2 billion. The man once tipped to be Obama's Treasury secretary and whom Vice President Joe Biden described as the fellow who's always "the smartest guy in the room," explained his affairs thus: "I simply do not know where the money is." Does that apply only to his private business or to his years in the Senate, too?

When Corzine took over the two-and-a-quarter-century-old firm, he moved it big-time into sovereign debt – because you can't lose with sovereign debt, right? Because a nation, even one that is, in any objective sense, bankrupt as Mediterranean Europe basically is, is not bankrupt in the sense that a homeowner or small business is: Corzine figured, reasonably enough, that no matter the balance sheets of Portugal, Spain, Italy and the rest, they'd somehow be propped up unto the end of time. As their credit ratings hit the express elevator to Sub-Basement Level Four, Corzine was taken down with them. The smart guy made a bet on government and lost. That's where the rest of us are headed: The "you're not on your own" societal model of Western Europe has run out of people to stick it to.

In Kansas, in his latest reincarnation, the president channeled Theodore Roosevelt in trust-busting mode. "He busted up monopolies," cooed Obama approvingly, "forcing those companies to compete for consumers with better services and better prices." But who wields monopoly power today? Washington dominates ever more areas of life, from government-backed mortgages to the government takeover of education loans to Obamacare's governmentalization of one-sixth of the U.S. economy. In my most recent book, which makes an attractive and thoughtful Christmas gift for the apocalyptically minded loved one in your family, I quote an old joke about the British equivalent of the U.S. anti-trust division: "Why is there only one Monopolies Commission?" This is a profound insight into the nature of statism: By definition, there can only be one government – which is why, when it's "monopolizing", it should do so only in very limited areas.

Yet, after hymning the virtues of "better services and better prices," the president went on to issue the latest brain-dead call for increased "investment" in education. America "invests" more per student than any other nation except Switzerland, and it has nothing to show for it other than a vast swamp of mediocrity presided over by a hideous educrat monopoly. Might this fetid maw not benefit from exposure to "better services and better prices"? Perish the thought! Instead, Obama is demanding increased "investment" in "education" in order to "give people the chance to get new skills and training at community colleges so they can learn how to make wind turbines and semiconductors."

I am not a trained economist, but it is not obvious to me that the United States of America is crying out for more wind turbines, and, if it is, I'm sure many of those colleges' tenured Race and Social Justice Studies professors could be redeployed to serve as such. In Europe, the political class is beginning to understand that the social democratic state created to guarantee permanent stability risks plunging the Continent into the worst instability since those happy-go-lucky days of the 1930s. By contrast, in Kansas, the president of the United States is still riding the tie-dyed wind turbine and promising to waft you to Oz. These are dangerous times – and, as many will discover, whatever assurances the statists give, in the end you'll be on your own.

Washington Examiner

[Obama's thin gruel at Osawatomie]

by Michael Barone

Democrats like to think of themselves as the party of smart people. And over the last four years we have heard countless encomiums, and not just from Democrats, of the intellect and perceptiveness of Barack Obama. But a reading of the text of Obama’s December 6 speech at Osawatomie, Kansas, billed as one of his big speeches of the year, shows him to be something like the opposite.

Even by the standards of campaign rhetoric, this is a shockingly shoddy piece of work. You can start with his intellectually indefensible caricature of Republican philosophy: “We are better off when everybody is left to fend for themselves and play by their own rules.” Or his simple factual inaccuracy: “The wealthiest Americans are paying the lowest taxes in over half a century.” Or his infantile economic analysis, blaming job losses on the invention of the automated teller machine (they’ve been around for more than four decades, Mr. President, and we’ve had lots of job growth during that time) and the Internet.

But what’s really staggering is the weakness of his public policy arguments. The long-term unsustainability of our entitlement programs he blames solely on the 2001 and 2003 tax cuts—an explanation no serious observer regards as anything but incomplete, to say the least. He points to growing income inequality and to remedy it advocates policies that are utterly inadequate to the task. We need to be “making education a national mission,” he says, and in essence argues for channeling more money to teacher union members.

He calls for a “world class commitment to science and research, the next generation of high-tech manufacturing,” which brings to mind the bankruptcy of Solyndra and the fiasco of channeling billions to green industries which produce few jobs or products anyone wants to buy. He calls for reducing unemployment by “rebuilding our roads and our bridges, laying down faster railroads and broadband, modernizing our schools—all the things that other countries are already doing to attract good jobs and businesses to their shores." That sounds like more stimulus package spending on nonexistent shovel-ready projects.

"In the long term we have to rethink our tax system more fundamentally," the president who declined the invitation of his own Bowles-Simpson commission to propose broad-based tax reform. His only idea on offer is to increase tax rates on high earners, which of course tends to redirect their animal spirits away from productive investment and toward tax avoidance schemes. And he calls on banks to do more for mortgage holders, without mentioning that administration programs to encourage such activity have helped far, far fewer people than projected.

What we have here, it seems a president who has no serious interest in public policy. He has spent nearly half his 15 years in public office running for other public office. The only difference now is that, having run out of higher offices to run for, he is just running for reelection instead. Those who pride themselves on belonging to the party of smart people should be embarrassed.

Hot Air

LightSquared disrupts 75% of GPS receivers in gov't testing

by Ed Morrissey

The saga of LightSquared added a new chapter last night, as Bloomberg reported on the preliminary result of tests of the satellite Internet provider's service in relation to GPS devices. The Obama administration has pushed LightSquared as a provider for its ambitious broadband expansion over the objections of the military, which warned that LightSquared's operations would interfere with the satellite-based navigational system. The draft summary of the November testing shows that the military was right to be concerned:

Philip Falcone's proposed LightSquared Inc. wireless service caused interference to 75 percent of global-positioning system receivers examined in a U.S. government test, according to a draft summary of results.

The results from testing conducted Oct. 31 to Nov. 4 show that "millions of fielded GPS units are not compatible" with the planned nationwide wholesale service, according to the draft seen by Bloomberg News.

"LightSquared signals caused harmful interference to majority of GPS receivers tested," according to the draft prepared for a meeting next week of U.S. officials reviewing the LightSquared proposal. "No additional testing is required to confirm harmful interference exists."

LightSquared, backed by $3 billion from Falcone's Harbinger Capital Partners hedge fund, faces challenges from makers of global-positioning system devices who say the service will disrupt navigation by cars, boats, tractors and planes. U.S. regulators are withholding approval as they check on claims of interference.

If that was all there was to this story, then this would just be another commercial venture that struck out, with little interest outside the tech fields involved. However, the overwhelming failure of LightSquared's test puts allegations from last summer in a new light. In September, four-star Air Force General William Shelton accused the White House of pressuring him in August to change his Congressional testimony to make his assessment of LightSquared more favorable. Another Congressional witness told Eli Lake that the White House had "offered guidance" on how to testify favorably towards LightSquared.

Why is this important? Philip Falcone is a big donor to the Democratic Party, and he has billions of dollars at stake in LightSquared's approval. Also, Obama himself was an investor in LightSquared at one point, as were or are a number of his associates. The resounding failure in this test makes it look like the White House pressured witnesses to back off of exposing LightSquared's product as exactly the kind of dangerous problem that critics had maintained all along — with the intent to mislead Congress into moving forward with LightSquared's government contracts.

One amusing note: LightSquared announced two days ago that the same tests showed no problems at all. After Bloomberg reported on the draft report, the company expressed outrage over the "leak" of "preliminary results." Yeah, we're with you on the leak outrage, pal.

Congress needs to add this to its growing list of investigations into the Obama administration.

Weekly Standard

A Nightmare of a Dream Team

Obama's intellectuals.

by Andrew Ferguson

Is it possible that the people who run the Obama administration aren't as smart as we've been led to believe?

Stay with me here, seriously. I'm thinking now of the administration's much-publicized devotion to behavioral economics. Not long after his election, *Time* magazine noted that Barack Obama had surrounded himself with a "dream team" of behavioral economists, outside-the-box envelope-pushers like Peter Orszag, who became the administration's first head of the Office of Management and Budget, and Cass Sunstein, whom the president appointed as his "regulatory czar."

Behavioral economics is *très chic*. All the coolest economists are into it. It partakes of the obsession with social science that has lately gripped the country's smart people, who exhibit a grinding need to quantify human behavior so that it will become more predictable, describable, and controllable. To meet demand, a steady flow of "studies" in human behavior passes through the sluice gates of university departments of accounting, psychology, marketing, sociology, business, and of course economics. From these the behavioral economists build vast edifices of theory and now, thanks to President Obama, public policy too.

The most salient of these policies was the Making Work Pay tax credit of 2009 and 2010. It was an essential element of the president's famous $250 billion "middle-class tax cut," which was slapped like a defibrillator onto the limp and supine figure of the American economy a couple years ago. The MWP was carefully designed according to the principles of behavioral economics, and now it seems not to have worked the way it was supposed to.

Behavioral economics is based on the belief that we human beings behave irrationally in measurable and predictable ways, and quite often we don't have the slightest idea why we do what we do, though social scientists can do experiments that will tell us. This point of view contrasts with the working premise of more traditional economics, which assumes that people will pursue their economic self-interest, rationally defined.

When the Bush administration decided on a temporary tax cut to stimulate the economy, in 2001 and again in 2008, they merely sent everybody a lump-sum check, assuming that we'd all spend it and send a good jolt through the ol' defibrillator.

The Bush administration, as we all know, was not *très chic*. It was full of fuddy-duddies. They didn't understand the up-to-date social science experiments with which behavioral economists keep current. The Obama administration, by contrast, decided it would be scientific. Its economists designed what a headline in the *New Yorker* called "A Smarter Stimulus."

The *New Yorker*'s finance columnist quoted Richard Thaler, a prominent behavioral economist (and colleague of Sunstein). He has decreed one of the axioms of his discipline—that ordinary people put money into "mental accounts." What he means is that we will be more or less likely to spend money depending on how we think of it and how we came by it. If it's just dropped in our laps, we will think of it as wealth. If it's given out to us over time in small amounts, we will think of it as income, if we notice it at all. The distinction is crucial in understanding how we humans spend and save.

"People tend to consume from income and leave perceived 'wealth' alone," Thaler told the *New Yorker* columnist, who went on to explain the policy implications.

In giving a tax cut, he wrote, "you don't want to give [taxpayers] one big check. . . . Instead, you want to give them small amounts over time." Why? Because we won't notice the small increases in income that the tax cut gives us when it's spread out over many months. Oblivious to what the government has done for us, we'll just go ahead and treat it like all other income and spend it in marvelously stimulative ways.

Obama's economists thus designed a tax cut that would give us more money by decreasing the amount of income withheld from our paychecks. It was a way of outsmarting the taxpayers. The behavioralists were tricking us, as it were, into spending money that we might otherwise save. Sometimes such tricks are necessary. Remember: We're irrational.

Irrational, but also stubbornly uncooperative. Not long after the adjustments in withholding took effect, a trio of economists decided to try to figure out how we planned to spend our new money. They surveyed a "representative sample of households," 500 in all, and simply asked the question. Their findings were recently released.

"Just 13 percent of households," they wrote, "said that the 2009 tax credit would lead them to mostly increase their spending." The other households said they were going to save the tax-cut money or use it to pay off debts. Morons.

Perhaps most shocking to the behavioralists, a similar survey of Bush's 2008 lump-sum tax cut found that 25 percent planned to spend more in response to it. Neither cut was very stimulative, in other words, but the lump-sum was twice as stimulative as the incremental tax cut. People were not responding the way they were supposed to.

It's hard to imagine a more thorough repudiation of the behavioralist thesis. And the longer you look, the more the new findings appear to undercut the entire enterprise of behavioral economics.

The behavioral economists were in no mood to concede any essential points, however. Thaler told *Businessweek* that the new study was fraught with methodological problems.

"The work is certainly worth doing," he said. "But you can't do it by asking people to remember what they did with the money." He listed two other problems that *Businessweek* paraphrased like so: "People are . . . not very reliable sources of information about their own . . . future spending; and they're often blind to the things that actually shape their financial decisions."

This last point is just question begging; Thaler simply reasserts the premise of behavioral psychology—that we're irrational and don't know quite what we're doing or why at any given moment. His other criticisms are keener. As he notes, "self-reporting"—that is, people telling researchers what they've done or what they're about to do—is notoriously unreliable, imprecise, and misleading.

Yet self-reporting is also one of the cornerstones of social-science research, and hence of behavioral economics. Indeed, in gathering the scientific evidence for why their incremental tax cut would work, the behavioralists relied on a study of withholding adjustments made in 1992. The study's findings rested completely on self-reporting.

How did the behavioralists know their design would work? On what basis did they believe that human beings would behave the way they insisted they would?

Why, science, of course. The study most often cited by behavioralists was undertaken in 2007 and published in 2008. Two researchers at Texas A&M Corpus Christi decided to test the mental-accounting theory. They recruited 141 students and asked them to pretend that they had received a tax refund. Then the researchers—one an accounting professor, the other an economist—gave them all a questionnaire (or "the instrument," as social scientists call it, sounding scientific). The questionnaire asked the students how they would use the rebate if it was given in a lump sum. Would they invest in stocks, pay off their credit cards, use it for monthly bills, buy furniture or some other durable good, or save it up so they could blow it on a vacation later?

Then the students were asked to pretend the refund had been given them in monthly increments. How would they spend the money then?

And there the experiment ended. The two researchers pored over the answers their students gave and concluded that they had established a truth about the behavior of the human animal. People will spend different kinds of income differently. They keep mental accounts!

They got up a paper and published it in the *Journal of Economic Psychology*. “Results confirm,” they wrote, “that monthly refunds stimulate current spending significantly more than yearly refunds.”

And so the Obama administration designed its tax cut accordingly. “It’s a policy that works with people as they are,” the *New Yorker* columnist wrote, “rather than as we imagine they should be.”

This is a key conceit of behavioral economics. Its practioners like to contrast themselves with traditional economists, who are caught in airy, purely theoretical conventions of their own devising—the idea that people behave rationally in their own self-interest, for example. The behavioral brand of economics, on the other hand, is about “how real people behave in markets.”

In reality, it’s about how college students behave in psych labs. And it turns out that college students, even those fine young men and women at Corpus Christi, are not very good proxies for humanity in general.

The question for the behavioralists is whether people are behaving irrationally in refusing to respond to the tax cut as they were supposed to. You could argue that the rational thing for a person to do when he comes in for a windfall in times of economic stress is to save it or pay off his debts. And that’s what Americans did, apparently, whether the stimulus came in a lump sum, as in 2008, or in increments, as in 2009.

In predicting they would do otherwise, the *très chic* economists thought they had science on their side. In fact, they didn’t have science on their side—they had a flimsy record of fewer than 150 undergraduates who told a handful of graduate students in a Texas classroom in early 2007 how they thought they might behave in a fanciful situation.

Who knew that 141 students in Corpus Christi would wield so vast an influence over U.S. economic policy? Who knew that the government would be run by intellectuals silly enough to let them wield it?

Andrew Ferguson is a senior editor at The Weekly Standard and the author, most recently, of Crazy U: One Dad’s Crash Course in Getting His Kid into College.

Investor's.com

Speaker Boehner: 27 bipartisan House jobs bills are logjammed in Democratic Senate

House Republican Speaker John Boehner's Weekly Remarks, as provided by his office

There’s no more urgent task for Washington than getting our economy back to creating jobs. Unemployment is still well above eight percent. Millions of Americans are looking for work or have simply stopped looking altogether. That’s unacceptable, plain and simple.

Republicans have, as promised, focused all year on our plan to remove government-made barriers to job creation. In all, 27 bipartisan, House-passed jobs bills are now waiting for a vote in the Democratic-run Senate. One of those initiatives is the REINS Act, passed just a few days ago. It would require Congress to review any new regulation that has a major impact on the economy.

Nearly three years ago, President Obama proposed a ‘stimulus’ plan with the promise it would keep unemployment below eight percent.

It didn’t work.

Because his policies aren’t working, the president has asked Congress to pass legislation that would extend unemployment benefits and payroll tax relief for working Americans.

Next week, the House is going to do that. To help Americans who are struggling in the current economy, we will act on a jobs bill that extends payroll tax relief, extends and reforms unemployment benefits, and cuts government spending. There will be no tax hikes on America’s job creators.

This bill will also include several bipartisan jobs initiatives, including a provision — which is in the president’s jobs plan as well as ours — to continue a tax incentive that allows employers, small and large, to invest now in new machinery and equipment, grow their businesses, and create jobs.

Another bipartisan provision in this bill supports the job-creating Keystone energy project.

As you may know, the Keystone energy project would create tens of thousands of American jobs and reduce our dependence on oil from the Middle East. This jobs project has bipartisan support in the House and the Senate. It’s backed by a broad-based coalition, from small businesses to organized labor.

You’ve heard President Obama say the American people 'can’t wait' to take action on jobs. Well, the Keystone project is the very definition of an idea the American people can’t wait for Washington to take action on.

As a matter of fact, Stephen Harper, the prime minister of Canada, has warned that if the United States doesn’t approve this project, Canada will be forced to move forward with other customers, potentially China. We can’t stand by and allow that to happen. Those jobs are too important.

Unfortunately, the president wants to put off a decision on the Keystone project until after next year’s election. Not only that — he now says he will reject the House’s jobs bill if it includes support for the project.

This is no time for the same-old my-way-or-the-highway theatrics. It’s no secret that Democrats and Republicans often disagree about the best way to create jobs, but we can’t let those disagreements prevent us from acting when we agree. There’s bipartisan support for extending payroll tax relief and unemployment benefits. There’s bipartisan support for tax incentives that allow employers to invest and expand. And there’s bipartisan support for the Keystone energy project. We should get these things done.

As the president has said, the American people 'can’t wait' for action on jobs. At a time when they’re still asking the question ‘where are the jobs?,’ the Keystone energy project is a bipartisan proposal the president ought to support. Next week, the House will act to do the right thing for jobs and economic growth. We remain ready to work with the president and find common ground, which is what the American people expect and deserve.

Merry Christmas, and thanks for listening.

Investor's.com - Editorial
Obama Blocks The Biggest Shovel-Ready Project Ever

The president says that extending unemployment benefits and the payroll tax cut will create more jobs than an oil pipeline from Canada. There are at least 20,000 members of the 99% who would disagree.

You can see why the economy is in trouble. Vice President Joe Biden, the stimulus sheriff, says he turned first to MF Global's Jon Corzine for economic advice and President Obama thinks 20,000 people getting extended unemployment benefits does more for the economy than 20,000 people getting paychecks to build the Keystone XL pipeline from Canada.

In the president's view, extending the payroll tax cuts is more important than adding more people to the payrolls, unless they are making electric cars that catch fire or work for solar-panel makers that go bankrupt.

Any attempt to link the pipeline to a payroll tax cut extension will be vetoed, Obama said Wednesday as he stood next to Canadian Prime Minister Stephen Harper.

President Obama has dropped any pretense that delaying the pipeline that would bring Canadian tar-sands oil to American refineries is really related to environmental safety concerns.

He knows it would create jobs, at least 20,000 directly and many more indirectly thanks to the multiplier effect he dismisses now but touted when he still believed in "shovel-ready" jobs that needed federal funding.

"However many jobs might be generated by a Keystone pipeline," he said, "they're going to be a lot fewer than the jobs that are created by extending the payroll tax cut and extending unemployment insurance."

He forget the stimulus effect of food stamps, something touted by House Minority Leader Nancy Pelosi.

When it comes to payroll tax cuts, unemployment benefits and food stamps, Democrats and liberals believe in the miracle of the loaves and fishes.

You get back much more than you spend. In their skewed view, joblessness can create jobs.

While adding $250 billion to the deficit, according to Alex Brill of the American Enterprise Institute, extending the payroll tax holiday would provide up to $1,500 per family.

But, Brill notes, researchers Matt Shapiro and Joel Slemrod found that among recipients of tax rebates in 2001, only 22% spent the rebate, while the rest saved it or used it to pay off debt. A similar study of 2008 tax rebate recipients found only 20% spent it.

Contrast this with the 20,000 paychecks that would be added if the $7 billion Keystone XL project is completed. These workers would pay federal taxes. States along the route are projected to receive an additional $5.2 billion in property tax revenue.

Yet the administration that was happy to help Brazil with its deep sea drilling to be their best customer tells Canada, a secure and friendly source, no thank you.

It's estimated Keystone XL will also create 118,000 spinoff and support jobs. We saw how Gulf Coast communities suffered after the administration imposed its drilling moratorium, which continues to this day in the form of a glacial and restrictive permitting process.

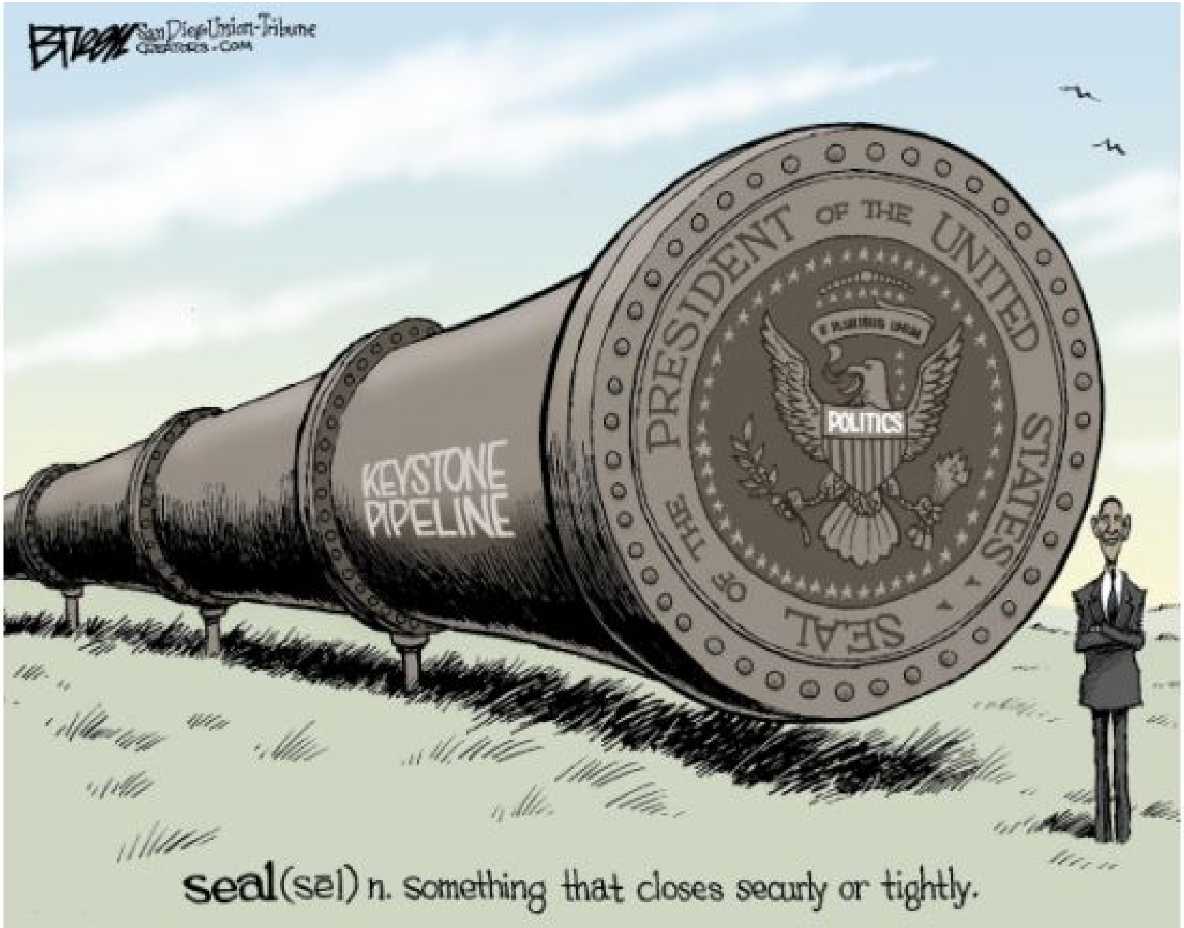
But, the administration contends, only food stamps and unemployment checks create spinoff jobs.

"With all this talk about jobs, we know there's one major shovel-ready project ready to go — and that's Keystone," Senate Minority Leader Mitch McConnell said at a news conference touting the combined bill. "If the administration would get out of the way, this project would create jobs immediately."

McConnell said that "here's the single greatest shovel-ready project in America, ready to go, and for some reason he's suddenly not interested. ... If this episode tells us anything, it's that the president is clearly more concerned about getting himself re-elected next year than getting somebody in Nebraska or Kansas or South Dakota or Missouri a job today."

But, says our imperial president to whom job creation is an occasion for demagoguery and hypocrisy, let them instead eat cake bought with job-creating food stamps.

A YOUNG OBAMA.



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seal(sēl) n. something that closes securly or tightly.

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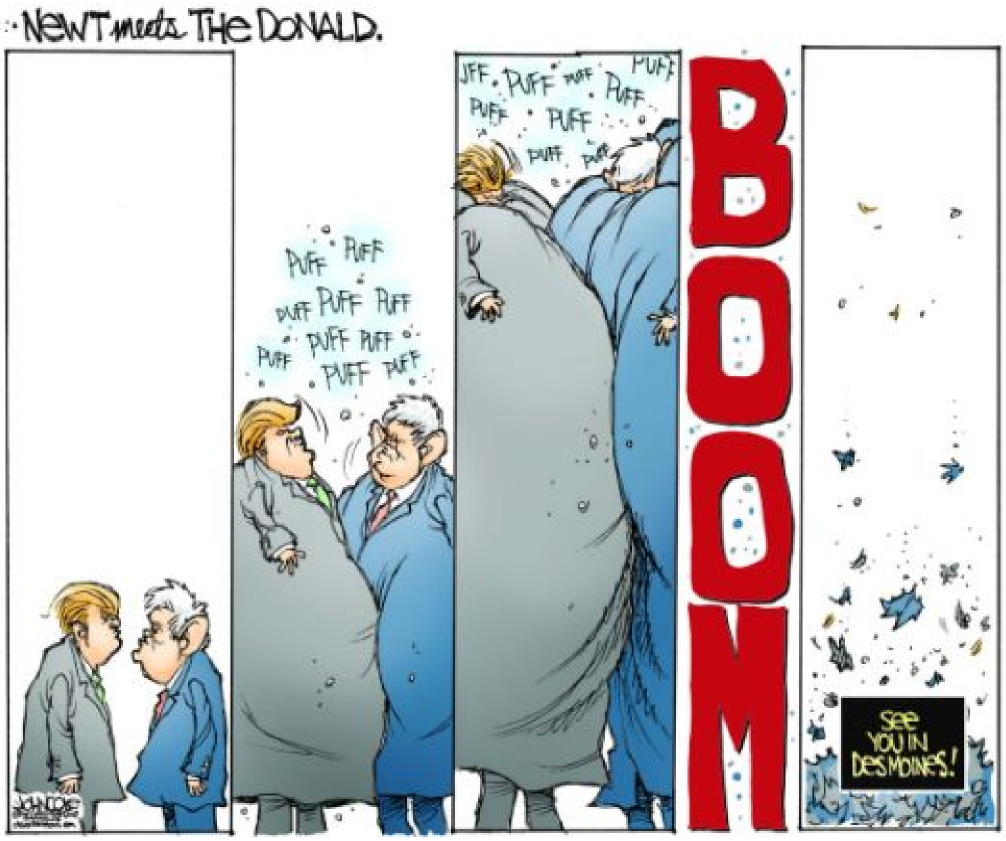
I'LL BET YA ONE TRILLION U.S. TAXPAYER DOLLARS THE BAILOUT WILL WORK!
I'LL BET YA ONE TRILLION U.S. TAXPAYER DOLLARS THAT OBAMACARE WILL WORK!
I'LL BET YA THE FUTURE OF OUR COUNTRY THAT THE SUPERCOMMITTEE WILL COME UP WITH SOLUTIONS AND ANSWERS!


STAR TRIBUNE
SACK
TRUMP DEBATE NO-SHOWS
'IT'S JUST AS WELL, DONALD. WITH HEADS AS BIG AS OURS THERE PROBABLY WASN'T ROOM FOR THEM ANYWAY!'


NEWT meets THE DONALD.
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BOOM
SEE YOU IN DES MOINES!