

# Conservative Review

Issue #113

Kukis Digests and Opines on this Week's News and Views

February 7, 2010

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You won't believe what's in that stimulus bill.  
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Too much happened this week! Enjoy...

The cartoons come from:

[www.townhall.com/funnies](http://www.townhall.com/funnies).

If you receive this and you hate it and you don't want to ever read it no matter what...that is fine; email me back and you will be deleted from my list (which is almost at the maximum anyway).

**Previous issues are listed and can be accessed here:**

<http://kukis.org/page20.html> (their contents are described and each issue is linked to) or here:

<http://kukis.org/blog/> (this is the online directory they are in)

I attempt to post a new issue each Sunday by 2 or 3 pm central standard time (I sometimes fail at this attempt).

I try to include factual material only, along with my opinions (it should be clear which is which). I make an attempt to include as much of this week's news as I possibly can. The first set of columns are intentionally designed for a quick read.

I do not accept any advertising nor do I charge for this publication. I write this principally to blow off steam in a nation where its people seemed have collectively lost their minds.

And if you are a believer in Jesus Christ, always remember: *We do not struggle against flesh and blood, but against the rulers, against the authorities, against the cosmic powers over this present darkness, against the spiritual forces of evil in the heavenly places* (Eph. 6:12).

## This Week's Events

President Obama proposes his 2010 budget, which forecasts a record \$1.56 trillion deficit in 2010, which is 10.6% of the gross domestic product (GDP), up from a 9.9% share of GDP in 2009.

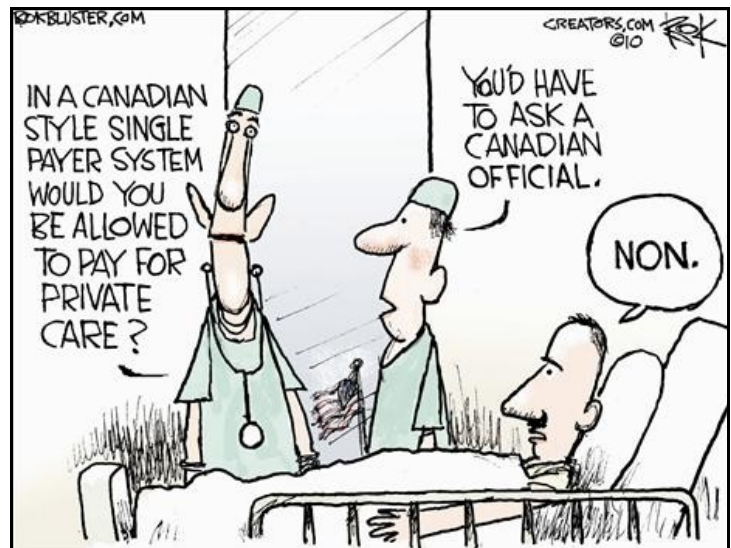
Eric Holder admits that he was the one to make the decision to treat the underwear bomber as an enemy combatant and he still stands behind this decision.

The deputy press secretary for the President, on one day, comes out and agrees that, ideally speaking, the fact that the underpants bomber is now talking again, is not something which should be made public, but, they felt it would be good, under these circumstances, to get the word out.

A day or so later, the press secretary is asked about revealing that the underwear bomber, acted offended at the thought that the White House would allow this information to get out.

Senator Al Franken ripped into David Axelrod because the administration failed to provide clarity or direction on health care and the other big bills it wants Congress to enact.

Newfoundland premier comes to United States for heart surgery.



Snowfall from a foot to over 30 inches have been reported in southern Pennsylvania, West Virginia, northern Virginia, Maryland, Delaware, southern New Jersey and the District of Columbia.

Localized amounts reached 36 inches. Records were set in the following places: Philadelphia's second greatest snowstorm with 28.5 inches Pittsburgh's fourth greatest snowstorm with 21.1 inches Baltimore's greatest two-day snowfall with 26.5 inches Washington's fourth greatest snowstorm with 17.6 inches Dulles Airport's greatest two-day snowfall with 32.4 inches.

Iran sends a mouse, 2 turtles and a can of worms into space.

22 ft. missile discovered buried in Iraq, and some are suggesting that this may have been a part of Saddam's weapon stash.

It has come out that SEC workers spent a lot of their time surfing porn on the internet. This helps to explain why they were unable to catch Madoff, despite receiving, at times, monthly notices from reputable financiers who knew something was wrong.

President Obama reports that a supporter of his recently died of breast cancer because she did not have healthcare insurance, and that she died. She will be buried in an Obama tee-shirt. Like almost every healthcare story that our president tells, this is misleading. This woman did have catastrophic healthcare insurance, which kicked in after the first \$5000 (which is what I have). She felt a lump in her breast and chose not to spend a couple hundred dollars on a test to determine what the problem was. The NY Times leads with this story, but does not bother to do any fact checking.

Government-owned GMAC loses \$5 billion in the 4<sup>th</sup> quarter.

The Saints are playing in the Superbowl?



## Say What?

"Despite what the media wants you to think, contested primaries are not a civil war but democracy at work, and it is beautiful," said Sarah Palin at the National TEA party convention.

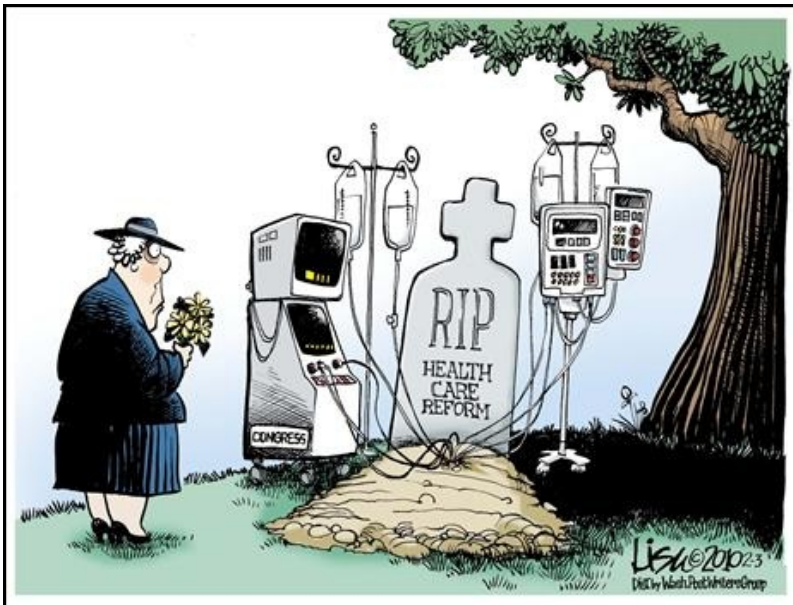
"The TEA party movement is a lot bigger than any charismatic guy with a teleprompter," she later added.

"Each of us here today [at the national TEA party convention] is living proof that you don't need an office or a title to make a difference; and you don't need a *proclaimed leader*, as if we are all a bunch of sheep who need a leader," more from Palin's speech.

"A community organizer who told us that we could lower the oceans by inflating our tires can't solver our economic problems? Really?" asked Glenn Beck.

President Obama, "We won't be able to bring down this deficit overnight."

"Just in case there's any confusion out there, let me be clear. I am not going to walk away from health insurance reform," Obama said.



When asked how he thought President Obama is doing, Jon Stewart answered, "I'm torn...I can't tell if he is a Jedi master playing chess on the 3-level board way ahead of us or if this is kicking his ass."

Bill Mahr: "They [Democrats] are so impotent, not John Edwards of course. But, yeah, they're so pathetic. Yeah, so they have 59. They should be able to do things with 51. They couldn't sell healthcare. This is something the American people wanted. This is something that would save lives, save money, and they couldn't sell that. They couldn't sell a cub scout to a pedophile."

After the President again cautioned about spending one's money in Vegas (when saving for college), Las Vega Mayor Goodman said, "He has a real psychological hang up about the entertainment capitol of the world...He didn't learn his lesson the first time, but when he hurt our economy by his ill conceived rhetoric, we didn't think it would happen again, but now that it has I want to assure you, when he comes I'll do everything I can to give him the boot back to Washington and to visit his failures back there. I gotta tell you this, everybody says I shouldn't say it, but I gotta tell you the way it is. This president is a real slow learner."

Democrat Senator Blanche Lincoln took a swipe at Obama's White House, referencing a constituent who "fears that there's no one in your administration that understands what it means to go to work on Monday and make a payroll on Friday."

Senator Lincoln also said, "I visited with a constituent yesterday, good Democrat, small business owner, who was extremely frustrated -- extremely frustrated because there was a lack of certainty and predictability from his government for him to be able to run his businesses. He's -- he and his father have worked hard, they've built three or four different small businesses, and he fears that there's no one in your administration that understands what it means to go to work on Monday and have to make a payroll on Friday. He wants results. He wants predictability."

"Many people spend more time in job interviews than the Christmas bomber spent being interrogated by the FBI," said Michelle Malkin.

"We've got to spend our way out of this recession and most economists know that," said Democratic Representative James Clyburn.

Michelle Obama on her children: "We went to our pediatrician all the time," Obama said. "I thought my kids were perfect -- they are and

always will be -- but he [the doctor] warned that he was concerned that something was getting off balance. I didn't see the changes. And that's also part of the problem, or part of the challenge. It's often hard to see changes in your own kids when you're living with them day in and day out," she added. "But we often simply don't realize that those kids are our kids, and our kids could be in danger of becoming obese. We always think that only happens to someone else's kid -- and I was in that position."

Jake Tapper to Press Secretary Robert Gibbs: "Isn't the whole point of being president is to control the House and the Senate to man up and make these tough decisions whether or not it costs you at the ballot box in November?"

## Joe Biden Prophecy Watch

SEN. DIANNE FEINSTEIN, D-CALIF.: What is the likelihood of another terrorist attempted attack on the U.S. homeland in the next three to six months? High or low? Director Blair?

DENNIS BLAIR, NATIONAL INTELLIGENCE DIRECTOR: An attempted attack the priority is certain, I would say.

FEINSTEIN: Mr. Panetta?

LEON PANETTA, CIA DIRECTOR: I would agree with that.

## Must-Watch Media

Governor Palin speaks at the Tea Part Conventions:

<http://www.youtube.com/watch?v=E7gVp3diPbl>

The unedited Bill O'Reilly interview with Jon Stewart (5 parts; not high on funny, but interesting to hear how Stewart thinks):

<http://www.youtube.com/watch?v=R4WGtg1uXQQ>

<http://www.youtube.com/watch?v=UiCm0Zwpbw>

<http://www.youtube.com/watch?v=P3bWFnzbi0w>

<http://www.youtube.com/watch?v=cAGCzNaoZGc>

<http://www.youtube.com/watch?v=8zOzGslpt70>

This is why it is taking so much time to train the Afghans to take over; they are tough to teach jumping jacks (this is, as far as I know, a real vid; but you would think this is a Monty Python skit):

<http://www.youtube.com/watch?v=QdggP7rw0mg>

Democrat Blanche Lincoln says things that make sense:

[http://www.youtube.com/watch?v=x8\\_vKcNFo68](http://www.youtube.com/watch?v=x8_vKcNFo68)

Glenn Beck generally has a great show:

History of the progressive movement:

<http://glennbeckclips.com/02-04-10.htm>

Compare the progressive states with the conservative states:

<http://glennbeckclips.com/>

Soon to be:

<http://glennbeckclips.com/02-05-10.htm>



This does not receive much attention that I am aware of, but Jake Tapper is beating up on Robert Gibbs, and Gibb's glib attitude is not cutting it:

<http://www.youtube.com/watch?v=D-4qEz1veaQ>

[http://www.youtube.com/watch?v=M\\_rJYOwA19g](http://www.youtube.com/watch?v=M_rJYOwA19g)

Rush Limbaugh on *Fox and Friends*:

[http://video.foxnews.com/v/3999901/rush-limbaugh-on-fox--friends/?playlist\\_id=87249](http://video.foxnews.com/v/3999901/rush-limbaugh-on-fox--friends/?playlist_id=87249) (I had to readjust my sound on this one)

Hitler finds out that Rush is judging the Miss America contest:

<http://www.youtube.com/watch?v=n1ijRi8f7gQ>

## A Little Comedy Relief

Jon Stewart to Bill O'Reilly, "Can I tell you about my favorite part of your show? When you bring on Dick Morris I like to shut my eyes when Dick Morris is talking and pretend that it is Harvey Fierstein and he's mad at Obama."

Bill Mahr: "[Obama is now doing] populist things, you know, I see him going around the country talking about, you know, the middle class, and jobs. He's demanding to see his own birth certificate."

## Short Takes

1) How is it that, Democrats can view Bush's deficits with disdain (which were too high), but they seem to have no problem with Obama's, which are 3 to 4x higher?

2) Glenn Beck pointed out several things the other day: we do not know what a green job is

and no one has really defined it (many have pointed this out).

3) Obama, the other day, said that we are going to double our exports, which is going to improve our economy. Again, Glenn Beck pointed out, this sounds great, but *how will this actually happen?* Will the president push a law which demands for businesses to double their exports? With tax breaks be given to those companies which double their exports?

4) The government plays a big part in healthcare costs, and these healthcare costs have skyrocketed. Do you know which medical costs have not skyrocketed but have actually gone down? Plastic surgery and eye-lasik surgery, medical costs which are paid for on the open market, without governmental interference.



5) A new stamp with Mother Theresa has come out, and various atheist groups are up in arms over this. I listened to one debate on Michael Medved, and it was quite informative as well as humorous. This same group had no problem with the Malcolm X stamp or the Martin Luther King stamp, but not only do they object to the Theresa stamp, but this particular spokesperson talked about how she was not really very good to the poor. However, he said that, instead of filing suit, they would just get out the word to the other atheists not to buy the Mother Theresa stamp. That made me laugh. As if there might be this

wayward atheist, a little unsure of himself, and suddenly, he is faced with the moral dilemma of having to choose between the Mother Theresa stamp and the Valentines Day theme stamp, and is saved because he receives an emergency tweet from atheist headquarters, warning him not to buy the MT stamp under any circumstances.

6) Rick Santorum observed that Obama’s “I am not an ideologue” quote was a lot like Dick Nixon’s “I am not a crook.”

7) If we are on the road to recovery and rebounding, as the White House talking heads and nearly every newspaper story has told us, then why do we need a second Stimulus (er, Jobs) bill and why do we need to spend the \$500 billion the banks paid back and why do we need to spend the rest of the Stimulus money?

8) Bush’s entire 2007 deficit is roughly equal to Obama’s monthly deficit in 2010.

\$1.56 trillion deficit is too much. She seems to understand that little fact; Obama seems to have missed it.

## By the Numbers

Right now, the government pays for 47–48% of healthcare costs, so that we do not have a free market system. By 2011, the government (i.e., taxpayers) will pay for 50% or more of healthcare costs.

The unemployment rate has dropped to 9.7%, (adjusted seasonally) even though our economy lost 20,000 jobs last month.

The raw data:

December had 14.7 million unemployed

January had 16.1 million unemployed

If we do not seasonally adjust these numbers, we are actually at 10.7% unemployment.

Reported job losses for December 2009: 85,000; actual job losses for December: 150,000

Dick Morris explained Obama’s continued assertion that he inherited a \$1.3 trillion deficit. With Democratic Congress, Bush signed a \$400+ billion deficit (which Obama voted for), which ballooned to about \$600 billion because of reduced revenue. Add to this the \$700 billion TARP bill (which Obama voted for), that is where Obama (incorrectly) gets this \$1.3 trillion deficit from. I should add that \$500 billion has been paid back, which money Obama wants to spend).

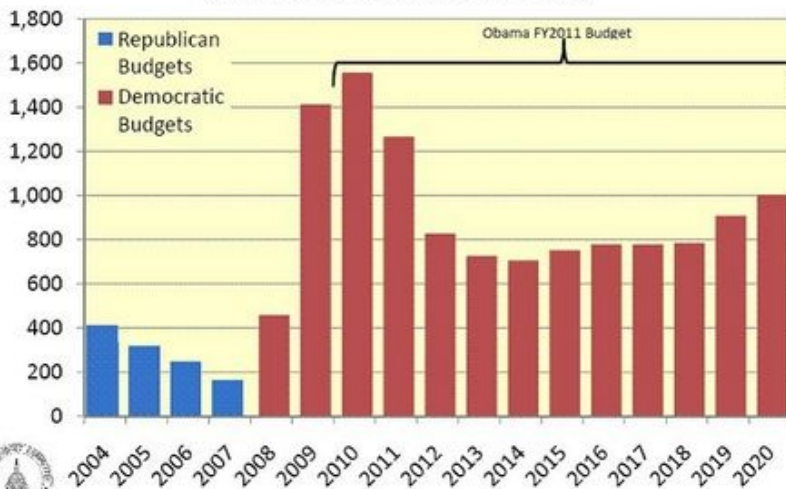
Also from Morris:

Federal borrowing is up 21%

Commercial lending is down 25% (not a coincidence)

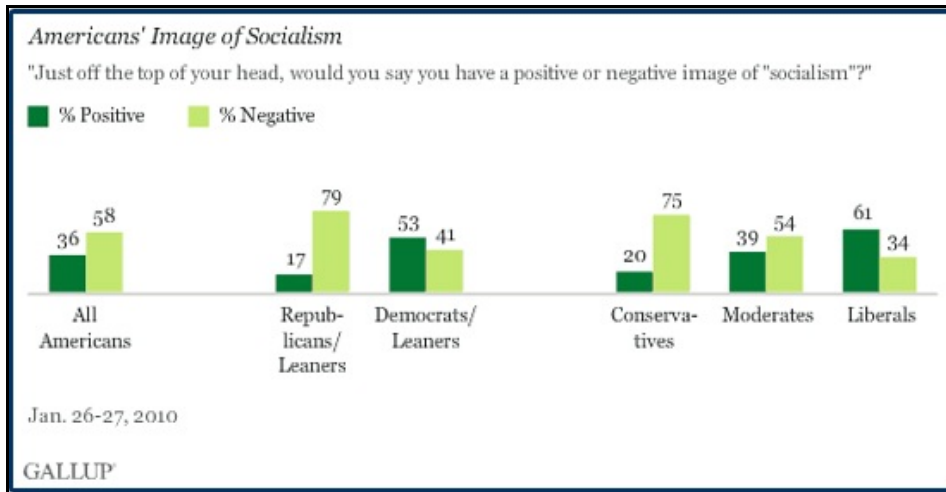
9) Okay, I will grant you that Sarah Palin may not be as intelligent as Barack Obama; however, it does not take a genius to figure out that a

**Deficit Under Democratic Budgets**  
(Deficit Levels in Billions of Dollars)



## Polling by the Numbers

The Daily Kos poll of Republicans (which strikes me as being insane):



39% of Republicans polled think Obama should be impeached, 36% say he wasn't born in the United States and one in four say they aren't even sure he's a U.S. citizen (how do these numbers even make sense, when taken together???)

63% labeled the president a "socialist." Okay, this one I can buy.

☺

## A Little Bias

### Rasmussen:

45% Agree With CBS' Decision To Run the Tebow (pro-life) Ad  
 30% Disagree

26% of the nation's voters Strongly Approve of the way that Barack Obama is performing his role as President.

43% Strongly Disapprove

This gives Obama a Presidential Approval Index rating of -17

83% of Americans say the size of the federal budget deficit is due more to the unwillingness of politicians to cut government spending than to the reluctance of taxpayers to pay more in taxes  
 9% of adults put more blame on the unwillingness of taxpayers to pay more in taxes

94% of Republicans and 91% of voters not affiliated with either major party place the blame on politicians, and two-thirds (66%) of Democrats agree.

Just 11% of all voters now think the government spends taxpayers' money wisely and well.  
 78% do not believe that to be true.

James O'Keefe, after being arrested at Senator Many Landrieu's office, made front page news, even at the NY Times. Many newspapers spoke of him as attempting to bug the phones in Landrieu's office, ala Watergate. This will confuse some readers, who will not know who O'Keefe is, as he received almost no mention in the alphabet media when he exposed government-supported ACORN employees as being more than willing to circumvent the law. This latter story, as well as others, some refused to jump right into the story, not wanting to jump the gun and make unwarranted assumptions. Like O'Keefe wiretapping, for instance. He had no wiretapping equipment with him.

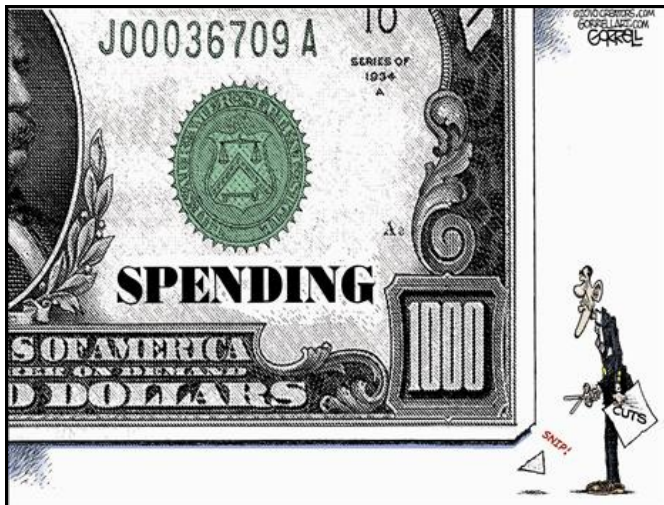
These same newspapers who covered O'Keefe essentially ignored ACORN corruption, Jeremiah Wright and Bill Ayers.

In most newspapers that you read, we are told that we are slowly climbing out of this recession, the greatest known since the Great Depression. However, if you look at the real stats and the revised stats (the first stats are often optimistic and dramatically incorrect), what is really happening is quite a bit different.



2 years ago, when all the numbers were much better, we heard nothing but stories about the economy falling apart and heading into the Great Depression.

Anyone who is over 30 knows that Dan Quayle cannot spell *potato* and that President Bush mispronounced *nuclear* and that once Bush tried to open a door that was locked. But how many people know that Obama had been to *57 states*, that he had the exact same problem with a door that Bush had (it was actually window to the White House), or that just this week, he thrice mispronounced *corpsman* as *corpse-man*? We all misspeak, we all misspell and mispronounce words; however, if a Republican does it, we hear it over and over and over again in the media; when a Democrat does it, it can be found on YouTube and often on FoxNews, but nowhere else. If a Republican does it, Saturday Night Live will do a skit about it; one entire skit, as I recall, was devoted to Dan Quayle's misspelling of *potato*, but, will you see the same thing done with Obama? Not yet.



## Saturday Night Live Misses

President Obama introduces the most incredibly excessive budget in the nation's history and has

given several speeches on fiscal discipline; but SNL chose to lampoon Greta Van Susteren,

## Political Chess

I believe that the strategy of the Democrats is to spend so much money that, when Republicans take over, there is such a huge deficit and debt, and they have to cut hundreds of programs to even come close to balancing the budget, and they will go after the Republicans for cutting all of these programs.

## Yay Democrats!

Blanche Lincoln said some great things when talking to President Obama; but she still voted for Democratic healthcare and the huge spending bills that Obama put out there.

President Obama continues drone attacks in Pakistan, which is, to some extent, a fulfillment of a campaign promise.

## News Before it Happens

Look for Stimulus II to be a huge bill (around 500–1000 pages) and look for one or two long amendments to be added at the last moment; and they will be filled with pork, waste, fraud and abuse.

Dick Morris predicts this, and it is a reasonable prediction: the Republicans will win the House by 10 seats and the Senate by 2 in 2010.

## Prophecies Fulfilled

Months and months ago, I told you that Congress would pass a second Stimulus bill, but it would be called the *Jobs Recovery Act* or something along those lines; and that the word *stimulus* would not

be used in the title. That is what the Congress and President Obama are working on right now.

A recent commentator spoke about how President Obama is in constant campaign mode and that no one in his cabinet can govern; exactly what I have been saying for months.

Remember how I said healthcare wasn't dead? This past week, President Obama said that we are on the 5 yard line when it comes to healthcare being pushed through.

## My Most Paranoid Thoughts

Democrats, realizing that they may not be elected for awhile, are not just raiding the treasury, but raiding tax moneys for decades to come.



## Missing Headlines

**Real Unemployment numbers for January are up, not down**

**Come, let us reason together....**

## The Obvious Deficit-closers

By Dick Morris And Eileen McGann

As he tells us he wants to reduce the dangerous budget deficit, President Obama brings to mind the hapless engineers at Toyota who find that their vehicles accelerate whether or not the driver wants them to. It appears that no matter how hard Obama jams on the brakes with his newfound commitment to deficit reduction (after almost doubling the deficit in one year), the level of red ink just seems inexorably to rise. The House voted yesterday to raise the federal debt limit another \$1.9 trillion.

Obviously, more fundamental change in the budget's engineering is needed. But, unfortunately, it is easier to recall a car than a president.

Obama's announced intention to freeze 13 percent of the budget for three years is a relatively minor cut. It will trim the deficit by only 3 percent over the decade.

But if the president really wanted to get serious about reducing the deficit, he's got two easy steps to take:

- 1) Stop the remaining \$500 billion of last year's \$800 billion stimulus package.
- 2) Refund to the Treasury the \$500 billion in TARP funds repaid by the banks.

Instead, he's merrily spending the remaining stimulus cash - even though the first round failed to curb the recession, doing little more than protecting the jobs and pay of state and local government employees. The remaining money

would do more of the same - while also funding pork-barrel projects all over America.

But only \$300 billion of the stimulus has been spent. Why not call back the remaining \$500 billion? Because Obama is still committed to the expansion of government spending. His promise of a (minor) freeze next year brings to mind an overweight friend's talk of the diet he'll go on - even as he starts another banana split.

Then there's the TARP funds. Most of the money laid out under President George W. Bush is being repaid by the banks that borrowed it - but Obama is intent on intercepting the cash before it lands in the Treasury and sending it out the door again.

He wants these funds for his second stimulus, relabeled as a "jobs bill." Some \$30 billion is to go to small businesses for job creation, \$30 billion for consumer credit and yet another \$100 billion for more state and local aid - that is, more protection for government workers.

And none of that cash will ever come back - even though it's TARP money that was initially appropriated for short-term lending, spending that the government would quickly recoup.

When will the president learn that deficit spending isn't the way to stimulate the economy? That by adding to the deficit, he is stopping business from borrowing to create jobs and blocking consumers from getting the capital they need to make purchases?

Treasury debt is up 41 percent over the last year, while commercial and consumer lending is down by more than 20 percent: The government is hogging the loan window. Doesn't the president realize that this is blocking, not catalyzing, job creation?

From:

<http://www.dickmorris.com/blog/2010/02/05/the-obvious-deficit-closers/#more-716>

## The President's Permanent Political Slush Fund

by Conn Carroll

After suffering major electoral and legislative defeats last month, President Barack Obama took to the campaign trail in Nashua, New Hampshire, pitching his administration's latest new plan to lower our nation's double digit unemployment rate. This time, the President hopes to do for small businesses what Fannie Mae and Freddie Mac did for home mortgages. Specifically, he wants to create a new \$30 billion "Small Business Lending Fund" which will loan money to banks with assets under \$10 billion at favorable new rates, as long as they comply with a slew of new regulations designed to incentivize them to loan that money to small businesses. Never mind that a recent poll of small business owners by the National Federation of Independent Businesses ranked "Finance and Interest Rates" as the second to last most important problem facing their business.

And just where does the President plan to get this new \$30 billion? The President explained yesterday: "This proposal takes the money that was repaid by Wall Street banks to provide capital for community banks on Main Street." In other words, TARP - the \$700 billion Troubled Asset Relief Program first signed into law by President George Bush, and then used by Treasury Secretary Hank Paulson to force many financial firms into taking taxpayer money they never wanted in the first place. But if Wall Street banks are paying-back their TARP funds, then how can President Obama say the following when justifying his Financial Crisis Responsibility Fee:

We want our money back, and we're going to get it. And that's why I'm proposing a Financial Crisis Responsibility Fee to be imposed on major financial firms until the American people are fully compensated for the extraordinary assistance

they provided to Wall Street. If these companies are in good enough shape to afford massive bonuses, they are surely in good enough shape to afford paying back every penny to taxpayers. Now, our estimate is that the TARP program will end up costing taxpayers around \$117 billion - obviously a lot less than the \$700 billion that people had feared, but still a lot of money.

So which is it? Are Wall Street banks repaying their TARP obligations in full so that the President can afford to spend \$30 billion on his new Small Business Lending Fund? Or is TARP going to lose \$117 billion? The answer is both. In reality, the major financial firms that took TARP money - many against their will - are paying-back those funds, and American taxpayers will get every single dime they are owed. But TARP has long since devolved from a one-time emergency action into a crony-capitalist political slush fund. TARP will lose money. But those losses will come almost entirely from the bailouts of union-backed firms General Motors and Chrysler, as well as AIG. Of course, GM and Chrysler are exempted from President Obama's Crisis Tax, as are the government firms at the core of the housing bubble - Fannie Mae and Freddie Mac. The President's Crisis Tax has nothing to do with recovering unpaid taxpayer TARP money and everything to do with finding a new source of revenue to help cover up the Obama administration's massive new spending increases.

And unfortunately, more government spending and more government regulation are this administration's answer to every economic problem. But more debt and more regulation will not create new jobs. According to a new Gallup poll, 57% of Americans are worried that there will be too much government regulation of business, half say the government should become less involved in regulating and controlling business, and only 24% say the government should become more involved in regulating and controlling business, which is exactly what the President's new "Small Business Lending Fund" does. And

remember that NFIB poll that showed borrowing costs as the next to last problem small businesses face? Well, that same poll also identified taxes as their second biggest problem and government regulation and red tape as the third. Americans and America's small businesses know what will create new jobs, and it ain't taxpayer campaign giveaways from the White House.

From:

<http://blog.heritage.org/2010/02/03/morning-bell-the-presidents-permanent-political-slush-fund/>

## **Pols in Wonderland**

By Thomas Sowell

There was a recent flap because three different members of the Obama administration, on three different Sunday television talk shows, gave three widely differing estimates of how many jobs the president has created.

That should not have been surprising, except as a sign of political sloppiness in not getting their stories together beforehand. They were simply doing what Barack Obama himself does - namely, just pulling numbers out of thin air. However, being more skilled at creating illusions, the president does it with more of an air of certainty, as if he has gone around and counted the new jobs himself.

The big question that seldom- if ever- gets asked in the mainstream media is whether these are a net increase in jobs. Since the only resources that the government has are the resources it takes from the private sector, using those resources to create jobs means reducing the resources available to create jobs in the private sector.

So long as most people do not look beyond superficial appearances, politicians can get away with playing Santa Claus on all sorts of issues, while leaving havoc in their wake- such as

growing unemployment, despite all the jobs being "created."

Whatever position people take on health care reform, there seems to be a bipartisan consensus- usually a sign of mushy thinking- that it is a good idea for the government to force insurance companies to insure people whom politicians want them to insure, and to insure them for things that politicians think should be insured.

Contrary to what politicians expect us to do, let's stop and think.

Why aren't insurance companies already insuring the people and the conditions that they are now going to be forced to cover? Because that means additional costs- and because the insurance companies don't think their customers are willing to pay those particular costs for those particular coverages.

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It costs politicians nothing to mandate more insurance coverage for more people. But that doesn't mean that the costs vanish into thin air. It simply means that both buyers and sellers of insurance are forced to pay costs that neither of them wants to pay. But, because soaring political rhetoric leaves out such grubby things as costs, it sounds like a great deal.

It is not just costs that are left out. It is consequences in general.

With all the laments in the media about skyrocketing unemployment among young people, and especially minority young people, few media pundits even try to connect the dots

to explain why unemployment hits some groups much harder than others.

Yet unusually high unemployment rates among young people is not something new or even something peculiar to the United States. Even before the current worldwide recession, unemployment rates were 20 percent or more among workers under 25 years of age in a number of Western European countries.

The young have less experience to offer and are therefore less in demand. Before politicians stepped in, that just meant that younger workers were paid less. But this is not a permanent situation because youth itself is not permanent, and pay rises with experience.

Enter politicians. By mandating a minimum wage that sounds reasonable for most workers, they put a price on inexperienced and unskilled labor that often exceeds what it is worth.

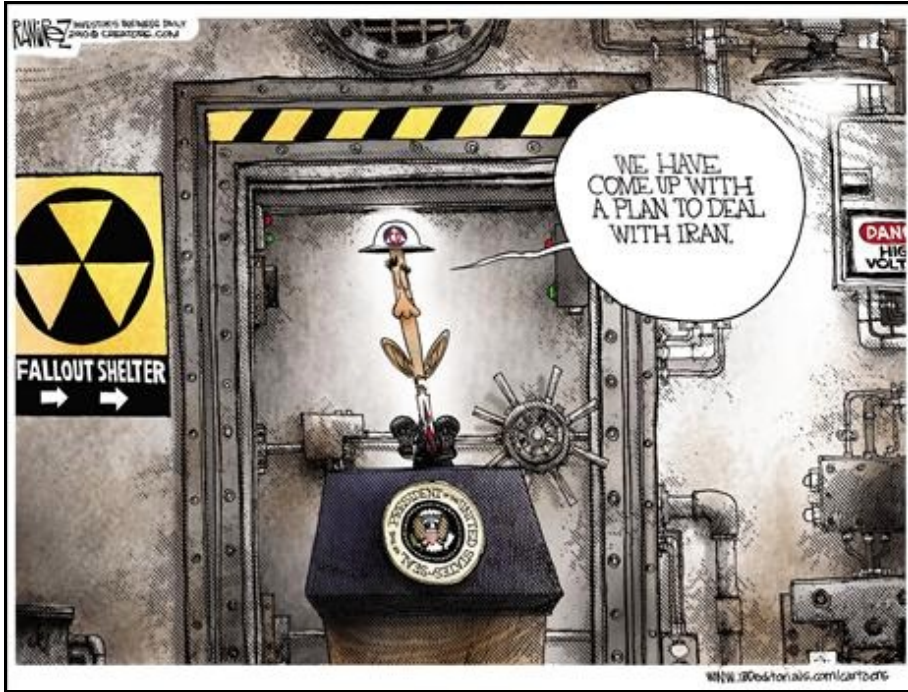
Mandated pay rates, like mandated insurance coverage, impose on buyers and sellers alike things that they would not choose to do otherwise.

Workers of course prefer higher wage rates. But the very fact that the government has to impose those wage rates means that workers were unwilling to risk not having a job by refusing to work for less than the wage rate that has been mandated. Now that choice has been taken out of their hands, with the hidden cost in this case being higher unemployment rates.

It is of course no secret that there is no free lunch. It is just an inconvenient distraction that gets left out of political rhetoric.

From:  
<http://jewishworldreview.com/cols/sowell020210.php3>





### What exactly did Bush and Cheney do wrong?

By Glenn Greenwald

As I noted several days ago, it is not only Republicans -- but Democratic and media establishment figures as well -- who clearly crave the preservation of the Bush/Cheney approach to Terrorism and civil liberties. When Bush's popularity collapsed to historic lows, political and media elites pretended for awhile to object to his administration's fear-based and radical policies as extremist and an assault on "our values." But that was all just such a transparent pretense. In those few instances where Obama has rejected the Bush/Cheney template, the outrage and hysteria from Democratic and media voices is pervasive, and is growing louder.

Just look at these illustrative incidents. Democratic Gov. Ed Rendell went on Fred Thompson's radio show yesterday to demand that Khalid Sheikh Mohammed be put before a military commission -- at Guantanamo. Over the weekend, Time's Joe Klein lambasted the Obama DOJ, and embraced Bush's former CIA and NSA

Chief Michael Hayden, by objecting to the criminal charges and Constitutional rights afforded the accused Christmas Day bomber, with Klein decreeing: "the bomber is an enemy combatant. He doesn't have Miranda rights." MSNBC personalities Chuck Todd and Savannah Guthrie chatted yesterday with their boss, MSNBC Washington Bureau Chief Mark Whitaker, all agreeing that the decision to grant civilian trials for "Terrorists" is "a pure, self-inflicted wound." When Najibullah Zazi was arrested for allegedly plotting a serious Terrorist attack, The New Republic's Michael Crowley said he was so frightened by this that he was open to torturing Zazi. Democratic Senators are threatening to join the GOP in cutting off funds for civilian trials. Democratic members of Congress joined with the

GOP to prevent even modest reforms of the Patriot Act and other surveillance abuses. City officials compete with one another over who can be the most frightened and terrorized by Terrorists.

If I had the power to have one statement of fact be universally recognized in our political discussions, it would be this one:

The fact that the Government labels Person X a "Terrorist" is not proof that Person X is, in fact, a Terrorist.

That proposition should be intrinsically understood by any American who completed sixth grade civics and was thus taught that a central prong of our political system is that government officials often abuse their power and/or err and therefore must prove accusations to be true (with tested evidence) before they're assumed to be true and the person punished accordingly. In particular, the fact that the U.S. Government, over and over, has falsely accused

numerous people of being Terrorists -- only for it to turn out that they did nothing wrong -- by itself should compel a recognition of this truth. But it doesn't.

All throughout the Bush years, no matter what one objected to -- illegal eavesdropping, torture, rendition, indefinite detention, denial of civilian trials -- the response from Bush followers was the same: "But these are Terrorists, and Terrorists have no rights, so who cares what is done to them?" What they actually meant was: "the Government has claimed they are Terrorists," but in their minds, that was the same thing as: "they are Terrorists." They recognized no distinction between "a government accusation" and "unchallengeable truth"; in the authoritarian's mind, by definition, those are synonymous. The whole point of the Bush-era controversies was that -- away from an actual battlefield and where the Constitution applies (on U.S. soil and/or towards American citizens wherever they are) -- the Government should have to demonstrate someone's guilt before it's assumed (e.g., they should have to show probable cause to a court and obtain warrants before eavesdropping; they should have to offer evidence that a person engaged in Terrorism before locking them in a cage, etc.). But to someone who equates unproven government accusations with proof, those processes are entirely unnecessary. Even in the absence of those processes, they already know that these persons are Terrorists. How do they know that? Because the Government said so. Even when it comes to their fellow citizens, that's all the "proof" that is needed.

That authoritarian mentality is stronger than ever now. Why? Because unlike during the Bush years, when it was primarily Republicans willing to blindly trust Government accusations, many Democrats are now willing to do so as well. Just look at the reaction to the Government's recent attempts to assassinate the U.S.-born American citizen and Islamic cleric Anwar al-Awlaki. Up until last November, virtually no Americans had

ever even heard of al-Awlaki. But in the past few months, beginning with the Fort Hood shootings, government officials have repeatedly claimed that he's a Terrorist: usually anonymously, with virtually no evidence, and in the face of al-Awlaki's vehement denials but without any opportunity for him to defend himself (because he's in hiding out of fear of being killed by his own Government). The Government can literally just flash someone's face on the TV screen with the word Terrorist over it (as was done with al-Awlaki), and provided the face is nefarious and Muslim-looking enough (basically the same thing), nothing else need be offered.

That's enough for many people -- including many Democrats -- to march forward overnight and mindlessly proclaim that al-Awlaki is "a declared enemy of the United States working to kill Americans" (if you can stomach it, read some of these comments -- from Obama defenders at a liberal blog -- with several sounding exactly like Dick Cheney, screeching: "Of course al-Awlaki should be killed without charges; he's a Terrorist who is trying to kill Americans!!!"). Even now, beyond government assertions about his associations, the public knows virtually nothing about al-Awlaki other than the fact that he's a Muslim cleric with a Muslim name dressed in Muslim garb, sitting in a Bad Arab Country expressing anger towards the actions of the U.S. and Israel. But no matter. That's more than enough. They're willing not only to mindlessly embrace the Government's unproven accusation that their fellow citizen is a TERRORIST ("a declared enemy of the United States working to kill Americans"), but even beyond that, to cheer for his due-process-free execution like drunken fans at a football game. And the same people declare: no civilian trials are necessary for Terrorists (meaning: people accused by the Government of being Terrorists). Even more amazingly, the identities of the other Americans on the hit list aren't even known, but that's OK: they're Terrorists, because the Government said so.

A very long time ago, I would be baffled when I'd read about things like the Salem witch hunts. How could so many people be collectively worked up into that level of irrational frenzy, where they cheered for people's torturous death as "witches" without any real due process or meaningful evidence? But all one has to do is look at our current Terrorism debates and it's easy to see how things like that happen. It's just pure mob mentality: an authority figure appears and affixes a demonizing Other label to someone's forehead, and the adoring crowd -- frothing-at-the-mouth and feeding on each other's hatred, fears and desire to be lead -- demands "justice." I imagine that if one could travel back in time to the Salem era in order to speak with some of those gathered outside an accused witch's home, screaming for her to be killed, the conversation would go something like this:

Mob Participant: Hang the Witch!!! Kill her!!!

Far Left Civil Liberties Extremist-Purist ("FLCLE-P"): How do you know she's a witch?

Mob Participant: Didn't you just hear the government official say so?

FLCLE-P: But don't you want to see real evidence before you assume that's true and call for her death?

Mob Participant: You just heard the evidence! The magistrate said she's a witch!

FLCLE-P: But shouldn't there be a real trial first, with tangible evidence and due process protections, to see if the accusation is actually true?

Mob Participant: A "real" trial? She's a witch! She's trying to curse us and kill us all. She got more than what she deserved. Witches don't have rights!!!

Return to Question 1.

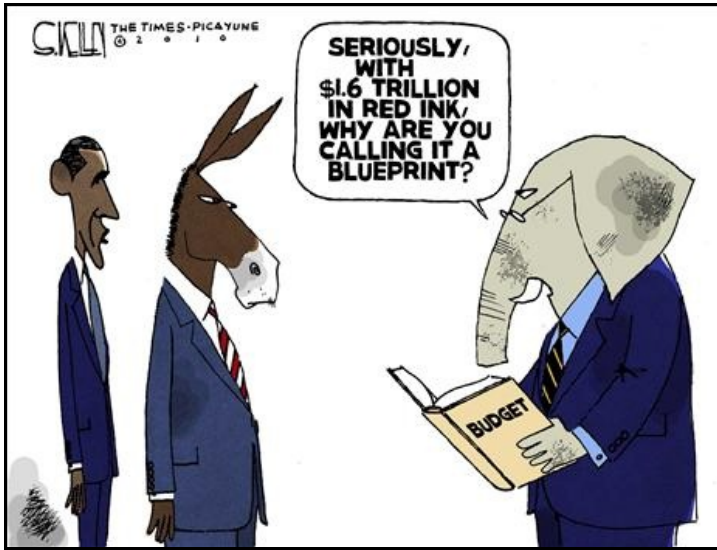
That's essentially how I hear our debates over Terrorism, and how I've heard them for quite some time. And it's how I hear them more loudly now than ever before. And with those deeply confused premises now locked into place on a bipartisan basis ("no trials are needed to determine if someone is a Terrorist because Terrorists don't have rights"), imagine how much louder that will get if there is another successful terrorist attack in the U.S. But in fairness to the 17th Century Puritans, at least the Salem witches received pretenses of due process and even trials (albeit with coerced confessions and speculative hearsay). Even when it comes to our fellow citizens, we don't even bother with those. For us, the mere accusation by our leaders is sufficient: Kill that American Terrorist with a drone!

UPDATE: A long-time, regular commenter here, Jestaplero, is a state prosecutor in New York, and he explains -- in this comment -- how the mentality discussed here can and does easily expand beyond the realm of Terrorism.

Interestingly, even Allahpundit at Michelle Malkin's Hot Air recognizes the serious dangers in allowing the Government to decree even U.S. citizens to be "Terrorists" and then treat them accordingly, with no due process. But note how his right-wing commenters are almost exclusively of the "just-kill-him" school of thought, and how identical they sound to that minority of Daily Kos commenters I linked above who, in their blind loyalty to Obama, also insist that there's nothing wrong with simply snuffing out the lives of their fellow citizens who are "Terrorists" (meaning: anyone their Leader claims is a Terrorist) with no due process or oversight whatsoever. Ultimately, authoritarians are authoritarians, regardless of whether they situate themselves on the left or right.

From:

<http://salon.com/news/terrorism/index.html?story=/opinion/greenwald/2010/02/02/bush>



## The Obama Budget: Higher Taxes, Higher Spending and More Debt

by Conn Carroll

President Barack Obama will submit a \$3.8 trillion budget proposal for fiscal 2011 to Congress today. One might hope that given last year's \$1.4 trillion budget deficit was an all-time high and the President promised a spending "freeze" in last week's State of the Union, this budget might signal a change in direction from the White House. No such luck. President Obama's new budget is full of billions of dollars in new spending for failed government programs, higher taxes on American families and businesses, and deficit spending for as far as the eye can see.

At the very least, the budget document President Obama is submitting today exposes his spending "freeze" promise for the fraud that it is. As outlined last week, the administration would halt spending increases for only a \$447 billion sliver of our total budget, with a total of \$15 billion to be saved. That is less than half a percent off of last year's spending. Worse, this isn't even an across-the-board spending freeze; it is an

aggregate one. So "spending cuts" in parts of the budget are immediately channeled to others. For example, even though the federal government does not need any money for the Census next year, President Obama counts the \$5 billion spent this year as a "spending cut" that can be immediately spent on other government programs, such as a 16% increase in Department of Education funding, a 6.8% increase in Department of Energy funding, and increases for ineffective Health and Human Services programs like Head Start and sex education.

Given the best case scenario, the most the White House hopes to save from this supposed spending "freeze" is \$15 billion. And that is easily dwarfed by just the \$100 billion President Obama wants for his Economic Stimulus II plan. Then there are the tax hikes, including higher taxes on families earning more than \$250,000 and a brand new tax on financial institutions to pay for the failed automobile union bailout.

And what is the end result of all of President Obama's new taxes and spending? A record national debt. According to the White House Office of Management and Budget, the United States will post a \$1.556 trillion deficit in fiscal 2010, which the Obama administration claims will be reduced to \$1.267 trillion in fiscal 2011, thanks to their budget. Given this administration's budget forecasting record, however, expect that final deficit number to go up. The Obama administration now forecasts \$5.08 trillion in debt over the next five years; that is 35% more debt than they forecast just 12 months ago.

A common sense budget would move our country in a much different direction. For starters, the remaining TARP and stimulus funds should both be rescinded. Next, instead of the President's fungible "aggregate" spending freeze, tough hard spending caps should be enacted. Finally, Congress should disclose the massive unfunded obligations of Social Security, Medicare and Medicaid; put those programs on long-term



budgets; and enact the necessary entitlement and programmatic reforms that can keep government within those limits.

From:

<http://blog.heritage.org/2010/02/01/morning-bell-the-obama-budget-higher-taxes-higher-spending-and-more-debt/>

### Here's 10 Ways Obama's Budget Is Going To Screw You, The American Taxpayer

by John Boehner

Working families and small business owners understand that making government live within its means is essential to building confidence in our economy both at home and abroad. That's why the American people have been saying to Washington: "stop spending money we don't have."

Democrats still haven't gotten the message and President Obama has proposed another budget that spends too much, taxes too much, and borrows too much. Majority Whip Jim Clyburn (D-SC) sums up Washington Democrats' viewpoint best: "We are not going to save our way out of this recession. We are going to spend our way out of this recession." How's that approach been working out for families asking "where are the jobs?"

Here are 10 things every American should know about President Obama's budget:

#### INSIDE THE NUMBERS: SPENDS TOO MUCH, TAXES TOO MUCH, AND BORROWS TOO MUCH

1. President Obama's budget spends too much. Under President Obama's budget, the federal government would spend a record \$3.8 trillion in the fiscal year beginning October 1. This represents a nearly 30 percent increase in outlays since 2008. The President's budget would also maintain the size of government for a second

year in a row at 25 percent of Gross Domestic Product (GDP), well above historical levels of 20 percent.



2. President Obama's budget taxes too much. The President's budget includes more than \$2 trillion in tax hikes, with a nearly 20 percent jump in the first year alone. This includes tax increases on small businesses, investors, and families earning less than \$250,000 per year - a violation of the President's campaign pledge. The last thing American families and small businesses need right now are new taxes that make it harder to save, invest, and hire.

3. President Obama's budget borrows too much from our kids and grandkids. Under the President's budget, the federal government will run up a record budget deficit of \$1.6 trillion in fiscal year 2011. Deficits never fall below \$700 billion, never fall below 3.6% of GDP, and end the decade at more than \$1 trillion. The national debt would double over five years and triple by FY2019 from FY2008 levels. Paying the interest on this debt would set American taxpayers back roughly \$6 trillion over the next decade.

#### SPENDING FREEZE A GOOD FIRST STEP, BUT WE NEED TO DO MORE - AND NOW



4. President Obama's proposed spending freeze is a good step in the right direction, but we need to do more. Serious fiscal responsibility requires more than a few cuts here and there at the margins. Republicans have proposed adopting strict budget caps that limit federal spending on an annual basis and are enforceable by the President. These caps were a critical plank in the budget alternative Republicans proposed last year, led by Budget Committee Ranking Republican Paul Ryan, and they are notably absent from the President's budget. Without these caps, the federal budget deficit will continue to spiral out of control.

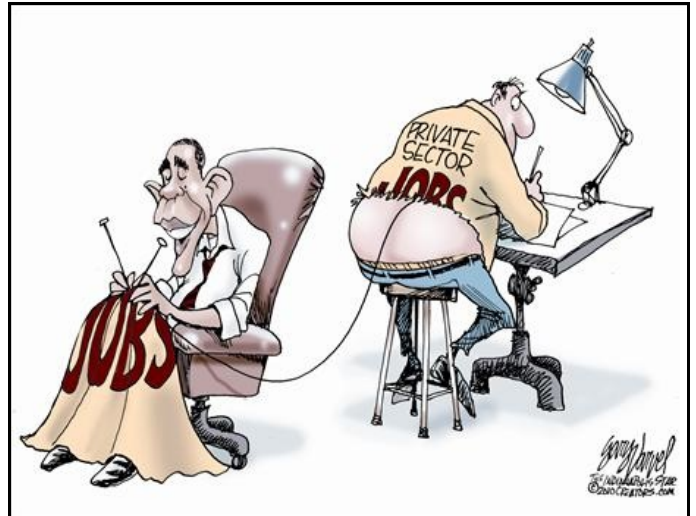
5. President Obama's budget green-lights more government 'stimulus' spending now while delaying any spending freeze. Last Friday, the President told House Republicans that delaying his proposed spending freeze represented the "consensus among people who know the economy best." In December, Leader Boehner released a list of 222 economists who support getting runaway federal spending under control -- rather than adding more 'stimulus' spending -- in order to help create jobs and get the economy back on track.

6. President Obama turns over tough spending choices to a deficit commission "without teeth." As the Associated Press notes, "the commission has yet to be appointed and there's no sure path to having its recommendations considered by Congress."

**OUT-OF-TOUCH: DOUBLING DOWN ON THE TRILLION-DOLLAR 'STIMULUS' AND COSTLY, JOB-KILLING POLICIES**

7. President Obama's budget contains a "secret sequel" to the trillion-dollar 'stimulus' it concedes isn't working as promised. A majority of Americans oppose the trillion-dollar 'stimulus' and nearly three in four say it has wasted taxpayer dollars. What's worse, President Obama's budget projects that unemployment will

remain near 10 percent through the end of this year. The Obama Administration promised the trillion-dollar stimulus would create jobs 'immediately' and keep joblessness below eight percent.



8. President Obama's budget fails to pivot away from costly, job-killing policies that are causing uncertainty and making matters worse. President Obama's budget accounts for the implementation of both a government takeover of health care and a 'cap-and-trade' national energy tax, two job-killing bills the American people have rejected loudly and clearly. The President calls for a new national energy tax to reduce greenhouse gas emissions by 17 percent by 2020 - a proposal which CBO has estimated would increase taxes by \$870 billion, a full \$224 billion more than President Obama's proposal in the FY2010 budget.

**BIPARTISAN SUPPORT FOR OUR TROOPS, BIPARTISAN OPPOSITION TO IMPORTING DANGEROUS TERRORISTS**

9. President Obama's budget spends hundreds of millions of taxpayer dollars to import dangerous terrorists to U.S. soil and give them the same rights as U.S. citizens. Republicans have stood with the American people from the beginning to

oppose the Obama Administration's severely misguided plan to try the mastermind of the 9/11 attacks and his co-conspirators in civilian courts in downtown Manhattan. In recent days, more Democrats have followed suit. Yet, the President's budget irresponsibly spends hundreds of millions of taxpayer dollars on importing dangerous terrorists to U.S. soil, housing them at a 'Gitmo North' facility and trying them in civilian courts.

10. President Obama's budget ensures our troops in Iraq and Afghanistan have the resources they need to succeed in their mission. This is an area in which Republicans hope to continue finding consensus with the President.

From:

<http://www.businessinsider.com/john-boehner-10-things-about-obamas-budget-2010-1>

## The most bloated budget ever

By Brian M. Riedl

It's a good thing President Obama and the Democratic Congress just agreed to raise the federal debt limit by nearly \$2 trillion -- they're going to need every penny of it. And fast. Last year, Obama swept into office promising to make tough choices -- and then released a budget proposing the largest debt-and-spending spree in American history. This year, he's at it again: Over 2010-2019, his new plan boosts spending another \$1.7 trillion and the deficit by \$2 trillion over what he proposed last year. In fact, this year's budget shows yearly deficits as much as 49 percent larger than even last year's bloated proposal. This spending spree will drive up both taxes and deficits to levels unseen in US history. Nor are the Obama deficits a temporary result of the recession. Despite a modest

recovery, the 2010 budget deficit will be higher than the 2009 deficit. Nearly 42 cents of each dollar Washington spends will be borrowed. Even by 2020 -- which Obama's planners assume will be a time of peace and prosperity -- annual deficits would still exceed \$1 trillion. By that point, nearly a fifth of all taxes would go toward paying the interest on this record debt. The president who said "I didn't come here to pass our problems on to the next president or the next generation -- I'm here to solve them" would, over the next decade, dump \$75,000 per household in added debt into the laps of our children and grandchildren. Obama claims it's not his fault. In his State of the Union speech, he asserted: "By the time I took office, we had a one-year deficit of over \$1 trillion and projected deficits of \$8 trillion over the next decade. Most of this was the result of not paying for two wars, two tax cuts and an expensive prescription-drug program." Not true. Those policies were all implemented in the early 2000s. Yet, by 2007, the budget deficit was still only \$162 billion. The trillion-dollar deficits didn't begin until 2009 -- after the recession hit. And the subsequent deficits are



driven by runaway spending -- mainly from Social Security, Medicare (beyond just the drug benefit), Medicaid and net interest. In fact, under current policies, nearly 90 percent of the growth in the budget deficit by 2020 comes from spending hikes already programmed in -- and just over 10 percent from declines in revenues (And even that assumes all tax cuts are extended.) Runaway spending is the problem -- yet Obama's budget includes no plan for long-term spending restraint. Before the recession, Washington spent \$24,000 a year per US household. Obama would hike it to \$36,000 by 2020 -- an inflation-adjusted \$12,000-per-household expansion of government. (And does anyone think they're getting their money's worth?) If spending jumps \$12,000 per household, taxes must eventually rise. The president would make a large down-payment on that with a \$2 trillion tax hike on all Americans. Yet that would still leave the government running up \$8.5 trillion in deficits over the decade, setting the stage for even larger and more damaging broad-based tax hikes later. Ominously, economists close to the White House suggest that a value-added tax (which is like a national sales tax) of 15 percent and 20 percent is eventually possible to finance the president's spending agenda. Obama has offered a budget that does nothing to address the nation's serious short- or long-term fiscal problems. Indeed, it makes them worse. By doubling the national debt over pre-recession levels, he'd push America toward a tipping point -- where rising debt levels will become too large for global capital markets to absorb. This could trigger a financial crisis, an interest-rate spike and gigantic tax hikes. Last year, Congress went along with most of Obama's budget proposals -- enacting a \$787 billion "stimulus," raising discretionary spending by 8 percent and approving more than 10,000 earmarks. But it eventually balked at the president's expensive cap-and-trade and health plans. This time around, Congress should give priority to the interests of beleaguered taxpayers -- and future generations -- and reject Obama's budget. Brian M. Riedl is a fellow in federal

budgetary affairs at the Heritage Foundation (heritage.org).

It's a good thing President Obama and the Democratic Congress just agreed to raise the federal debt limit by nearly \$2 trillion -- they're going to need every penny of it. And fast.

Last year, Obama swept into office promising to make tough choices -- and then released a budget proposing the largest debt-and-spending spree in American history. This year, he's at it again: Over 2010-2019, his new plan boosts spending another \$1.7 trillion and the deficit by \$2 trillion over what he proposed last year.

In fact, this year's budget shows yearly deficits as much as 49 percent larger than even last year's bloated proposal. This spending spree will drive up both taxes and deficits to levels unseen in US history.

Nor are the Obama deficits a temporary result of the recession. Despite a modest recovery, the 2010 budget deficit will be higher than the 2009 deficit. Nearly 42 cents of each dollar Washington spends will be borrowed.

Even by 2020 -- which Obama's planners assume will be a time of peace and prosperity -- annual deficits would still exceed \$1 trillion. By that point, nearly a fifth of all taxes would go toward paying the interest on this record debt.

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This time around, Congress should give priority to the interests of beleaguered taxpayers -- and future generations -- and reject Obama's budget.

# 20 reasons Global Debt Time Bomb explodes soon

By Paul B. Farrell

ARROYO GRANDE, Calif. (MarketWatch) -- Retire? You can forget about it if the new Global Debt Time Bomb is detonated by any one of 20 made-in-America trigger mechanisms.

Yes, 20. And yes, any one can destroy your retirement because all 20 are inexorably linked, a house-of-cards, a circular firing squad destined to self-destruct, triggering the third great Wall Street meltdown of the 21st century, igniting the Great Depression II that George W. Bush, Ben Bernanke, Henry Paulson and now President Obama have simply delayed with their endless knee-jerk, debt-laden wars, stimulus bonanzas and bailouts.

Deficit as national-security threat?

WSJ's Jerry Seib previews his column in tomorrow's Journal in which he writes the federal budget deficit has become so large, it's time consider it a natural-security threat. Plus, the News Hub provides a February market outlook and also discusses the findings of a new autism study.

Wow, what an epic Hollywood blockbuster this will make: You know the drama, can't miss the warnings. The financial press is flooding us with plot lines ... a Forbes cover story focuses on a "Global Debt Bomb: How It Could Wreck Your Life" ... Leaders at the World Economic Forum on Swiss Mt. Davos fear another global meltdown will trigger mass rebellions ... The Economist calls the plot a "Global Asset Bubble," with cheap money fast driving up asset prices.

Plus, Bloomberg BusinessWeek is adding jet fuel to the ticking time-bomb in: "After the Stimulus Binge, a Debt Hangover: Trillions of dollars have

been spent keeping the global economy afloat. But now fears about the Great Recession are giving way to worries about something else: The Great Reckoning" when massive debts come due. Then the debt bomb explodes "and the results won't be pretty for investors or elected officials."

Forbes discovered the trigger mechanism in "This Time Is Different: Eight Centuries of Financial Folly," by economists Carmen Reinhart and Kenneth Rogoff: The "90% ratio of government debt to GDP is a tipping point in economic growth." For 800 years "you increase it over and beyond a high threshold, and boom!" Well guess what? "The U.S. government-debt-to-GDP ratio is 84%." Soon, Ka-Booom! Depression. Kiss your retirement goodbye.

Who knows? Forbes? Bloomberg BusinessWeek? The Economist? Davos-World Economic Forum? True, they're all looking at the same plot line for a Hollywood blockbuster about the "Global Debt Time Bomb."

But the financial press navigates in a fog. There's not just one, but many triggers, all linked in a lethal network. We've reported on it for years. Now you tell us: What triggers this firestorm? Poll: 20 economic weapons of mass destruction triggering ticking Global Debt Time Bomb

**1. Federal Budget Deficit Bomb.** The Bush/Cheney wars pushed America deep into a debt hole. Federal debt limit was just raised almost 100% with Obama's 2010 budget, to \$14.3 trillion vs. \$7.8 trillion in 2005. The Congressional Budget Office predicts future deficits around 4% through 2020. Get it? America's debt at 84% of GDP will soon pass that toxic 90% trigger point.

**2. U.S. Foreign Trade Bomb.** Monthly deficits actually dropped from \$50 billion per month to roughly \$35 billion. But the total continues climbing as \$400 billion is added each year. Foreigners now own \$2.5 trillion of America, with China holding over \$1.3 trillion in Treasury debt.



**3. Weakening U.S. Dollar as Foreign Reserve Currency Bomb.** Fear China and other currencies will replace dollar as main foreign reserves. The dollar's fallen: The main index measuring dollar strength has gone from 120 at the Clinton-to-Bush handoff to below 80 today.

**4. Cheap Money Bomb: Credit Ratings Down, Rates Up.** Economists at S&P, Fitch and Moody's were totally co-conspirators of Fat Cat Bankers, misleading investors before meltdown: Soon, debt up, ratings down, interest rates soar.

**5. Global Real Estate Bomb.** Dubai Tower, new "world's tallest building" is empty. BusinessWeek warns that China's housing collapse could be worse than America's. Plus the U.S. commercial real estate bubble is now \$1.7 trillion, a "ticking time bomb" bloating 25% of bank balance sheets.

**6. Peak Oil and the Population Bomb.** China and India each need 500 new cities. The United Nations estimates world population exploding 50% from 6 billion to 9 billion by 2050: Three billion more humans demanding more automobiles, exhausting more resources to feed their version of the gas-guzzling "America Dream."

**7. Social Security Bomb.** We have no choice; eventually we must either cut benefits or raise taxes. Politicians hate both, so they'll do nothing. Delays worsen solutions. Without action, by 2035 Social Security and Medicare benefits will eat up the entire federal budget other than defense.

**8. Medicare: A Nuclear Bomb.** Going broke faster than Social Security. Prescription drug benefit added an unfunded \$8.1 trillion. In 5 years estimates rose from about \$35 trillion to over \$60 trillion now.

**9. Health-care Insurance Bomb.** Burden increasingly shifted to employees. Costs rising faster than inflation. Recent Obamacare plan would have cost \$90 billion annually, paid to Big Pharma and insurers.



**10. State and Local Government Budget Bombs.** Deficits of \$110 billion in 2010, \$178 billion in 2011 on top of more than \$450 billion in underfunded state and municipal employee pension funds.

**11. Underfunded Corporate Pensions Bomb.** From \$60 billion surplus in 2007 to \$409 billion deficit in 2009. And a whopping 92% of the pension plans of companies are now underfunded. Defaults are guaranteed by taxpayers.

**12. Consumer Debt Bomb.** Americans are still living beyond their means. Even with a downturn, consumer debt rose from about \$2.3 to \$2.5 trillion. Fat Cat Bankers love it -- yes love making matters worse by gouging cardholders and

mortgagees, blocking help in foreclosures and bankruptcies.

**13. Personal Savings Bomb.** Before the 2008 meltdown savings rate dropped from about 10% in the early 1980s to below zero. Now it's increasing, slowing retail recovery. Today, government's the big "unsaver."

**14. War and Military Defense Deficits.** Costs of Iraq and Afghanistan wars -- \$200+ billion annually, \$3 trillion minimum, with massive long-term costs for veteran medical care, equipment renewal, recruitment.

**15. Homeland Insecurity Bomb.** Security at airports, seaports, borders, vulnerable chemical plants all increase budgets.

**16. Fed/Treasury Bailout Bombs.** Tax credits, loans, cash and purchase of toxic assets from Wall Street banks estimated at \$23.7 trillion as new debt was shifted from too-big-to-fail Fat-Cat banks to taxpayers.

**17. Insatiable Washington Lobbyists Bombs.** Paulson, Goldman, Geithner, Morgan and Wall Street banks, through their lobbyists and former employees working inside now have absolute power over government spending. Democracy and voters are now irrelevant in America's new corporate-socialism.

**18. Shadow Banking: The Derivatives Bomb.** Wall Street wants no regulation of this \$670 trillion, high-risk, out-of-control casino that's highly leveraged versus the \$50 trillion total GDP of all nations. We forget that derivatives almost destroyed global economies in 2008-09, finally will by 2012.

**19. Dysfunctional Two-Party Political Bomb.** Polarized partisanship increasing: Every day both parties show zero interest in cooperating for the public good. Instead they fight viciously, resisting everything and anything proposed by opponents.

Only goal: Score political points, make the other side look bad.

**20. The Coming Populous Rebellion Bombs.** Nobody trusts anyone in authority. For good reason. So immediate gratification, short-term betting and a lack of long-term perspective wins for individual investors, consumers and taxpayers as well as Washington, Wall Street and Corporate America CEOs. Today: "Doing what's right for the common good and country" is just empty political rhetoric.

Forbes. The Economist. Davos-World Economic Forum. Bloomberg BusinessWeek. All one voice, one loud, lonely chorus echoing that famous Beatles tune: "Head in a cloud ... The fool on the hill, sees the sun going down ... a thousand voices talking perfectly loud. But nobody ever hears him, or the sound he appears to make ... And the eyes in his head, see the world spinning 'round ...ooh, round and round and round."

Historians and behavioral economists tell us most investors are blind optimists. Investors cannot see bubbles from inside their bubble. Nor Fat Cat Bankers from inside their mega-bonus-bubble. Nor politicians from inside the beltway bubble.

Why? The optimist's brain filters out bad news. They know their dreams of prosperity will come true. Then, when they finally do see that the proverbial light at the end of the tunnel is an oncoming train, it's always too late.

I will say it again, gently: A new meltdown is coming. The Great Depression II is coming, soon. And yet, I know your mental filters are working, blocking warnings of a bomb. I can even hear you calling me "the fool on the hill who sees the sun going down, the world spinning round" ... sees you kissing your retirement goodbye.

From:

<http://www.marketwatch.com/story/our-debt-time-bomb-is-ready-to-go-ka-boom-2010-02-02?dist=beforebell>

## The Country Reacts to Jon Stewart's Appearance on 'The Factor'

By Bill O'Reilly

While "The Factor" has utter disdain for the far left, people like George Soros and some of the loons on NBC, we have no beef with moderate liberal Americans who hold sincere beliefs and do not traffic in hatred.

It was interesting to hear Mr. Stewart put forth that Fox News is in business to help Republicans. I rebutted that, and you can decide who had the stronger argument.

Mr. Stewart bases his GOP belief primarily on two guys, Sean Hannity and Glenn Beck. As everybody knows, Sean is a conservative who admires the politics of Ronald Reagan, and he is very consistent with his point of view. So why does that offend people? Shouldn't there be one program, one program on cable news hosted by a political conservative? Does CNN have anybody like that? Does MSNBC? Does "Headline News"? Come on.

And then there's Glenn Beck. Trust me on this one: Beck doesn't like most party politics. He is a constitutionalist. He takes a very traditional point of view on what America should be. It's ridiculous, crazy even to assert that Glenn Beck devotes his program to promoting the GOP.

As far as the rest of Fox News is concerned, we have plenty of Republicans and plenty of Democrats on the staff, but nobody here really cares about that. If you're good at your job, you get to keep your job. If you watch the reporting by our hard news people, much of it brought to you by Bret Baier and Shepard Smith, two very fair guys, you know it's all facts, all the time.

Now Stewart has a minor beef with the "Fox & Friends" crew in the morning, but that's a hybrid news/entertainment program. So my question for John is this: You have an entertainment program. You're a liberal. So what if some of the "Fox & Friends" crew are conservative? Doesn't that balance things out?

For 13 years, liberal America has been frustrated with Fox News because we are the first TV news operation in history that actually gives conservatives and traditional Americans a voice. I mean, look at the roster: Walter Cronkite, Dan Rather, Bill Moyers, Ted Koppel, Tom Brokaw, all lean left, and these are the biggest names in broadcast journalism history.

So I understand the shock and awe that some liberals feel about Fox News. I feel their pain. We are different, but that doesn't mean the network is in business to shill for anybody. It just means that finally conservatives get a break on the tube. And if you object to that, you're not fair and balanced.

And that's "The Memo."

## State of the Union Fact Check

Posted by Cato Editors

Cato experts put some of President Obama's core State of the Union claims to the test. Here's what they found.

### THE STIMULUS

Obama's claim:

The plan that has made all of this possible, from the tax cuts to the jobs, is the Recovery Act. That's right - the Recovery Act, also known as the Stimulus Bill. Economists on the left and the right say that this bill has helped saved jobs and avert disaster.

Back in reality: At the outset of the economic downturn, Cato ran an ad in the nation's largest newspapers in which more than 300 economists (Nobel laureates among them) signed a statement saying a massive government spending package was among the worst available options. Since then, Cato economists have published dozens of op-eds in major news outlets poking holes in big-government solutions to both the financial system crisis and the flagging economy.

### CUTTING TAXES

Obama's claim:

Let me repeat: we cut taxes. We cut taxes for 95 percent of working families. We cut taxes for small businesses. We cut taxes for first-time homebuyers. We cut taxes for parents trying to care for their children. We cut taxes for 8 million Americans paying for college. As a result, millions of Americans had more to spend on gas, and food, and other necessities, all of which helped businesses keep more workers.

Back in reality: Cato Director of Tax Policy Studies Chris Edwards: "When the president says that he has 'cut taxes' for 95 percent of Americans, he fails to note that more than 40 percent of Americans pay no federal incomes taxes and the administration has simply increased subsidy checks to this group. Obama's refundable tax credits are unearned subsidies, not tax cuts."

Visit Cato's Tax Policy Page for much more on this.

### SPENDING FREEZE

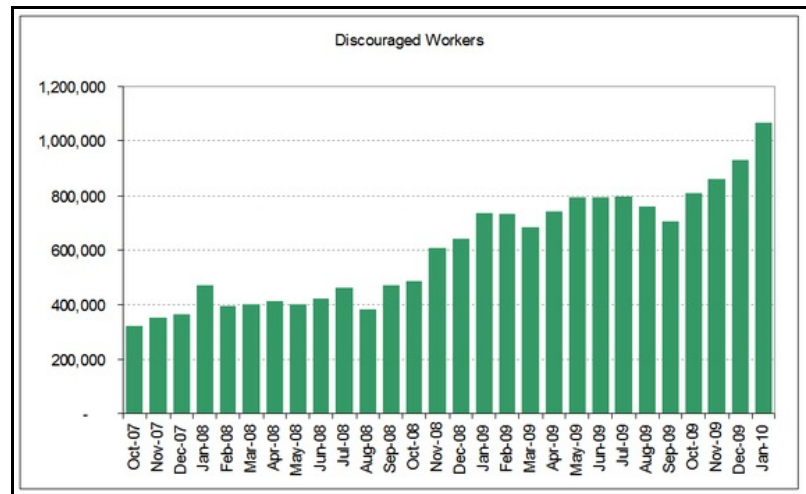
Obama's claim:

Starting in 2011, we are prepared to freeze government spending for three years.

Back in reality: Edwards: "The president's proposed spending freeze covers just 13 percent of the total federal budget, and indeed doesn't limit the fastest growing components such as Medicare.

"A better idea is to cap growth in the entire federal budget including entitlement programs, which was essentially the idea behind the 1980s bipartisan Gramm-Rudman-Hollings law. The freeze also doesn't cover the massive spending under the stimulus bill, most of which hasn't occurred yet. Now that the economy is returning to growth, the president should both freeze spending and rescind the remainder of the planned stimulus."

Plus, here's why these promised freezes have never worked in the past and a chart illustrating the fallacy of Obama's spending claims.



### JOB CREATION

Obama's claim:

Because of the steps we took, there are about two million Americans working right now who would otherwise be unemployed. 200,000 work in construction and clean energy. 300,000 are teachers and other education workers. Tens of

thousands are cops, firefighters, correctional officers, and first responders. And we are on track to add another one and a half million jobs to this total by the end of the year.

Back in reality: Cato Policy Analyst Tad Dehaven: "Actually, the U.S. economy has lost 2.7 million jobs since the stimulus passed and 3.4 million total since Obama was elected. How he attributes any jobs gains to the stimulus is the fuzziest of fuzzy math. `Nuff said."

From:

<http://www.cato-at-liberty.org/2010/01/28/sta-te-of-the-union-fact-check/>

### **After a flurry of stimulus spending, questionable projects pile up**

By: Susan Ferrechio

The \$787 billion stimulus bill was passed in February and was promised as a job saver and economy booster. Here is where some of the money went:

- \$300,000 for a GPS-equipped helicopter to hunt for radioactive rabbit droppings at the Hanford nuclear reservation in Washington state.
- \$30 million for a spring training baseball complex for the Arizona Diamondbacks and Colorado Rockies.
- \$11 million for Microsoft to build a bridge connecting its two headquarter campuses in Redmond, Wash., which are separated by a highway.
- \$430,000 to repair a bridge in Iowa County, Wis., that carries 10 or fewer cars per day.
- \$800,000 for the John Murtha Airport in Johnstown, Pa., serving about 20 passengers per day, to build a backup runway.

- \$219,000 for Syracuse University to study the sex lives of freshmen women.
- \$2.3 million for the U.S. Forest Service to rear large numbers of arthropods, including the Asian longhorned beetle, the nun moth and the woolly adelgid.
- \$3.4 million for a 13-foot tunnel for turtles and other wildlife attempting to cross U.S. 27 in Lake Jackson, Fla.

### **Political Stimulation**

Transfer payment increases that are part of the House version of the American Recovery and Reinvestment Act of 2009, in billions

Refundable tax credits	\$82.7
Medicaid	81
Food stamps	20
Public housing	7.5
COBRA insurance extension	30.3
Unemployment insurance	36
Additional SSI payments	4.2
Welfare cash payments	2.5
Nutrition programs	1.0

Source: House and Senate Budget Committee minority

- \$1.15 million to install a guardrail for a persistently dry lake bed in Guymon, Okla.
- \$9.38 million to renovate a century-old train depot in Lancaster County, Pa., that has not been used for three decades.
- \$2.5 million in stimulus checks sent to the deceased.
- \$6 million for a snow-making facility in Duluth, Minn.



- \$173,834 to weatherize eight pickup trucks in Madison County, Ill.

- \$20,000 for a fish sperm freezer at the Gavins Point National Fish Hatchery in South Dakota.

- \$380,000 to spay and neuter pets in Wichita, Kan.

- \$300 apiece for thousands of signs at road construction sites across the country announcing that the projects are funded by stimulus money.

- \$1.5 million for a fence to block would-be jumpers from leaping off the All-American Bridge in Akron, Ohio.

- \$1 million to study the health effects of environmentally friendly public housing on 300 people in Chicago.

- \$356,000 for Indiana University to study childhood comprehension of foreign accents compared with native speech.

- \$983,952 for street beautification in Ann Arbor, Mich., including decorative lighting, trees, benches and bike paths.

- \$148,438 for Washington State University to analyze the use of marijuana in conjunction with medications like morphine.

- \$462,000 to purchase 22 concrete toilets for use in the Mark Twain National Forest in Missouri

- \$3.1 million to transform a canal barge into a floating museum that will travel the Erie Canal in New York state.

- \$1.3 million on government arts jobs in Maine, including \$30,000 for basket makers, \$20,000 for storytelling and \$12,500 for a music festival.

- \$71,000 for a hybrid car to be used by student drivers in Colchester, Vt., as well as a plug-in

hybrid for town workers decked out with a sign touting the vehicle's energy efficiency.

- \$1 million for Portland, Ore., to replace 100 aging bike lockers and build a garage that would house 250 bicycles.

Sources: News reports, Office of the Senate Minority Leader, Office of Sen. Tom Coburn

## A 40-Year Wish List

You won't believe what's in that stimulus bill.  
(from the Wall Street Journal, Jan. 28, **2009**)

"Never let a serious crisis go to waste. What I mean by that is it's an opportunity to do things you couldn't do before."

So said White House Chief of Staff Rahm Emanuel in November, and Democrats in Congress are certainly taking his advice to heart. The 647-page, \$825 billion House legislation is being sold as an economic "stimulus," but now that Democrats have finally released the details we understand Rahm's point much better. This is a political wonder that manages to spend money on just about every pent-up Democratic proposal of the last 40 years.

We've looked it over, and even we can't quite believe it. There's \$1 billion for Amtrak, the federal railroad that hasn't turned a profit in 40 years; \$2 billion for child-care subsidies; \$50 million for that great engine of job creation, the National Endowment for the Arts; \$400 million for global-warming research and another \$2.4 billion for carbon-capture demonstration projects. There's even \$650 million on top of the billions already doled out to pay for digital TV conversion coupons.

In selling the plan, President Obama has said this bill will make "dramatic investments to revive our flagging economy." Well, you be the judge. Some \$30 billion, or less than 5% of the spending in the

bill, is for fixing bridges or other highway projects. There's another \$40 billion for broadband and electric grid development, airports and clean water projects that are arguably worthwhile priorities.

Add the roughly \$20 billion for business tax cuts, and by our estimate only \$90 billion out of \$825 billion, or about 12 cents of every \$1, is for something that can plausibly be considered a growth stimulus. And even many of these projects aren't likely to help the economy immediately. As Peter Orszag, the President's new budget director, told Congress a year ago, "even those [public works] that are 'on the shelf' generally cannot be undertaken quickly enough to provide timely stimulus to the economy."

[Review & Outlook]

Most of the rest of this project spending will go to such things as renewable energy funding (\$8 billion) or mass transit (\$6 billion) that have a low or negative return on investment. Most urban transit systems are so badly managed that their fares cover less than half of their costs. However, the people who operate these systems belong to public-employee unions that are campaign contributors to . . . guess which party?

Here's another lu-lu: Congress wants to spend \$600 million more for the federal government to buy new cars. Uncle Sam already spends \$3 billion a year on its fleet of 600,000 vehicles. Congress also wants to spend \$7 billion for modernizing federal buildings and facilities. The Smithsonian is targeted to receive \$150 million; we love the Smithsonian, too, but this is a job creator?

Another "stimulus" secret is that some \$252 billion is for income-transfer payments -- that is, not investments that arguably help everyone, but cash or benefits to individuals for doing nothing at all. There's \$81 billion for Medicaid, \$36 billion for expanded unemployment benefits, \$20 billion for food stamps, and \$83 billion for the earned

income credit for people who don't pay income tax. While some of that may be justified to help poorer Americans ride out the recession, they aren't job creators.

As for the promise of accountability, some \$54 billion will go to federal programs that the Office of Management and Budget or the Government Accountability Office have already criticized as "ineffective" or unable to pass basic financial audits. These include the Economic Development Administration, the Small Business Administration, the 10 federal job training programs, and many more.

Oh, and don't forget education, which would get \$66 billion more. That's more than the entire Education Department spent a mere 10 years ago and is on top of the doubling under President Bush. Some \$6 billion of this will subsidize university building projects. If you think the intention here is to help kids learn, the House declares on page 257 that "No recipient . . . shall use such funds to provide financial assistance to students to attend private elementary or secondary schools." Horrors: Some money might go to nonunion teachers.

The larger fiscal issue here is whether this spending bonanza will become part of the annual "budget baseline" that Congress uses as the new floor when calculating how much to increase spending the following year, and into the future. Democrats insist that it will not. But it's hard -- no, impossible -- to believe that Congress will cut spending next year on any of these programs from their new, higher levels. The likelihood is that this allegedly emergency spending will become a permanent addition to federal outlays -- increasing pressure for tax increases in the bargain. Any Blue Dog Democrat who votes for this ought to turn in his "deficit hawk" credentials.

This is supposed to be a new era of bipartisanship, but this bill was written based on

the wish list of every living -- or dead -- Democratic interest group. As Speaker Nancy Pelosi put it, "We won the election. We wrote the bill." So they did. Republicans should let them take all of the credit.

From:

<http://online.wsj.com/article/SB123310466514522309.html>

## Behind Obama's Phony Deficit Numbers

By Dick Morris

President Obama is being disingenuous when he says that the budget deficit he faced "when I walked in the door" of the White House was \$1.3 trillion. He went on to say that he only increased it to \$1.4 trillion in 2009 and was raising it to \$1.6 trillion in 2010.

Congressman Joe Wilson might have said "you lie," but we'll settle for "you distort."

(As Mark Twain once said, there are three kinds of lies: "lies, damn lies, and statistics.")

Here are the facts:

In 2008, Bush ran a deficit of \$485 billion. By the time the fiscal year started on October 1, 2008, it had gone up by another \$100 billion due to increased recession-related spending and depressed revenues. So it was about \$600 billion at the start of the fiscal crisis. That was the real Bush deficit.

But when the fiscal crisis hit, Bush had to pass TARP in the final months of his presidency which cost \$700 billion. Under the federal budget rules, a loan and a grant are treated the same. So the \$700 billion pushed the deficit - officially - up to \$1.3 trillion. But not really. The \$700 billion was a short term loan. \$500 billion of it has already been repaid.

So what was the real deficit Obama inherited? The \$600 billion deficit Bush was running plus the \$200 billion of TARP money that probably won't be repaid (mainly AIG and Fannie Mae and Freddie Mac). That totals \$800 billion. That was the real deficit Obama inherited.

Then he added \$300 billion in his stimulus package, bringing the deficit to \$1.1 trillion. This \$300 billion was, of course, totally qualitatively different from the TARP money in that it was spending not lending. It would never be paid back. Once it was out the door, it was gone. Other spending and falling revenues due to the recession pushed the final numbers for Obama's 2009 deficit up to \$1.4 trillion.



So, effectively, Obama came close to doubling the deficit.

Obama seems not to understand that the deficit is the jobs problem. To add to the deficit in the hope of creating more jobs is an oxymoron. Additional deficit spending just crowds out small businesses trying to borrow money to create jobs and consumers seeking credit to buy cars and homes.

Soon, when the Fed stops printing money and we have to borrow real funds from real lenders, the

high deficit will send interest rates soaring, further retarding growth and creating a cost-push inflation.

The interest rate we are now paying for the debt - about 3.5% - is totally artificial and based on the massive injection of money supply created by the purchase of mortgage backed securities by an obliging Federal Reserve. Once these injections of currency/heroin stop, the rate will more than double, sending our debt service spending into the stratosphere. Once we had to choose between guns and butter. Now we will have to choose between guns and butter on the one hand and paying our debt service on the other.

Obama's program of fiscal austerity in this new budget is a joke. He freezes very selected budget items while he shovels out new spending in his stimulus packages. If he wanted to lower the deficit, here's what he could do:

1. Cancel the remaining \$500 billion of stimulus spending and
2. Cancel the \$300 billion of spending in stimulus II.

Those are the real numbers. Or, as Al Gore would have it, "the inconvenient truth."



This person makes a good case for Toyota being unfairly attacked:

<http://www.floppingaces.net/2010/02/04/obamas-new-wot-war-on-toyota/>

Remember how Obama demonized lobbyists and told us that they would not be a part of his

administration? Here is an excellent article along with a very clear spreadsheet as to which lobbyists Obama has hired, for which positions, and from where they originally came (there are nearly 50 such lobbyists in his administration):

<http://www.floppingaces.net/2010/02/03/did-obama-lie-about-excluding-lobbyists-from-his-administration/>

Obama and Democrat Senators Q&A period:

[http://www.huffingtonpost.com/2010/02/03/obamas-question-time-with\\_n\\_447409.html](http://www.huffingtonpost.com/2010/02/03/obamas-question-time-with_n_447409.html)

A blast from the past; Nancy Pelosi asks, "Mr. President, where are the jobs?"

<http://www.house.gov/pelosi/press/releases/Aug03/prWherearetheJobs080103.html>

RFK Jr.'s column of 15 months ago, telling us how there used to be a lot of snow in Washington D.C., but times have changed because of global warming.

[http://www.robertfkennedyjr.com/articles/2008\\_sep\\_Los\\_angeles\\_times.html](http://www.robertfkennedyjr.com/articles/2008_sep_Los_angeles_times.html)

Remember the anti-war protestor Cindy Sheehan? Well, we should expect that she does not like the drone attacks which Obama launches with great frequency. How does she deal with Obama's love of drones? She holds a protest near Dick Cheney's former house in Virginia:

<http://sweetness-light.com/archive/sheehan-protests-at-cheney-house>

## Additional Sources

Economic jobs and states for December and January (it is a little bit different than what is being reported):



[http://business.theatlantic.com/2010/02/unemployment\\_rate\\_falls\\_to\\_97\\_but\\_20000\\_were\\_lost.php](http://business.theatlantic.com/2010/02/unemployment_rate_falls_to_97_but_20000_were_lost.php)

Yet, the NY Times (and others) report that the economy is getting better (which makes me ask the question; if McCain was president, would we have these same *hopeful* stories if the stats were the exact same?):

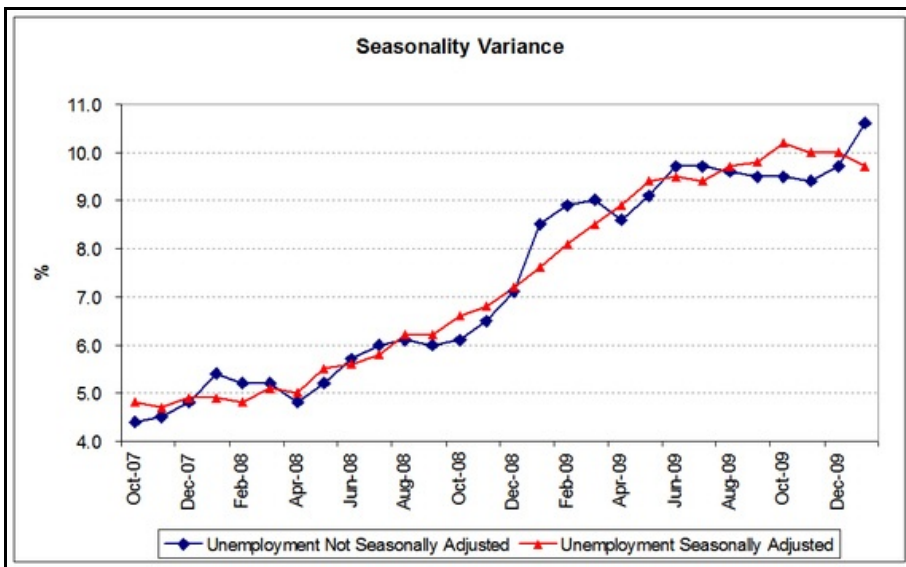
<http://www.nytimes.com/2010/02/06/business/economy/06jobs.html>

Obama tells another healthcare sob story, and again, his facts are not right:

<http://justoneminute.typepad.com/main/2010/02/our-bigtime-investigative-media.html>

## The Rush Section

### Note to AP: The Senate Needs Diversity of Thought, Not Color



RUSH: Deanna Bellandi, the chickification of the news, Associated Press: "That historically all-white club known as the US Senate is likely to lose what little diversity it has after November's elections. Two white men will be competing for President Barack Obama's former seat in Illinois, now held by Roland Burris, the chamber's lone African-American. Appointed by the scandal-tainted former governor, Burris won't be seeking a full term. In contests in Florida, Texas and North Carolina, black candidates face daunting challenges to joining the august body, from difficulty raising cash to lack of name recognition to formidable rivals.

Obama tells us that we are on the 5 yard line when it comes to getting healthcare passed:

<http://www.youtube.com/watch?v=93vVbvA3UCw>

A weapon of mass destruction discovered in Iraq?

<http://www.dailymail.co.uk/news/worldnews/article-1248567/Iraq--Missile-discovered-Baghdad-s-Abu-Ghraib-suburb.html>

Obama mispronounces *corpsman* 3 times:

<http://www.floppingaces.net/2010/02/04/obamas-nook-ular-moment/>

Blacks comprise 12.2 percent of the nation's population, but you wouldn't know it in the 100-member Senate. Come next year, the total number could add up to zero. 'It certainly is not a desirable state of affairs,' said David Bositis, a senior political analyst with the Joint Center for Political and Economic Studies."

Now, notice the article is only talking about the diversity of skin color, not the diversity of political thought. In truth, if the Republicans take away more seats from the Democrats' supermajority, the Congress will be more diverse. Deanna, if the Republicans take away a lot of seats, it will be more diverse in the way diversity counts. But of

course in the minds of State-Controlled Associated Press, the color of one's skin is far more important than the content of their character. In fact, the way I read this, Snerdley, the AP seems to be suggesting that with Senate seats once you go black you can never go back. Once you go black you can never go back, seems like that's what they're saying with Senate seats and if you go black and then you go back, somehow some horrible thing has happened. They also seem to be demanding racial quotas for our elected officials in honor of Black History Month. I thought the election of Obama was going to put an end to all this kind of nonsense, didn't you? I mean that's what we were told. You go black you'll never go back, but apparently that bit of philosophy here is being blown to smithereens. AP's disgruntled about it. I mean you can almost see the tear stains on the paper here of the writer.

AP story on the Senate and how they might lose their diversity:

[http://news.yahoo.com/s/ap/20100205/ap\\_on\\_el\\_se/us\\_senate\\_diversity](http://news.yahoo.com/s/ap/20100205/ap_on_el_se/us_senate_diversity)

## **The Euro's Disaster Could Happen Here Thanks to Obama's Deficits**

RUSH: Here's what's happened in Europe. The European Union has put Athens, Greece, on an unprecedented short leash demanding deep fiscal adjustments and regular reports on the progress in slashing Greece's deficit to below 3% in 2012. Now, imagine if the ChiComs did that to us? Imagine if the ChiComs demanded that we go on an austerity program like the EU is demanding of Greece. That could be what's spooking the US market, even the world. We drive the world's economy, but we have lost control of our economic destiny, folks. Our economic destiny is no longer ours, individually -- and there's Obama, predictable, speaking again about how he saved the nation from depression. Today's news

suggests we're climbing out of the hole we found ourselves in, he said. No, I wish it were true, folks. I wish it was true. But it isn't.

Greece's deficit, by the way, is 12.7% of GDP. That's what the European Union has found to be unacceptable. Greece has now pledged to reduce its deficit by four percentage points to 8.7% of gross domestic product in '10 and thereafter to 5.6% and then 2.8% and 2% down in 2013. Last year 12.7% was their fiscal deficit. Obama's budget proposal, \$1.6 trillion in the red in 2010, a deficit equal to 10.6% of GDP, and they're demanding that Greece get down to 8% of GDP. If the ChiComs decided to do this to us? This is all predictable, this is all predictable. Proposed new small business tax credit, we've pulled the country out of depression, saved it from depression, climbing out of the hole we find ourselves in; climbing out of the hole that we inherited. This is leadership from the young man-child somehow elected president of the United States.

RUSH: Now, we spent a lot of time on Europe yesterday and explaining why what's happening over there could be having an effect on our stock market, and of course the problem that's happening now is that -- I mentioned this yesterday -- that the euro may actually collapse. These are states, equivalent to our states. Greece is like a state in the European Union and they can't print their own money. New Jersey can't print its own money. The four countries that are really providing problems are Portugal, Italy, Greece, and Spain. They have huge deficits and no monetary policy, no national monetary policy that they can monkey with and manipulate. A lot of people are fearful that they can't resolve the problems within the confines of the euro because they don't know that the EU can bail 'em out. The EU is not working. It's a grandiose idea trying to mimic us but of course we are the product of ideas, and they're not.

Now, Mike Munger thinks it's possible we're looking at the end of the euro as we know it, as one or more of these countries may have to -- normally, folks, I wouldn't bother you with all this, but it has an effect, it's having an effect on the stock market here. And a lot of these countries are socialist countries -- and hang on for the piece de resistance -- now, Munger says that "It is not impossible that we are looking at the end of the euro as we know it, as one or more of these countries may have to drop out and inflate a new national currency to get out from under their fiscal situation," and he says this is 37% probability. He's run the numbers. And the situation is getting worse rather than better because as the EU has demanded that Greece lower its deficit as a percentage of GDP, the announced austerity programs are causing rioting, "striking and Portuguese legislators appear to be thinking about increasing spending and raising rather than lowering their deficit. The Spanish stockmarket fell 6% yesterday, Portugal's 5% and Greece's 3.5 %."

And from the Los Angeles Times: "Protests in Greece Over New Austerity Measures -- Reporting from Athens -- Tax and customs inspectors took to the streets of Greece on Thursday at the head of an expected wave of new labor unrest as the country tries to claw its way out of a debt crisis that threatens to engulf much of Europe. The walkout was the first of several planned protests over the government's new austerity plan intended to restore confidence in its finances." But you have all these dependent people, and they hear an austerity program, and, "Oh, I'm not going to get my government goodies!" "More labor unrest is expected as the government drafts a plan to trim the budget and raise levies --" taxes, that's a new word, by the way, to replace tax. "-- raise levies to cut the deficit, which has passed 12%." So, same thing could happen here. I want you to put yourself in the future and imagine the ChiComs demanding that we do the same thing the EU is demanding of Greece. Your debt as a percentage GDP, 'cause

we own it, ChiComs say, is way too high. We need you to get that debt down to 8% instead of the 10.6% that it is.

Well, the only way to do that would be to really cut spending and lower taxes to create jobs and economic output. Is Obama going to do any of that? If he did, can you imagine the howls of protest from at least the 36% of the people in this country that Gallup found like socialism? Riots? Strikes? Same thing could happen here. The situation is not that much different. We can inflate our currency all we want, we can continue to print it, but in the end it only makes it much worse. And right now what Obama and the Democrats are looking at, if you take a look at their budget and everything else, they're looking at getting outta town before we have to make the deal with the devil. They're looking at getting out of town before the excrement hits the fan. That's their plan. Wreck the country and then flee.



RUSH: Back to the phones, Boca Raton, this is Jim. By the way, I just got a fax, or an e-mail. Jim, I'm told there are three conservatives in Boca Raton.

CALLER: (laughing) Well, I happen to be one of them, Rush. Not all the folks down here are

socialists or liberals. And I want to bring up a point that has not been discussed on the air and get some advice from you on it. As a matter of fact, you're the only person that mentioned it. I am going to say two words, Rush Limbaugh: China card. In other words, what I'm talking about is, because the United States is dependent on what will be the second largest economic power by the end of the year -- taking that spot from Japan -- they have started to flex their muscles as far as the control over the United States and how we do business, vis-a-vis the severe consequences of Obama meeting with the Dalai Lama, the arms sales to Taiwan, and the refusal to devalue their currency -- also to threaten severe consequences, as well as to flex their muscles at all these areas. They are going to pull the plug on loans, and then where will we be?

RUSH: Well, not as bad as if they called 'em.

CALLER: Right.

RUSH: I want to ask you something. I've got a story from the Washington Times, I didn't get into it in a lot of detail, just pulled one quote from it, but here it is. It's by David Dickson. "China has acknowledged that its export-driven economy took a beating in 2008 and 2009, but Western analysts, most of whom are suspicious of Beijing's willingness to concede downturns, think China may have already slipped into a recession." And that they're hiding it with phony, trumped-up numbers that show rabid economic growth. And more and more people are beginning to think that the ChiComs are manipulating their economic statistics just like the Obama administration is. Now, how do you explain? When you say that the ChiComs are going to play the card, how is that going to manifest itself?

CALLER: Well, you can see the move toward socialism right now as far as the government is concerned, and I really am feeling more and more like they are going to have more of an influence

economically, as far as these loans are concerned. They're supporting a lot of financing of this thing we're going through right now, and if they pull the plug on that. If they seem to be our major source of funds in order to even float this thing during this crazy time.

RUSH: Well, it could be. I know that they have -- at least there have been reports that the ChiComs have told Obama they're very, very worried about all of this debt and all of this borrowing, and Obama is going to turn that around and say we gotta raise taxes, and I think that's. His trip over to China was a dud. By all measures and all reports, it was a dud. Yeah, and this ChiCom thing it's got everybody on edge, a little unease out there, because if they called the debt, or if they did what the EU was doing to Greece and demanded that we get our debt down below to 10% of GDP, whew! (interruption) Well, they're kind of interlinked with us. I mean it might hurt their economy because they're export driven. We consumers here have to have money to buy their stuff. And not only us, but around the world, too. Anyway, Jim, thanks much for the call. I appreciate it.

Protests in Greece over new austerity measures:

[http://www.latimes.com/news/nation-and-world/la-fg-greece5-2010feb05\\_0,3244747.story](http://www.latimes.com/news/nation-and-world/la-fg-greece5-2010feb05_0,3244747.story)

Greece is a dress rehearsal for the U.S.:

<http://www.businessweek.com/news/2010-02-05/greece-dress-rehearsal-for-u-s-u-k-debt-deutsche-bank-says.html>

## **The Obama Economy: It's Scary**

RUSH: Man. We're about to go down through the 10,000 level on the Dow Jones Industrial Average. We are down almost 200 points today, and we have been trickling down ever since what, Snerdley? Ever since Obama attacked the banks

and promised to tax them for repaying with interest. (imitating Obama) "We want our money back, we want to get our money back." Now these guys are going after Toyota, thug politics. The government is going after Toyota and they're even accusing the Prius, the Prius -- oh, my God, the sacred Prius -- of having brake problems. I didn't know a Prius went fast enough to need brakes, but apparently there are brake problems in the Prius. We're heading down, folks, down to below 10,000, 10,059, it just keeps falling. Down 211 now. The market was on its way to 11,000 when Obama attacked the banks, promised to tax them for repaying TARP money with interest. Then he released his economy-killing budget. The market's voting and it isn't even November. These are people with skin in the game.

Obama says he's not a Bolshevik, and he says he's not an ideologue. That leaves one other possibility, he's an idiot, a full-fledged idiot if he's not an ideologue and he's not a Bolshevik. Now, some of the market experts are saying, "No, no, no, no, no, Rush, what's happening is Europe is spooking --" don't give me that. Maybe what's happening in Europe is spooking them but you can't take -- oh, and I'll tell you what else. They're going to have a revised unemployment number. Remember we told you about this, the government is going to have to revise it downward because they did not count over 800,000 jobs lost last year. They did not count over 800,000 jobs and they gotta make that up in a revision, and the Obama administration has obviously been manipulating the numbers all year to keep it at 10% or below. They don't want it going over 10%, U3, that is. U6 is 17. That's the number of people who have given up looking and so are not counted on the U3 employment.

I was reading John Crudele today in the New York Post, and I learned something else. One of the ways the Bureau of Labor Statistics computer model handles unemployment numbers is that they assume that there are a bunch of small businesses that they can't get to that are so small

that they statistically figure are losing jobs. So they throw that in there. And at the same time, they also count a number of small business startups that they don't know about and add that number in. They're just wild guessing on some of this. I know. Well, the Moody's bunch, the bond rating people threatening to lower America's credit rating from AAA, and look, there are a whole lot of factors, but why is that going on? Why the hell is that going on? Look at the budget, the deficit, all the borrowing that we're doing. We're going to raise the debt ceiling to \$1.9 trillion. We're going to go through that by the end of February. It was supposed to last through March. We're going to go through that by the end of this month, and we're going to have to do it all over again. This is scary. To me it really is scary.

RUSH: I got an e-mail from a subscriber at Rush 24/7 today and I had to run the numbers here. We have a math expert now on staff that runs the numbers. I had to hire one because nobody else on the staff could ever run the numbers right, including me. So we got an off-site mathematician here that runs the numbers. "Rush, use George Clooney to explain the magnitude of the Obama \$3.8 trillion budget. Clooney's telethon for Haiti raised \$66 million. Big number, right? Well, George Clooney would have to have a \$66 million telethon every day for the next 158 years to match Obama's spending in this budget. Does that help put it in perspective?" A \$66 million telethon every day for the next 158 years! Wow, shocking, shocking, shocking. But it is a great way to illustrate just how much money that we don't have that Obama is spending.

RUSH: Cherie in Valparaiso, Indiana, great to have you on the EIB Network. Hello.

CALLER: Hi, Rush. I'm thrilled.

RUSH: Thank you.



CALLER: I heard what you said about eight million jobs lost, and I wondered if you knew that over 8.3 million illegal immigrants are currently working in the United States.

RUSH: Well, I don't know what the numbers of illegals working are. The number of illegals in the country is between 12 and 20 million.

CALLER: Well, this was according to the Pew Hispanic Research Study on undocumented immigrants from back in April. You can find it on their website. And it just seems to me that if that is true, that the fairest, most efficient way to, quote, unquote, "create jobs" would be to send the illegals home and not give them amnesty.

RUSH: Ah, ah, ah, ah, ah! But remember something, Cherie: Quote, unquote, "These are jobs the American people don't want. These are jobs the American people refuse to do."

CALLER: Well, when you're desperate (chuckles) I think you might be more inclined to take fast food jobs, factory jobs.

RUSH: Of course! I'm just saying. I'm just saying what the pro-amnesty crowd says, what the open-borders people say.

CALLER: Yeah. Well, there is an easy way to do it. It's nondiscriminatory; it's federally approved. It's called e-Verify, and all a business needs is a personal computer and they can check the worker's legal status through the Department of Homeland Security and Social Security databases. That way legal workers, legal immigrants, and citizens of the United States get those jobs first.

RUSH: I appreciate your calling on that.

CALLER: Thanks, Rush.

RUSH: I really do. Thanks, Cherie.

RUSH: I've been following the Dow Jones Industrial Average plummet today, down over 200 -- 206 right now, just barely above 10,000, 10,064, and it was very recent that we were up at 11,000 or approaching 11,000, and clearly there's some domestic politics involved here, the budget and the attack on the banks and the new bank tax, the tax banks are paying money back they've already paid back with interest. But an economist buddy of mine sent me this short little note, 'cause I had read earlier today that financial experts are blaming today's plunge on Europe. So I sent out an all points bulletin, "What the hell is going on in Europe that would cause this?" This is what I got back.

"Hey, Rush, you could literally see the beginning of the breakup of the European Union now, especially the end of the euro common currency. It's a fundamentally flawed system. It is a failed experiment over there. This could get really, really ugly and we haven't seen the worst of it yet. Then you have Austria. Austrian banks lent billions to Eastern Europe and they can't get paid back. Remember, World War II started with a big Austrian bank failing back then. That was the beginning. You gotta add Ireland to the list here, they're in trouble. You could literally see the monetary payment system shut down over in the EU in some countries. It's gonna get ugly, my friend. A 50-50 chance the EU's going to fall apart, the currency. Here, too. And Obama has no clue what to do here. None. He's a total short sale." That's from my economic buddy.

RUSH: Gordon in Roanoke, Virginia, let me get to you first. Hi, Gordon, nice to have you on the program.

CALLER: Hello, Rush. Hello. Thanks for taking my call.

RUSH: Yes, sir.

CALLER: I was calling about the story you mentioned earlier, the media is pushing about the fear of losing our bond rating.

RUSH: Yeah.

CALLER: And I'm in Virginia. Governor Warner, whenever he was governor of this state, used the same story to cause a lot of fear and actually push through a billion-dollar tax increase, and I just think that's what they're doing with this story --

RUSH: A-ha.

CALLER: -- trying to gin up the fear, and now that Warner and Kaine are out of office they increased our tax (unintelligible) increase our taxes and spending, now they've left us billions of dollars in debt.

RUSH: Let me ask you a question. It's Moody's here that is threatening to lower the rating. Can Obama call up and tell Moody's what he wants them to say?

CALLER: I just think -- if our family and our credit cards get high, what's the first thing you do? You stop spending. I don't try to increase my credit limit and I think that's what we ought to be doing as a country.

RUSH: Well, obviously. Of course. We're spending more and more and more, and now Obama is saying: "Time to get our arms around spending too much" that's the prelude to tax increases is Obama saying, "We can't continue this kind of spending," as though he's had no role in it. Look, I gotta run here, Gordon, because I am sadly out of precious broadcast minutes.

Why is it unexpected that jobless claims rise?

<http://sweetness-light.com/archive/initial-jobless-claims-rise-unexpectedly>

US Recession Job Loss May Have Been Undercounted By 824,000

<http://247wallst.com/2010/02/04/us-recession-job-loss-may-have-been-undercounted-by-824000/>

Proof that the honeymoon is over:

<http://www.usnews.com/blogs/doug-heye/2010/02/04/forget-polls-heres-tangible-proof-the-obama-honeymoon-is-over.html>

## Obama Wants High Unemployment

RUSH: Louisville, North Carolina, this is Jeff. Great to have you on the program, sir.

CALLER: Oh, thank you, Rush. I'm a 20-year-listener, and I am thrilled to be talking to you today.

RUSH: Thank you, sir, very much.

CALLER: I wanted to comment on the jobs stuff that you had talked about earlier with the new numbers coming out and so on, and I think that a gross miscalculation that the administration has made, it really goes to their arrogance, is they think that companies are going to rehire at the same rate that they let people go. And they are sadly mistaken. No one is going to hire until they absolutely have to hire because they have way too much work to handle. And there's nobody out here that I know of that's got way too much to handle.

RUSH: Good point. There is a giant misunderstanding of capitalism by people who hate it, and they look at it and they see it as a perpetual machine producing dollars and profits that they can skim and tax and take. And they look at these people as all greedy, and if they're not hiring people it's because they want their high profits to be maintained. They have an

ingrained hatred for the pursuit of profit and they have a double ingrained hatred for the people that make a profit. Look, your theory is solid. It's dead on. I can't get past the fact that there's a part of me that believes Obama is very happy --

CALLER: I agree.

RUSH: -- for unemployment to stay where it is.

CALLER: Well, you know, I'm in the construction industry here in North Carolina and we're suffering. I mean it's unbelievable how bad we're suffering, and he thinks that he's gonna, you know, turn it on here before the election and put that stimulus money out, there's not enough time. There's not enough time at this point for that to happen, and it's not nearly enough money to make it happen.

RUSH: It depends. Now, remember, this bunch will manipulate numbers. We've now passed the point or reached the point where there are more government union workers than private sector union workers. And this stimulus money is gonna go to states and gonna go to cities where they're going to be able to keep people or hire new ones. He doesn't care where jobs are as long as he can say the unemployment rate is going down.

CALLER: Yeah. I agree. But I don't know that he's going to be able to take it down. Everybody is so strapped, all the government entities. I don't think it's going to happen.

RUSH: If they put out these numbers that unemployment is coming down and it's going great guns out there and people still aren't finding jobs they're going to wonder, "Well, where the hell are they? I can't find a job. Nobody I know has got a job." But see, Paul Ryan of Wisconsin yesterday in a statement after reading the Obama budget came out and said, (paraphrasing) "Look, there's no question what this is. This is an attempt to turn this country into a collectivist society that is a predominantly

government-run welfare state." And I don't disagree with that. In fact, I have been one of the first to say so. The choice that we have in this budget is either the destruction of the United States as we've known it or the maintenance and the promotion of the United States as we've known it. That's what we face here.

The Heritage Foundation in their Morning Bell blog: "The President's Permanent Political Slush Fund." And if I may remind you that I, El Rushbo, was the first to call these slush funds. "After suffering major electoral and legislative defeats last month, President Barack Obama took to the campaign trail in Nashua, New Hampshire, pitching his administration's latest new plan to lower our nation's double digit unemployment rate. This time, the President hopes to do for small businesses what Fannie Mae and Freddie Mac did for home mortgages. Specifically, he wants to create a new \$30 billion 'Small Business Lending Fund' which will loan money to banks with assets under \$10 billion at favorable new rates, as long as they comply with a slew of new regulations designed to incentivize them to loan that money to small businesses. Never mind that a recent poll of small business owners by the National Federation of Independent Businesses ranked 'Finance and Interest Rates' as the second to last most important problem facing their business."

Interest rates are low! The problem here is, they don't want to hire 'cause they have no idea what they're going to be facing in addition to Obama's massive tax increases coming down the pike. They don't know yet if there's going to be a hook and crook way to get health care. They don't know yet if Obama's going to succeed in getting cap and tax. It's that simple. But the Heritage Foundation asked a good question. Where's Obama getting this \$30 billion?

"President explained yesterday: 'This proposal takes the money that was repaid by Wall Street banks to provide capital for community banks on

Main Street.' In other words, TARP -- the \$700 billion Troubled Asset Relief Program first signed into law by President George Bush, and then used by Treasury Secretary Hank Paulson to force many financial firms into taking taxpayer money they never wanted in the first place. But if Wall Street banks are paying back their TARP funds, then how can President Obama say the following when justifying his Financial Crisis Responsibility Fee: 'We want our money back, and we're going to get it. And that's why I'm proposing a Financial Crisis Responsibility Fee to be imposed on major financial firms until the American people are fully compensated for the extraordinary assistance.' ... So which is it? Are Wall Street banks repaying their TARP obligations in full so that the President can afford to spend \$30 billion on his new Small Business Lending Fund? Or is TARP going to lose \$117 billion? The answer is both." But again, the blatant hypocrisy and lie that Obama gave for raising fees on banks has been exposed. They are paying the money back, and he's gonna take some of it to fund small banks so that they'll supposedly loan to people.

## Judd Gregg Goes After Them Hard

I have a series of sound bites here that you're going to love listening to. This is yesterday morning in Washington on Capitol Hill on the Senate Budget Committee. Senator Judd Gregg, a Republican from New Hampshire, was talking with the budget director Peter Orszag. How many children out of wedlock does this guy have now? He's got at least one. He was engaged to somebody, she was pregnant, and he broke up and has gotten with somebody else now. Revenge of the Nerds, so to speak. Anyway, here's the first bite from Judd Gregg.

GREGG: The whole concept of the TARP was that as we recouped the money -- because we were borrowing it from Americans and from the Chinese. That, as we recoup that money, we would use it to pay down the debt. Now, that's

not going to happen. It's become a piggy bank, which adds to our deficit, adds to our debt.

RUSH: Peter Orszag then decides to say this...

ORSZAG: The degree to which shifting funds, eh, would add to our debt or -- uh, uh -- deficits depends on what the net subsidy rate would be on that new activity. And, remember: The purpose of TARP was to address problems in our financial markets, and it has been remarkably successful in bringing credit spreads back down to normal levels. One of the lingering problems in our financial markets, however, is access to credit for small businesses.

RUSH: They continue this misrepresentation. In the first place, the inspector general, Barofsky, says that TARP didn't do anything. It has been, ultimately, a failure -- and this business about credit for small businesses? They don't want to borrow any money. They don't want to right now. They don't want to expand, folks. There's no recovery so there's no reason. So this is where Judd Gregg loses it. On Orszag, about what the TARP law says.

GREGG: No! No! You can't make that type of statement with any legitimacy.

ORSZAG: Okay.

GREGG: You cannot make that statement. This is the law.

ORSZAG: Small businesses are not suffering from access? A lack of access?

GREGG: Let me tell you what the law says. Let me read it to you again, because you don't appear to understand the law. The law is very clear. "The moneys recouped from the TARP shall be paid into the general fund of the Treasury for the reduction of the public debt." It's not for a piggy bank because you're concerned about lending to small businesses --

ORSZAG: Senator, this would require new legislation.

GREGG: -- and you want to get a political event when you go out and make a speech in Nashua, New Hampshire. That's not what this money is for. This money is to reduce the debt of our children.

RUSH: Now, what's being talked about here is the \$30 billion that Obama says he's taking from money that the banks are paying back to set up a government agency that will "provide low-interest loans to small businesses." What Judd Gregg is saying is, "That's not the law! You can't use TARP money for that! I'm reading the law to you," and what Orszag is trying to say to you is, "But, but, Senator, this would require legislation!" No, it doesn't require legislation. The law is the law. He said, "Small businesses are not suffering from...?" So Greg is really laying it to him here. Judd Gregg has stepped up in the last couple of weeks to be a serious critic of these guys. Here's the final exchange, and Bernie Sanders gets involved here.

GREGG: Let me ask you another question.

ORSZAG: Okay.

GREGG: Because clearly we're not going to agree on this and you're not going to follow the law. Secondly --

CALLER: Uhh, eh... Sorry. I do... Excuse me. We will be following the law. This would involve legislation to make extra --

GREGG: Well, then you're not going to be able to do it unless Congress --

ORSZAG: Yes!

GREGG: -- gives you the authority to do it.

ORSZAG: Exactly.

SANDERS: That is how laws are made usually. Congress passes them.

RUSH: Thank you, Senator Sanders. (doing impression) "That is how laws are made, Congress usually passes 'em." So these clowns don't know what they're doing. They don't care about the law anyway, ladies and gentlemen. No question about it.

RUSH: Judd Gregg has been going at these guys on the budget solidly for a year, and this, folks, is exactly what we need to be doing. Every Republican needs to be saying this latest Obama budget, for example, is DOA. They need to set the tone for this. And Judd Gregg seems to have discovered what I have known for decades and that is, you gotta go hard at these liberals. You don't play by their rules, which say, "Independents don't like criticism. Independents don't like it when the Republicans criticize the Democrats." No, no, no. You go after these guys hard, and the response you get will be huge. All they gotta do is look at Scott Brown. Do not hold back on these people.

Watchdog says TARP bailout failed in many ways:

<http://abcnews.go.com/Business/tarp-government-bailout-failed-reduce-foreclosures-unemployment-watchdog/story?id=9702600>

## **The Left Warms to Bush-Cheney War on Terror Policies and Tactics**

Late-breaking news: Attorney general Eric Holder, quote: "I made the decision to charge the" Fruit of Kaboom Bomber. No. You know, this administration is calling him "the Christmas Day Bomber." Now, this is a bunch of people who don't like Christmas. It's "happy holidays." Notice they're not calling him "the happy holiday bomber." They're calling him "the Christmas Day terrorist suspect," and Holder now says, "It was my decision to try Khalid Sheikh Mohammed in



civil court. It was my decision to do that," which he couldn't have done. I mean, he can't. That's Obama. Now he says he made the decision because everybody has wanted to know -- Jeff Sessions, everybody in the Senate committee -- who made this decision? Was it made by the FBI? Was it made by the Justice Department? Who made this decision to Mirandize this guy?

Holder said, "I did it." He's taking the fall here for a lot of botched up stuff. By the way, I think I finally figured out what Obama is doing here by sending that dolt press secretary Gibbs out there to say, "Don't worry about it. The guy's guilty. He is going to be frying. He's going to be convicted and executed," and Obama saying the same thing. They're purposefully polluting the jury pool so that they have no choice but than to take this back to a military tribunal. That's what they're doing. So it looks like... They desperately wanted to stick with the civil trial but there's been such an uproar from so many quarters about this that what they're doing is, rather than saying, "Okay, okay. We're going to move it," they're making it impossible not to move it with their idiotic comments. Because if they did proceed with the civil trial on this, the lawyer for the terrorists could get this case thrown out like (snaps fingers), and if it didn't get thrown out, it's certainly grounds for an appeal.

Now, here's Glenn Greenwald at Salon.com: "What Exactly Did Bush and Cheney Do Wrong? -- As I noted several days ago, it is not only Republicans -- but Democratic and media establishment figures as well -- who clearly crave the preservation of the Bush/Cheney approach to Terrorism and civil liberties. When Bush's popularity collapsed to historic lows, political and media elites pretended for awhile to object to his administration's fear-based and radical policies as extremist and an assault on 'our values.' But that was all just such a transparent pretense. In those few instances where Obama has rejected the



Bush/Cheney template, the outrage and hysteria from Democratic and media voices is pervasive, and is growing louder. Just look at these illustrative incidents.

"Democratic Gov. Ed Rendell went on Fred Thompson's radio show yesterday to demand that Khalid Sheikh Mohammed be put before a military commission -- at Guantanamo. Over the weekend, Time's Joe Klein lambasted the Obama DOJ, and embraced Bush's former CIA and NSA Chief Michael Hayden, by objecting to the criminal charges and Constitutional rights afforded the accused Christmas Day bomber, with Klein decreeing: 'the bomber is an enemy combatant. He doesn't have Miranda rights.' MSNBC personalities Chuck Todd and Savannah Guthrie chatted yesterday with their boss, MSNBC Washington Bureau Chief Mark Whitaker, all agreeing that the decision to grant civilian trials for 'Terrorists' is 'a pure, self-inflicted wound.'

"When Najibullah Zazi was arrested for allegedly plotting a serious terrorist attack, the New Republic's Michael Crowley said he was so frightened by this that he was open to torturing

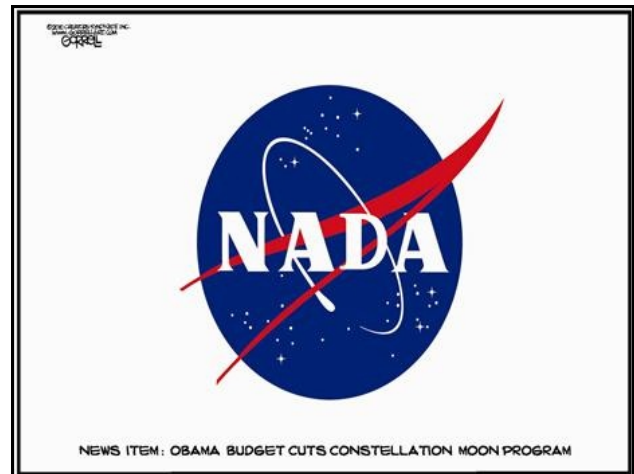
Zazi. Democratic Senators are threatening to join the GOP in cutting off funds for civilian trials. Democratic members of Congress joined with the GOP to prevent even modest reforms of the Patriot Act and other surveillance abuses." You get the picture here? This guy Greenwald is saying (summarizing), "You guys are a bunch of hypocrites. You are sitting around doing the same thing Bush and Cheney did, and for all those years Bush and Cheney were doing it you're ripping them to shreds. So what exactly did they do wrong?"

See, because these "retards" on the left -- as Rahm Emanuel calls them. These "retards" on the left do think that Bush was over the top, that his policies were fear based and radical and that he destroyed US values and made us hated all over the world, that Guantanamo Bay was a terrorist recruitment area -- and now all the people they vote for are openly suggesting that we continue Bush-Cheney policies! There are even stories out there from the State-Controlled Media saying, "You know, it's something you learn when you get into power that you can't really know what you're dealing with with this kind of issue, terrorism, from the outside. You only know about it from the inside. People are now beginning to realize that Bush and Cheney actually had some pretty good procedures in place here, some pretty good policies."

So it's kind of laughable, if you read the whole thing -- and I'm not gonna read this whole thing. It prints out to three pages. But [Sweetness-Light.com] "9/11 turned Mr. Greenwald into a 'patriot,' who naturally began to worry that the people trying to destroy our country were not being given all the rights and privileges of American citizens." He thought that was "real patriotism," and so we were doing it. We were going to grant civilian trial with constitutional rights to Khalid Sheikh Mohammed and his boys and then the Happy Holidays Bomber. Now he's upset that the Democrats have gone soft. This is hilarious. "[I]t's fun to see a baying at the moon liberal point out that his

media colleagues and fellow Democrats excoriated Bush and Cheney for the exact same things they are now insisting we do." It is delicious, I have to say.

By the way, there was also a little-referenced item a couple days ago that the Obama Justice Department cleared the two lawyers who approved that interrogation memo that included waterboarding. They cleared 'em. (laughing) This did not sit well with the "retards" in the kook Democrat base out there. A little Rahm Emanuel lingo there. Then yesterday in "Washington -- America's top intelligence official told lawmakers on Tuesday that Al Qaeda and its affiliates had made it a high priority to attempt a large-scale attack on American soil within the next six months. The assessment by Dennis C. Blair, the director of national intelligence, was much starker than his view last year, when he emphasized the considerable progress in the campaign to debilitate Al Qaeda and said that the global economic meltdown, rather than the prospect of a major terrorist attack, was the 'primary near-term security concern of the United States.'"



Don't forget, Obama's now got the CIA looking at potential problems caused by global warming. He shut down NASA's manned space missions and

turned NASA into, basically, a global warming agency.

"At Tuesday's hearing, Senator Dianne Feinstein, Democrat of California and chairwoman of the Senate Intelligence Committee, asked Mr. Blair to assess the possibility of an attempted attack in the United States in the next three to six months. He replied, 'The priority is certain, I would say' -- a response that was reaffirmed by the top officials of the CIA and the FBI ... 'The biggest threat is not so much that we face an attack like 9/11,' said Leon E. Panetta, the CIA director. 'It is that Al Qaeda is adapting its methods in ways that oftentimes make it difficult to detect.'" They're in the country, we think they're here, and they're plotting events from inside. Yet the New York Times, you remember, assured us back in September: The US faces no real risk of terrorism attacks. It was by Scott Shane: "Rethinking Our Terrorist Fears -- Eight years after 9/11, the specter of terrorism still haunts the United States. ...

"But important as they were, those news reports masked a surprising and perhaps heartening long-term trend: Many students of terrorism believe that in important ways, Al Qaeda and its ideology of global jihad are in a pronounced decline -- with its central leadership thrown off balance as operatives are increasingly picked off by missiles and manhunts and, more important, with its tactics discredited in public opinion across the Muslim world," blah, blah, blah, blah. So yesterday the Senate said, "Yep, there's a pretty good chance they're going to be hit this summer in three to six months." Last September, New York Times: "Rethinking Our Terrorist Fears." We don't face any real risk. Anybody who thinks so is a fearmonger -- and, of course, the campaign was already over. This was to give Obama credit for dealing with it even though he hadn't captured Bin Laden. Anyway, my guess is -- in the final analysis, my good friends -- there probably isn't all that much that's really new in yesterday's warnings except that when we got

such reports during the Bush administration we were told by the media that Bush "was using unfounded threats to scare and distract us from his horrible policies." Now under Obama, our media no longer calls these warnings a "distraction." In fact, our media says, "Oooh, serious stuff going on out there! We have to be vigilant. Obama wouldn't be trying to distract us from failed policies, would he now? No, no, no!" That only is the template when you have Republicans in the White House.

## **Rush Talks with Miss America 2010**

(Miss America Theme Song)

MARIO LOPEZ: Ladies and gentlemen, Miss America 2010 is... Miss Virginia, Caressa Cameron!

RUSH: And that's how it happened last Saturday night in Las Vegas at the Planet Hollywood Theater. And we have with us Miss Virginia, Caressa Cameron. Congratulations. I will never forget your face when your name was announced.

MISS AMERICA: Awww. Thank you for playing that. That was so sweet.

RUSH: Have you gotten over it yet?

MISS AMERICA: No. I don't think I will. (chuckles)

RUSH: Where are you now?

MISS AMERICA: I am inside of my hotel room in Times Square.

RUSH: And you go to the Super Bowl tomorrow?

MISS AMERICA: I do! How exciting?

RUSH: How long you going to be there?

MISS AMERICA: Until Sunday.

RUSH: Until the game.

MISS AMERICA: Yeah.

RUSH: Have you ever been to a Super Bowl before?

MISS AMERICA: No. No. So I'm really excited.

RUSH: Are your parents going to get to go with you?

MISS AMERICA: No, they're not but they're going to watch from home and wait and see if they can see me on TV.

RUSH: I gotta tell you your parents came down the aisle.

MISS AMERICA: (laughing) Yeah.

RUSH: The staff brought them down the aisle right where all the judges were sitting.

MISS AMERICA: Yeah?

RUSH: And your mother, your mother was crying her eyes out.

MISS AMERICA: I know!

RUSH: Your dad had the biggest, beaming smile, and your mother hugging every one of us.

MISS AMERICA: Ohhh!

RUSH: And she just said, "Thank you, thank you! Thank you so much." She did it again when we went up on stage to leave. That was our exit route out and she did it again. Your parents are -- and I told them, I whispered into their ears because it was the only way they could hear.

MISS AMERICA: Yeah.

RUSH: I said, "You've got to be so proud of her. She has it all."

MISS AMERICA: They are. They are. They've been behind me 100% in this entire process.

RUSH: Tell people what this pageant is like for you, just the week that you're in Las Vegas.

MISS AMERICA: It's a lot of work. You know, a lot of people, they see the pageant, it comes on TV and we all look great. But they have no idea that we have really early mornings, really late nights. Some of us have been preparing for this thing almost like our whole lives. It's like we were being bred to do this one event. But it's absolutely a lot of fun. It's 53 of the most amazing women, I feel like, in the world: Talented, smart, scholastically ambitious, and community oriented. So it was a lot of fun to be around them for that long, and we were all tired together but it was for a great cause.

RUSH: One of the things I want to ask you -- and I'm watching this both as a viewer of previous pageants and this time as a judge.

MISS AMERICA: Yes?

RUSH: When the eliminations began on Saturday night and the first of 14 semifinalists are announced one by one --

MISS AMERICA: Yeah.

RUSH: -- all the girls just seem genuinely happy and excited for the girl that happens to be announced as a semifinalist. Are they really that happy? There's gotta be some disappointment that they're not named at the end.

MISS AMERICA: Oh, yeah. Oh, yeah. Of course there is disappointment. You're standing there and you're just like, "Please call my name. Please call my name," you know? But you develop such a camaraderie and you develop such a respect for

the program and for what the process entails that even though -- because I've been on the other side when my name hasn't been called, you know? -- you are proud of the girls who have made it to the next cut, into the next round. So it's kind of like you just go and you go, "Well, it wasn't me but one of these girls are capable and so I'm going to cheer for my favorite now."

RUSH: Cool. Well, there was something that happened for the first time in this pageant and that is the judges' scoring for the week produced 14 semifinalists, and then the contestants voted -- they didn't know this was going to happen until it was announced.

MISS AMERICA: That was so cool!

RUSH: -- for the 15 semifinalists and Miss Oregon happened to win that.

MISS AMERICA: Yes. What was amazing about that is me and Miss Oregon are Sweetheart Sisters. There's a runner-up pageant that they do for the girls who are runner-up in their states, and we actually competed together a long time ago. So I was really excited to see her.

RUSH: Now, be honest, Caressa: How was your confidence level going into the week? You start out with the ten-minute interview -- and, you know, we could tell as judges. We could tell who was nervous when they came in and who was a little uptight and who was confident.

MISS AMERICA: Right. Yeah.

RUSH: And then from there you've got the preliminaries and you're doing rehearsals all day long --

MISS AMERICA: Yeah.

RUSH: -- while you're not interviewing. What was your confidence level as the week went on?

MISS AMERICA: You know, going into that interview process you never know what's going to be asked and what's going to happen, and I even left the interview not knowing how I felt about it. I thought I did okay, but, you know, I knew there were many things I could have said or wish I said. But I just went in there knowing that I've done all that I can up until this point and it was the best I can do, and if you all liked me then you did; and if not, I laid it all on the floor. So... Yeah.

RUSH: We judges were not allowed to converse at all about how we were scoring.

MISS AMERICA: Okay.

RUSH: We just had a meeting on Saturday morning. It was a production meeting for the TV broadcast that night, and that's when we were told based on our scoring for the week who the 14 semifinalists were, and we went around the table.

MISS AMERICA: Mmm-hmm. Right.

RUSH: We were asked to make comments on them and that's how we knew what other judges felt and what they thought.

MISS AMERICA: Right.

RUSH: I can only describe your reaction to your interview but it's like I told the Washington Post on Sunday: You are an extraordinarily -- and this is what I was looking for in addition to the beauty and poise. I was looking for somebody who speaks confidently and with articulation, doesn't seem nervous, doesn't seem to have memorized what she was saying and really believes what she was saying.

MISS AMERICA: Yes. Yes.

RUSH: You were peppered with a lot of questions in there. I mean, Vivica Fox, she kept firing them.



MISS AMERICA: She did.

RUSH: I had a nickname for her: Machine Gun, because she was firing questions.

MISS AMERICA: Yeah. I was expecting you to be like that.

RUSH: (laughing)

MISS AMERICA: (Laughing) You let her take over.

RUSH: Well, I'm a man of great chivalry.

MISS AMERICA: (laughing)

RUSH: But even your on-stage question and answer on Saturday night about what's happening with all of the texting and e-mailing with kids was just... You know, I wished I could turn to the judges and say, "See what I'm talking about?"

MISS AMERICA: (laughing)

RUSH: That was just effortless. I want to ask you one question that I asked in the interview.

MISS AMERICA: Yeah.

RUSH: And practically every contestant was asked this.

MISS AMERICA: Mmm-hmm.

RUSH: You're going to be on the road now, and you're going to meet all kinds of media people.

MISS AMERICA: Yeah.

RUSH: And some of them are going to be very snarky and some of them have a lot of sarcasm about American traditions and institutions.

MISS AMERICA: Yes.

RUSH: What are you going to say to the predictable snarky reporter who says, "Caressa, Miss America is passe. It's irrelevant. I mean, it's not what American women are oriented towards anymore. The Miss America Pageant is sort of old-fashioned." What are you going to tell them?

MISS AMERICA: You know, what's so great about this organization is that it is the leading scholarship provider for young women in the world and so that sets up a platform where a young woman can go, become educated. They can get great jobs if they want to, enough that they can bring home the bacon. They can fry it all in a pair of great shoes and a dress. That's what the Miss America organization facilitates: Young women who can do any and everything. So we are very relevant because it's so important that we are prepared for life and what life has to bring us and I can tell you firsthand that this organization has given me so many skills that I would not have been able to acquire otherwise.

RUSH: Obviously. I don't want to appear to be pandering here. I mean this as an American.

MISS AMERICA: Yeah.

RUSH: I really wish... You know, our pop culture today makes heroes out of dubious characters.

MISS AMERICA: Yeah. Sometimes, yeah.

RUSH: I really think that women such as you should be the role models for everybody, men and women, in terms of character and professionalism and so forth. And I learned this spending a week with all of you. I don't think it's old-fashioned at all. It's just Miss America is one of these great American traditions. It's 89 years old.

MISS AMERICA: Right, yeah.

RUSH: And I think you're going to revive it, Caressa.

MISS AMERICA: I hope so.

RUSH: I think you are going to help put it back on the map.

MISS AMERICA: Yeah, I hope so.

RUSH: Tell people about your schedule. 'Cause it's grueling.

MISS AMERICA: It's absolutely nuts! (laughing) I've been up since about 4:30 this morning. So I have done, I feel like today, more in this day than sometimes I have done in a week in the past. So the schedule is very busy. It's all over the place, all the time, always in the air. So I'm really excited to travel, to meet new people, to do my job not only as a goodwill ambassador with Children's Miracle Network but to promote our wonderful sponsors with Artistry Cosmetics, with DSW shoes, with Joseph Ribkoff. So I'm just excited about this year and all it entails because the schedule is going to be pretty full, and it's going to be one of the busiest and most exciting times of my life.

RUSH: Miss America travels.

MISS AMERICA: Yes.

RUSH: Twenty thousand miles a month.

MISS AMERICA: A month!

RUSH: A month. You don't have a home this year.

MISS AMERICA: No.

RUSH: You're going to eat in restaurants and hotels and you're never in a city longer than 48 hours?

MISS AMERICA: Exactly. Exactly.

RUSH: Now, I know women are going to want to know the answer to this question: Logistics. You

win on Saturday night. You fly to New York the next day.

MISS AMERICA: Yeah.

RUSH: Where do you get your clothes to handle for the next month?

MISS AMERICA: Well, luckily we have a sponsor in Joseph Ribkoff and it's a rotating wardrobe and it was actually waiting for me and I got here, and DSW the same thing. So they will provide me my wardrobe throughout the year so we don't have to worry about that.

RUSH: Cool.

MISS AMERICA: Yeah.

RUSH: So you didn't have to pack everything you own when you left.

MISS AMERICA: Oh, no. Oh, no. Oh, no. I have two regular suitcases and a carry-on. It's actually pretty light considering that I live in those bags.

RUSH: Well, congratulations again. We aren't allowed to get to know any of the contestants because of conflict of interest.

MISS AMERICA: Right. Absolutely.

RUSH: The only contact we were allowed to have with you was in the interview. Of course, we all got to pose for pictures with Caressa afterwards.

MISS AMERICA: Yeeees! Oh, it was fun.

RUSH: How did your press conference go, by the way? I didn't get a chance to see it.

MISS AMERICA: Everybody said it went really well and they were really impressed. So I think it went really good and there are still some videos online that you can go and try to look it up if you want to watch it.

RUSH: Sure!

MISS AMERICA: I'm sure you're a busy man. You don't have time to be following me anymore, but... (laughing) You know, if you want to go see it, you absolutely can.

RUSH: Well, you said about the-ten-minute interview that when you left, "Ah, I wish I'd have said this. I wish I hadn't said that."

MISS AMERICA: I know. (laughing)

RUSH: You're going to be doing that with every TV and radio interview you do.

MISS AMERICA: I know.

RUSH: And, remember: You're the only one that knows what you didn't say.

MISS AMERICA: Right, right, yeah.

RUSH: You're the only one that knows what you wish you had said. So don't --

MISS AMERICA: It's just kind of like you've prepared. "I have seven hours of information I could talk about!" (laughing)

RUSH: It can overload you with that stuff. You have to just be yourself.

MISS AMERICA: Yes.

RUSH: You just let your own vibrant personality shine. Congratulations, and tell your mom and dad it was great to meet 'em and to see two people so happy --

MISS AMERICA: Yeah.

RUSH: -- because their daughter had accomplished something so rare.

MISS AMERICA: Yeah.

RUSH: So unique.

MISS AMERICA: They're more likely to have a son play in the Super Bowl than a daughter at Miss America. (laughs)

RUSH: Exactly right because there's only one a year.

MISS AMERICA: Yeah.

RUSH: Caressa, all the best.

MISS AMERICA: Thank you.

RUSH: Congratulations again.

MISS AMERICA: Thank you so much for being so supportive of the organization.

RUSH: You bet. Caressa Cameron, Miss America 2010.

Miss America show is top rated cable show, with its best ratings in years:

<http://www.lasvegassun.com/news/2010/feb/02/tlcs-2010-miss-america-pageant-grabs-crown-cables/>

Here is Rush's page with 3 videos (including the dramatically scary vid of him dancing):

[http://www.rushlimbaugh.com/home/daily/site\\_020210/content/01125107.guest.html](http://www.rushlimbaugh.com/home/daily/site_020210/content/01125107.guest.html)

## Obama's Destructive Budget

RUSH: Another extensive look at Obama's budget. It is just amazing how destructive this is for years and years and years. This is truly a problem. For example, the charitable deduction will be gone in 2011. The charitable deduction will be gone. The mortgage interest deduction will be taken away from some people. The

mortgage interest deduction will be taken way and/or limited for upper income people, the \$250 grand and higher. That's on the table. We'll have to wait and see how much of this Congress actually approves. But when it comes to the charitable deduction, right now the top payers and the most philanthropic, obviously, get to deduct 39.6% of every dollar they donate. That will be taken away in toto. Obama wants the government to be in sole charge of charity. He wants everybody thanking him for whatever philanthropy goes on in the country. We'll get to all that stuff in great detail.

State-Controlled Reuters and said the truth is not to be tolerated here. And so Reuters has withdrawn the story and says that a replacement story will run later this week. So what is this story the White House was so concerned about? Here it is: "The Obama administration's plan to cut more than \$1 trillion from the deficit over the next decade relies heavily on so-called backdoor tax increases that will result in a bigger tax bill for middle-class families. In the 2010 budget tabled by President Barack Obama on Monday, the White House wants to let billions of dollars in tax breaks expire by the end of the year -- effectively a tax hike by stealth. While the administration is focusing its proposal on eliminating tax breaks for individuals who earn \$250,000 a year or more, middle-class families will face a slew of these backdoor increases."

Here's why. "If the provisions are allowed to expire on December 31, the top-tier personal income tax rate will rise to 39.6 percent from 35 percent. But lower-income families will pay more as well: the 25 percent tax bracket will revert back to 28 percent; the 28 percent bracket will increase to 31 percent; and the 33 percent bracket will increase to 36 percent." This is what they all were before Bush cut them. "The special 10 percent bracket is eliminated." This is all true. Every bit of it is true. If you're going to let these tax cuts sunset, it means we're going to go back to what they were before Bush cut them, and those are the rates that I just gave you. That means that everybody paying income taxes is going to effectively get an increase, a tax increase, despite Obama's constant pledges that 95% of the American people get a tax cut, and he's calling one-time tax rebates a tax cut. So obviously the White House did not like this story. It is curious how this story ended up at State-Controlled Reuters. I mean Reuters goes out of its way to propagandize for the administration.

Something's happened here. So the administration -- probably Gibbs -- got on the phone and said (imitating Gibbs) "This is



And there's a funny thing today, Reuters actually has a story entitled: "Backdoor Taxes to Hit Middle Class." Not just the rich. The rich tax increases are up front and center. The middle class is gonna get robbed, and they will not know it. "Backdoor Taxes Hit Middle Class." But the White House got hold of Reuters and said, "That's not true. It is outrageously false." And so Reuters has withdrawn the story because the truth is not to be tolerated in the Obama administration.

RUSH: Here it is: "Backdoor Taxes to Hit Middle Class." The story was posted last night at 8:07, I think. Maybe that's when they withdrew it. Anyway, the Obama White House got hold of

outrageously false, you gotta pull the story." And Reuters dutifully complied. We'll keep a sharp eye to see what the replacement story is later this week. These are not all the changes on the table. "Investors will pay more on their earnings next year as well, with the tax on dividends jumping to 39.6 percent from 15 percent." That hits the middle class, too. The middle class own stock. The middle class sometimes own stock that pays dividends. Hell, that's more than a hundred percent increase, 15% to 39.6%. "The capital-gains tax increasing to 20 percent from 15 percent. The estate tax is eliminated this year." The estate tax is gone, for just this one year, 2010. So if a member of your family dies, say your mother or father, grandfather or whatever, it's all yours, whatever the inheritance is, it's all yours. But next year, in 2011, "there has been talk about reinstating the death tax," and the Democrats are talking about reinstating it even sooner, this year, and not waiting for 2011.

Now, this produces all kinds of morbid thoughts. I can see Snerdley's mind is turning. His eyes are just rotating and flashing back and forth in there. And, yes, I am fully aware, I personally am aware -- I'm not going to tell you how many -- of people who have done everything they could to sustain family members on life support to 2010 because the estate tax is 55%. It's pure redistribution of wealth. Don't forget, Warren Buffett is all for the estate tax. There are a lot of rich liberals who amazingly are. "Millions of middle-class households already may be facing higher taxes in 2010 because Congress has failed to extend tax breaks that expired on January 1, most notably --" get this, now, this is something that irritates and more people every year. "-- a 'patch' that limited the impact of the alternative minimum tax. The AMT, initially designed to prevent the very rich from avoiding income taxes, was never indexed for inflation. Now the tax is affecting millions of middle-income households, but lawmakers have been reluctant to repeal it because it has become a key source of revenue.

"Without annual legislation to renew the patch this year, the AMT could affect an estimated 25 million taxpayers with incomes as low as \$33,750 (or \$45,000 for joint filers). Even if the patch is extended to last year's levels, the tax will hit American families that can hardly be considered wealthy -- the AMT exemption for 2009 was \$46,700 for singles and \$70,950 for married couples filing jointly. Middle-class families also will find fewer tax breaks available to them in 2010 if other popular tax provisions are allowed to expire. Among them: Taxpayers who itemize will lose the option to deduct state sales-tax payments instead of state and local income taxes; The \$250 teacher tax credit for classroom supplies; The tax deduction for up to \$4,000 of college tuition and expenses; Individuals who don't itemize will no longer be able to increase their standard deduction by up to \$1,000 for property taxes paid; The first \$2,400 of unemployment benefits are taxable, in 2009 that amount was tax-free."

They're taxing the first \$2,400 of unemployment benefits starting this year. This year -- and, by the way, if you doubt me, go to the people in your company who do payroll and just ask them, tell 'em I told you to ask 'em if when 2010 rolled around they had new withholding instructions to withhold additional funds from for your paycheck, because there are. So the White House is clearly not happy that this story is out there. Reuters has dutifully withdrawn it. But all of this is true. Every aspect of this is true. There's nobody in the country who will escape tax increases. It's impossible with this irresponsible, insane, lunatic budget. And, folks, there are \$1 trillion deficits for ten years, \$1 trillion deficits, annual deficits for ten years. Do you understand that? We're gonna get to the point here where it's possible that it will not be possible to fund our debt, even with worldwide investors buying it. There's going to be that much of it.



Obama is just spending and spending and spending, and, by the way, James Clyburn, the head honcho of the Congressional Black Caucus says we can only spend our way out of the recession. There's only one way to do it, and that's spend our way out of it. Now the Investor's Business Daily today in a story by Jed Graham: "Higher Taxes for All in Obama Budget -- After cutting taxes for 95% of working families in his first year, President Obama has proposed a budget that would raise taxes on 100% of them." So whereas Reuters, under pressure, has withdrawn its story, Investor's Business Daily has not.

RUSH: Oh, by the way: "Backdoor Taxes Hit Middle Class," the Reuters story, is still up on the Washington Post website. It's still there. Reuters may have pulled it but the Washington Post has it. I'm just giving you people at the White House a little help here, because you got Reuters to pull it. It's the headline they don't like. They couldn't care less about the story. It's the headline: "Backdoor Taxes to Hit Middle Class." That's probably what they don't like. The story won't have many changes, but it will have a headline change like: "Rich to Get Soaked, Bankers Especially Hard Hit by Obama Tax Hikes in New Budget."

Interestingly enough, there was a story on Yahoo about how backdoor taxes would hit the middle class; and the story was withdrawn. How often does that occur?

[http://news.yahoo.com/s/nm/20100202/bs\\_nm/us\\_budget\\_backdoortaxes](http://news.yahoo.com/s/nm/20100202/bs_nm/us_budget_backdoortaxes)

Higher taxes for everyone in Obama budget:

<http://www.investors.com/NewsAndAnalysis/Article.aspx?id=519783>

Tax breaks for the middle class to disappear:

<http://thehill.com/homenews/administration/79161-presidents-budget-seeks-an-end-to-tax-break-for-the-middle-class>

## Additional Rush Links

Muslim women are having breast implants of explosives:

<http://www.wnd.com/index.php?fa=PAGE.view&pageId=123758>

Unemployment rises in metro areas (for those of you who believe that Democrats are compassionate and for the underdog; they run the show, and look what happens):

<http://www.dailymail.com/ap/ApTopStories/2010020603>

Social Security could be the next big bailout:

<http://www.washingtonpost.com/wp-dyn/content/article/2010/02/01/AR2010020103345.html>

The youth vote is losing its enthusiasm:

[http://www.denverpost.com/news/ci\\_14226618](http://www.denverpost.com/news/ci_14226618)

The wheels are coming off the global warming bus:

<http://www.nationalpost.com/news/story.html?id=2504944>

Teacher union and NAACP sue to stop poor performing schools from closing:

<http://cityroom.blogs.nytimes.com/2010/02/01/teachers-union-and-naacp-sue-to-stop-school-closings/>

Obama's stunning admission...remember how he said you could keep your healthcare insurance

and doctors if you liked them; now he admits that is not true:

<http://realclearpolitics.blogs.time.com/2010/01/29/obamas-stunning-admission/>

## Perma-Links

Since there are some links you may want to go back to from time-to-time, I am going to begin a list of them here. This will be a list to which I will add links each week.

Wall Street Journal's articles on Climate Change:

<http://online.wsj.com/article/SB10001424052748704007804574574101605007432.html>

News from 2100:

<http://thepeoplescube.com/>

How you can get your piece of the stimulus pie:

<http://www.economicstimuluspackageinfo.com/>

Always excellent articles:

<http://www.dickmorris.com/blog/>

The National Journal, which is a political journal (which, at first glance, seems to be pretty even-handed):

<http://www.nationaljournal.com/njonline/>

Conservative blog: Dan Cleary, political insomniac:

[http://dancleary.typepad.com/dan\\_cleary/](http://dancleary.typepad.com/dan_cleary/)

David' Horowitz's NewsReal:

<http://www.newsrealblog.com/>

Stand by Liberty:

<http://standbyliberty.org/>

Mike's America

<http://mikesamerica.blogspot.com/>

No matter what your political stripe, you will like this; evaluate your Congressman or Senator on the issues:

<http://www.ontheissues.org/default.htm>

<http://www.cagw.org/government-affairs/ratings/2008/ratings-database.html>

<http://www.cagw.org/reports/pig-book/2009/pork-database.html>

And I am hoping that most people see this as non-partisan: Citizens Against Government Waste:

<http://www.cagw.org/>



Excellent blogs:

<http://www.fireandreamitchell.com/>

[www.rightofanation.com](http://www.rightofanation.com)

Keep America Safe:

<http://www.keepamericasafe.com/>

Lower taxes, smaller government, more freedom:

Freedom Works:

<http://www.freedomworks.org/>

Right wing news:

<http://rightwingnews.com/>

CNS News:

<http://www.cnsnews.com/>

Pajamas Media:

<http://pajamasmedia.com/>

Far left websites:

[www.dailykos.com](http://www.dailykos.com)

Daniel Hannan's blog:

<http://blogs.telegraph.co.uk/news/author/danielhannan/>

Liberty Chick:

<http://libertychick.com/>

Republican healthcare plan:

<http://www.gop.gov/solutions/healthcare>

Media Research Center

<http://mrc.org/>

Sweetness and Light:

<http://sweetness-light.com>

Dee Dee's political blog:

<http://somosrepublicans.com/author/deedee/>

Citizens Against Government Waste:

<http://www.cagw.org/>

CNS News:

<http://www.cnsnews.com/home>

Climate change news:

<http://www.climatedepot.com/>

Conservative website featuring stories of the day:

<http://www.lonelyconservative.com/>

<http://www.sodahead.com/>

Global Warming:

<http://www.climatedepot.com/>

Michael Crichton on global warming as a religion:

<http://www.michaelcrichton.net/speech-environmentalism-as-religion.html>

Here is an interesting military site:

<http://www.militaryphotos.net/forums/>

This is the link which caught my eye from there:

<http://www.militaryphotos.net/forums/showthread.php?t=169400>

Christian Blog:

<http://wisdomknowledge.wordpress.com/>

Muslim Demographics (this is outstanding):

<http://www.youtube.com/watch?v=6-3X5hIFXYU>

News feed/blog:

<http://gatesofvienna.blogspot.com/>

Conservative blog:

<http://wyblog.us/blog/>

Richard O'Leary's websites:

[www.letfreedomwork.com](http://www.letfreedomwork.com)

[www.freedomtaskforce.com](http://www.freedomtaskforce.com)

<http://www.eccentrix.com/members/beacon/>

News site:

<http://lucianne.com/>

Note sure yet about this one:

<http://looneyleft.com/>

News busted all shows:

<http://www.eyeblast.tv/public/search.aspx?q=newsbusted&t=videos>

Conservative news and opinion:

<http://bijenkorf.wordpress.com/>

*Not Evil, Just Wrong* website:

<http://noteviljustwrong.com/>

Global Warming Site:

<http://www.climatedepot.com/>

Important Muslim videos and sites:

Muslim demographics:

<http://www.youtube.com/watch?v=EaZT73MrYvM>

Muslim deception:

<http://www.youtube.com/watch?v=SNZQ5D8lwfl>

Conservative versus liberal viewpoints:

<http://www.studentnewsdaily.com/other/conservative-vs-liberal-beliefs/>

This is indispensable: the Wall Street Journal's guide to Obama-care (all of their pertinent articles arranged by date—send one a day to your liberal friends):

<http://online.wsj.com/article/SB10001424052748704471504574441193211542788.html>

Excellent list of Blogs on the bottom, right-hand side of this page:

<http://gatewaypundit.firstthings.com/>

*Not Evil, Just Wrong* video on Global Warming

<http://noteviljustwrong.com/>

<http://www.letfreedomwork.com/>

<http://www.taskforcefreedom.com/council.htm>

This has fantastic videos:

[www.reason.tv](http://www.reason.tv)

Global Warming Hoax:

<http://www.globalwarminghoax.com/news.php>

A debt clock and a lot of articles on the debt:

<http://defeatthedebt.com/>

The Best Graph page (for those of us who love graphs):

<http://midnightgraphs.blogspot.com/>

The Architecture of Political Power (an online book):

<http://www.mega.nu/ampp/>

Recommended foreign news site:

<http://www.globalpost.com/>

News site:

<http://newsbusters.org/> (always a daily video here)

This website reveals a lot of information about politicians and their relationship to money. You can find out, among other things, how many earmarks that Harry Reid has been responsible for in any given year; or how much an individual Congressman's wealth has increased or decreased since taking office.

<http://www.opensecrets.org/index.php>

<http://www.fedupusa.org/>

The news sites and the alternative news media:

<http://drudgereport.com/>

<http://newsbusters.org/>

<http://drudgereport.com/>

<http://www.hallindsey.com/>

<http://newsbusters.org/>

<http://reason.com/>

Andrew Breithbart's new website:

<http://biggovernment.breitbart.com/>

Kevin Jackson's [conservative black] website:

<http://theblacksphere.net/>

Notes from the front lines (in Iraq):

<http://atwar.blogs.nytimes.com/>

Remembering 9/11:

<http://www.realamericanstories.com/>

Larry Sabato's Crystal Ball site:

<http://www.centerforpolitics.org/crystalball/>

Conservative Blogger:

<http://romanticpoet.wordpress.com/>

Economist and talk show host Walter E. Williams:

<http://economics.gmu.edu/wew/>

The current Obama czar roster:

<http://www.politico.com/news/stories/0909/26779.html>

45 Goals of Communists in order to take over the United States (circa 1963):

<http://www.rense.com/general32/americ.htm>

How this correlates to the goals of the ACLU:

<http://dianedew.com/aclu.htm>

ACLU founders:

<http://www.angelfire.com/mi4/stokjok/Founders.html>

Conservative Websites:

<http://www.theodoresworld.net/>

<http://conservalinked.com/>

<http://www.moonbattery.com/>

<http://www.rockiesghostriders.com/>

<http://sweetness-light.com/>

[www.coalitionoftheswilling.net](http://www.coalitionoftheswilling.net)

<http://shortforordinary.com/>

Flopping Aces:

<http://www.floppingaces.net/>

The Romantic Poet's Webblog:

<http://romanticpoet.wordpress.com/>

Blue Dog Democrats:

<http://www.house.gov/melancon/BlueDogs/Member%20Page.html>

This looks to be a good source of information on the health care bill (s):

<http://joinpatientsfirst.com/>

Undercover video and audio for planned parenthood:

<http://liveaction.org/>

The Complete Czar list (which I think is updated as needed):

<http://theshowlive.info/?p=572>

This is an outstanding website which tells the truth about Obama-care and

about what the mainstream media is hiding from you:

<http://www.obamacaretruth.org/>

Great business and political news:

[www.wsj.com](http://www.wsj.com)

[www.businessinsider.com](http://www.businessinsider.com)

Politico.com is a fairly neutral site (or, at the very worst, just a little left of center). They have very good informative videos at:

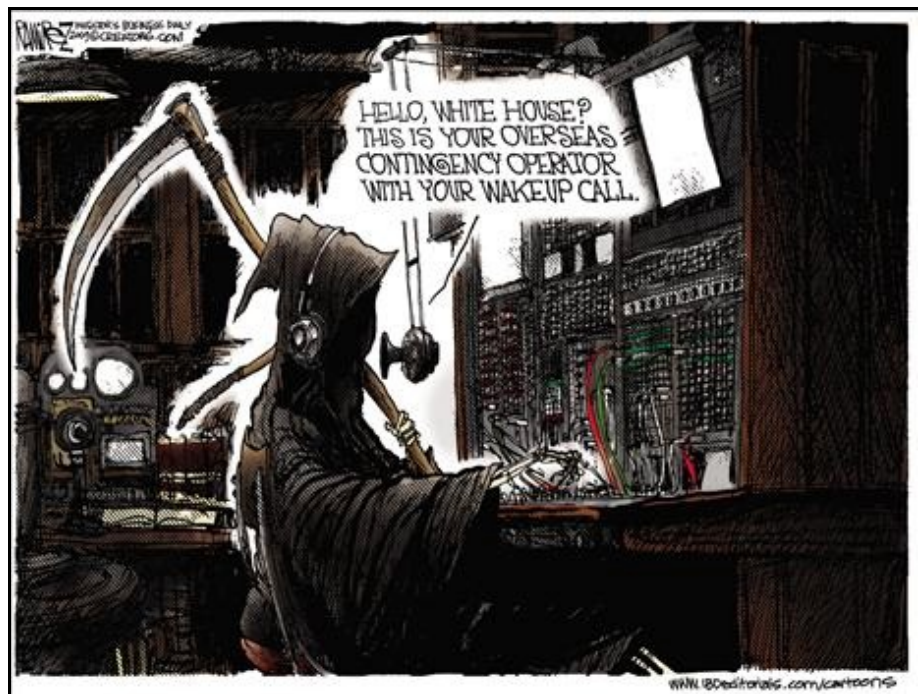
<http://www.politico.com/multimedia/>

Great commentary:

[www.Atlashrugs.com](http://www.Atlashrugs.com)

My own website:

[www.kukis.org](http://www.kukis.org)





Congressional voting records:

<http://projects.washingtonpost.com/congress/>

On Obama (if you have not visited this site, you need to check it out). He is selling a DVD on this site as well called *Media Malpractice*; I have not viewed it yet, except pieces which I have seen played on tv and on the internet. It looks pretty good to me.

<http://howobamagotelected.com/>

Global Warming sites:

<http://ilovecarbondioxide.com/>

35 inconvenient truths about Al Gore's film:

<http://www.youtube.com/watch?v=V5J7JNfLYco>

<http://www.noteviljustwrong.com/trailer>

Islam:

[www.thereligionofpeace.com](http://www.thereligionofpeace.com)

Even though this group leans left, if you need to know what happened each day, and you are a busy person, here is where you can find the day's news given in 100 seconds:

<http://www.youtube.com/user/tpmtv>

This guy posts some excellent vids:

<http://www.youtube.com/user/PaulWilliamsWorld>

HipHop Republicans:

<http://www.hiphoprepublican.blogspot.com/>

And simply because I like cute, intelligent babes:

<http://alisonrosen.com/>

The Latina Freedom Fighter:

<http://www.youtube.com/user/LatinaFreedomFighter>

The psychology of homosexuality:

<http://www.narth.com/>

Liberty Counsel, which stands up against the A.C.L.U.

[www.lc.org](http://www.lc.org)

Health Care:

<http://fixhealthcarepolicy.com/>

Betsy McCaughey's Health Care Site:

<http://www.defendyourhealthcare.us/home.html>

