

Obama's Puzzling Kansas Campaign Speech

Contributed by George Landrith
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Obama foolishly tried to blame our nation's housing and financial crisis on "mortgage lenders that tricked families into buying homes they couldn't afford." Again, Obama is dead wrong. The government had an official policy of encouraging home ownership among those who could not afford homes and told banks to facilitate such loans, putting the American taxpayer on the hook when things went bad.

Beginning in 2001, the Bush Administration and congressional Republicans began sounding the alarm about Freddie Mac and Fannie Mae warning that they could "cause strong repercussions in financial markets." Congressman Barney Frank (D-Mass.) dismissed these concerns as absurd and labeled those who raised such concerns irresponsible alarmists. Frank pushed Fannie and Freddie to do more to get low income people into mortgages that they could not afford. Republicans proposed more oversight of Fannie and Freddie. But Democrats blocked any corrective action.

According to the Center for Responsive Politics, after only four years in the U.S. Senate, Barack Obama had vaulted into the number two position for receiving campaign cash from Fannie and Freddie. Obama got more money than Chris Dodd who had been in the Senate for decades and was the the chairman of Senate Banking Committee.

At least now we know why Obama would want to blame the banking crisis on greedy bankers "tricking" unsuspecting homebuyers. From day one in the White House, Obama has passed the buck and blamed others. Why stop now? Obama is hoping we won't notice that the banking and financial crisis was really caused by greedy politicians handing out ever more goodies at taxpayer expense to ensure their perpetual reelection.

When governments keep taxes and government spending low, and have modest and reasonable regulations to insure safety and transparency, economies naturally thrive and grow. Conversely, when governments grow government spending at historically high rates, perpetually threaten the public with higher taxes, and use regulatory regimes to force insanely stupid mortgage loans, you are guaranteed to have problems. Welcome Barack Obama's presidency!

But Obama wants to act as if the so-called Bush tax cuts for the rich caused our current problems. That is false and he is

smart enough to know it. The Bush tax cuts were actually bipartisan and they helped grow the economy after the worst attack on American soil in almost two generations. But the insane spending and the irrational mortgage policies pushed the US economy over the brink. That is a truth Obama will not speak.

For Obama it is important to blame our current economic woes on tax cuts and greedy bankers who tricked people into buying homes they couldn't afford. He makes these false arguments so that when he calls for more taxes, more spending and more government control, people will give him four more years to pursue his destructive big government goals. What Obama will never admit is that every nation that has been following his economic prescription is now in economic crisis.

Take Greece for example, almost half the workforce is in government. Interestingly, Obama's job's bill creates mostly unsustainable government jobs. In Greece, government promises the populace free healthcare, pensions and other entitlements that it cannot possibly afford. Sound familiar? In Greece, the government takes 44% to 84% of an employee's income and that is before citizens pay a huge additional national sales tax that can be as much as 23%.

How's that working for Greece? Why would it work any better for Obama? It won't.

But Obama will spend the next year campaigning as he did in Kansas hoping to convince us that he can tax and spend and regulate us into prosperity. If his past performance is any clue to the future, Obama will use all sorts of sophistry and rhetorical flourishes to convince voters that he has the answers. But Obama is selling a Greek tragedy.