



## An Honest Look at Herman Cain

GOP presidential candidate Herman Cain styles himself a Washington “outsider,” an “anti-politician,” and a businessman who is just what America needs at this critical moment in its history to turn itself around. Only someone of Cain’s peculiar background, he would have us believe, only someone uncorrupted by the insatiable hunger for power from which all career politicians suffer, can restore America’s greatness in the world.

Again, this is the self-image that Cain works inexhaustibly to project.



There is one question, though: is it *true*?

The first fact that must not be lost upon us is that while Cain is a reasonably successful businessman, and while he is not a professional politician, the notion that he is the “Mr. Smith” of our time who is about to take Washington by storm is a fiction of the first order.

Cain, you see, was at one time a Federal Reserve chairman. (He was deputy chairman of the board of directors of the Federal Reserve Bank of Kansas City from 1992 to 1994, and [chairman](#) from 1995 to 1996.)

### Federal Reserve

Now, if ever we needed a symbol of Big Government, the Federal Reserve is *it*, bar none. The White House, Capitol Hill, the FBI, the CIA, the IRS, and even the Pentagon — none of these signifies more profoundly and succinctly the omnipotent nature of our federal government. As Henry Kissinger once remarked, whoever “controls the food supply controls the people,” and whoever “controls the energy can control whole continents,” but whoever “controls money can control *the whole world*.” [Emphasis added.]

The point to take away from this is not that Cain acted objectionably in assuming this position, or at any time during his tenure as Fed chairman. The point is that he hasn’t an iota of credibility when he depicts himself as a stranger to Big Government. As a Federal Reserve chairman, he was *wedded* to the all-encompassing sovereign known as the federal government.

That Cain hasn’t any objections to the Federal Reserve and, by extension, federal supremacy, becomes undeniable once we consider his response to the proposal, advanced tirelessly by his colleague and rival, Ron Paul, that the Fed be audited. While on Neal Boortz’s show, Cain said that since there were already audits in place, another audit of the sort that Paul requests would be “unnecessary” and a “waste [of] money.” On another occasion, Cain expressed uncertainty concerning the usefulness of an audit. “What I’m saying is [that] this request for an audit, I’m not sure if that’s the answer to any problem other than people think that they [the Fed] don’t want to be audited.” At still another time, Cain asserted bluntly: “I don’t think you’re going to find anything to audit on the Federal Reserve.” He suggested that anyone who is curious about the dealings of the Fed should simply contact the bank and



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direct questions to its officials. This should suffice to dispel all doubts regarding the Federal Reserve's trustworthiness, for it is "one of the tightest-run federal entities I have ever seen."

In spite of attributing to it unprecedented efficiency, Cain acknowledges that the Federal Reserve Bank *today* has its share of problems. Yet this hasn't anything at all to do with the structure of the Bank itself; rather, it is because those in charge — such as Ben Bernanke — have allowed it to become "politicized." During the 1990s, when Cain was a Federal Reserve chairman, you see, the Fed was "non-politicized."

## **TARP**

It isn't just Cain's almost astonishingly naïve views on the Federal Reserve that expose his affection for Big Government; he also supported the Troubled Asset Relief Program (TARP) of 2008. This, as I am sure everyone now knows, is the notorious piece of legislation by which the federal government spent hundreds of billions of taxpayers' dollars bailing out troubled banks.

In October of 2008, Cain took "free market purists" to task for objecting to the bailouts on the grounds that it would consist in "the nationalization" of the banking industry. It would not, Cain insisted, for nationalization entails that "the government would own at least 51 percent of the entity for an indefinite period of time." But, Cain assured readers, with TARP, taxpayer ownership of the banks "is going to be relatively small and nowhere near the amount to be called nationalization." "So," Cain asked, "what's the problem?"

Cain's position is clear: "Owning a part of the major banks in America is not a bad thing. We could make a profit while solving a problem."

Observe both the narrowness and, truth be told, deceptiveness of Cain's definition of "nationalization." Because nationalization requires that the government have at least 51 percent *ownership* of the banks, and because the government will own a relatively small share under TARP, the latter does not open the door to nationalization.

Vis-à-vis the nationalization of the banking industry, the percentage of the government's ownership of the banks is neither here nor there, and Cain, we can only hope, must know this. In fact, it doesn't matter whether the government *owns* any share at all in the banks. If the government *controls* the banks, if it can determine how lending institutions conduct their affairs, then this, for all intents and purposes, suffices to establish that the banks have indeed been nationalized. And anyone who knows anything at all about the nature of government knows that if it "owns" any part at all of the banking industry, it in effect controls all of it.

As if his support of the disastrous TARP wasn't bad enough, just a week prior to the economic collapse in September of 2008 to which TARP was thought to be the remedy, Cain insisted that the economy was in fine condition. But one week outside of among the most severe economic crises that our country has experienced since the Great Depression — a crisis loudly predicted *for years* by, among others, Cain's fellow Republican, Ron Paul — Cain insisted that our economy was sound. The housing market bubble that had been inflated for years by government intervention was about to burst, and yet Cain was oblivious to the events around him.

## **Miscellaneous Issues**

### *Wars in Iraq and Afghanistan*

For all of his talk of being an anti-politician, a Washington outsider, Cain sounds awfully like those



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Republican politicians who have spent their careers inside the Beltway — especially when it comes to our military's overseas exploits intended to “democratize” the Islamic world (and elsewhere). Cain supported the wars in both Iraq and Afghanistan, and he steadfastly opposes any and all “timetables” for withdrawing our troops. This is significant, for war — particularly the perpetual “War on Terror” of which the wars in Iraq and Afghanistan are but specific battles — is the lifeblood of the government. Government grows at no other time like it does during times of war. Yet Cain wants to cut not a single penny from our defense budget.

### *Social Security and Public Education*

Again, on these issues, Cain sounds indistinguishable from just those professional politicians to whom he is supposedly opposed. He does not object to the federal government's involvement in either social security or education. He would, though, like to “reform” the current systems that we have in favor of systems in which “choice” figures more prominently than it currently does.

As is true in the case of the federal government's bailing out the banking industry (or any industry), whether the government's role in providing “a safety net” and a “free” education is overt or covert, whether or not it is concealed with talk of “choice,” “options,” and/or “market-based solutions,” it is the federal government that remains *in control* of the system. As they say, you can put lipstick on a pig, but....

Cain has never called for *the abolition* of any governmental *programs*, let alone *agencies*. Instead, he talks of *reforming* them. As is the way with all socialists, and, in short, lovers of Big Government, so it is Cain's way to speak as if it is never government *per se* that is the cause of any of our problems, but only *the office holders* who administer it.

### **Conclusion**

Herman Cain, I hope it is now clear, is an establishment politician's politician. If the Tea Partiers, conservatives, and libertarians of whom the Republican Party is comprised want yet another champion of Big Government as their next President, then Herman Cain is as worthy of their party's nomination as anyone.



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