



Written by on December 9, 2008

The Obama Economic Team

What is so desperately needed is an across-the-board shrinkage of government and a return to honest money. But there's no more chance of this happening than there is of the sun rising in the West tomorrow.

Sound money? The *New York Times* for November 26 featured news of the latest government/Federal Reserve plan that will supply an additional \$800 billion in new lending programs. Reporter Edmund L. Andrews stated that "they would *print* as much money as needed to revive the nation's crippled banking system." (Emphasis added.) This will not be sound money, the kind that is backed up with precious metals found in some government/Federal Reserve vault. It will be money created out of thin air by the Fed, and it will devalue all existing money. Are you ready for a \$10 loaf of bread?



Shrink government? Nary a word about this absolutely necessary course. We are promised that government will become more efficient, not smaller and less burdensome financially or otherwise. What should be cut? How about such programs as foreign aid, education, housing, welfare, medicine, and energy for starters? Why not adhere to the limitations on government so clearly present in the U.S. Constitution that authorizes none of the above-mentioned programs?

The top economic advisers chosen by Obama — Timothy Geithner and Lawrence Summers — have no experience whatsoever in producing wealth. The soon-to-be Secretary of the Treasury Geithner is a Dartmouth Ivy Leaguer with an advanced degree from Johns Hopkins. Once finished with schooling, he immediately went to work for Henry Kissinger and then acquired a post at the Treasury before becoming a protégé of Lawrence Summers. Only 47 years old (same age as Obama), he has already spent 13 years in the Treasury Department, two years at the UN's International Monetary Fund, and five years as the head of the pivotal branch of the Federal Reserve, the New York office. He has never led a producing company, never met a payroll, and never coped with the stifling presence of government impeding the nation's wealth producers. He is a member of the Council on Foreign Relations, the most visible manifestation of the American establishment.

Lawrence Summers, another CFR member, was tapped to be the next director of the National Economic Council. He earned degrees at the Massachusetts Institute of Technology and Harvard and has taught at both institutions. An early member of the Reagan economic team, he became an economic adviser to candidate Michael Dukakis in 1988. He served as the Chief Economist for the UN's World Bank, Undersecretary for International Affairs at the UN itself, and won a place on the Clinton administration's economic team. A close ally of Robert Rubin, the Clinton administration's Treasury Secretary, Summers eventually succeeded his mentor as Treasury Secretary before returning to



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Harvard as its president in 2001. Comments he made about many women being intrinsically ill-equipped to be top scientists and engineers led to his forced resignation from Harvard. Had it not been for that faux pas, for which he apologized, he likely would have been named Treasury Secretary instead of Geithner. As the leader of the White House economic team, he will not have to go before the Senate for confirmation and face additional carping about the capabilities of women.

With Summers, Obama has chosen another adviser who has never been involved in producing goods, never met a payroll, and never dealt with the array of the government's tremendously onerous regulatory agencies and taxes. Yet he and Geithner are to be the top economic advisers within the incoming administration. Each strongly supports another stimulus package that will have government print or borrow some more money to dispense to the American people. Each will seek to manage the economy when what is clearly needed is for government to get out of the way.

America has long been characterized as the wealthiest of nations. That designation is fading rapidly. The very definition of wealth has been swept away. It is based on productivity. It is generated when industrious people take the raw materials of the Earth and fashion them into goods. In other words, wealth and manufacturing go hand in hand. When a nation is a strong wealth producer, it will have a strong middle class and will not become dangerously dependent on foreign suppliers for the goods it needs. But over the past 30 years, the number of manufacturing jobs in the United States has declined from 19 million to 13 million — and is still shrinking. America is on its way to becoming a service economy full of paper pushers, a land relying on others for its goods.

Our nation is being taken down the wrong road. Time will tell whether the needed turnabout will be demanded.

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