



WHO HAS HIS EAR?

As Obama Meets With Economic Recovery Advisory Board, Will Obama Listen To The Truth About His Stimulus Or Be Swayed To Hurt Taxpayers Even More?

“The President’s Economic Recovery Advisory Board Will Hold Its Next Public Meeting On November 2, 2009, In The White House ... The Purpose Of This Meeting Is To Continue Discussion Of The Issues Impacting The Strength And Competitiveness Of The Nation’s Economy.” (The White House, “President’s Economic Recovery Advisory Board Public Meeting,” [Press Release](#), 10/19/09)

AFTER WASTING \$787 BILLION IN TAXPAYER DOLLARS ON A FAILED ECONOMIC EXPERIMENT ...

Since Obama’s \$787 Stimulus Bill Passed In February, Over 2.6 Million Americans Have Lost Jobs. (U.S. Bureau of Labor Statistics, www.bls.gov, Accessed 10/23/09)

- **49 Of 50 States Have Lost Jobs Since Stimulus Passed In February.** (U.S. Bureau of Labor Statistics, www.bls.gov, Accessed 10/21/09)

And Obama’s Chief Economist Admits Stimulus Has Already Had Its “Biggest Impact” On Economy, Will Level Off. “A top White House economist says spending from the \$787 billion economic stimulus has already had its biggest impact on economic growth and will likely not contribute to significant expansion next year. Christina Romer, the chair of President Barack Obama’s Council of Economic Advisers ... told a congressional panel that by the middle of next year, the impact of the stimulus will level off.” (Jim Kuhnhenn, “Romer: Impact Of Stimulus Will Level Off,” [The Associated Press](#), 10/22/09)

WILL OBAMA LISTEN TO BOARD MEMBERS WILLING TO TELL THE TRUTH ABOUT HIS STIMULUS?

Harvard Economist Martin Feldstein Says Stimulus Will Do Little To Deal With Root Causes Of Economic Downturn. “The current outlook for an economic recovery remains precarious. Although the stimulus package will give a temporary boost to growth in the current quarter, it will not be enough to offset the combined effect of lower consumer spending, the decline in residential construction, the weakness of exports, the limited availability of bank credit and the downward spiral of house prices.” (Martin Feldstein, Op-Ed, “Tax Increases Could Kill The Recovery,” [The Wall Street Journal](#), 5/14/09)

- **And Points Out That “Danger Remains Of A Serious Slowdown.”** “The danger remains of a serious slowdown after this and a possible double dip’ of the economy in 2010, he said.” (Rich Miller, “Obama Bridge To Lasting Expansion Risks Going Nowhere,” [Bloomberg](#), 10/30/09)

Caterpillar CEO Jim Owens Criticizes Stimulus As Light On Infrastructure Investment, Full Of Social Programs Instead. “[T]he stimulus bill that we passed in the United States, I think, was a little more geared to a lot of social programmes ... and it was a little light on hard infrastructure investment.” (“Interview: Jim Owens Of Caterpillar,” [Financial Times](#), 7/30/09)

- **And Says Stimulus’ “Buy America Provision ... Damaging On A Psychological Front” To American Businesses.** “I think it’s been damaging on a psychological front. It’s relatively small in terms of its real impact on the imports or exports, but the fact that we as a country put a buy America provision in our stimulus bill, says we don’t have

confidence in American companies' ability to compete for and win that business in open competition." ("Interview: Jim Owens Of Caterpillar," [Financial Times](#), 7/30/09)

Yale University CIO David Swensen Warns Of Substantial Risk Of Inflation Due To Stimulus. "We've had this massive fiscal stimulus ... and it's hard to see how that doesn't translate into pretty substantial inflation, or at least pretty substantial risk of inflation." (Gillian Wee, "Yale's Swensen Recommends TIPS To Hedge 'Substantial Inflation,'" [Bloomberg](#), 5/23/09)

OR WILL OBAMA BE INFLUENCED BY POLITICAL ALLIES ON BOARD PUSHING TO WASTE MORE TAXPAYER MONEY, RAISE NEW TAXES ON AMERICANS?

Former Clinton Economic Adviser And Berkeley Business Professor Laura Tyson Says There Should Be Second Stimulus, Citing \$787 Billion Stimulus As "Too Small." "The U.S. should consider drafting a second stimulus package focusing on infrastructure projects because the \$787 billion approved in February was 'a bit too small,' said Laura Tyson, an outside adviser to President Barack Obama." (Shamim Adam, "Tyson Says U.S. Should Mull Second Economic Stimulus," [Bloomberg](#), 7/7/09)

- **After Being "Vocal Supporter" For, Economic Adviser To Obama's Campaign, Tyson Was Candidate For "Top Economic Post" In Obama Administration.** "Being considered for: A top economic post. Would bring to the job: Experience in the Clinton administration where she was chairwoman of the Council of Economic Advisers ... Is linked to Mr. Obama by: A late-in-the-campaign conversion to his cause ... Ms. Tyson quickly become a vigorous, vocal supporter of Mr. Obama, speaking out in television interviews and joining a small team that advised him on economic issues ..." (Louis Uchitelle, "The New Team: Laura D'Andrea Tyson," [The New York Times](#), 11/12/08)

AFL-CIO President Richard Trumka Pushing For Another Stimulus. "And Richard Trumka, the labor federation's secretary treasury, has been pushing for a new stimulus as a member of Obama's Presidential Economic Recovery Advisory Board." (Jim Kuhnhen, "Delicate Economic Summer Crucial To Obama's Agenda," [The Associated Press](#), 7/6/09)

- **Because First Stimulus Allowed Bureaucrats, Union Bosses To Set Wages.** "'This is huge,' said Ross Eisenbray, vice president of the Economic Policy Institute, a pro-labor think tank in Washington. 'The only uses of Davis-Bacon comparable to the stimulus bill are the Defense Highway Act of 1956 which created the interstate highway system and the New Deal programs of the 1930s' ... The Wage and Hour Division of the Labor Department, determines who gets what. The standards also include benefits in its definition of 'prevailing wages,' giving local unions indirect influence over non-union pay." (Jefferson Morley, "Labor Wins 'Prevailing Wages' In Stimulus," [The Washington Independent](#), 3/31/09)

Former Federal Reserve Chairman Paul Volcker Supports National Sales Tax. "My tax philosophy would be if we can't deal with our expenditure loan with the present tax system, we've got to think about changing the tax system ... When you think about changing the tax system, given the problem that we started out talking about, you've got to talk about some tax that hits consumption." (Henry J. Pulizzi, "Volcker: Carbon Tax VAT Should Be On Table If Cost Cuts Insufficient," [Dow Jones Newswires](#), 9/29/09)

- **So-Called "Value-Added Tax" Would Violate Obama's Pledge To Never Raise Taxes On Middle Class.** "The value-added tax, common in other countries, is collected in stages from each business that contributes to the production and sale of consumer goods ... But a VAT could violate Mr. Obama's campaign pledge not to raise taxes on households with incomes under \$250,000 a year." (Robert Pear and Jackie Calmes, "Cost Concerns As Obama Pushes Health Issues," [The New York Times](#), 6/15/09)
- **VAT Would Increase Cost Of Almost Everything, Hit Poorest Americans Hardest.** "Highly visible, it would increase the cost of just about everything, from a carton of eggs to a visit with a lawyer. It is also hugely regressive, falling heavily on the poor. (Lori Montgomery, "Once Considered Unthinkable, U.S. Sales Tax Gets Fresh Look," [The Washington Post](#), 5/27/09)
- **VAT Could Cost Americans As Much As \$10,680 Per Year.** "All current federal taxes raised \$2,524 billion combined in 2008. Each percentage point of a VAT would increase this amount by 2.5 percent, increasing each household's annual tax burden by \$534. Some suggest the VAT rate should be set as high as 20 percent. At that rate, a VAT that

covers all goods and services in the economy--including food, clothing, housing, and health care--would collect an additional \$1,260 billion a year and cost every U.S. household \$10,680 annually.” (Curtis S. Dubay, “Value-Added Tax: No Solution For Health Care Or Fiscal Woes,” WebMemo #2532, [The Heritage Foundation](#), 7/9/09)