

Barack Obama – the \$600 billion man

By Bill Bonner, Chairman, [Bonner & Partners](#), 17 June 2017

[“Think tanks” think about what they’re paid to think about.](#)

Who pays them?

The people who have the resources to bend public policies in their direction.

Who are those people?

The elite. The insiders. The foxes. The Establishment. The Deep State.

They are the ones who own Today. And what they most fear is Tomorrow.

Fortunately for them, the feds are here to try to stop it from coming.

Fake News

We also looked at how military spending is a poor way to create jobs.

Win-lose deals never create good jobs. Instead, they draw people out of good jobs and put them into bad ones – jobs that add nothing to our wealth or satisfaction.

That describes almost all the jobs in the greater Washington, D.C., area... and most of the work done by every public employee above the lower ranks.

Teachers, firemen, policemen, and sanitation workers earn their money honestly and fruitfully.

The suits are mostly time wasters.

Think tanks think of reasons why it all makes sense. The president claims he’s added “jobs, jobs, jobs.” The newspapers report it as though it were true.

Later, we discover that it was all “fake news.”

Here’s Bruce Riedel at the Brookings Institution:

Last month, President Trump visited Saudi Arabia and his administration announced that he had concluded a \$110 billion arms deal with the kingdom. Only problem is that there is no deal. It’s fake news.

I’ve spoken to contacts in the defense business and on the Hill, and all of them say the same thing: There is no \$110 billion deal.

Fake news? We hope so.

Because the “jobs” created by the weapons industry are little more than nuts on a barroom table: They encourage the clients to waste more time and money.

The real business of the arms dealers is moving more wealth and power from the people who earn it to themselves. And the real business of the government is helping them get away with it.

\$600 Billion Man

But let’s connect a couple more dots...

Last week, amid the hundreds of items about the POTUS were two reports concerning the ex-POTUS.

First, it was noted that Mr. Obama had bought an \$8 million house in Washington, D.C.

“Where did the former community organizer/lawyer/federal employee get the money for that kind of pad?” we wondered.

Then this from The Wall Street Journal:

As if taxes haven’t been high enough, the U.S. Government also forced Americans to spend an eye-watering \$1.9 trillion in 2016 just to comply with federal regulations. That’s according to the latest annual “10,000 Commandments” report released today by Wayne Crews of the Competitive Enterprise Institute. “If it were a country, U.S. regulation would be the world’s seventh-largest economy, ranking behind India and ahead of Italy,” notes Mr. Crews. He adds that our regulatory tab is nearly as large as the total pretax profits of corporations.

Mr. Crews has become one of the most hated men in Washington by tabulating the hidden costs – those not counted in the roughly \$4 trillion of direct federal spending – that politicians and bureaucrats impose on the American economy. And nobody imposed more than Barack Obama.

According to the Crews annual scorecards, the yearly cost of federal regulation soared by more than \$700 billion in nominal dollars from 2008, the last full year of the Bush Administration, through Mr. Obama's final full year of 2016. Adjusting for inflation, you can call Mr. Obama the \$600 Billion Man...

This is real money, and to put it in context this column looked at the most recent Consumer Expenditure Survey from the federal Bureau of Labor Statistics. Based on these data, the hidden Obama tax is more than twice what American consumers spend each year on gasoline and motor oil (\$249 billion) and more than three times what we spend on electricity (\$186 billion). It's more than we spend on food while dining in (\$529 billion) or dining out (\$400 billion). It's also roughly nine times the \$66 billion that American consumers spend on alcoholic beverages, and your humble correspondent suspects there may be a connection here.

Intentional Damage

Here at the Diary, we, too, suspect that the feds' red tape has slowed down growth.

Remember, there are only two kinds of transactions: win-lose and win-win. You don't have to know how every deal will turn out. You only have to know what kind of deal it is, at the beginning. Win-win deals frequently lead to wealth and progress. Win-lose deals – forced onto people, usually by the feds – almost never do. Instead, they reduce wealth and slow growth.

From Adam Smith's The Wealth of Nations:

Though the profusion of government must, undoubtedly, have retarded the natural progress of England towards wealth and improvement, it has not been able to stop it.

How do you know if a deal is win-win or win-lose?

Simple: A win-win deal is voluntary. Win-lose deals are not. Regulations are win-lose. Someone wins – usually the protected industry or the regulators themselves (and Mr. Obama, of course). And someone loses: almost everyone else.

And economic growth slows.

But we are more cynical than Mr. Crews. We've been watching this show for a long time. Slowing growth was not, we believe, an accident. It was not unfortunate collateral damage.

It was intentional.

Lobbyists, think tanks, big business, bureaucrats, cronies, and insiders – all the people who add to the regulatory claptrap – share the same basic motivation.

All of them are on top of the world now. And they are willing to pay Mr. Clinton, Mr. Obama, Mr. Bush, and Mr. Trump to help keep them there.

Bill Clinton is believed to be worth \$80 million – not bad for a life of “public service.” Barack Obama's fortune is “only” \$40 million. But he's just beginning to collect his debts.

Word on the street is that he'll collect \$400,000 for a single speech on medical care, for example. Pocket change you can believe in.