

The Perfect Storm

By Alan Caruba

The term, “the perfect storm”, has come to mean how circumstances and bad judgments come together to create havoc and death.

I have begun to conclude that America is caught in a perfect storm. It didn't occur overnight, but it has rapidly reached a point wherein the very life of the nation is at stake.

The tipping point, if I may be permitted another cliché, was the election of Barack Hussein Obama as President. Though efforts, including several books, attempted to flesh out what little was actually known about Obama, it was the skillful packaging that turned him into a rock star whose theme “hope and change” could and did mean anything the voter imagined.



Obama arrived in the Oval Office with virtually no paper trail. He had not ever managed a business, never made a payroll, and had not worked in the private sector. He had been “a community organizer” and had taught constitutional law as a lecturer at the University of Chicago. In this regard, he was spectacularly ill-prepared to make decisions regarding the greatest economy in the history of civilization.

He had been preceded by a Congress controlled by the Democrat Party as of the 2006 midterm elections as voters wearied of the long war in Iraq and, typically, the second term of then-President Bush. Leading the new Congress was, by any standard one could apply, two of the most stupid politicians to hold high office. Sen. Harry Reid (NV) was Senate Majority Leader and Rep. Nancy Pelosi (CA) was Speaker of the House.

Sen. Reid had famously said, “The war is lost” and Rep. Pelosi told the world that the CIA “lies to Congress all the time” and has called insurance companies “villains.” Not exactly a vote of confidence in the nation's military or its intelligence agency. When did insurance companies, banks and investment firms become the enemy? The burst mortgage loan bubble was the creation of the federal government.

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It was, however, the economy that took the first body blow with the sudden, though predicable, bursting of the mortgage loan “bubble.” There had been earlier warnings but as in any perfect storm, they were ignored. It goes back to the days of the Carter administration when legislation was passed to give everyone the “right” to own a home. Banks and mortgage firms were literally required by law to ignore normal lending caution. When there were more bad loans than good, Fannie Mae and Freddie Mac, government “entities”, owned more than half of all the mortgage loans in the nation.

At that point, in what can only charitably be called total panic, Congress authorized the U.S. Treasury to spend \$700 billion in TARP funds to “bail out” troubled financial institutions instead of letting them fail. The word was that they were “too large to fail” and had to be rescued and there may be some truth to this, though Lehman Brothers was allowed to fail. To this day, Congress does not know much, if anything, about the distribution of TARP. It can't even audit the Federal Reserve.

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In a similar fashion, instead of allowing General Motors and Chrysler to go through the tried and true bankruptcy process, the government “invested” billions before, inevitably, they did undergo bankruptcy. The government now owns some 60% of GM; its unions own most of the rest. Its creditors are suing to get their legal and proper compensation. The government is not supposed and is not allowed to own private enterprises; (though it does own government “entities” like Amtrak which has never made a profit.)

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The country is watching a “Cap-and-Trade” bill pass through Congress that everyone, including its authors, agrees is a massive tax on the use of electricity, one that will drive up the cost of electricity to every American and all business and industry in America. It is based on the assertion that “greenhouse gases” must be reduced to avoid “global warming”, but there is no global warming and greenhouse gases such as carbon dioxide play no role in climate change.

When the cost of energy is increased, the cost of everything that depends on energy use increases and that is, well, everything.

At the same time, for decades the United States has placed every possible obstacle before the exploration and extraction of vast oil, natural gas, and coal resources that exist within the nation and offshore on its continental shelf. Plans for more than a hundred coal-fired plants have been abandoned despite a growing population that is using more electricity. There hasn't been a single new refinery built since the 1970s. The construction of nuclear plants has been painfully slow due to regulatory hurdles. The nation's electrical distribution grid was built largely in the 1950s and 60s. It is in desperate need of expansion.

While coal provides 50% of our electricity and nuclear 20%, the rest is taken up by natural gas and hydroelectricity (water). Just over 1% is provided by wind and solar energy and the government proposes to provide billions in subsidies to its producers. In much the same fashion, the government mandates the inclusion of ethanol in all gasoline sold even though ethanol provides less energy and adds to the cost not only of the gasoline, but to food products that utilize corn, the primary source of ethanol. We are burning food to fuel cars, trucks, and buses.

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Under the Obama administration, the nation is borrowing more and running up a deficit that is, in his own words, “unsustainable”, but the government is making no effort to seriously cut spending. Instead, it passed a “stimulus” bill that is largely devoted to helping states fund government mandates such as Medicare and Medicaid, thus failing to create any new jobs in the private sector, most of which would come from investment in infrastructure. The “stimulus” bill is pure pork, a political Christmas tree.

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Meanwhile, it is no secret that the United States is the world's policeman. Our navy ensures that the world's vital sea lanes remain open. Our military has some 800 bases, large and small, around the world. It is engaged in fighting the Taliban in Afghanistan and it is withdrawing from active fighting in Iraq. Billions have been expended in both of these campaigns to defeat an enemy sworn to destroy America.

Then too the borders of the nation and its sovereignty are being ignored and reduced by the tide of illegal immigration and by ratification of United Nations treaties that supersede U.S. legislation and rights. An obscure group of bureaucrats in the Department of Commerce are still working on plans to merge the U.S., Canada, and Mexico into a single political and national entity called the North American Union.

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The United States, an experiment in individual liberty and federal rule; a nation that survived a Civil War, that struggled another century to end racial discrimination, that fought in many wars include two world wars in the last century, is now disintegrating financially and will soon lack the means to provide adequate power to its cities and towns.

Most of the nation's individual States are, for all intents and purposes, broke and laboring under public service sector union contracts that impose huge present and future costs on their citizens.

To the astonishment of every economist in the world, the White House and Congress are proposing to raise taxes in the midst of a recession. John F. Kennedy, Ronald Reagan, and George W. Bush all lowered taxes and made their recessions go away.

In mid-July, the Vice President said, "We have to go spend money to keep from going bankrupt." That is impossible.

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The nation's voters are almost completely divided between those on the Left and those on the Right. There is an all-or-nothing, winner-takes-all quality to our political system and has existed since the FDR era. The middle ground of independent voters literally determines most elections or at least those that are no longer stolen such as the recent one in Minnesota that sent a former *comedian* to the Senate.

That brings us to the observation that we have a very unsavory group of politicians in government these days. There are exceptions, but the revelations of sexual infidelity or misconduct as well as outright theft have become routine. The vile politics of Chicago and Cook County have now been imported into the White House.

The worst development, however, is the creation of "czars" empowered to make and shape policy without ever being subject to review or oversight by Congress. That is a kind of gangster government.

Lastly, it comes as no news to anyone that the nation has been sinking into a era of decadence since the 1960s in which the consumption of illegal drugs is widespread and

sexual license is reflected in popular entertainment as well as high divorce rates, single parents, and, of course, abortion. There's a lot to be said for morality.

I am by nature an optimist and I remain hopeful that elections and protest movements will alter future events, but for now it is the perfect storm.

Alan Caruba writes a daily post at <http://factsnotfantasy.blogspot.com>. A business and science writer, he is the founder of The National Anxiety Center.

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