

ECONOMIC PEGODILLOS

APRIL 2009

President Barack Obama's former Commerce Secretary nominee and United States Senator Judd Gregg made this amazing point...

“We won't even be able to get into the EU, if we wanted to, because our government is so large and so huge. We've been lectured by France on the fact that we're not fiscally responsible right now.”

The European Union's Stability and Growth Pact adopted in 1997 requires a budget deficit to be less than three percent, and requires a national debt beneath 60 percent of Gross Domestic Product. According to the Congressional Budget Office, the yearly budget deficit would fall well beyond that threshold in coming years.

President Barack Obama has promised that his cap-and-trade energy policies would fund an explosion of **“Green Jobs”** as the government puts on a full-court-press for alternative energy sources. *Bloomberg* recently reported that Spain had the same idea and implemented it...Millions of **“Green Jobs?”** Not so much.

This idea of millions of **“Green Jobs”** may actually destroy two jobs for every one created if we use Spain's model and experience with windmills and solar farms as the guide. According to King Juan Carlos University in Madrid at least 2.2 jobs in other industries were destroyed for every **“Green Job”** created. Spain paid \$775,000 for every **“Green Job”** through subsidies since 2000. That does not include the cost in lost jobs, lost tax revenue, and increased welfare and unemployment.

Why did the jobs vanish?

One reason is due to the higher taxes imposed by the government to pay for the subsidies. Another is the Green Policies drove industry out of Spain to friendlier locales. The study did not account for jobs lost through industrial relocation, which means money and capital leaving the state. The largest stainless-steel producer in Spain directly linked it's decision to move operations to South America to the higher costs imposed by the government.

Looking into a crystal ball, here in the United States, we could see an intense flight of capital in countless industries, not just manufacturing. *Bloomberg* points out that Microsoft and Google have already moved their servers to get cheaper energy. What's to say that it won't just be manufacturing, but tech jobs as well that move.

Headline of the month comes from Reuters, ***AIG Bonuses Renew Call for Congress to Read Bills.*** Really...Congress, those fearless and upstanding leaders of ours don't read the bills they sign.

Who knew?



This is the new logo that will stamp everything that uses money from the American Recovery and Reinvestment Act (Stimulus package.)

Anyone find it ironic that the picture contains gears that obviously won't work because they are not touching and a plant that looks a lot like poison ivy?

I wonder if the Rolling Stones are getting royalties?

The U.S. government is now offering an ***“Emotional Rescue”*** kit! Getting Through Tough Economic Times is launching this April with a grand media push. The site is supposed to aid people in identifying health concerns related to financial worries. The site will warn of depression, suicidal tendencies, and other serious mental illnesses. The site will raise warning flags for: persistent sadness, crying, excessive anxiety, lack of sleep, constant fatigue, excessive irritability, and anger.

Your tax dollars at work!