



~~The New New Deal~~ Boondoggle

Michael Grunwald's New Book Details Obama's Utter Disregard For Fiscal Restraint In The Stimulus

Obama Pledged There Would Be An "Unprecedented Oversight Effort" For The \$833 Billion Stimulus. OBAMA: "Here in Washington, we've all seen how quickly good intentions can turn into broken promises and wasteful spending. And with a plan of this scale comes enormous responsibility to get it right. That is why I have asked Vice President Biden to lead a tough, unprecedented oversight effort – because nobody messes with Joe." (President Barack Obama, [Address To Joint Session Of Congress](#), Washington, DC, 2/24/09)

NEW REVELATIONS ABOUT OBAMA'S PET STIMULUS DIRECTIVES - AND THEIR FAILURES

Solyndra

THEN: "The White House Went To Amusing Lengths To Stage-Manage Obama's Visit To Solyndra." "The White house went to amusing lengths to stage-manage Obama's visit to Solyndra. 'Can you confirm that his greets will be wearing their normal everyday work cloths and safety gear?' the advance team emailed. 'We want to make sure we have the construction worker feel.' Yes, confirmed, along with the twenty-foot-by-thirty-foot American flag, coffee and donuts for the press, and a robotic arm that would display a solar panel onstage during the president's speech. Also, the team wanted a solid backdrop behind Obama: 'Preferably not white. Something darker and matte (not glossy).'" (Michael Grunwald, *The New New Deal*, 2012, p. 384)

- **White House Officials Discussed Inviting Solyndra's Executives To The State Of The Union Address.** "There was even low-level White House discussion about inviting Solyndra's executives to sit in the First Lady's box during the State of the Union, to illustrate the president's theme of 'winning the future.' Obama's events director shot down that idea: 'Can't do Solyndra...they've run into some issues recently. ☹'" (Michael Grunwald, *The New New Deal*, 2012, p. 415)

NOW: **Seagate Technology Will Pay \$90.3 Million For Solyndra's Building, Which Was Financed By Taxpayers.** "Seagate Technology Plc (STX.O), maker of hard drives and storage devices, has agreed to pay \$90.3 million for the former manufacturing plant and headquarters building of bankrupt Solyndra LLC, which was financed by a controversial government loan, according to bankruptcy court documents." (Iaina Jonas, "Seagate offers \$90.3 Million For Solyndra Property: Court Filing," [Reuters](#), 8/24/12)

A123 Systems

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THEN: Chief Technology Officer Of A123 Said That, Thanks To The Stimulus, “You’re Going To See The Industry Reach Critical Mass Here.” “Thanks to the Recovery Act, A123 built its next two factories in Michigan. Four of its suppliers also won stimulus grants to build U.S. plants. So did one of its customers, Navistar, which retrofitted a shuttered RV factory in Indiana to make electric trucks for companies like FedEx. Another customer, Fisker automotive, snagged a federal loan to make electric cars in a shuttered GM plant in Delaware. ‘Without government, there’s no way would’ve done this in the U.S.,’ A123 chief technology officer Bart Riley told me. ‘But now you’re going to see the industry reach critical mass here.’” (Michael Grunwald, *The New New Deal*, 2012, p. 361)

NOW: China’s Wanxiang Plans To Invest \$450 Million In Obama-Funded A123 Systems, Taking An 80 Percent Stake. “China’s largest automotive parts supplier is poised to take control of U.S. battery maker A123 Systems (AONE.O), which received \$249 million green-technology grant from the Obama administration in 2009. China’s Wanxiang Group Corp plans to invest up to \$450 million in A123 Systems, taking an 80 percent stake in the U.S. company, A123 said on Wednesday.” (A. Ananthalakshmi and Paul Lienert, “China’s Wanxiang To Take Control Of Battery Maker A123,” [Reuters](#), 8/8/12)

- **After Receiving Taxpayer Dollars, A123 Warned Last Month It Only Has Enough “Cash To Fund Its Operations For Only The Next Four To Five Months.”** “A123 warned last month that it had cash to fund its operations for only the next four to five months. A123 received more than \$200 million from venture investors before raising \$378 million in a 2009 initial public offering. That same year, it was awarded a grant under the Obama administration’s \$2.4 billion Electric Drive Battery and Component Manufacturing Initiative.” (A. Ananthalakshmi and Paul Lienert, “China’s Wanxiang To Take Control Of Battery Maker A123,” [Reuters](#), 8/8/12)

A New Smart Grid

THEN: On The Smart Grid, Obama Was Convinced That We Could “Just Go Build It.” “Obama thought the smart grid could be that something, a twenty-first century version of the interstates or the Internet, this time connecting Americans with digital meters (the smart part) and high-voltage wires (the grid part). ‘We said: ‘God, wouldn’t it be wonderful?’ Biden recalls. ‘Why don’t we invest \$100 billion?’” Browner shared Obama’s enthusiasm about the smart grid. She was eager to see the new transmission wires carry the wind of the Dakotas to the people of Chicago. But just go build it? Um...no. She explained that the feds didn’t need to build wires. Utilities could do that, and had money to do that. The holdup was that sitting high-voltage wires had become a maze of red tape, requiring approval from hundreds of zoning boards and other regulators, not to mention entire states that would derive no benefits from the lines slicing through their borders. This was not a problem that could be solved in a stimulus time frame. ‘I’m sorry, sir,’ Browner said. ‘We wouldn’t be able to spend the money.’ Obama would not drop the issue.” (Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 124)

- **“‘[T]he Economy Has Fallen Off A Cliff, History Is Calling, And Really? I Can’t Just Do A Smart Grid?’ Orszag Recalls.”** “‘There was this sense of frustration. Here’s the first African American president, the economy has fallen off a cliff, history is calling, and really? I can’t just do a smart grid?’ Orszag recalls. ‘He really wanted a moon shot, and these seemed like such mundane reasons not to go big. But Carol said no, this is reality.’ Ultimately, Browner was right. The grid was not the interstate highway system. It didn’t make sense for the government to try to take it over.” (Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 124)

NOW: The Smart Grid Plan Has Experienced All Kinds Of Delays. “Before the Recovery Act, almost every U.S. utility was at least starting to plan for a smart grid, and a few were already installing their first

smart meters and other digital equipment. But while the passage of the stimulus accelerated the planning, because utilities had to think about their needs before applying for grants, it initially slowed down the installation, because utilities didn't want to splurge on upgrades if there was a chance the feds could pay for them. So until Obama announced the winners in October grid investment froze, which was not the kind of responded the stimulus was supposed to stimulate. 'It was frustrating. The utilities put everything on pause,' says Raj Vaswani, chief technology officer for Silver Spring Networks, a Silicon Valley smart grid firm. And after Obama's announcement, the awards were delayed again because utilities objected to paying taxes on them." (Michael Grunwald, *The New New Deal*, 2012, p. 312)

OBAMA'S WASHINGTON DURING THE STIMULUS WAS A "POLITICAL TOYS 'R' US"

"Washington Would Remain A Political Toys 'R' Us During The Obama Era, A Superstore For Childish Things." "In his inaugural address, just before that laundry list of commitments he would honor through the Recovery Act, Obama Declared a new era of seriousness in Washington. 'We come to proclaim an end to the petty grievances and false promises, the recriminations and worn-out dogmas that for far too long have strangled our politics,' he said. 'We remain a young nation, but in the words of the Scripture, the time has come to set aside childish things.' That was one more false promise right there. Washington would remain a political Toys 'R' Us during the Obama era, a superstore for childish things. (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 176)

"Multibillion-Dollar Line Items Were Being Erased And Inserted With Casual Keystrokes." "As multibillion-dollar line items were being erased and inserted with casual keystrokes, Obama aides who had served under President Bill Clinton occasionally paused to recall their futile push for a mere \$19 billion stimulus that had seemed impossibly huge in 1993, or their vicious internal battles over a few million bucks for beloved programs that suddenly seemed too trivial to discuss. And the Recovery Act's initial estimate of \$787 billion turned out to be too low; the official price tag would eventually climb to \$831 billion." (Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 12)

Jared Bernstein, Biden's Chief Economist, Says "The Sentiment Was: Don't Feel Constrained." "The sentiment was: Don't feel constrained. Don't feel constrained. Don't build a tight corral around your thinking,' Bernstein recalls. Obama wanted iconic programs that would create a legacy of change, an updated version of The New Deal. And he urged his advisers to channel FDR's spirit of experimentation." (Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 121)

Peter Orszag, OMB Director, Said "No Matter How You Structured It, You Couldn't Get Too Much Out The Door In 2009." "No matter how you structured it, you couldn't get too much out the door in 2009,' Orszag says. 'It was okay if some of it wasn't so fast. You couldn't let the perfect be the enemy of the good.'" (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 163)

"Rahm Kept Pushing The Economists To Push Outside Groups To Push For More Stimulus, So Obama Wouldn't Look Like The Only Big Spender In Town." "Rahm kept pushing the economists to push outside groups to push for more stimulus, so Obama wouldn't look like the only big spender in town. If you need it, he said, then build the case for it." (Michael Grunwald, *The New New Deal; The Hidden Story Of Change In The Obama Era*, 2012, p. 120)

- **"And Rahm's Rule Was In Full Effect. When A Former Clinton Budget Aide On The Transition Reviewed The Green Team's Initial Proposals, His Reaction Was: You're Not Spending Enough."** (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 164)

"Nobody Had An Economic Theory To Justify \$800 Billion..." "The consensus in the room was that

the final package should be below \$800 billion, and should have a much tighter focus on jobs. Nobody had an economic theory to justify \$800 billion, but it was the minimum Obama had said was needed to avoid a calamity, and more just sounded like it too much.” (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 219)

THE RESPONSIBILITY FOR THE STIMULUS LIES SQUARELY AT OBAMA’S FEET

“Congress Helped Shape It, But It Was Unmistakably An Obama Bill. And It Has Been Implemented In An Obama Way.” (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 20)

- **“It’s His Vision.”** (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 21)

“One Of The Enduring Criticisms Of The Stimulus Has Been That Obama Exploited An Emergency To Do Things He Wanted To Do Anyway. It’s True.” (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 161)

“A More Compelling Critique Of The Recovery Act Is That It Was A Hodgepodge. It Did Throw Cash At Just About Every Problem Imaginable.” (Michael Grunwald, *The New New Deal*, 2012, p. 415)

Fit For The Job: Obama Had “Barely Located The Bathrooms” In The Senate Before Running For President

Obama Had “Barely Located The Bathrooms” In The Senate Before Launching His Presidential Campaign. “The president-elect may have campaigned as an outsider, but he stocked his administration with Capitol Hill insiders. Of course, Obama and Biden both came from the Senate, and while Obama had barely located the bathrooms before launching his presidential campaign, Biden had spent thirty-six years in the institution.” (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 129)

Obama Once Joked With Biden: “Look, You Were A Senator. I Was Never A Senator.” “(Obama once joked with him: ‘Look, you were a senator. I was never a senator.’)” (Michael Grunwald, *The New New Deal: The Hidden Story Of Change In The Obama Era*, 2012, p. 129)