



TO: Interested Parties

FROM: Steven Law

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RE: President Obama's Solyndra Economy and the "Fairness" Debate

In his State of the Union address on January 24, President Obama continued to build his new case for massive government intervention in the economy and redistribution of the fruits of hard work, risk-taking and success. He argued that these same policies must continue and be expanded upon – despite their costly failure over the last three years – in order to correct systemic unfairness in the American economy and social structure.

President Obama, like most liberal intellectuals, is more comfortable with soaring rhetoric than with practical application. Fortunately, however, we have more than just Obama's economic theories to evaluate; we have an actual laboratory in which his interventionist vision has been tested: the Obama "green jobs" program. What reporters at the *Washington Post* and *USA Today* are uncovering is:

- an economic ecosystem in which participants are rewarded not for *what* they know, but for *who* they know;
- a lucrative spoils system "infused with politics at every level," where Obama officials handed out more than \$16.4 billion to companies "either run or primarily owned by Obama financial backers;"
- a financially hollow economy in which government bureaucrats and White House staff play at being private equity masters, betting taxpayer money on shaky business deals pushed by political donors and lobbyists; and
- a system so devoid of accountability and performance metrics that it makes even the worst excesses of Wall Street pale by comparison.

Today, Crossroads GPS launches its second national television ad critiquing the President's "green jobs" program. The new ad, called "Every Level," argues that Americans need practical solutions that will encourage sustainable growth and create jobs – not more economic theories that devolve into politically infected spending binges like Obama's "green jobs" fiasco.

The President's State of the Union address represents **a key inflection point** in the national debate on our economy and the government's role in it. Obama wants to cast the issue in moral terms, i.e., the need to correct systemic economic unfairness. Many on the right seem to want to conduct the debate on fiscal terms and duck the moral argument. However, most Americans resonate far more with moral arguments than with fiscal ones. Moreover, Obama's Solyndra economy gives us a vivid platform on which to conduct that moral debate.

President Obama views his Solyndra economy as a success – so much so that he advocated doubling down on it in his State of the Union speech. He rationalizes the heavy losses that taxpayers will bear (“some technologies don't pan out, some companies fail”) and simply ignores the sweetheart deals, influence-peddling, incompetence and obsession with photo-ops that define his personally designed economy.

President Obama has laid out the terms of a critical national debate: America is an unfair place, and more government is the solution. Advocates on the center-right need to engage that debate in both moral and economic terms, showing that *Obama's Washington* is an unfair place, and *less* of Obama's invasive, free-spending and chronically politicized government is the solution. America has always been the land where “know-how” was the universal pathway to success, prosperity and widespread growth. President Obama's Solyndra economy would replace that quintessential American model with a government-centered system in which “know-*who*” automatically trumps “know-*how*.” Let's have that debate.