

Sent: Thu, 30 May 2013 09:50:48 -0400
From: David Axelrod [REDACTED]
To: [REDACTED]

P6/b(6)

See you shortly.

Thought you might be interested in this piece by our old Chicago buddy, Don Rose.

Obama's Economy: Myth and Reality

By Don Rose

"Economically, Could Obama be America's Best President?" asks the headline.

Now where might you read such stuff?

The Nation?

In These Times?

The American Prospect?

Or might you be hearing it from the progressive cable-babblers at MSNBC?

Guess again.

It comes from that self-acclaimed "capitalist tool," the very conservative Forbes Magazine, by its very conservative columnist Adam Hartung, a business consultant.

Hartung, acknowledging our record-high markets, revival of the auto industry, lowered unemployment rate and significant reduction in the deficit, interviews Bob Deitrick, co-author of "Bulls, Bears and the Ballot Box" in the May 16 issue of Forbes to get a take on where Obama ranks against his recent peers when it comes to managing the economy.

"By all measures, President Obama has outperformed every modern president," comes Deitrick's reply.

What's the evidence?

First off, while it's clear that the stock market is not "the economy," in addition to wealthy investors, millions of Americans have their IRAs or other retirement programs in the market—which sank some 58 percent from mid 2008 into 2009—Obama's first year in office. That drop was exceeded only by the Great Depression.

From those lows, Hartung notes, "even the safest indices have yielded a 250 percent (nearly 25 percent annual compound) return." That's better than under Clinton, Reagan or Franklin D. Roosevelt, who held the previous record.

This is a major recovery, but obviously it's been largely a jobless recovery. That's the main problem. One might well speculate that if the GOP had permitted Obama's infrastructure proposals to pass, the jobless rate would have fallen more substantially and the economy look even better. Furthermore, the administration has done an excellent job in reducing the deficit—that horrible monster he is perpetually accused of increasing exponentially.

Want facts?

We had a surplus in 2000. After a couple of rounds of Bush tax cuts and 8 years of war financed by borrowing, the deficit increased to 10 percent of the Gross Domestic Product.

Today, early in Obama's second term, the deficit has shrunk to 4 percent of GDP, projected to 2 percent by 2015. That's a \$200 billion decrease, due to a growing economy, increased taxes on the wealthiest and—yes—savings due to Obamacare.

Insufficient as it may have been, the stimulus worked. Weak as it they are, the administration's restraints on Wall Street helped. "Austerity" didn't.

The problem is, Obama's opponents either don't or won't acknowledge the real facts. We still hear yips and hollers from Tea Party types and their brethren on Fox News still talk as if it was still 2009.

History shows us that since the Great Depression the economy has fared better under those tax-and-spend liberal Democrats than under Republicans. It was best under Kennedy/Johnson, followed by Clinton, then FDR. Next come Eisenhower and Reagan, then Truman and Carter, with the elder Bush, Nixon, G.W. Bush and Hoover trailing.

Today Obama is managing the economy about as well as Reagan—with potential to rise close to the top.

Don't take this lefty's word—read Forbes or the Wall Street Journal.

Sent from my iPhone