The Daily Dish

Whiskey and Car Keys

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Some days it does not pay to read the papers. There it was, on the (figurative) front page of the *Financial Times* (FT): US to invest $2bn in nine quantum computing companies. AAAAAAaaaaaarrrrrrrrrrgggggggghhhhh! The Trump Administration is taking more misbegotten equity stakes in companies.

Yes, yes, yes. Eakinomics is just overreacting. After all, who needs taxpayer money more than a poor, cash-starved startup like IBM or GlobalFoundries, a subsidiary of the U.A.E. sovereign wealth fund? But where did the Commerce Department get the money? The FT reports Secretary Howard Lutnick as saying: "With today's CHIPS Research and Development investments in quantum computing, the Trump administration is leading the world into a new era of American innovation."

The CHIPS Act! That nightmare of a misstep rears its ugly head once again. This makes it a horse race between the Biden and Trump Administrations to see who can most misuse the CHIPS slush fund. But that's not what has Eakinomics concerned.

Right next to the quantum giveaway was this gem: Senators seek to curb US Treasury's ability to fund foreign allies. Why would they need to do that? Doesn't the Senate have its say in the appropriations process? Alas, Treasury also has its slush fund:

> *Jeanne Shaheen, the Democratic senator from New Hampshire, and Iowa Republican Chuck Grassley on Thursday plan to introduce legislation intended to set limits and provide more clarity on the Treasury's use of its $219bn Exchange Stabilization Fund to extend an economic lifeline to other countries.*

The attentive reader will notice that the Exchange Stabilization Fund (ESF) was evidently created to give Treasury the ability to stabilize the dollar exchange rate, something it

stopped needing to do when the United States abandoned the fixed exchange rate regime in March 1973. Over 50 years ago, Secretary George Shultz stopped needing the ESF. Why does Secretary Scott Bessent have it in 2026? And why the hell does he have $219 billion in it?

Congress has the power of the purse. No administration should have the latitude demonstrated by this administration. To paraphrase the late, great political scientist P.J. O'Rourke: Giving the administration walking around money is like giving teenagers whiskey and car keys. Bad things will happen.