THE OBAMA WATCH

A Nation of One-Eyed Sycophants?

By Ralph R. Reiland on 7.20.09 @ 6:07AM

President Obama got it right for a minute during his recent stop in Africa. "No business wants to invest in a place where the government skims 20 percent off the top," he told the Parliament of Ghana.

Then he flew home to a U.S. economy that's losing a half million jobs per month and started pushing for a new round of tax hikes and costly regulations on American businesses, even though they're already paying double the rate that Obama warned will kill off investment and job growth.

"I wonder if the President is referring to corrupt bureaucrats asking for bribes," wrote the Cato Institute's Daniel J. Mitchell regarding Obama's advice to the Ghanians. "But even if that is the case, why does it matter?" -- i.e., it's same disincentive whether the money is pocketed by the Treasury or by a crooked bureaucrat.

Even before the next round of tax hikes and health care mandates, U.S. corporations are operating under an average combined federal and state corporate tax rate of 39.3 percent, second only among OECD countries to Japans' combined rate of 39.5 percent.

Moreover, the combined corporate tax rate in 24 high-tax states in the U.S. is higher than top-ranked Japan. Iowa is the worst, hitting corporations with a 12 percent corporate tax rate, followed by Pennsylvania with a 9.99 percent rate on corporate income.

Does anyone think that Obama, being consistent, will stop by in Pittsburgh during the upcoming G-20 summit and deliver the same message that he preached in Ghana, warning that Pittsburgh is at the top of the pile in the nation in population losses and low job creation because the city skims too much money from what's left of its business sector?

Since the last census, Pittsburgh had the nation's fifth worst rate of decline in population among the 273 cities with more than 100,000 residents. Remove Katrina-hit New Orleans from the list and Pittsburgh moves up to fourth place (only Buffalo, Cleveland, and Flint, Michigan were worse).

President Obama also had another good line in his economic pontifications in Ghana. "No country is going to create wealth if its leaders exploit the economy to enrich themselves," he

1 of 2 7/20/2009 10:12 AM

warned. What's the chance that he'll deliver that same message to the crooks on Wall Street the next time they have their hands out for more billions of our tax dollars?

Landing back in the U.S., President Obama immediately delivered the marching orders on health care reform, sounding not unlike a father who just got back from out-of-town and found that his teenagers had been having too much fun while he was away.

"So I just want to put everyone of notice, because there was a lot of chatter during the week that I was gone," he declared. "Inaction is not an option."

Inaction, in short, isn't an option even if his plan is fundamentally flawed. And we have to act at once, with no more "chatter."

Dr. David Blumenthal, Harvard professor and a key health advisor to Obama, explained the rush: "Bill Clinton waited nine months to introduce his Health Security Act in 1993, which allowed the opposition to mobilize and defeat him."

President Obama has appointed Blumenthal as the National Coordinator of Health Information Technology, a position that Dr. Betsy McCaughey, a former Lt. Governor of New York and a renowned patient advocate, describes as the head of a system of "computer-guided medical care."

That means that Blumenthal and Obama, by design, can decide what we'll be allowed to receive in medical care, not the newly de-skilled and less-expensive physicians who can just bring up on their computers what the central planners are mandating as the "best practice" and most "cost effective" treatment in each of our specific cases, given budget constraints and our age.

Dr. McCaughey describes how that's worked in practice in the U.K. in her "Downgrading American Medical Care" <u>article</u> in the July/August issue of *The American Spectator*: "In 2006, older patients with macular degeneration, which causes blindness, were told that they had to go totally blind in one eye before they could get an expensive new drug to save the other eye."

After nearly two years, the public in the U.K., still permitted to "chatter," got the care-denying edict by the central planners reversed.

Here at home, with his command for "no more talk," what is it exactly that Obama is demanding? A nation of one-eyed sycophants?

Ralph R. Reiland *is an associate professor of economics at Robert Morris University and a columnist with the* Pittsburgh Tribune-Review.

2 of 2 7/20/2009 10:12 AM