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## Obamanomics — Chattanooga visit features warmed over proposals

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As part of his latest pivot to the economy, President Obama visited Chattanooga to ... well, I'm not sure what he hoped to accomplish. Perhaps he wanted to demonstrate that he cared about the economy. Maybe he wanted to divert attention from the various scandals plaguing his Administration.

The problem is that he didn't say anything new or different. His audience was treated to the same tax-spend-and-regulate boilerplate that the President has been dispensing ever since he entered political life. So even if he actually does care about the economy, there's no reason to expect good results.

Unfortunately, with Obamanomics, not only has America failed to enjoy the traditional period of four-to-five percent growth at the start of a recovery, the economy hasn't even gotten close to the long-run average of 3 percent.

That's a damning indictment.

But it gets worse. The data on employment is downright depressing. A look at the numbers reveals that the nation is suffering from the worst period of job creation since the Great Depression. Most startling, we still haven't recovered the jobs we lost during the recession.

As recently as 2006, more than 63 percent of working-age adults in America were gainfully employed. But for the last three-plus years, that number has dropped to below 59 percent.

Needless to say, if more of our population is living off the government and fewer people are producing, that doesn't bode well for our long-run prosperity.

To be fair, all of these problems started before President Obama ever got to the White House. President Bush also was guilty of too much spending and excessive regulation, and his policies helped push the economy into a ditch.

Unfortunately, even though he promised "change," President Obama has been adding to Bush's mistakes — and also raising taxes. That's not exactly a recipe for prosperity.

So let's now look specifically at what the President proposed at his campaign stop in Chattanooga.

He re-packaged some existing ideas and says he wants them enacted as part of a “grand bargain.” The good news is that he says he wants a lower corporate tax rate, which is a laudable goal since the United States now has the highest corporate tax rate in the developed world.

But the bad news is that he wants to raise a bunch of other taxes, so it’s quite likely that we could have an even more onerous tax code when all the changes are added to the mix.

Even worse, the President proposed a bunch of new spending. It’s almost as if he’s unaware of all the governments around the world — from Detroit to Greece — that have gotten in trouble by spending too much and starving the private sector.

He even proposed to create dozens of “innovation institutes,” as if the folks in Washington had any ability to boost the private sector.

So what’s the bottom line? The world is a laboratory, and the lessons are very clear. Jurisdictions with small government and free markets, such as Hong Kong and Singapore, grow rapidly. Nations with bloated welfare states, such as France, Italy and Greece, suffer from stagnation and decline.

The United States historically has been somewhere between these two camps, which is why we had average growth of about 3 percent. We’ve become a lot more like Europe during the Bush-Obama years. That helps to explain why our growth numbers and jobs data are now so disappointing.

Unfortunately, the President’s speech shows that he wants to step on the gas rather than turn the car in the right direction.