

Forbes

Obama's SOTU: A Campaign Speech That Erodes The Power Of The Citizenry

By: Doug Bandow – February 18, 2013

The presidential election is over, but Barack Obama gave another campaign speech. Only he called it his State of the Union address.

It was part of a silly ritual that has nothing to do with the “state of the union.” It would make more sense for presidents to follow George Washington’s example and just send their written text over to Capitol Hill. Then members wouldn’t spend hours sitting in a near empty chamber to snag seats along the aisle where the president enters. The emphasis would be on legislative initiatives rather than photo ops.

The nonsense started early in President Obama’s talk. “Thanks to the grit and determination of the American people, there is much progress to report,” he said. For instance, “brave men and women in uniform are coming home.” True, but that is only after two successive presidents foolishly promoted nation-building in Afghanistan over the growing opposition of the same American people.

Moreover, “our businesses have created over six million new jobs.” Again, true, but in spite, not because, of Washington. U.S. politicians have wasted prodigious amounts of money that would better have been left with entrepreneurs, investors, and consumers. Every year legislators and bureaucrats disgorge new laws and regulations which discourage job creation. Clyde Wayne Crews of the Competitive Enterprise Institute has pointed to the government’s “hidden tax” of regulation, which alone imposes nearly \$2 trillion in compliance costs on the economy.

The president did acknowledge the necessity of restoring “the basic bargain that built this country—the idea that if you work hard and meet your responsibilities, you can get ahead, no matter where you come from, what you look like, or who you love.” Yet Uncle Sam routinely violates this bargain on behalf of the interest groups which dominate Washington. The state has become a huge parasite, the collective representative of those who see government as the means to live at everyone else’s expense.

Indeed, Barack Obama asserted that “It is our unfinished task to make sure that this government works on behalf of the many, and not just the few; that it encourages free enterprise, rewards individual initiative, and opens the doors of opportunity to every child across this great nation.” Then he should not have spent his first term giving government greater power to manipulate the economy and redistribute wealth through big-spending “stimulus”

legislation, centralized health care “reform,” and expansive new regulatory initiatives. Such measures are designed to give the few ever greater control over the many—forever.

The president patted the backs of the assembled politicians for raising taxes in January, putting America, he argued, “more than halfway towards the goal of \$4 trillion in deficit reduction that economists say we need to stabilize our finances.” Yet the latest Congressional Budget Office report warned that we still face another \$7 trillion in deficits over the coming decade. The official federal debt will remain above 73 percent of GDP—far higher than the 39 percent average over the last four decades. And then there’s the federal government’s many unfunded obligations, more than \$200 trillion worth, according to economist Laurence Kotlikoff, which will come due in the future.

Nevertheless, according to President Obama the scheduled budget sequester is a terrible idea—“harsh, arbitrary cuts” that would “devastate priorities.” That is, America would be ruined if Uncle Sam trimmed just \$85 billion from his annual budget of about \$3.6 trillion. Apparently there aren’t any wasteful, useless, unnecessary, duplicative, or stupid programs in Washington that could be killed. Obviously, taxes should be raised again.

Perhaps the president’s biggest whopper was that “the Affordable Care Act is helping to slow the growth of health care costs.” No. Whatever the theoretical virtues of the president’s program in expanding access to health insurance, the law actually bent the medical cost curve upward. If you provide more insurance to more people to cover more procedures, you increase demand for health care. Which means costs will go up—a lot.

Patients are about to see how much. Since there ain’t no such thing as a free lunch or medical benefit, Americans soon will be paying much higher insurance premiums. The Washington Post headlined one article Saturday: “Insurers Warn of Health Law ‘Rate Shock.’” For many people, the only saving grace will be federal subsidies. But those, which are likely to rise along with health care costs, will hike taxes for the rest of us, or create an even bigger pile of federal debt, or both.

President Obama made a welcome call for tax reform, which would simplify compliance while creating “jobs right here in America.” However, over the last four years he has increased Washington’s hold over Americans at every turn. Nothing in his record suggests that he wants to lower government’s burden or reduce government’s control.

Indeed, his proposal for “making America a magnet for new jobs and manufacturing” involves more of the usual social engineering. The president claimed that “no area holds more promise than our investments in American energy,” yet his past subsidies for the industry have gone bust. He lauded increases in oil and natural gas production, but those have occurred in spite of the many barriers created by his own administration. He cited renewables, on which he has thrown good money after bad for political purposes. We would be far better off if that money had been left in the private market to be invested by entrepreneurs rather than redistributed by politicians.

President Obama urged expanding America’s “rebuilding effort” to housing. Yet the most recent housing bubble, relentlessly inflated by vote-seeking pols who poured taxpayer funds into housing at every opportunity, is what did so much to wreck not just the financial sector but the entire economy. Now the president wants to toss more public money at the industry. That lenders and builders have grown a bit cautious after the 2008 wipe-out is not what is “holding

our entire economy back,” as he claimed. Government’s constant determination to intervene and channel resources to politically favored industries is the real culprit.

The president rightly worried about America’s failure to “equip our citizens with the skills and training to fill” new jobs. However, he failed to note that education is a government crisis. And not because of the lack of “high-quality preschool available to every child in America,” as President Obama suggested.

The public school monopoly is a wreck. University education is better, but federal money has inflated costs, enriching institutions rather than students, and contributing to the expensive delusion that everyone should go to college. Rather than proposing to spend more taxpayer money on more government schools and expand federal authority over state and local education—at least the administration is consistent!—the president should have suggested pushing money and responsibility in the other direction, back to parents.

To help the least advantaged workers Barack Obama advocated raising the minimum wage to \$9.00 an hour. However, if federal fiat can make us rich, why not set the minimum at \$90 or \$900 an hour? Then we all could be rich. I certainly believe my work is worth \$900 an hour, even if no one else does!

However, all Washington can do is mandate that if a business hires someone, it must pay the minimum. Government cannot—yet, anyway—force companies to pay unskilled, inexperienced, and ill-educated workers more than they are able to produce. The president’s proposal would make it even harder for the most disadvantaged workers to get started in the workplace.

The president lauded the “troops and civilians who sacrifice every day to protect us.” However, the mission in Afghanistan against al-Qaeda was completed a decade ago. He has increased the number of Americans unnecessarily at risk in that tragic land, where the U.S. is wasting lives and money in an attempt at international social engineering that ignores differences in history, tradition, religion, culture, and much more. He claimed “by the end of next year, our war in Afghanistan will be over,” but the Pentagon may keep thousands of personnel in the country for years to come.

He called America to its better angels when he said the country “must remain a beacon to all who seek freedom during this period of historic change.” That is wonderful sentiment—but one the oppressed majority in U.S. ally Bahrain would have trouble recognizing. Or those who suffer under the dictatorships in Central Asia, most supported by Washington. Or the people of Saudi Arabia who live under a totalitarian, kleptocratic monarchy befriended by successive U.S. governments.

The president made the expected call for new restrictions on gun ownership. Yet past laws go unenforced. And we all will be less secure if Washington makes it harder for the law-abiding than the lawless to own firearms.

Although President Obama’s speech was filled with political blather, he was right to call on Americans to act as Americans to solve problems. That means working together as individuals, families, and communities. This nation has always been characterized by the “little platoons” who don’t wait for politicians, especially from Washington, to show up.

The president concluded his speech: “We are citizens. It’s a word that doesn’t just describe our nationality or legal status. It describes the way we’re made. It describes what we believe. It

captures the enduring idea that this country only works when we accept certain obligations to one another and to future generations; that our rights are wrapped up in the rights of others; and that well into our third century as a nation, it remains the task of us all, as citizens of the United States, to be the authors of the next great chapter in our American story.”

Let’s take President Obama at his word. Let Americans—all of us, and not just those who spend their lives seeking and counting votes—work together to author that next great chapter.