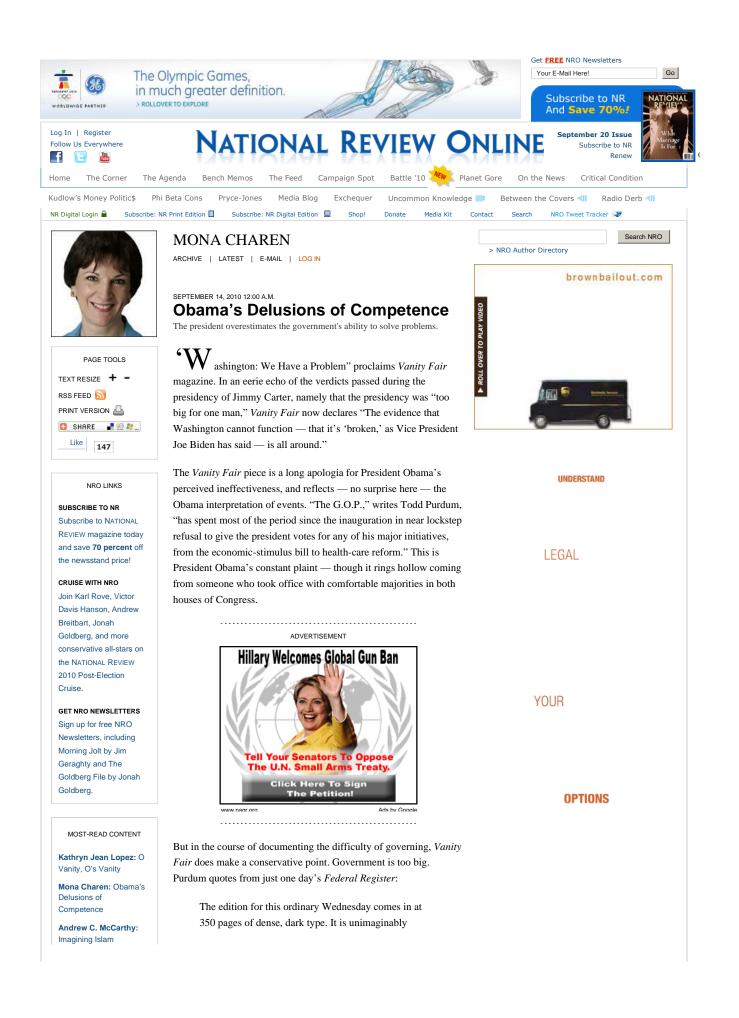
Obama's Delusions of Competence - Article - National Review Online



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Thomas Sowell: The Money of Fools

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Rich Lowry: The Wages of Primitivism in the Islamic World varied: you'll find rules for the importation of Chinese honey; proposed conservation standards for home furnaces; permitting procedures for the experimental use of pesticides; announcements concerning the awarding of new radio and TV licenses; and hundreds of other items.

The president himself doesn't at all concede that government is attempting to do too much (and failing at most of it). On the contrary, his vanity (and it is a common one for left-wingers) is that he believes his particular ideas on business investment, medical procedures, housing, and thousands of other matters are the solutions to our woes, but "politics" keeps getting in the way.

We've seen President Obama's delusions of expertise on display before. Without any trial period, demonstration project, or peerreviewed study, the federal government dictated that medical records be digitalized and extracted \$19 billion from taxpayers to fund the transition. The new systems, the president insisted, would prevent errors, reduce costs, and improve patient care. But as the *Wall Street Journal* reported, "a 2009 study in the *American Journal of Medicine* found that hospitals with more-advanced electronic systems fared no better than other hospitals on measures of administrative costs.... Meanwhile, many doctors and nurses say they're frustrated with the technology. While some say electronic records have improved the way they practice medicine, many others say the systems are time-consuming distractions that take away from patient care."

Digitalized medical records would certainly have evolved with time — just as paper books and newspapers are rapidly losing ground to their electronic competitors. But without government intrusion, the programs would have developed organically, adjusting to user feedback and actual experience — and costing the taxpayers nothing.

At his September 10 press conference, the president announced another "common sense" idea: We must stop "giving tax breaks to companies that are shipping jobs overseas." A familiar trope from the 2008 campaign, this "idea" is really another tax increase.

The president's refrain notwithstanding, there is no section of the U.S. tax code that rewards U.S. companies for outsourcing American jobs. American firms pay taxes on their worldwide income. Our effective corporate tax rate, the highest in the OECD according to a Cato <u>Institute</u> study, puts our companies at a competitive disadvantage abroad. The tax code accordingly does permit U.S. multinationals to "defer" taxes on income earned abroad that is reinvested abroad. They pay taxes on that income only when they repatriate the earnings to the United States.

But eliminating the "deferral" would simply increase corporate rates still further, undercutting the profitability of American companies with overseas operations. As Cato's Daniel Griswold explains, "There is no evidence that expanding employment at U.S.- owned <u>affiliates</u> comes at the expense of overall employment by parent companies back <u>home in</u> the United States. In fact, the evidence and



experience of U.S. multinational companies points in the opposite direction: foreign and domestic operations tend to complement each other and expand together. . . . More activity and sales abroad often require the hiring of more managers, accountants, lawyers, engineers, and production workers at the parent company."

Reducing the rate of corporate taxation would make U.S. companies more competitive overseas while also attracting more foreign investment here.

But reducing taxes, like reducing regulation, or permitting <u>the</u> <u>market</u> to shape digital medical records, offends President Obama's preference for top-down decision-making. He isn't deciding, Carterlike, who should use the White House tennis courts, but he is attempting to do pretty much everything else, with similar results.

— Mona Charen is a nationally syndicated columnist. © 2010 *Creators Syndicate.*



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