

Obama's Stimulus Spending A Grave Threat To Capitalism

August 9, 2012

The Obama Record: The nearly \$1 trillion stimulus bill is one of the president's signature laws. But it's not his lone attempt to stimulate the economy. He's spent money as if the goal is to undermine capitalism.

Cato Institute staffer Thomas Firey figures Washington's stimulus efforts add up to nearly \$2.5 trillion since Obama took office in January 2009. The American Recovery and Reinvestment Act, at a cost of more than \$800 billion, is the most well known. But Firey lists more than a dozen other pieces of legislation that he considers to be stimulus-related.

To name just a few:

The Worker, Homeownership and Business Assistance Act (November 2009, \$44.7 billion); the Hiring Incentives to Restore Employment Act (March 2010, \$17.6 billion); the Continuous Extension Act (April 2010, \$18.1 billion); the Homebuyer Assistance and Improvement Act (June 2010, \$145 billion); the Unemployment Compensation Extension Act (July 2010, \$33.9 billion); and the Small Business Jobs Act (September 2010, \$85.4 billion).

The piling up of stimulus legislation during Obama's term and his willingness to sign the bills clearly shows his contempt for capitalism — and highlights his effort to undermine America's capitalist system.

If Obama were a capitalist — or at least not an anti-capitalist — he would let the economy's problems solve themselves through the free flow of capital, a market-based system that has pulled more of humanity out of poverty and produced greater prosperity than any economic order in history.

But Obama is no capitalist. Rather than investing capital, he takes it out of private hands, removes it from the market that knows how investments create wealth, and spends it to try to fix the economy with government, which by its nature is not equipped to make the best use of limited resources.

And it's not necessarily economic stimulus that Obama wants by taking capital from the private sector.

No, wealth redistribution is the real goal.

We know this because in "The Promise," left-wing author Jonathan Alter tells how a congressman congratulated Michelle Obama for the stimulus bill, calling it "the best anti-poverty bill in a generation."

The First Lady's response? "Shhh!"

The White House didn't want the public to know, Alter wrote, "that Obama had achieved long-sought public policy objectives under the guise of merely stimulating the economy."

Some, however, understood what Obama was trying to achieve. Writing in September 2009 for The Freeman, economics professor Randall G. Holcombe noted that "it is difficult to identify the features that make it a stimulus bill rather than just a big spending bill.. .

"Of course, to spend that money, the government must first borrow it from elsewhere in the economy," wrote Holcombe, and one of those places is the country's capital stock.

If capital is squeezed, then capitalism cannot move an economy forward as strongly as it otherwise could.

When operating under such conditions, it becomes vulnerable to criticism and demonization, particularly from those who want to replace it.

Earlier this week, Obama said the whole world wants to be like us. "There is not another country on earth that would not gladly trade places with the United States of America," he said.

With perhaps one or two isolated exceptions, he's right. Left unsaid, though, is the fact he wants America to be like the rest of the world.

His objective is take the country down a few notches so that it will no longer be the exceptional nation it has long been. He knows the best way to do that is by paralyzing capitalism.