

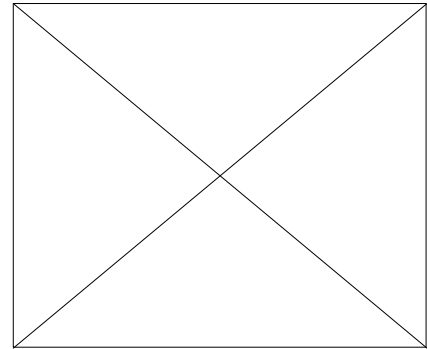


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The Speech Obama Should Have Given

By Jeffrey Miron

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My fellow Americans.

I come before you tonight with an apology – long overdue – and a new plan to restore our nation’s economic vitality.

My apology is for the mistaken and misguided economic policies I have pursued for the past two and half years. Rather than advocating for economic productivity, I advocated for redistribution. Rather than risking the wrath of my base, I catered to their worst instincts. Rather than making hard choices, I demonized my opponents, even when they were right.

I knew that the United States could not afford its existing entitlements programs, yet I proposed still another in the form of Obamacare.

I knew that government protections for unions are counterproductive interferences in the private market, yet I coddled big labor at every turn.

I knew that most of our economic problems arise from too much government, not too little, yet I helped expand the welfare and regulatory state whenever possible.

I knew that vibrant capitalism is the only source of lasting economic growth, yet I cast aspersions on big business and “the rich” whenever I had the chance.

For all these mistakes, I am deeply sorry. I chose the wrong course, and we are all the worse for it.

America, however, is the land of opportunity and second chances. We all know that people can learn from their mistakes and change for the better. I hope you will believe that I have done so. In that spirit, here is my plan for our future.

I will use every ounce of my energy to scale back entitlements until they are on a sustainable path. This means repeal of Obamacare. It means modest reductions in Social Security, and much larger reductions in Medicare. We can accomplish this by phasing in, over a decade or two, some combination higher retirement ages, slower indexation rates, and larger deductibles. Whatever it takes, I am for it.

These cuts in back Medicare and Social Security will not, contrary to much overwrought rhetoric, harm the truly needy. Most expenditure in these programs flows to middle class families, who can and will increase their savings to avoid significant adverse effects. These programs should be a safety net for the poor, not a golden parachute for everyone.

I also promise to promote real tax reform. This means eliminating most deductions, exemptions, credits, and other special features, including the home mortgage interest deduction, the tax exempt status of employer-paid health insurance, and the innumerable loopholes for particular industries. It also means lowering dramatically, especially on capital income.

I will insure that my administration does nothing to protect union labor from the rigors of the marketplace. People who want to join unions have every right to do so, and some businesses may find it useful to bargain collectively. But government should play no role in either direction.

More broadly, I will do everything I can to get government out of the way of the market, rather than using government to encumber the market. This means reversing regulatory excess, promoting free trade agreements, eliminating agricultural subsidies, and much more. It also means respecting the rule of law and returning power to the states wherever possible.

Alas, I know that no matter how ardently I pursue this new agenda, it will not restore our economy overnight. Our problems have been a long time coming, so it will take years, not months, to fully recover. But that is exactly why we must start now.

I realize that many of you feel you have no reason to trust me: I have done little to earn your trust up till now. But I believe my new plan will ring true as the real spirit and foundation of America’s economic prowess. That should enable all of us to embrace it, as I should have done long ago.

Jeffrey Miron

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