

## POLITICAL HAY

# America's Rebirth

By Peter Ferrara on 11.25.09 @ 6:08AM

John Bolton has referred to President Obama as America's first post-American President. By this he means that instead of pursuing America's interests in relation to the rest of the world, President Obama is pursuing the rest of the world's interests in relation to America. In other words, Obama is imposing on America the policies the rest of the world would like to see stuffed down our throats.

This is why it seems like we are losing our country piece by piece, and that America is in an accelerating downward spiral. To those who are paying attention, and not just blindly accepting the Obama/Democrat talking points, everything suddenly seems so different, because America was conquered by an alien ideology in 2008.

## **Reagan's Peace and Prosperity**

The rest of America experienced the Reagan Revolution starting in 1980. The failed Keynesian economics from the 1970s was producing double-digit inflation, double-digit unemployment, and double-digit interest rates. Reagan's strong dollar monetary policies cut inflation in half by 1982, and cut it in half again by 1983, taming it still to this very day. In 1983, the greatest economic boom in world history took off, as a result of Reagan's free market economics.

The Keynesian-induced business cycle that produced four increasingly worse recessions from 1969 to 1982 was replaced by a shocking 25-year economic boom, with only mild, short downturns in 1990 and 2001. As Art Laffer and Steve Moore point out in *The End of Prosperity*, more wealth was created in America during that 25-year boom than in the entire previous history of America combined, from George Washington up to Ronald Reagan. The boom spread worldwide, boosted by other countries adopting Reaganomics as well. We began to see a blooming middle class as a result in places like India, Brazil, and even China.

Reagan also aggressively fought the Cold War by pursuing his powerful defense buildup, funding and supporting revolutionaries on the outskirts of the Soviet Empire like the *mujahedeen* in Afghanistan and the *contras* in Nicaragua, and affirmatively seeking to cut off the sources of hard currency for the weak and unproductive Soviet Communist

economy. As a result, in 1989 the Berlin Wall fell, and the Soviet Empire collapsed. As the British Prime Minister Margaret Thatcher said, "Reagan won the Cold War without firing a shot."

These are the reasons that Reagan will be recognized as the most successful President in American history.

Clinton brilliantly recognized the Reagan-led transformation of American politics, and led the Democrats to more moderate positions through the Democrat Leadership Council (DLC) and his path-breaking 1992 campaign. As Dan Mitchell now of the Cato Institute has rightly observed, President Clinton pursued the most conservative economic policies of any postwar President except Reagan. He was greatly aided in this by Newt Gingrich and his Republican takeover of Congress in 1994, as Clinton primarily just went along with the economic policies of the Republican Congressional majorities. Tony Blair basically did the same with the Labour Party in Great Britain as President Clinton did for the Democrats in America, resulting in a 12-year run for Labour Party rule in that country. With the 2007 retirement of Blair, that is now about to end.

### **The Democrat Wing of the Democrat Party**

But for what Howard Dean termed, "The Democrat wing of the Democrat Party," by which he meant those left-wing Democrats who viewed President Clinton as a repulsive Reagan sellout, the post-1980 history recounted above never happened. These Democrats rejected both Reagan and Clinton, and have just been moving farther and farther left since 1980.

With the passing of the Clinton-Gore era, these left-wing Democrats took back their party in 2004, with the ultraliberal John Kerry winning the nomination after the collapse of the ultraliberal Howard Dean. George Soros led other badly deluded, trendy left billionaires in massively financing a dominating left-wing political machine. That machine joined with an increasingly ultraleft, formerly mainstream media to defeat the Clinton camp in 2008, and then win it all, behind their chosen front man, lifelong Marxian Barack Obama.

Meanwhile, in the Republican Party, the moderates finally managed to bust up the Reagan Coalition, so certain that they had a more enduring political strategy all along. During his Administration, President Bush slowly departed from each one of the planks of Reaganomics, though it is not clear that he ever understood what he was doing. Going back to 2001, the Bush Administration pursued weak dollar monetary policies that led to the housing bubble. Bush departed from Reagan's budget cut policies to rapidly expand federal spending. Bush went along with Democrat regulatory policies regarding housing and finance to further boost the housing bubble.

Finally, as the housing bubble burst and the financial crisis started to appear, Bush abandoned the tax rate cut policies of supply-side economics, joining with the Democrat Congressional leadership at the start of 2008 to enact a Keynesian tax rebate stimulus, fully supported by then Senator Barack Obama. That stimulus, of course, failed to accomplish anything, because Keynesian economics is confused nonsense, thoroughly discredited way back in the 1970s. But it was the eventual abandonment of every plank of

Reaganomics by the Bush-led Republicans and the New Left Democrat Congress that resulted in the financial crisis of 2008, and the end of the 25-year Reagan economic boom.

With the Republican nomination of John McCain, the moderates had finally taken complete control of the party. McCain and his moderate campaign honchos led the Republicans to a historic rout. Colin Powell's advice to the Republicans to follow a moderate champion like McCain was so bad that even he voted for Obama. The elections of 2008 can be viewed as a successful takeover bid for America by George Soros.

### **Not Your Father's Democrat Party**

As a result, the best way to understand Washington today is to recognize that the New Left from the 1960s has completely taken over the White House and Congress, and now rules the formerly mainstream media as well. These people are quite certain that they enjoy a new, higher level of consciousness, and so they are not willing to listen to anything from anybody. They already know everything, about economic policy, tax policy, environmental policy, health care, "national defense," foreign policy, diplomacy. Nothing happened after 1980. Everything about Reagan and his policies is down the memory hole. History ended in 1979, and has just started up again in 2009.

If you disagree with them, they denounce you as a yahoo, a Nazi, or a tea bagger. They won't consider the views of average people at town halls on health care, they won't consider what tea party protesters have to say about deficits, spending, and taxes, they refuse to allow even a hearing for the latest science disproving the theory of man-made global warming.

They are now racing pell-mell to create a future where most of everything produced goes to the government to be spent on welfare and other entitlements, in accordance with the "morality" of "social justice." The mega-entitlements of Social Security, Medicare, and Medicaid were already projected to lead federal spending as a percent of GDP to almost double, from its longtime stable range around 20% to close to 40%, as the Baby Boomers retire and these old entitlement structures show their long-term structural defects. Yet, President Obama and the Congressional New Left increased federal spending in just their first two months in office by well over a trillion dollars, or close to 30%, between the stimulus, the omnibus, and the Obama budget.

On top of the runaway entitlement promises we already can't afford to pay, our New Left ruling class has already increased annual welfare spending by one-third, from \$522 billion to almost \$700 billion, according to Robert Rector of the Heritage Foundation. By 2014, total welfare spending, federal and state, will reach \$1 trillion per year. Over the next 10 years, according to President Obama's own budget projections, this welfare spending will total \$10.3 trillion, about \$250,000 for every person in poverty in the U.S., \$1 million for a poor family of four. Rector concludes, "Most of Obama's increases in welfare spending are permanent expansions of the welfare state, not temporary increases in response to the current recession."

But the resurgent New Left now suddenly in power is just warming up. They are now

adding the biggest entitlement of all, national health insurance, to the burden on America's taxpayers. Over the first full 10 years, that will mean \$3 trillion more in additional spending. And this assumes that only 30 million people will qualify for the middle class entitlement subsidies, with 162 million in employer provided coverage not eligible for the subsidies as a result. As employers discover it is cheaper for them to drop their coverage and pay the mandate tax penalties (especially with health insurance premiums soaring under Obamacare), the total cost could easily more than double.

Counting state and local spending climbing towards 15% of GDP, this will all add up to total government spending at close to 60% of GDP. And if they pass cap and trade, or enact the pending EPA global warming regulations, that will mean another \$2-\$3 trillion in additional costs for the American economy. If the economy heads downward under all these burdens (more likely than the Yankees ever again winning a World Series), then government spending as a percent of GDP will be even higher.

### **America the Pitiful, Blinded Giant**

Because of the New Left takeover of America, our country is today like a pitiful, blinded giant. We are spiraling downward in vicious cycles of decline. The steadily depreciating dollar is scorned by rising formerly Third World powers, from Brazil to India to Saudi Arabia to China, increasingly plotting to replace it as the world's reserve currency. And who can blame them? In just two years, America under Obamanomics will have the seventh-highest government debt to GDP ratio in the world, rivaling such economic powers as Zimbabwe, Jamaica, and Lebanon. The economies and stock markets of other nations are already soaring towards healthy recovery, while we languish in stagnation.

The declining dollar means a decline in America's standard of living, as everything we buy from the rest of the world, from oil to home electronics, becomes more expensive. Reflecting this decline as well, rationing of American health care, formerly the best in the world by far, has already begun, with drastic cuts under Medicare for doctors and hospitals who treat patients for heart disease and cancer, and recommendations to deny tests for breast cancer that have already proved to save women's lives. The bills currently before Congress would involve an all-out assault on the health care infrastructure for the sickest and those most in need of advanced medical care now enjoyed by the middle class, to save money for Obama's new health care entitlement.

Federal and state policymakers plot regulations to force us out of our big, beautiful, powerful automobiles into glorified lawnmowers. They want to give up on the production of energy to heat and cool our homes, and power our modern household appliances, from picture perfect flat screen TVs, to powerful new computers surfing the Internet. While China announces plans to build 100 nuclear power plants over the next 20 years, the left-wing environmentalists ensconced in Obama's political machine still prevent us from building any. Vast national wealth in great domestic stores of natural gas and oil lie untapped, blocked by the same extremists.

Around the world, America is in retreat. National wise men tell us to learn to live with Iranian nukes, while we withdraw the missile defenses from Europe that would protect

both us and our allies. Tin pot dictators in North Korea test nukes and fire off missiles, while we cut our own national missile defense budgets, withdrawing planned additional missile defense sites from Alaska. While the budget for everything else is soaring, only national defense is cut.

President Obama himself talks on the world stage of phasing out America's nuclear deterrent entirely, and his budget policies take steps in that direction. With that goes our leading superpower status. He travels the world over apologizing for both real and imagined American misdeeds, failing adequate notice of the misdeeds of others. He withdraws from the War on Terrorism, assigning the threat to the police to counter.

But this spiraling decline does not trouble the New Left that has taken over America, for they find our formerly exceptional prosperity and our waning superpower status morally embarrassing. As President Obama insists, we are just another country in their view, one among many others.

### **The Rebirth of America**

Yet, while these are dangerous and deeply troubling times for America, they are also historic times of rebirth, renewal and breathtaking opportunity. The American people are in the process of decisively rejecting the socialist economic policies and the Peace through Weakness defense policies of the New Left. Longtime American institutions that went in whole hog on the Left Wing takeover of America, from the *New York Times* to the Democrat party, are going to be swept away in the social tsunami that is coming.

The fundamental issue is this: watch not where the pendulum is today, but to where it is swinging, and with what force.

Politically, this means over the next two election cycles there will be astounding new opportunities that almost no one can conceive today. Longtime left-wing Democrat incumbents will be shockingly vulnerable to sudden defeat. Example given: the Senate race shaping up in California next year between the incumbent Barbara Boxer and the challenger Carly Fiorina can now be more accurately characterized as an IQ test rather than an election. Especially vulnerable will be those now representing trendy left upper income locales, where what has been in style for a generation will so suddenly be out of style.

Indeed, the biggest threat right now to the coming political revolution is that the sweeping new opportunities will be underestimated. Opportunities abound to take out long time incumbents in Democrat primaries as well as in general elections.

Economically, this means that fortunes will be lost by those betting on continued government subsidies in pursuit of left-wing fallacies like green energy and socialized medicine. Business pigs like General Electric now going whole hog into the public trough of corporate welfare will be unhappily shocked when it is suddenly closed down. Those who are pursuing a meaningful alternative energy opportunity that can survive on its own if government just gets out of the way can go ahead and prosper. Those who are investing

billions on the expectation of billions in taxpayer subsidies, or favorable regulations that will impose huge costs on the rest of society, shouldn't come crying that they will be driven into bankruptcy when policy suddenly changes. That won't be a consideration after the coming political revolution, no matter who their lobbyist is.

For public policy, this means sweeping, fundamental reforms that are considered hopeless now, and beyond consideration, will suddenly be in vogue, and quite possible. Those who believe in restoring the fundamentals of America, a new, historic prosperity, and Peace through Strength, should be planning now for the reforms they will enact after the Restoration. Think 1981 times 1995, squared.

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