

## The Bill Comes Due for Socialism

By Alan Caruba | 1/23/2010

"The problem with socialism is that you eventually run out of other people's money."  
-- Margaret Thatcher, former British Prime Minister

It began as a beautiful cruise to a land of "hope and change", but it has become a nightmare in which the ship of state is being deliberately steered toward a whirlpool of debt from which, if Obama is successful, the nation cannot escape.



One of the primary reasons the U.S. economy has grown over the years has been the confidence in its innovation and productivity. It has generated investment from around the world from those who wanted to profit from our success story. There was a time when U.S. securities were the safest in the world, but that is no longer the case.

On December 24, 2009, the U.S. Senate voted to raise the ceiling of the government debt to \$12.4 trillion, described by an Associated Press reporter as "a massive increase over the current limit and a political problem that President Barack Obama has promised to address next year."

On January 20, 2010, barely a month later, Senate Democrats "proposed allowing the federal government to borrow an additional \$1.9 trillion to pay bills, a record increase that would permit the national debt to reach \$14.3 trillion."

This is the reason, by virtue of the Massachusetts special election; the United States has dodged the bullet of a "reformed" healthcare system which would have slashed a half trillion dollars from Medicare coffers while adding millions more people to its rolls.

It would have turned the health insurance industry into a public utility. They would have ceased to be private enterprises of competing companies. It would have driven physicians out of practice. It would have bankrupted the nation and reduced a widely acknowledged excellent health system to that of a third world nation.

The proposed "Cap-and-Trade" bill, a huge tax on all energy use—the lifeblood of any economy, must be defeated. This will come most likely from a lack of votes as Senate Democrats are finally scared enough of the electorate to act with some degree of rationality.

In a recent commentary, Jerome R. Corsi, the author of “America for Sale: Fighting the New World Order, Surviving the Global Depression, and Preserving USA Sovereignty”, wrote “With the recession and the huge stimulus package added to the beginning of the baby boomers retiring, United States debt is already at 50 percent of gross domestic product (GDP) by 2019, according to the Congressional Budget Office estimates of the Obama administration plans as they currently stand.”

In other words, the U.S. government is committed through various “entitlement” programs like Social Security, Medicare and Medicaid, along with other expenditures, to spend more than it takes in via taxes. The other major expense is for defense. These three factors represent half of the annual U.S. budget.

The situation is so grave that, on January 18, The Washington Times editorialized that “Obama is killing the economy.”

### **The bill has finally come due for decades of socialism that began in the 1930s.**

“The 2009 budget deficit tripled over 2008. The deficit as a percentage of gross domestic product (GDP) went from 3.1 percent in 2008 to 9.9 percent in 2009. The deficit for the first month of fiscal year 2010 was \$176 billion, which was greater than the \$161 billion deficit for the entire 2007 fiscal year.”

At present rates, the public debt of the United States will reach 85 percent of GDP by 2018, just eight years from now, and 100 percent by 2022. It would be 200 percent by 2038 unless some brakes on spending are not applied before the ship of state gets sucked down beneath an ocean of debt.

What does President Obama propose? He wants to apply an unconstitutional special tax on banks! And not all banks, but just those banks on “Wall Street” whom he blames for the current recession.

His most recent proposal to regulate the banking system drove down the Dow Jones Average signaling further fears of his intention to micro-manage the economy. It is a recipe for disaster and shares of the big Wall Street banks in particular fell. He is deliberately attacking the great engine of the nation’s economy.

### **Wall Street is not the problem. The government is the problem.**

Obama made no mention of the real culprits for the housing market meltdown, the reckless spending of Fannie Mae, Freddie Mac, and the Community Reinvestment Act that underwrote a program that put \$12 trillion of mortgage loans, half of all such loans, in the hands of the federal government!

As John Berlau of the Competitive Enterprise Institute points out, “President Obama’s proposal (would) bring back 1930s-like separation of commercial and investment banks, dubbed Glass-Steagall II or Glass-Steagall 2.0, (and) would do little to prevent the problem of financial institutions being too big to fail. What it would do is hurt economic recovery, reduce types of financing available to businesses big and small, and give European and Asian financial services firm a huge competitive advantage over their U.S. counterparts.”

The billions still unspent in the so-called "Stimulus" bill should be returned to the Treasury. Plans to expand Medicare and Medicaid need to be scrapped. Taxes on greenhouse gas emissions, mostly carbon dioxide, must be avoided if for no other reason that CO2 has nothing to do with a non-existent global warming.

The capacity of the United States to recover calls for an end or at least a cap on the mindless spending of taxpayer millions on the pet projects and crony deals of Representatives and Senators.

It calls for an end to the restrictions on the exploration for and extraction of the nation's vast coal, oil and natural gas reserves, including in ANWR and aggressively in the offshore continental shelf.

It calls for an end to huge multi-million dollar subsidies for "renewable energy" schemes such as solar and wind power.

It calls for an end to the ethanol mandates that dilute the mileage of every gallon of gasoline and actually increase CO2 emissions!

It calls for an end to congressional mandates on the auto industry that have, in part, driven two of its largest manufacturers, General Motors and Chrysler, into bankruptcy. The U.S. must divest its ownership in both companies.

It calls for reining in the rogue government agency, the Environment Protection Agency that is attempting to unilaterally impose control of CO2 emissions and has long engaged in practices that impede economic growth for business, industry, and the nation's agricultural sector.

There are many reasonable and rational steps that can and should be taken, but it seems clear that the President, with the support of a Democrat controlled Congress, has no intention of taking any of these steps and, indeed, is intent on bankrupting the U.S. government and its people.

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