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Viewpoint

Restoring Once-Vibrant Economy Hinges On Repeal Of ObamaCare

By [MIKE COSGROVE](#)

One has to congratulate President Obama and his advisers on their success. Rahm Emanuel's quip about "never let a crisis go to waste" in late 2008 was a prelude to the administration's attack on U.S. economic growth.

In perspective, Obama mounted an attack on the pillars of U.S. economy — growth, wealth creation and personal responsibility — that amounted to a shock-and-awe economic attack.

It took Obama less than 18 months to transform a historically vibrant U.S. economy to one that has been paralyzed by his shock-and-awe economic policies. The U.S. economy has little or no private-sector job growth, nearly 10% unemployment, a high rate of underemployment, no wealth creation and a heavy dose of government control.

This administration has been relentless in its push to transform an economy that was based on growth, wealth creation and personal responsibility to one characterized by wealth-sharing, government control and slow growth. Obama succeeded in what he wanted for the U.S. economy.

Obama signed the crown jewel of his U.S. economic transformation — the Patient Protection and Affordable Care Act — on March 23 of this year. ObamaCare amounts to, over time, a takeover of the health care industry — 17% of the economy. It is a wealth-sharing policy that increases costs and taxes on the private sector.

ObamaCare is phased in over the next four years, but taxpayers and businesspeople responded immediately to the higher costs and taxes as if ObamaCare were already fully implemented.

The cost of ObamaCare is a high rate of unemployment and underemployment. Taxpayers are saving more of their disposable income as their stream of disposable income is permanently impaired. Businesses selling products and services to customers within the U.S. are concerned about slow growth and higher costs, so they don't hire.

The U.S. economy increased at a pace of 3.7% in the first quarter of this year. The passage and signing of ObamaCare was equivalent to a huge immediate tax increase on taxpayers and cost increases on the private sector. This is on top of higher taxes people were expecting to pay for the huge federal deficit.

The present value of ObamaCare's higher expected taxes and costs decimated economic growth in the April-June quarter, as growth came in at a paltry 1.6%. Expect more of the same in the years ahead as taxpayers and businesses hunker down.

President Obama's economic and regulatory policies have permanently reduced trend economic growth as well as the pace of wealth creation in the equity market. The detrimental effects of ObamaCare hit at exactly the point in time when pension plans need sizable equity market gains to meet funding requirements.

Members of the House and Senate allowed this 18-month attack to run. Republicans are as much to blame as Democrats for the continuous assault on the private sector. Business leaders also share in that

blame. Perhaps members of Congress as well as business leaders were in fact paralyzed by the ferocious attack.

High unemployment, slow growth and a significantly higher tax burden is where the U.S. is positioned. Sharply higher tax increases may be delayed for a year depending on what Congress and the president decide this fall. An economic adviser to the Obama administration recently suggested delaying personal tax hikes by a year. That tells everyone about the damage to the U.S. economy that the Obama policies have already created.

Delaying tax hikes would be a plus, but taxpayers realize that their disposable income stream is permanently reduced due to a higher tax burden embedded in the high federal deficit and ObamaCare. The result is a crippling of private-sector job growth and a delay of any housing market recovery until at least 2012.

Obama policies have created a permanent reduction in the pace of increase in the standard of living. Households know this, which is why there was and is major opposition to ObamaCare.

The only way out of this slow-growth, wealth-redistribution economy is to repeal ObamaCare. ObamaCare was the game-changer that reduced trend economic growth to the 1.5% to 2% range. Countries with a national health scheme have a value-added tax, the other shoe that falls on U.S. households.

The size of the federal deficit and costs of ObamaCare appear to make a value-added tax the default case. That means to avoid the value-added tax ObamaCare must be repealed. It may seem like a long shot, but to restore the pillars of the American economy — wealth creation, economic growth and personal responsibility — it has to go. The equity market will boom once the pillars of ObamaCare start to crumble.

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