

Bloated government shrinks the economy

By Eric Grover

The Las Vegas Review-Journal

Thursday, July 19, 2012

The Silver State has a huge stake in November's presidential election, which will determine whether Washington continues to put a damper on economic growth.

Stubbornly high 11.6 percent May unemployment understates Nevada's malaise. The 57.2 percent ratio of employment to the non-institutionalized civilian population is a truer gauge of the employment situation. It's hovering near a 30-year low. In February, 2000 it was 67.1 percent. Translation: Nevada is missing 209,000 jobs. That's 209,000 Nevadans who aren't creating wealth, many of whom have become discouraged, left the labor force and are losing the habits of work.

While President Obama did not cause the Great Recession, his policies prolonged and deepened it. Obama has his boot on the throat of the naturally resilient American economy.

The administration sold its mammoth \$821 billion stimulus package as a silver bullet. Council of Economic Advisors Chairman Christina Romer warned without it unemployment would hit 8.8 percent in the 4th quarter, 2010, but assured the country with their Keynesian binge it would be 7 percent. Lo, in December, 2010, unemployment was 9.4 percent. The stimulus package bled the wealth-producing private sector to spend on a smorgasbord of political "investments," but didn't resuscitate the moribund economy.

Obama's cash-for-clunkers was based on the preposterous notion that wealth could be created by subsidizing the destruction of functioning cars and then additionally subsidizing new-auto purchases. By this logic, burning down and rebuilding houses would enrich Nevada.

ObamaCare batters Nevadans with 18 new taxes, including a 40 percent excise tax on "Cadillac" insurance plans with exemptions for his union

allies, a 0.9 percent payroll tax increase, a 3.8 percent tax on capital gains, dividends, rents and royalties, and a 2.3 percent excise tax on medical devices. It's a job killer and ultimately will and is intended to crowd out private insurance.

Only 24 percent of teens had jobs last summer. In 2007 Sen. Obama voted for the Fair Minimum Wage Act, increasing the minimum wage in three steps to \$7.25 per hour in 2009, pricing millions of teenagers out of the labor market.

In another bout of false compassion, Obama extended unemployment insurance to 99 weeks, spuriously contending paying people not to work creates jobs. The Wall Street Journal's Steve Moore branded this economic bimboism.

Obama has tried, thus far unsuccessfully, to eliminate secret ballots for union organizing. His partisan National Labor Relations Board is pulling out all the stops to facilitate unionization, and even tried to prevent export powerhouse Boeing from building a new plant in South Carolina because, like Nevada, it's a right-to-work state.

Exports create jobs. The president, however, hasn't led on trade liberalization. Anything but. To appease union allies he stonewalled for three years free-trade agreements with Colombia, Korea and Panama.

Energy abundance is the mother's milk of economic growth, makes producers more competitive and enriches consumers. But Obama's Green Jacobins have systematically increased energy costs, stifled production of oil, gas, coal and nuclear, blocked the Alberta pipeline, supported tariffs on Brazilian ethanol, and subsidized uneconomic photovoltaic and windmill power. The EPA is conducting a jihad against fossil fuels. Gas prices are double what they were the day Obama took office.

Obama, Treasury Secretary Geithner and Fed Chairman Bernanke have continued Bush's destructive weak-dollar and easy-money policies, punishing savers and distorting economic decision making. While Dodd-Frank didn't address the principal causes of the financial crisis, it imposed a regulatory straitjacket on financial services.

The president demonizes the productive and in the name of "social justice" demands higher taxes, which would further suppress enterprise.

On Jan. 1 America will be hammered by "Taxmageddon": a \$494 billion tax increase - the biggest in history - including \$166 billion in expiring Bush tax cuts. The Heritage Foundation reports the average Nevada taxpayer will pay a whopping \$4,609 more in federal taxes. While even former President Clinton supports extending the Bush tax cuts, Obama is adamantly opposed.

Bloated government reduces economic growth and freedom. Obama put Bush's "compassionate" big government on steroids, increasing Washington's expenditures to more than 25 percent of GDP, versus the 19.6 percent post-WWII norm. In a second term unchecked by any need to woo voters to the right of Moveon.org, Obama would continue on all cylinders on the road to freedom-suffocating Euro-statism.

In recession, voters normally fire incumbent presidents. The president is betting fear and the ever increasing percentage of Americans dependent on government will carry him to a second term. He may be right. A February Gallup poll showed an increase in Americans approving his handling of the economy from a dismal 26 percent last August to 38 percent in February.

Obama's economic nuclear winter has brought misery to and smothered the dreams of hundreds of thousands of Nevadans. Robust economic recovery is impossible with Obama occupying the White House. Real compassion would be firing him.

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