



## Obama Needs a Course in Economics 101

Judging from President Obama's lack of knowledge of basic free-market economics, I suggest that he invite Professor Walter E. Williams and author Thomas Sowell, two of America's most eminent economists, to the White House to teach the President a course in basic economics — not the economics of Karl Marx, Nicolai Lenin, or Saul Alinsky, but the economics of Adam Smith, Frederic Bastiat, Jean-Baptiste Say, Milton Friedman, Ludwig Von Mises, and Friedrich Von Hayek, on which our free society and capitalist system are built. And since both Williams and Sowell are black Americans, he will see that free-market economics is not racially biased toward whites. Indeed, he will discover that two and two are four no matter what color you are.



That our President is economically illiterate can be proven by his strange assertion that the way to increase jobs is by raising taxes. Yes, higher taxes will create jobs but only in government. But government jobs do not create wealth, they consume it. The more money you give government, the more money government has to spend and the bigger government becomes. By taking more money out of the private sector, fewer jobs will be created by private business. None of this is so terribly difficult to understand.

But Obama's way is not the economically sensible way, the way that works in a capitalist, free-market economy. His is the socialist way. In socialism, the government takes as much money as it can out of the private sector in order to feed itself, but leaves nothing in the private sector to create additional wealth. Indeed, increasing taxes on the rich, who already pay most of the taxes in our system, you simply make it less likely that they will have the resources to create jobs in the private sector.

The rich are described as anyone making \$250,000 or more a year. That means that every small business in the nation will have to take on an additional tax burden, making it less likely that they will hire any new workers.

Like a true communist, Obama is doing all in his power to promote class warfare. He keeps harping on the private jets of rich corporations as if they are robbing the poor. The fact is they create jobs. Private jets require pilots, mechanics, maintenance crews, and high-tech American manufacturers to produce these jets in the first place. Also, private jets provide convenient transportation for those who can afford it. And they don't have to go through TSA's groping gauntlet if the jet is parked at a private airport.

Obama could learn a lot in the privacy of the White House if he had Drs. Williams and Sowell to do the teaching. Michele might also learn a thing or two about economics from these two very wise and expert teachers. She and her husband might learn that all of the left-wing nonsense they absorbed from their leftist mentors is just nonsense, calculated to destroy the most productive society in history.



Written by [Sam Blumenfeld](#) on July 25, 2011

---

Do we really need proof that cutting taxes creates more revenue, not less? The arithmetic is quite simple. In 2003, tax receipts were \$1.782 trillion. But after the Bush tax cuts were implemented revenues reached their highest level in history, \$2.568 trillion in 2007. It was the growth of the economy, spurred by those tax cuts, that increased the government's revenue. Had Bush then embarked on a program to cut the size of government, we probably would not be in the situation we are today. Instead, Bush spent every last penny, creating in 2008 a record-breaking deficit of \$438 billion. One wonders what kind of advice he was getting from Karl Rove.

Apparently, George Bush belongs to his father's "New World Order" club which teaches that all programs created by liberal Democrats when they are in power must be consolidated by Republicans when they are in power. The rule is simple: never abolish a liberal program even though it doesn't work and costs billions of dollars. That is why George Bush happily joined with Ted Kennedy to create "No Child Left Behind," a reauthorization of the Elementary and Secondary Education Act of 1965 enacted under the Johnson administration. A true conservative Republican would have ended that program since it has only made public education worse.

And since most Americans don't know the difference between socialism and capitalism, our great communicator can spew out any economic nonsense he wants, and many — too many — Americans will nod their heads in hypnotic assent.

Then there are Obama's efforts to "redistribute" the wealth. Since wealth is created by private producers or gained by private inheritance, it is private property, whether it is in the form of stocks and bonds, gold bars, Rembrandt paintings, antique furniture, or private jets. In other words, "redistributing" the wealth means stealing it from their rightful owners and giving it to someone else who did not earn it.

What gives anyone the right to appropriate someone else's wealth? Just because a legislature passes a law legalizing theft, doesn't make it morally right. The Ten Commandments states that "You shall not steal." It also states: "You shall not covet your neighbour's house; you shall not covet your neighbour's wife, or male or female slave, or ox, or donkey, or anything that belongs to your neighbour."

In other words, you shall not covet your neighbors stocks and bonds, or antique paintings, or money in their savings accounts, or anything else that your neighbor owns. So, what Obama is advocating is clearly against God's laws, which both Christians and Jews aspire to uphold.

More economic confusion is being spread by Obama, in his efforts to get Republicans to finance more socialism by increasing the debt ceiling and raising taxes, than by anything else he has done until now. It is being said that the two sides seem to come from different planets, that they do not speak the same language. And that's understandable. Obama is a committed socialist and he wants more government, not less, while the Republicans speak in the normal language of free-market economics, want less government, and lower taxes.

Everybody seems to forget that raising the debt ceiling is simply borrowing more money to finance a spendthrift government, thereby increasing our overall debt. That's okay with Obama, who wants to transform America into a socialist state. However, the goal of the Tea Party Republicans is just the opposite: to restore America as a society built on individualism and economic freedom. That means eliminating hundreds of government programs that duplicate other programs or just don't work

That is the only way the federal government can be cut down to size. Senator Tom Coburn, M.D., Republican of Oklahoma, has already produced a 9-trillion-dollar deficit reduction plan, Back in Black,



Written by [Sam Blumenfeld](#) on July 25, 2011

---

which calls for the elimination of hundreds of wasteful federal programs. I watched him present his program on C-Span and was greatly impressed.

Meanwhile, the butting of heads will go on in the White House among the two parties until some kind of agreement is hammered out. Obama wants more government debt, more taxes, and virtually no cuts in government spending. The Republicans are accepting more debt, provided there is no increase in revenues from taxpayers, and there are greater cuts in spending. Both parties are committed to raising the debt ceiling to avoid a default. But what comes after that has yet to be determined.

If the Republicans want to win in the 2012 elections, they must under no circumstance agree to increase revenue — by eliminating so-called loopholes — while increasing the debt ceiling. But neither should they agree to any cuts in Medicare at this time. (That is a tangled web that will take years to unravel.) If they do, they will be accused of shoving grandma over the cliff. And they will have given Obama another four years. But if Donald Trump is right, you can count on the Republicans to do the stupid thing. The political lesson: Don't cut Medicare. Cut Obamacare!



## Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



### What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.

**Subscribe**