



Written by [Ralph R. Reiland](#) on February 15, 2011

Obama's Two-bit Nod to Capitalism

"America's success didn't happen by accident," Obama declared. "It happened because of the freedom that has allowed good ideas to flourish and capitalism to thrive."

Now there's a breakthrough! The word "capitalism" isn't generally used in a positive way by activists on the left, especially by community organizers. Their job is to stir things up on the street by demonizing people like a "capitalist" landlord who didn't jump fast enough to change a light bulb or to paint over the latest assault of graffiti on his property.



Like Obama's comment about the link between freedom, good ideas and capitalism, Friedman, decades ago, wrote about the direct connection between freedom, free enterprise, and widespread prosperity: "The record of history is absolutely crystal clear. There is no alternative way, so far discovered, of improving the lot of the ordinary people that can hold a candle to the productive activities that are unleashed by a free enterprise system."

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President Obama also stated in his February 7th speech that the United States had "the freest markets" in the world — not just one of the freest, "the freest."

In fact, the United States placed eighth last year in the Index of Economic Freedom, a ranking of nations by market freedom compiled by the Heritage Foundation and the *Wall Street Journal*, based on performance on things like business freedom, property rights, trade freedom and government spending.

Among the top 10 nations in the survey, the United States scored better than Chile and Denmark, but ranked below Canada, Switzerland, Ireland, New Zealand, Australia, Singapore, and Hong Kong.

This year, following the second year of Obamanomics, the United States dropped to ninth place.

On the internationalization of the economy, Obama told the Chamber audience that the "globalization of our economy means that businesses can now open up a shop, employ workers and produce their goods wherever an Internet connection exists."

More significant, internationally, is the fact that the United States now has the highest corporate tax rate in the world among the major industrialized nations. Last year, Japan had the highest rate, but its move to cut the tax this year by five percentage points put the United States in first place with the highest corporate tax rate.

"I want to lower the corporate rate," Obama said, "and eliminate these loopholes to pay for it, so that it doesn't add a dime to our deficit." In short, he won't "add a dime" to what businesses overall are permitted to keep out of their own earnings, so the United States will remain in the top spot in the confiscation of earnings, deterring economic growth and new job creation.



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“We need to make America the best place on Earth to do business,” Obama told the business audience. We need to “knock down barriers that make it harder for you to compete, from the tax code to the regulatory system.”

In fact, rather than knocking down obstacles to American competitiveness, President Obama’s agenda of higher taxes, more regulations, more mandates, more litigation and more unionism does exactly the opposite.

How does it make it easier for a business to survive or compete when the mandates in ObamaCare make healthcare a required business expense, regardless of the ability of the business to pay?

How is it easier for American businesses to compete internationally when health care expenses overseas are funded via general revenues, while here they’re now set to be a mandated business expense under ObamaCare?

How does it make it easier for American businesses to compete internationally when they’re saddled with the cost of the most litigious and lawsuit-crazy system in the world?

How does Obama’s call for expanded unionism via “card-check,” with its associated higher business costs, make it easier for American companies to survive, compete, or create jobs?

“Ask yourself what you can do to hire more American Workers,” Obama concluded, challenging his business audience. That request for change, for more job creating behavior, was directed to the wrong people. President Obama should have been asking himself what he could do to reduce the uncertainty that he’s created and escalated, the uncertainty that’s keeping businesses from investing, expanding, and creating jobs.

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