



Written by [Ralph R. Reiland](#) on July 16, 2013

Obamacare Going Off the Rails

“Under socialism, production is entirely directed by the orders of the central board of production management,” explained Ludwig von Mises (1881-1973), sociologist, philosopher and Austrian School economist.



Under central planning, intrinsically, the few do the planning while the many are required to become cogs in what Mises called an “industrial army,” a herd of individuals without authentic individuality who are well-trained to be yielding and unimaginative, “bound to obey his superior’s orders.”

The problem, aside from this lack of freedom and power for the majority, is the limited knowledge, an inescapable shortcoming, among the planners and societal designers.

As F. A. Hayek explained in his book *The Fatal Conceit: The Errors of Socialism*: “The curious task of economics is to demonstrate to men how little they really know about what they imagine they can design.”

We see, for instance, how little the central planners really knew over the past half century about the military victories and nation building they imagined they could centrally design in Vietnam, Cuba, Iraq, Iran, Afghanistan and elsewhere.

We saw, too, how Hillary Clinton in 1993, with a severe case of fatal conceit, self-importantly imagined how she could successfully redesign the entire American healthcare system by holding a series of closed-door meetings with a small cadre of Ivy League academics who had basically no medical knowledge, limited business experience, and no real appreciation of the central role that individual incentives and personal sovereignty play in a free and decentralized society, for both healthcare providers and healthcare consumers.

The resulting health reform plan was a top-down, command-and-control system, simultaneously coercive, punitive, complex, politically naïve and economically destructive, the core of which was a mandate for employers to provide health insurance coverage for all their employees, regardless of their ability of pay.

Asked by Virginia Congressman Norman Sisisky what could be done to ease the burden of her healthcare mandates on small businesses, Mrs. Clinton retorted in her best let-’em-eat-cake style, “I can’t go out and save every undercapitalized entrepreneur in America.”

What her condescending reply didn’t acknowledge was how it was precisely her plan’s costly mandates on employers that would directly cause a certain portion of America’s entrepreneurs to become undercapitalized.

In short, the undercapitalizations that her mandate would inevitably cause, plus the resulting bankruptcies, business retrenchments, and job losses, weren’t her problem.

And Hillary Clinton’s verdict on business owners who couldn’t afford to give 100 percent healthcare coverage to 100 percent of their employees? “Where I come from, free loaders and free riders get no respect,” she proclaimed.

The message from central planning was loud and clear: Go out of business if you can’t pay for our vision.



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Now, two decades after Hillary Clinton's central planning debacle, the ill-designed Obamacare system is similarly running off the rails on its way to implementation.

On July 2, the Obama administration announced a postponement of the employer mandate, to 2015, a key funding source for Obamacare.

That surprise policy change (an illegal action by the administration, since it violates the law passed by Congress) was soon followed by an announcement from the Department of Health and Human Services that it won't attempt to verify individual eligibility for Obamacare subsidies.

That now makes Obamacare a plan that dries up its funding while simultaneously setting in motion a half-baked "honor system" scheme that's sure to increase the level of fraudulent handouts.

And still, the central planners plod along, displaying more faith than knowledge, unwilling to recognize what Nobel Prize-winning economist Milton Friedman so succinctly explained: "The greatest advances of civilization, whether in architecture or painting, in science and literature, in industry or agriculture, have never come from centralized government."

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