



## BARACKRACY, PART 1: BREAKING THE BACK OF FREE ENTERPRISE

"An unlimited power to tax involves, necessarily, a power to destroy; because there is a limit beyond which no institution and no property can bear taxation." --John Marshall

Folks with extensive training in strategic analysis tend to have a very different viewpoint of the macro-political machinations from that of folks in the trenches who have a more tactical perspective. As such, strategic viewpoints are many times received with great skepticism.

At ground level, for example, one might have a problem with the following strategic analytical conclusion: Barack Hussein Obama's macro agenda to achieve his objective of "[fundamentally transforming](#) the United States of America," depends on the success of his plan to break the back of capitalism under the weight of national debt accumulation associated with welfare spending, and in the ensuing crisis, implement "emergency" government intervention which will, ultimately, replace the last vestiges of free enterprise with a democratic socialist framework (centralized economic planning and regulation with full-spectrum income redistribution).



If that analysis makes you uncomfortable, prepare to become far more so if his agenda succeeds. To avoid a total economic collapse under the burden of trillions of dollars in debt resulting from Obama's spending programs, the Left will implement dramatic tax increases and devalue the dollar (inflate the price of services and commodities).

As one with perhaps excessive formal training in the art of strategic analysis, I can assure you that Obama's plan, as outlined above, is progressing on schedule. Of course, my perspective is influenced by the presupposition that liberty is "endowed by our creator," but as Alexander Hamilton noted, "In disquisitions of every kind there are certain primary truths, or first principles, upon which all subsequent reasoning must depend."

In regard to the failing economy, Obama recently said, "Make no mistake, we are headed in the right direction, but ... we're not headed there fast enough for a lot of Americans."

Many people hear those words and interpret them to mean that we're progressing toward economic recovery. However, the strategic analyst hears that the Left's objective of a socialized economy is just upon the horizon, that Obama and company would like to bring it to dock at a much faster pace and with such forceful momentum to ensure that the "[fundamental transformation of America](#)" can't be undone.

House Minority Leader John Boehner gets it. In regard to House Democrats' passage of Obama's so called "economic reform plan," Boehner responded, "The writing is on the wall for President Obama's 'stimulus' policies and everyone -- taxpayers, economists, and the rest of the world -- sees it but him. How much longer are we going to continue with this disastrous spending spree that is scaring the hell

out of the American people and piling debt on our kids and grandkids?"

Answer: As long as it takes to fulfill their Leftist agenda. Obama's "stimulus plan" is closely modeled on the Cloward-Piven strategy -- which he studied in depth as a student at Columbia University. This plan calls for overloading the government welfare system to the point of crisis, requiring the replacement of that system with a state-directed national system of "guaranteed annual income and thus an end to poverty."

Some of the most experienced conservatives did not get it soon enough. In a recent interview, Newt Gingrich admitted, in a self effacing response to a question about Obama's Leftist agenda, that he understood Obama was liberal but "laughed at friends" who suggested he was a Socialist. Now Gingrich says, it is abundantly clear Obama is a Socialist, but why did he, like so many astute political thinkers, miss it?

Perhaps too much Potomac kool-aid and Beltway fumes.

"We had to take some tough steps to pull the country out of the free fall we faced when I took office," says the blame-shifting Obama.

For the record, the current economic debacle began when a group of Jihadi terrorists, who came to the United States on Bill Clinton's watch, attacked our nation: 9/11. That attack crippled the U.S. economy, but the ultimate blow was a [crisis of confidence](#) in the U.S. housing and security markets -- a crisis largely driven by Democrat policies and their refusal to rein in the government-sponsored mortgage enterprises known as Fannie Mae and Freddie Mac.

The ensuing financial market collapse in the weeks ahead of the 2008 presidential election resulted in the selection of a charismatic radical Leftist community organizer as president of the United States.

Commenting on the agenda of his newly elected boss, White House Chief of Staff Rahm Emanuel said infamously, "Never allow a crisis to go to waste." And they haven't.

It is no small irony that on the very day Obama asserted the economy is "headed in the right direction," the non-partisan Congressional Budget Office reported, based on the implementation of Obama's "economic recovery" agenda thus far, that the current accumulation of debt will exceed 100 percent of gross domestic production by 2025, and will total almost twice GDP by 2035. Of course, if one includes the Social Security "lockbox" IOU, the national debt is already 92 percent of GDP.

But not to worry, I suspect our economy will collapse long before our national debt reaches that level. The burden of debt accumulation at current levels makes the current economic problems of socialist European states seem like gnats on an elephant's ... uh, rear.

The [CBO report](#) concludes, "Large budget deficits would reduce national saving, leading to higher interest rates, more borrowing from abroad, and less domestic investment -- which in turn would lower income growth in the United States. Growing debt would also reduce lawmakers' ability to respond to economic downturns and other challenges. Over time, higher debt would increase the probability of a fiscal crisis in which investors would lose confidence in the government's ability to manage its budget, and the government would be forced to pay much more to borrow money."

In other words, unless Obama's agenda is overturned, the U.S. will one day be a subsidiary of Red China.

On the principles of free enterprise, Obama proclaims, "We already tried the other side's ideas. We already know where their theories led us. And now we have a choice as a nation. We can return to the failed economic policies of the past, or we can keep building a stronger future. We can go backward, or we can keep moving forward. I don't know about you, but I want to move forward."

Obama apparently hopes a majority of Americans have no idea where the Left's theories led in places like the Soviet Union. Unfortunately, he's probably right, given that many of his constituents are little more than sycophantic lemmings, having been sufficiently dumbed down in our government-run education institutions.

Obama's primary co-conspirator in this extra-constitutional folly to undermine the economy is House Speaker Nancy Pelosi, she of the following ridiculous claim: "When I became Speaker of the House, the very first day we passed legislation that made Paygo the rule of the House. The federal government will pay as it goes."

In other words, she promised that Congress would not pass unfunded spending bills. But that would mean either radically reining in spending, or implementing vast new tax initiatives on virtually all income earners, which she and Obama promised they would not do. Thus, Pelosi's Congress has added more than \$1 trillion to the national debt, taking the [U.S. Debt Clock](#) beyond the \$13 trillion mark.

To put their plan into perspective, national debt was about 40 percent of GDP when Obama took office, but with the economic recession resulting in greatly reduced tax revenues, the national debt will be 62 percent of GDP by the end of this year. That would be an increase of more than 50 percent in just two years. (I recommend you read this paragraph at least twice!)

For a complete analysis of federal waste, see the Heritage Foundation's study, "[30,543 Reasons Spending Is Out of Control](#)."

To make matters worse, Obama continues to inflate the bloated central government beyond any recognition of its [constitutional authority](#) even as American families and businesses must cut back to make ends meet. Adding insult to injury, non-military federal employee salaries are now 40 percent higher than private sector salaries on average, and while private sector benefit packages average \$9,882, government employee benefits average \$32,115.

This week, Obama laughingly launched his annual "SAVE" Award dog and pony show, ostensibly encouraging federal employees to recommend how to save taxpayer dollars. He notes, "This contest is part of a larger effort to make sure that we invest taxpayer dollars in programs and initiatives that have proven records of success and fix or end programs that do not." I have more than a few ideas, but Obama did not ask *taxpayers* how to save taxpayer dollars.

That old sage Will Rogers once quipped, "Be thankful we're not getting all the government we're paying for." If he only knew...

Demonstrating the extent to which government has exceeded its constitutional mandate, my colleague [Walter Williams wrote](#), "In 1794, when Congress appropriated \$15,000 to assist some French refugees, James Madison, the acknowledged father of our Constitution, stood on the floor of the House to object, saying, 'I cannot undertake to lay my finger on that article of the Constitution which granted a right to Congress of expending, on objects of benevolence, the money of their constituents.' He later added, '[T]he government of the United States is a definite government, confined to specified objects. It is not like the state governments, whose powers are more general. Charity is no part of the legislative duty of the government.'"

Professor Williams concludes, "Two hundred years later, at least two-thirds of a multi-trillion-dollar federal budget is spent on charity or 'objects of benevolence.'"

Is there still time to restore the primacy of [Free Enterprise over Socialism](#) before Obama and his Leftist ilk have broken the back of Capitalism?

The short answer is, yes. Next week Part 2 of this essay, "Reversing Course and Restoring Liberty," will clearly outline how to restore the constitutional role of government.

(Read Part 2 of this essay, [Reversing Course and Restoring Liberty](#))