

What Obama would do...

With the Democrat convention over and Hillary Clinton out of the picture until 2012, it's worth setting the record straight on what Obama will do if elected President. The following bold-faced pledges, promises, and proposals come from the Obama web site, various articles from respected newspapers or magazines, or directly from Obama's speeches – including his acceptance speech at the convention. The observations following each item are the author's.

Higher Utility Bills

Obama will require that 25 per cent of electricity be "derived from clean, sustainable energy sources, like solar, wind and geothermal by 2025." Because those energy sources don't yet exist, electric companies will have to charge much higher rates in order to fund those new technologies – because Obama is requiring them to provide something that does not even exist. The consumer will have to pay much higher prices for electricity for the utility companies to invent those new energy-producing methods and to build those new power plants.

Outlaw State Abortion Restrictions

Obama didn't mention this in his acceptance speech, which one might think surprising inasmuch as he promised Planned Parenthood it would be the *first* legislation he would sign if elected. Once you understand what he's supporting, you will understand why he didn't mention it. The "Freedom of Choice Act" will *overturn all state restrictions on abortion*. Does your state have a law that prohibits late-term abortions? Does your state have a law requiring that parental consent is required before a minor child can have an abortion? Does your state have a law requiring that women be given information about alternatives to abortion (like adoption)? Does your state have a law requiring that babies that manage to live through an abortion be given medical attention rather than be left to die in a cold stainless steel hospital pan? All those state laws will be rendered invalid if Obama signs the "Freedom of Choice" legislation.

Some might argue that Obama's law would be struck down as unconstitutional by the Supreme Court because *it violates the Tenth Amendment*. But don't count on that. The argument is correct, but the Tenth Amendment has, after all, been routinely ignored for decades - which is how we got *Roe v. Wade* in the first place.

Obama supporters worry that if one or two more conservative Justices are added to the Supreme Court, the *Roe v. Wade* decision could be overturned, "making abortion illegal." That is an incorrect interpretation, based on ignorance of the U.S. Constitution. A reversal of *Roe v. Wade* would *only* mean that the issue of

abortion would be subject to state law. Whether abortion would be allowed, limited, or prohibited, would depend on laws passed by each of the 50 state legislatures – as the Tenth Amendment to the Constitution intended. A complete prohibition on abortion would require a Constitutional Amendment - no mean feat, as supporters of the failed Equal Rights Amendment understand.

More Money for Teachers, Little in Return

Obama's five-year, \$90 billion education program includes doubling money for after school programs (so taxpayers without children can fund the day care of those who do), and to billions to provide "...professional development and coaching to school leaders, teachers and other school personnel," and to "develop multi-tiered credentialing systems that encourage principals to grow professionally." The federal government would "collect evidence about how prospective teachers plan and teach in the classroom," thus further moving education from local control and placing it into federal supervision.

Teaching Parents Parenting Skills

Obama plans on spending \$300 million over five years establishing "Promise Neighborhoods" in poor neighborhoods with high crime and poor student grades. Included would be "parenting schools for parents."

Required Public Service

Obama would provide a \$4,000 tax credit for college tuition, provided the student engages in 100 hours of public service per year.

"Green" Corps

Obama plans on spending \$390 million over five years on an "energy-focused Green Jobs Corps to engage disconnected and disadvantaged youth . . . to improve the energy efficiency of homes and buildings in their communities, while also providing them with practical skills and experience in important career fields of expected high-growth employment." This "quasi-paramilitary organization" would be dedicated to environmentalism, and promises inductees practical employment training for future "green jobs." It is assumed the recruits will have to buy into Gore's global warming hysteria.

Autism Czar

Obama pledges to spend \$2.5 billion over four years on appointment of an "Autism Czar" to "ensure that all federal funds are being spent in a manner that prioritizes results."

Patent Reform

Obama plans on "opening up the patent process to citizen review." It is unclear what this means, but one might suspect that it will be made more difficult for companies to obtain patents, thus discouraging research and development.

Refuse to Support Photo I.D. For Voting

Obama has voted against resolutions requiring a photo I.D. for voting. It is assumed he would continue that position if elected. At their Denver convention, the Democrats approved their national platform, which included this language: *"We oppose laws that require identification in order to vote or register to vote."*

Note that a group that avidly supports Obama, "ACORN," has registered 75,000 new voters in Cuyahoga County, Ohio. That is a surprising accomplishment, inasmuch as the voter rolls in that county already have 200,000 more registered voters than there are adults living there. Massive vote fraud is therefore expected in Cuyahoga County, as well as other areas where ACORN has been working feverishly. A photo I.D. requirement would go a long way toward reducing voter fraud – which is probably why Obama opposes it.

Continue affirmative action and racial quotas

Obama will do nothing to eliminate racial quotas in hiring or university admissions.

Overturn the Defense of Marriage Act

Obama has stated he will work to overturn the Defense of Marriage Act, which says that no state has to recognize a same-sex marriage from another state, and that the federal government may not treat same-sex marriages as marriages, even if they are considered valid by a state. Obama thus believes that if California and Massachusetts accept gay marriages, and those two persons move to another state, that other state must accept and recognize the marriage - even if that state does not permit gay marriages within its borders.

Obama also opposes a Constitutional Amendment banning gay marriage.

Eliminate Secret Ballots in Union Organizing Campaigns

Another piece of legislation not mentioned by Obama in his acceptance speech involves secret ballots in union organizing elections. Obama supports (and even co-sponsored) pending legislation - the misnamed "Employee Free Choice Act" - which would enable unions to organize companies without giving the workers the protection of a secret ballot. Under current law, unions can demand an election if they get at least 30 per cent of the workers to sign a card that expresses interest in joining the union. The actual election is then held by secret ballot, after the union and the employer argue their cases for and against membership.

Obama's law would give the union representation as soon as they get 50 per cent of the workers' signatures - *there would be no secret ballot or election*. Ask yourself what you would prefer: a secret ballot, or co-workers and union "goons" looking over your shoulder as you sign a "card?"

Then ask yourself what will happen if unions are successful organizing hundreds or even thousands of businesses under an Obama Presidency? Businesses will have drastically increased labor costs, which will lead to lower profits for the company (resulting in lower stock prices and decreased assets of pension plans, IRAs, and 401(k) accounts), higher prices for the company's goods or services (because the business must pass on the higher wages in its prices), and companies going out of business (because they will not be able to compete in the world market with unjustifiable wage rates).

Note that Obama has promised the Teamsters Union he would end the federal oversight of Teamster activities. Apparently Obama believes there no longer is any corruption in that union, or the end of the oversight is payback for his support in ending secret ballots in organizing drives.

End Right-to-Work Laws

Obama supports the "Public Safety Employer-Employee Cooperation Act." This law would force state and local governments to bargain collectively with unions for all contracts with police officers, firefighters, and paramedics. This would supersede right-to-work laws in 26 states, forcing employees to join unions against their will. The law would also make it easier for unions to raise the wages of those workers; inasmuch as they are employees of villages, cities, counties, and states – taxes would have to be raised to pay for the increased wages. Further, the law would enable unions to effectively eliminate volunteer fire departments – goal they have long had, and which will also lead to higher local taxes.

Labor's ultimate goal is to end *all* state right-to-work laws, through a repeal of Section 14(b) of the Taft-Hartley Act of 1947. Obama would go along with that goal, but it would likely face tough opposition in the Senate (depending on how many Democrats are elected in 2008). Repeal of Section 14(b) would result in wage increases and massive price increases across the 26 states that have right-to-work laws.

Make it illegal to hire replacement workers during strikes

Obama has told "big labor" that he would support legislation making it illegal for employers to hire replacement workers during a strike. Needless to say, that change would mean that unions would never lose a strike – because the employers would have no choice but to give in to union demands. For companies that stay in business, the law means higher union wages and higher prices to pay for them; but for many companies, it will mean closing up shop for good.

Patriot Employers Act

This misnamed law, a pet project of Obama's, would become law if he is elected. The law is "advertised" as encouraging employers to remain in the United States and not outsource, but it basically provides for tax breaks to companies that comply with a laundry list of union demands

Extend the voting privilege to all convicted felons

Obama appears more than willing to give convicted felons the right to vote – nationwide. Current laws vary from state to state, but where felons can vote, Obama supporters have been out in full force registering ex-cons on parole – as well as men and women who are still behind bars. The ACLU has been instrumental in forcing these changes to state laws. (To a great extent this activity was prompted by George Bush's razor thin victory over Al Gore in the 2000 election, which left strategists wondering which "voting block" they had missed.)

One local official in Cleveland, where a felon voter registration drive has been organized, said the efforts are to sign up people who have been "...caught up in the criminal justice system." One may wonder how many Americans are eager to have convicted child molesters casting votes for judges who have a propensity to hand down light prison sentences, but the Obama team is certain that the vast majority of felons would pull the Democrat lever. That, in and of itself, should say something to the law-abiding voting public.

There is no "official word" from the Obama campaign, but based on the eagerness with which it is courting the "thug vote," one should not be surprised if a President Obama welcomes a bill to "insure consistency among the states" by

forcing all 50 to allow felons full voting rights. Even bad weather will not keep inmates from casting votes, because ballots will be delivered directly to their cells by the prison guards.

Union Wage Insurance

Obama has proposed a “wage insurance” program, so that a union worker who loses his job can receive subsidies from the federal government to remain at his old union income level even though his new job pays less. In other words, if union workers price themselves out of the market with unreasonable wage demands, America’s non-union workers will foot the bill to compensate them for their poor collective bargaining decisions. Imagine working for \$15.00 per hour, right next to a new employee who is getting \$24.00 per hour after he helped drive his former employer out of business.

Raise tariffs on imported goods

One of Obama’s top economic advisors, Leo Hindery, Jr., has said it is “way past time” to raise tariffs on imported goods, as a way of protecting the jobs of American workers. Of course, because Americans aren’t particularly eager to see prices rise dramatically, the Obama campaign hasn’t come right out and said he would do so. Instead, it releases statements such as, “We must forcefully counter the illegal subsidies, the manipulated currency exchange rates and the unfair labor and environmental practices that (other nations) are employing to strike at our economy.”

Most Americans would argue that if other countries want to continue subsidizing their products to sell them here at a loss, let them. The citizens of those other countries are, in effect, partially paying for many of the products we buy in the form of higher taxes. Americans get the products they want at lower prices, the other countries pay higher taxes; we win, they lose.

But, because Obama owes the unions for their financial support in his campaign – and because he is in philosophical alignment with them on many issues, Obama may listen to his advisors and slap higher tariffs on foreign goods in order to help American businesses compete better with global competition. And it’s certainly easier for a labor union to demand higher wages from an employer if that employer is partially protected from foreign competition by higher tariffs.

If Americans buy \$50 DVD players from South Korea it’s because there aren’t any American-made DVD players on the market – no American company could compete at those low prices. The “solution” offered by some is to add a \$100 tariff to the imported DVD players, making it possible for higher-paid American workers to get into the DVD player manufacturing business. “Level the playing

field” is the phrase that’s always used. (The federal government, of course, pockets the \$100 tariff.)

Of course, those who make the high-tariff arguments neglect to consider that a lot fewer DVD players would be sold if the price went up dramatically. Americans would obviously buy fewer players at \$150 than at \$50, regardless of where they come from. Further, if you do buy a player at \$150 rather than \$50, you have \$100 less to spend than if you had found one for \$50. That \$100 which is no longer available to spend on something else causes lost sales in other industries. (Many politicians – and even some prominent economists - don’t recognize that obvious side effect.)

As soon as the United States raises tariffs on foreign products, the other nations will raise tariffs on American products. “If you’re going to stop buying our products, we’re going to stop buying yours.” The retaliation will be immediate – and disastrous for the global economy. Everyone loses. Even the briefest summaries of the history of the Great Depression of the 1930s describe how the Smoot-Hawley tariff bill caused just such economic retaliation, lengthened the Depression, and extended it to Europe - where the economic miseries helped bring Adolph Hitler to power.

Americans can hope that Obama does not succumb to the “advice of his advisors,” but he already made the mistake of hiring people with those beliefs in the first place. That, in itself, is not very reassuring.

Free Child Care and Universal Preschool

Obama has proposed free child care and universal preschool; no cost estimates or details have been released. Families without children will thus be paying for the care of young children of other families, and this taxpayer-funded “freebie” is likely to encourage some poor families to have even more children.

Don’t be surprised if the employees of the child care and preschool facilities are all Obama supporters, eager to indoctrinate the children with their political agenda.

More Subsidized Public Housing

Obama has proposed more public housing; no cost estimates or details have been released.

Social Investment Fund Network

It is unclear what this “network” involves; Democrat Party documents mention federal funds for “social entrepreneurs.” This may be an expansion of President Bush’s “faith-based initiative” program, but with large sums of taxpayer dollars going who-knows-where. Use your imagination, but the term “social entrepreneurs” should make one nervous.

Establish a “Civilian National Security Force”

Obama made the shocking statement that the United States “*cannot continue to rely on our military in order to achieve the national security objectives we’ve set.... we’ve got to have a civilian national security force that’s just as powerful, just as strong, and just as well-funded.*” Obama has yet to explain what he meant by that comment, how it would be funded, or what the duties of the “security force” would be. It does bring to mind something Hugo Chavez or Kim Jong Il might imagine, however.

Obama mentioned this program in a July 2 speech in Colorado Springs. References to it then disappeared from his official campaign web site. It appears he is going to keep it under wraps until after the election, then introduce it after he is safely ensconced in the White House, unanswerable to the voters, but supported by House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid.

It is assumed Obama’s “civilian national security force” would be unconstitutional, but he would likely have the opportunity to appoint at least one ultra-liberal Supreme Court Justice. If the Democrats get 60 votes in the Senate, Obama can pretty much nominate anyone he pleases, as the Republicans would not be able to sustain a filibuster.

Double Foreign Aid

Obama has said he would double foreign aid if elected; that would cost about \$25 billion per year. This pledge is *separate from* Obama’s support of a \$65 billion “anti-global poverty tax.”

Anti-Global Poverty Tax

Obama and Biden support an “anti-global poverty tax” based on an original proposal in the Nations “Millennium Project.” The tax would be roughly equivalent to 0.7 per cent of the nation’s annual gross domestic product (GDP), or about \$65 billion per year. Most of the money would go to Africa, through the United Nations. The bill has already been introduced in Congress and has some support. (Joe Biden supported it even before he was selected as Obama’s

running mate.) The \$65 billion would likely be paid for with a new energy tax, based on a "tax on the rental value of land and natural resources," a "royalty on worldwide fossil energy production - oil, natural gas, coal... fees for the commercial use of the oceans, fees for the airplane use of the skies, fees for the use of the electromagnetic spectrum, fees on foreign exchange transactions, and a tax on the carbon content of fuels."

Co-sponsors of the bill, S 2433 include Democrats Maria Cantwell of Washington, Dianne Feinstein of California, Richard Durbin of Illinois, Robert Menendez of New Jersey, and liberal Republicans Chuck Hagel of Nebraska and Richard Lugar of Indiana.

Establish a National Infrastructure Reinvestment Bank

Obama has said he would commit \$60 billion to an infrastructure reinvestment bank; it is assumed this would be used to rebuild bridges, roads, etc.

Required IRAs

Obama will require "...employers who do not currently offer a retirement plan will be required to automatically enroll their employees in a direct deposit IRA account." This will undoubtedly put many employers out of business, as they do not have the resources to administer such a requirement.

Impose a "Windfall Profits Tax" on Oil Companies

Obama has stated he would impose a "windfall profits tax" on oil companies. Allegedly this tax would generate billions of dollars in revenue to help pay for Obama's expensive new programs. In practice, such a tax would *reduce* the amount of domestically-produced oil, because the oil companies will simply shut down marginally productive wells rather than continue pumping oil at a loss. That is precisely what happened when Jimmy Carter imposed such a tax in the late 1970s: domestic oil production dropped by six per cent.

Obama has not stated the rate of his windfall profits tax, but he has said it would go into effect whenever the price of a barrel of oil exceeds \$80 per barrel. (Arguably that could mean "forever.") He will apparently impose the tax even if the oil companies are not making windfall profits, but if there is a profit margin that would be low enough to escape the tax, Obama hasn't said what that low level might be.

The profits of oil companies in the United States are currently in the eight per cent range. That is certainly not a “windfall.” The average profit margin of *all* American businesses is six or seven per cent. Many businesses make a lot more, many make a lot less, and some lose money in some years.

The average software company made a profit of 10 per cent in 2005. If an oil company profit of eight per cent is a “windfall,” why is Obama not also going after Google's 25.2 per cent profit (in the first quarter of 2008)? Or Microsoft (28 per cent profit margin)? Or food and beverage companies (eight per cent on average)?

Obama is going after the oil companies because they are an easy target. The media helped Obama by making sure it reported ExxonMobil's profit of \$1,400 per second (in the second quarter of 2008)... but it neglected to report that the company also paid taxes of *\$4,100 per second*, and had *operating expenses of \$14,700 per second*. What Obama fails to realize is that punishing the oil companies with higher taxes will only mean less oil extracted from the ground. That will drive the price of oil higher, affecting all Americans at the gas pump.

Of course, that may be what Obama wants. He has already stated that he didn't think it was bad that oil prices went up, he just wished they had gone up more gradually. He believes that higher gas prices will encourage alternative energy research and investment. That's true, just as devastating hurricanes encourage the rebuilding of destroyed homes – but that doesn't mean we should pray for more hurricanes.

Obama hasn't bothered to mention that if you have a 401(k) or an IRA or are in a company pension plan, the odds are pretty good some of your retirement assets are invested in oil companies. A windfall profits tax will lower the values of those companies, depressing the price of their stock, and lowering the assets in your retirement account. That's sounds like a lose-lose situation if there ever was one. No wonder he doesn't mention it.

It is also worth remembering that Obama's windfall profits tax can only be imposed on American companies – he obviously can't tax foreign corporations. That means that American oil companies will be competing at a disadvantage, because they will have to pass the cost of the new tax on to the consumer, while the foreign companies won't have that added cost. If foreign oil is cheaper than American oil, buyers of oil will get it from the foreign companies. That sounds like a good way to cause job losses at American oil companies.

Obama could arguably impose a tariff on imported oil and “level the playing field” by punishing the foreign oil companies as much as he taxes the American oil companies, but the net result of those steps would be higher prices for all Americans at the gas pumps – regardless of whether the fuel comes from foreign or domestic wells.

Also note that House Speaker Nancy Pelosi has a significant personal financial investment in the “Clean Energy Fuels Corporation.” She stands to make more money from that investment if oil prices remain high.

\$1,000 Oil Rebate Check

At one point Obama was promising a check for \$1,000 to every American family to help them pay for gasoline, to be paid for by taxing the oil companies. Obama did stop making that pledge, however, possibly it was discovered that the combined profits of all the oil companies would be insufficient to pay for those checks. Now it has morphed into an annual \$1,000 tax credit, with a check every April 15 when 1040 tax forms are filed.

Impose a “Global Warming Cap and Trade” Tax on American Businesses

Obama has accepted the “human-caused global warming” theories of the extreme environmentalists and advocates of world socialism. Accordingly, he has pledged to inflict on the United States a “cap and trade” tax on all American businesses that produce carbon dioxide. You would be hard-pressed to find any American industry that does not emit carbon dioxide from at least some of its activities. The tax, therefore, will be imposed on virtually all industries in the nation.

The “logic” of the plan is to set a limit on how much carbon dioxide a business can emit. If it exceeds that “cap,” it must pay a tax as a penalty. As an alternative, the business can buy a “carbon credit” from a company that falls below the cap. A company that plants trees, for example, might have “credits” it can “trade” to another business. In practice, those credits won't be traded – they will be purchased. Because most businesses will exceed the cap and very few will have credits, the cost of buying credits will be very high and most businesses will simply pay the tax. They will have no other choice.

The argument of the environmentalists is that these high taxes will encourage businesses to find a way to avoid them. It will thus be in their best interests to reduce their carbon dioxide emissions. The problem, of course, is that most businesses will have *no way* to reduce their carbon dioxide emissions – any more than living and breathing Americans can avoid exhaling carbon dioxide. Obama could just as well tax businesses that heat their offices in the winter as a way to “give them an incentive to eliminate cold weather” - but they'd have no way to do it.

The “cap and trade” legislation will have three major outcomes. The federal government will receive billions of dollars in new revenues, a new federal

bureaucracy will spring up with thousands of overpaid and unproductive federal civil servants (most of whom will vote Democrat in exchange for having been given the job), and *prices on virtually all goods and services will increase dramatically across the nation.*

Pick a number (the actual amount is not important): if Obama's tax on carbon emissions adds up to \$200 billion per year, then prices of goods and services will go up by about \$200 billion per year. Because businesses can't print money - only the federal government can do that - they will necessarily have to raise prices to cover the cost of the carbon tax. *Obama cannot prevent that outcome.* Prices will go up, probably enough to make voters long for the days of Jimmy Carter.

The "cap and trade" legislation is where Obama expects to create those "high-paying green jobs" he dangles in front of the voters. The "jobs" will involve auditing businesses to make sure they are paying the tax, measuring emissions at factories and plants, and staffing an enormous new bureaucracy (perhaps rivaling the Internal Revenue Service) to collect carbon taxes and process and audit tens of millions of new tax forms. (No word yet on how many trees will have to be cut down to supply all the paper Obama's new "cap and trade" bureaucracy will need.) One thing is certain: Obama's "green jobs" will essentially consist of destroying American businesses.

Tougher Antitrust Law Enforcement

Obama will make it more difficult for businesses to merge or buy each other out; Washington bureaucrats will decide which businesses warrant mergers. At best, that will slow economic activity. At worst, it will cause the failure of some businesses that would otherwise benefit from mergers; job losses will result. Obama would also use these laws to break up larger companies into smaller ones, if he felt they were getting too large; this will have negative effects on the stocks of those companies, affecting IRA and 401(k) accounts and pension fund assets.

Increased Capital Gains and Dividends Taxes

Obama plans on raising the capital gains tax from 15 to 28 per cent, and the tax on dividends from 15 to 39.6 per cent. (Note that his proposed percentages have changed over the course of the campaign; they may currently be something other than 28 and 39.6 per cent.) Those taxes will not be limited to the "rich" - regardless of where you'd like to define the cut-off for "rich." Those people who fall below Obama's \$250,000 cut-off point for income tax increases will still be affected by the increases in capital gains and dividends taxes, and that means a

substantial number of retired Americans – who rely on stock dividends and the sale of stocks to survive.

Obama expects to increase tax revenues by raising these taxes, but every time the government has raised capital gains taxes it has ended up getting far less revenue than anticipated. (In contrast, lowering the tax, as was done by Kennedy and Reagan, actually increases the amount of tax revenue.) The main reason tax revenues won't increase as Obama expects is that Americans who can afford to will simply hold on to their assets rather than sell them.

Someone who was thinking about selling 500 shares of stock in order to invest the money elsewhere (or simply spend the cash) may decide he isn't willing to pay 28 per cent of his profit. He wisely decides not to sell the stock, and Obama gets *zero* tax revenue from the transaction – because there has been *no transaction*. The wealthiest stock owners will hold on to their stocks and wait for the next President to lower the capital gains tax.

Others will not be so lucky. Although the wealthiest Americans can hold on to stocks, many older citizens depend on their stocks to get them through their retirement years. They bought stocks in small quantities over their working careers, and sell their stocks when they need extra cash. Those people can't afford to hold on to their stocks, so they will be unable to avoid the Obama tax increase when they need to sell. Worse yet, because they have owned their stocks for a long time, a larger portion of the money they get from selling their stocks will represent gains. They will be paying a larger tax on a larger portion. Thus, the tax meant to “soak the rich” will actually most hurt the elderly Americans who fall well below the \$250,000 salary point.

Worse yet, the capital gains tax is one of the most unfair taxes of the federal government because it does *not* take inflation into account. For example, if you purchased stocks for \$5,000 in 1978 and sell those stocks in 2008 for \$20,000, you must pay capital gains on the \$15,000 “gain” or profit. But over the 30 years you owned the stocks, inflation has reduced the value of the dollar. (The fact that you may now earn twice as much as you did 10 years ago doesn't mean you are twice as wealthy.) The \$5,000 amount from 1978, adjusted for inflation, is about \$17,000 today. Your “gain” was thus actually only about \$3,000 (\$20,000 minus today's \$17,000 value of the original \$5,000) – yet you must pay capital gains tax on the entire \$15,000 “on paper” gain. In this example, the tax of \$4,200 that you must pay (the \$15,000 gain times the 28 per cent capital gains tax rate proposed by Obama), exceeds the “real” gain of \$3,000. After collecting the \$20,000 from the sale of your stock and paying \$4,200 in taxes, you end up with \$15,800 – *less* than the \$5,000 you started out with, after adjusting for inflation.

An argument that the capital gains tax should be adjusted for inflation is sound, inasmuch as inflation is caused by the government in the first place by expanding the nation's money supply at a faster pace than justified by economic growth.

The more Washington prints money, the more inflation. The more inflation, the more it collects in capital gains taxes. But it's the taxpayers who get hit by both.

The better argument is to do away with the capital gains tax completely. That would create a boom in the stock market and unleash untold tens of billions of dollars that would flood the economy, prompting the creation of new businesses and new jobs. And what the federal government would take in with additional corporate and personal income taxes would be far greater than what it would have received from the capital gains tax. Regrettably, eliminating the capital gains tax is impossible, because it is always reported as "giving money to the rich."

Finally, Obama needs an awful lot of Americans to invest in all his promised new alternate energy businesses for them to be successful. But what would prompt anyone to sell his assets, pay a 28 per cent capital gain tax, and then invest in a new, unproven business that has – like most new businesses - a greater chance of failing than succeeding? And if the business should be "too successful," will a "windfall profits" tax be imposed by Obama? There is simply little incentive to risk an investment when the capital gains tax is high. The higher the capital gains tax, the less money there will be to invest in new businesses. The fewer new businesses are started, the fewer new jobs are created. This is common sense yet, among Presidents, only Kennedy, Reagan, and Bush seemed to comprehend it.

Increased Income Taxes

Obama has said he will raise the income tax rates of those families that make \$250,000 or more per year. There are about 1.7 million of those families, and he no doubt expects to get few of their votes. He neglects to realize, however, that taxing those wealthier Americans will cause the less wealthy to lose jobs. Rising gas prices alone have already prompted a decrease in the sales of luxury items like boats. If \$4.00 gas prompts someone to cancel an order for a new speed boat, what will a large income tax increase do? The family making \$500,000 per year may decide to postpone the purchase of a new Cadillac. That wealthy family will survive, but what about the family of the worker who was laid off from the Cadillac assembly plant? What about the worker who makes the tires for new Cadillacs? Or the worker who builds air bags for Cadillacs?

But while Obama says he will only "raise" the income taxes of families that earn more than \$250,000, he neglects to mention that he will *fail to renew* the Bush tax cuts when they expire. That will result in a tax increase even for workers who earn less than \$250,000. Obama is playing word games on this issue, hoping Americans are too stupid to equate *expired tax cuts* with *tax increases*.

Obama repeatedly says he will “cut taxes on 95 per cent of working Americans.” That would be a neat trick, because (according to U.S. Treasury figures for 2006) taxpayers whose earnings were in the lowest 50 per cent paid only 3 per cent of income taxes collected. The lowest 75 per cent paid only 11 per cent of the total collected in individual income taxes. Since 75 per cent of Americans pay little or no taxes, it is technically impossible to reduce income taxes for 95 per cent of the tax-paying public. (The most recent government figures show that almost 43 million tax-filers ended up with a tax liability of zero.)

Obama’s promise of a tax cut for 95 per cent of all Americans is not a tax cut at all - it is a \$1,000 credit that does not change the tax code or the tax brackets. Americans will still calculate their taxes in the same manner, and at the same marginal rates – but the final amount of taxes due will then be reduced by \$1,000. For many Americans, that would not be enough to compensate them for the loss of the Bush tax cuts which Obama will allow to expire, nor would it likely be enough to match the tax reduction they would get with the doubling of the child exemption amount promised by McCain. Are you better off with the \$3,500 per child exemption being increased to \$7,000 per child, or a single \$1,000 tax credit? (For middle-class workers in the 25 per cent bracket, doubling the exemption to \$7,000 would lower their taxes by \$875 *per child*.)

Note that Obama’s \$1,000 tax credit would allow people who pay no taxes to get “refund” checks for \$1,000. That is, if a poor person owes no income tax against which he can apply the \$1,000 tax credit, the government will send him a check for \$1,000. Approximately 40 per cent of American workers now pay no income tax at all. They will all get annual \$1,000 checks from Obama, paid for by those who do have tax liabilities.

Note that Obama has recently (September, 2008) stated that he might postpone his income tax increases while the economy “remains sluggish” because they would hurt the economy. If he admits that tax increases hurt the economy, why would they not also be harmful if imposed later? They are either harmful or they are not.

Cut taxes “for 95 percent of all working families”

This Obama pledge is not consistent with his promise to tax only those families that earn \$250,000 or more per year. The Bush tax cuts of 2001 already shifted taxes to the wealthier wage-earners, by moving more people into the group that pays no income tax at all. Because of the Bush tax cuts, by 2004, 42.5 million of the 131 million Americans who filed a tax return had no tax liability at all. If those 32 per cent of working families already pay no income tax, Obama can certainly not reduce their taxes any more.

Removing those 42.5 million tax filers from the equation leaves 88.5 million taxpayers (2004 figures). If Obama lowers the income taxes on 95 per cent of those 88.5 million people, he is promising a tax cut to 84 million. Roughly 4.5 million taxpayers remain to fund his new programs. But Obama has also promised to raise taxes only on those families making \$250,000 or more per year. There are about 1.7 million such families. Obama therefore must be expecting to tax another 2.8 million families who earn less than the \$250,000 figure he has provided. (Keep in mind that those employees who earn \$97,000 or more will see an increase in their Social Security taxes, even if they see no increases in their income taxes.)

Obama will raise the income tax on the highest brackets to 39.6 per cent. Adding in the Social Security tax (with the \$97,000 cap removed), means upper income wage earners will pay a combined tax of at least 45.8 per cent. Add Medicare taxes and, in some cases, state income taxes, and the tax exceeds 50 per cent.

And while Obama says he will not raise the income tax rates of those families earning less than \$250,000 per year, he plans on *phasing out* some of the tax credits for families earning less than \$250,000 range. By setting at lower levels the point at which certain tax credits are phased out, Obama can push taxpayers into higher brackets and generate more tax revenue without actually raising the tax rates for those brackets. Many families that earn far less than \$250,000 will find themselves in the 34 and 39 per cent brackets. Obama doesn't call it a tax increase, but those families will pay much more in taxes nevertheless. (The American Enterprise Institute suggests that these phase outs represent "marginal rate hikes in disguise," for people with incomes as low as \$27,000.)

At the same time Obama plans to lower the point at which some tax credits phase out, he plans on changing the tax code to enable the poorest families to receive refund checks for more than they paid in taxes. Currently, for example, if a low-income family has an income tax of \$200 but is entitled to a \$1,000 credit for something, the family's tax liability is zero. Obama will change that, giving the family a refund check for \$800 (the \$1,000 credit minus the \$200 in taxes due). In other words, if you are poor and owe nothing in income taxes, but buy a new electric car that the government subsidizes with a tax credit of perhaps \$5,000, that poor person gets a "refund check" for \$5,000 even though he didn't pay any income taxes. (They can afford that new car by working for cash and not reporting any of the income.)

The poorest Americans will, under Obama, thus have even less of an incentive to go to work, and there will be any even greater incentive for everyone to cheat on their income taxes.

Lastly, of course, any Americans fortunate enough to escape direct tax increases will not be able to escape paying higher prices on virtually all goods and services

– higher prices that are needed by businesses in order for them to pay their increased taxes.

Retain Alternative Minimum Tax

Obama has no plans to eliminate the Alternative Minimum Tax, a tax calculation which works to place many middle-income Americans into tax brackets meant for higher-bracket Americans because the AMT is not indexed to inflation. Obama thus can argue he will not raise taxes on some Americans but, in fact, their taxes will be increased if the AMT affects them adversely. (About 25 million families are affected by the AMT.) The average middle-class family would save \$2,700 per year on taxes if the AMT were eliminated (as McCain proposes).

Larger earned income tax credit

Obama supports a larger earned income tax credit for the working poor, meaning taxpayers would pay more in order for direct payments made to the poor – *in the form of “refunds” of taxes they haven’t even paid.*

Increased Social Security Taxes

*Note: This would be the **largest tax increase in American history** and it is **not** limited to people who earn \$250,000 or more.*

Under current law, employees (and employers) pay Social Security taxes only on the first \$97,000 of income. That is, the employee and the employer contribute 12.4 per cent tax on all wages up to \$97,000. Wages beyond \$97,000 are not subject to the tax.

Some Americans believe this is unfair, thinking the “rich” are getting away with something. That is not accurate. Someone who earns \$30,000 pays \$1,860 in Social Security taxes (and his employer kicks in another \$1,860 for him). The person who earns \$97,000 pays \$6,014 in Social Security taxes (and his employer kicks in \$6,014). Someone who earns more than \$97,000 stops paying Social Security taxes for the year as soon as he pays his \$6,014 share. *But he also receives no Social Security benefits from the income over \$97,000.* That is, a person who earns \$97,000 per year receives the same amount in his Social Security check as the person who earns \$500,000 per year. In fact, the wealthiest Americans tend not to receive much in Social Security benefits at all, because they generally work beyond the normal retirement age and their benefits are reduced based on their continuing salary.

Obama has pledged to eliminate that \$97,000 cap, which means that the employee and the employer will continue to pay the combined 12.4 per cent regardless of how much the individual earns. If an employee's salary is \$500,000, he will pay \$31,000 in Social Security taxes, and his employer will also have to pay \$31,000. Obama does *not*, however, plan on changing how the employee's eventual retirement benefits are calculated. That means that the person who earns \$500,000 per year will get the same amount in his future Social Security checks as the person who earns \$97,000 per year – even though he will have paid \$24,986 (\$31,000 minus \$6,014) more per year in taxes.

Because the employers of anyone earning more than \$97,000 per year must contribute their portion of the tax as well, those increased costs will be passed on to consumers in the form of higher prices for goods and services. Of course, those who are self-employed have to cough up *both* the employee and the employer portion of the extended tax. All self-employed individuals in the United States will therefore get a new Social Security tax of 12.4 per cent on all income over \$97,000. (Obama's \$250,000 "pledge" applies only to income taxes, *not* Social Security taxes.)

In order to avoid paying the additional Social Security taxes (for which they will receive absolutely nothing in return), some high-salary workers will probably get creative and negotiate salary *decreases*. They will ask for lower salaries but more benefits (such as stock options) to escape the higher Social Security taxes on wages. And, of course, that person making \$500,000 who has to cough up \$24,986 more in taxes every year will respond by *not* buying what he otherwise might have bought if he still had that money. (Say good-bye to that new fishing boat, and say "lay off" to the workers who make fishing boats.) Oh, and don't forget that his employer also has \$24,986 less.

Obama's plan to eliminate the wage cap on Social Security benefits essentially changes the system from an "individual retirement" plan to a "transfer the wealth" (i.e., socialist) plan. Rather than paying something into the system every week in order to get back something when you retire, every person who earns more than \$97,000 will be paying much more in taxes and getting nothing back for it upon retirement. Most people earning more than \$97,000 will never get back in retirement benefits anywhere near what they paid into the system. Under Obama, Social Security thus becomes a "tax the rich and give to the poor" program, where "rich" is defined as anyone who makes more than \$97,000 – *not* \$250,000.

This Obama tax increase is estimated to generate more than one trillion dollars over 10 years. That's 10 times \$100 billion, all going to the federal government and *none* going back to those who paid the trillion. All of that one trillion dollars will be removed from the economy, because the employees who pay their one-half of that tax will no longer have that money to spend, and the one-half paid by their employers will be passed on to customers in the form of higher prices for

goods and services. *Everyone* will be paying those higher prices – not just the people who make over \$97,000.

Obama has also proposed adding an additional 2-4 per cent to Social Security taxes for workers with incomes above \$200,000. Someone making \$300,000, for example, would pay 6.2 per cent in Social Security taxes on his first \$200,000 (\$12,400), and then pay perhaps 8.2 per cent on the other \$100,000 (\$8,200). The employer would be taxed a matching amount, \$20,600 (\$12,400 plus \$8,200), most or all of which would be passed on in the form of higher prices. These additional taxes would also generate no additional Social Security benefits to the wage earner – it is more money down the Washington drain.

Increased Minimum Wage

Obama has proposed raising the minimum wage to \$9.50 per hour by 2011. Current law calls for the minimum wage to rise to \$7.25 by 2009, so Obama is tacking on another \$2.25 per hour. He also proposes indexing the minimum wage to inflation, thereby insuring continuous wage increases (and price increases) in perpetuity.

While this no doubt will sound good to those workers who earn less than \$9.50 per hour, the consequences of such an increase on the whole economy must be considered.

First, such a drastic increase will cause more unemployment among the poorest workers. For example, a small business with two unskilled janitors perhaps cannot afford to give both of them a \$2.25 per hour raise. At 40 hours per week, and 52 weeks per year, the raise amounts to \$4,680 per year per employee – plus an additional \$290.16 per year in Social Security taxes – for a total of just under \$5,000 per year. With two janitors, the wage increase will cost his business \$10,000 per year. If the business cannot afford that added cost, the solution may be to fire one of the two janitors. One janitor has received a raise (and is grateful to Obama), while the other has lost his job (but doesn't necessarily associate it with Obama's mandatory increase). The news media focuses on the janitor who got the raise, and ignores the one who was laid off.

Worse yet for the business, when the janitor gets kicked up to \$9.50 per hour, all the other employees who had been making a bit more than the janitor now demand increases to keep pace. If the business gives every employee an increase of \$2.25 per hour, the added costs will be about \$5,000 per employee per year. If the business cannot afford to give every employee the raise, some workers will be laid off.

At the very least, the business will raise prices on its products or services, to help offset the cost of the wage increase. It will likely not be able to offset the costs

completely, because it faces competition. Thus, its profits will fall and there will be less capital for expansion, and fewer new jobs will be created. Toss in the “cap and trade” carbon taxes and its profits will fall further. Its stock price will go down, hurting those employees whose 401(k) accounts depend largely on the company's worth.

At the worst, the company will go out of business, as it finds that its products are now overpriced.

The Americans hurt most by the minimum wage increase are the workers who are least valuable to the business. If a company with 25 employees has to lay off two employees to make ends meet, it will not lay off the senior employees with the most skills and experience. It will lay off the least experienced, least skilled, newest employees. In many cases those will be members of minorities who are trying to climb up the ladder of success. They will perhaps blame their lay-off on employer racism, when the cause of their job loss will actually have been Barack Obama having removed the bottom rungs of the ladder of success.

Universal 401(k) Accounts

Obama has proposed retirement accounts where low-income citizens would get matching retirement contributions from the federal government, rather than from their employers. Middle and high-income workers would thus be paying taxes to fund the 401(k) accounts of lower-income workers.

Refuse to Allow Oil Drilling in America's Off-Shore Reserves and in Alaska's ANWR Preserve

Obama has stated he is opposed to drilling for oil in America's offshore reserves and in Alaska's ANWR preserves. He has no justification other than his belief that he can somehow end America's dependence on foreign oil. But, even if nothing else happens, America's need for oil will grow as America's population increases. Even if the automakers were to quickly come up with vehicles that run on batteries or hydrogen, the need for oil will continue for the nation's heating needs, power plants, and for the manufacture of tens of thousands of products made from petroleum (for example, plastics, tires, waterproofing, synthetics, and adhesives).

If drilling in Alaska's ANWR preserves is allowed, about 92 per cent of the preserve would be left untouched. Between \$150 and \$230 billion in tax revenues would be generated by drilling there. Between 250,00 and 750,000 new jobs would be created. There are estimates of between 9 and 16 billion barrels of oil in ANWR. (If John McCain is elected, look for Vice-President Palin to give him a personal tour of ANWR to show him how desolate, isolated, and

“un-scenic” the area is. Much of ANWR may be a beautiful wilderness, but the location of the potential oil fields is not.)

The Outer Continental Shelf (OCS) contains an estimated 86 billion barrels of oil and 420 trillion cubic feet of natural gas, yet 85 per cent of the OCS in the lower 48 states is off-limits to exploration and production (because of decades-old bans that Democrats, and some Republicans, in Congress refuse to lift). Leases on those fields could generate \$25 billion per year in revenue to the federal government – far more than Obama would get from any “windfall profits tax.”

There is no sound argument for not drilling for oil in our offshore reserves or in ANWR. If American companies don't extract that offshore oil, other nations will. If Americans don't get the oil and gas jobs, workers in other countries will get them.

Obama sometimes uses the environmental argument, that there is too big a risk of oil spills, but Americans have a much better track record of protecting the environment than the nations who would drill for that oil if we don't. Obama thus says no to drilling, to let other nations do it and with a greater potential for an environmental disaster.

Toward the end of the primary season, Obama changed his position and appeared to be willing to allow some limited offshore drilling. It can be assumed this was due only to the clamor of Americans to “Drill here, drill now!”, and he may revert back to his earlier position once in the White House, in order to placate the environmental groups which helped fund his campaign.

Refuse to Allow the Construction of New Nuclear Power Plants

Obama has opposed the construction of new nuclear plants, primarily on environmental grounds. Late in the primary season he softened his stance, with the caveat that he might support new power plants if safety concerns are properly addressed. Based on his record, however, and the support he receives from environmental groups (who want no nuclear plants anywhere) and lawyers (who make money from lawsuits blocking nuclear plants), it is unlikely that Obama will ever be satisfied with the industry's safety guarantees.

Obama opposes opening up Nevada's Yucca Mountain nuclear waste repository, which essentially means there will be no new nuclear power plants. “Prove it will be safe and then I will allow it to be built,” is an easy way to sound like you're saying “yes” when you are really saying “no.”

Mandated Paid Family Leave for Workers

Obama has promised to extend the Clinton “Family and Medical Leave Act of 1993” by requiring employers to continue to *pay* employees who are absent due to family health issues. The Clinton law requires employers to provide employees with up to 12 weeks of unpaid leave per year, for birth, adoption, or foster care issues, or to care for a sick child or spouse or parent, or if the employee is physically unable to perform one's job. Obama pledges to transform that requirement into *paid* leave. It is unclear if the same 12-week time limit will apply.

Many businesses have struggled with the existing regulations, partly because of employees who unfairly take advantage of the law, and partly because they incur added costs to compensate for the absent workers. If Obama requires that employers keep paying employees who are absent for any of those defined reasons, the abuse by employees will expand dramatically. An employee with a hangover can take advantage of the existing law and avoid being fired despite his alcoholism. Guaranteeing a paycheck while he is sleeping off his prior night's activities is certain to increase the irresponsibility of many workers.

Employers will have no choice but to pass on the added costs of these regulations to the consumer in the form of higher prices. Some companies will be unable to stay in business, as this added burden makes it impossible for them to compete in the global market. Workers for those companies may therefore be exchanging 12 weeks of paid leave for permanent unemployment.

Mandated sick days

Obama supports requiring all employers to provide all workers, hourly or salaried, with at least seven paid sick days per year.

Leave the Estate Tax (“Death Tax”) in Place

Obama will leave in place the estate tax, which often forces families to sell farms and businesses when the owner dies because they can't afford to pay the federal inheritance tax. Proponents of the tax (like Obama) argue that the tax only affects “wealthy” Americans. The problem is that the family may be inheriting a farm or a business or a farm – not cash. If the farm or business is “worth” \$10 million on paper, that doesn't mean the owner has left several million dollars in cash to pay the tax - which can be as great as 45 per cent. The family is thus obligated to sell the business or farm in order to pay the tax. Obama would continue the tax.

“Eliminate capital gains taxes for the small businesses” and start-ups “that will create the high-wage, high-tech jobs of tomorrow”

Obama has not defined which businesses will be eligible for those tax changes. Apparently the federal government will be drawing up a list of “good businesses” and “bad businesses.” If your goal is to start a company that happens not to fall on the “good list,” too bad – you will be paying higher capital gains and corporate taxes to subsidize the businesses Obama prefers.

Advocate "a tax code that doesn't reward the lobbyists who wrote it, but the American workers and small businesses who deserve it"

This Obama pledge is in direct conflict with the one immediately above it. Either all businesses are treated equally or they are not.

For the record, Obama is not above the politics of letting lobbyists persuade him to give breaks to specific businesses. As an example, Obama introduced nine separate bills exempting the Australian-owned chemical corporation, Nufarm, from paying import fees on chemicals it sells for pesticides and herbicides. Obama also introduced a bill exempting a Japanese drug company, Astellas Pharma, from tariff payments. (Exemptions for those two foreign companies cost the government \$12 million in lost tariff revenues.)

"Stop giving tax breaks to corporations that ship jobs overseas" and "start giving them to companies that create good jobs right here in America"

The United States currently has the *second-highest corporate tax rate in the world*. Tax cuts for certain businesses are sometimes added to the tax code in order to keep those businesses from moving overseas – or to keep them from going out of business. All those “corporate loopholes” could easily be eliminated by lowering the tax rate for *all* corporations... but attempts to do so are always met with resistance (usually by the politicians who complain most about the loopholes). If (as Obama desires) the corporate tax loopholes are eliminated *and* the corporate tax rate is *not* lowered, *more* businesses will move overseas – or will go out of business because they cannot compete with foreign competitors.

Set a goal that "in 10 years, we will finally end our dependence on oil from the Middle East"

Obama’s original goal was to “end our dependence on foreign oil.” Realizing that would be impossible, he changed the goal to only eliminating our dependence on “Middle East” oil. This goal is still impossible if additional drilling is not allowed in Alaska or offshore. The American economy is expanding and its population is growing. More oil is needed. The only way Obama can conceivably meet a “no Middle East oil” goal is for the United States to obtain more oil from Russia,

Canada, Mexico, and Venezuela. It will then not be coming from the “Middle East,” but America will still be very dependent on foreign oil.

Unless Obama has found a way to make tires, plastics, synthetics, waterproofing, adhesives, and thousands of other products without petroleum, America will be dependent on foreign oil... for decades to come.

"Tap natural gas reserves, invest in clean coal technology and find ways to safely harness nuclear power"

These are reasonable goals. But they would be more readily accomplished if Obama and his fellow Democrats would do something about environmental groups that file continuous lawsuits that effectively prevent businesses from providing for America's future energy needs. For example, many of the oil leases which Obama and Pelosi complain aren't being used by the oil companies, are not being used primarily because environmentalists have filed lawsuits to prevent drilling. At some point the cost of fighting the lawsuit, when added to the cost of extracting the oil, adds up to more than the value of the oil. The environmentalists know that, which is why they file the lawsuits. The problem is that those groups often receive tax dollars which help fund the lawsuits. Americans are therefore being taxed to fund groups which file lawsuits that prevent oil companies from drilling for the oil the Americans want and need. Obama has not addressed that substantial problem, and likely will not.

6 billion gallons of fuel from bio-crops

At one point Obama was promising 6 billion gallons of fuel from bio-crops. This pledge has not been heard lately, possibly because of concerns over rising fuel prices resulting from farmers converting their fields from food crops to fuel crops.

"Help our auto companies re-tool, so that the fuel-efficient cars of the future are built right here in America"

Obama has not explained how he would do this, other than to suggest that Washington mandate a higher fuel economy standard. Picking a miles-per-gallon number and telling Detroit to “meet this or else” doesn't do anything to solve the problem, it just forces Detroit to raise the prices on large cars people are buying in order to subsidize the prices of small cars Americans aren't buying. Detroit's “big three” are *not* hiding a 500-mpg carburetor in a back room

somewhere, despite 50-year rumors of such a conspiracy. (If losing billions of dollars hasn't prompted them to take it off the shelf, it isn't on the shelf.)

Make it easier for Americans to afford U.S.-built, fuel-efficient cars

It is assumed Obama means he will give taxpayers tax credits for the purchase of certain cars. Americans who cannot afford new cars will therefore be paying higher taxes and higher prices to subsidize those who can.

Have the federal government "invest \$150 billion over the next decade in affordable, renewable sources of energy -- wind power and solar power and the next generation of bio-fuels"

Obama has not made clear how these funds would be distributed, what the criteria would be, or where the money would come from. He has indicated he would continue to subsidize corn-based ethanol production, which means bribing farmers to convert their fields from food products to fuel products. Obama has not indicated how he would prevent food prices from rising under such a scenario.

Obama also supports the extremely high import tariff that keeps the cheaper Brazilian sugar cane-based fuel from being used in the United States. Essentially, Obama is telling Americans they're not allowed to buy cheaper fuel from Brazil but must, instead, pay higher prices for food so that American farmers can make more money: punish 99 per cent of the nation for the sake of the other one per cent.

The simple truth is that \$15 per year over 10 years is almost nothing, when the goal is an almost complete transformation of how a nation of 300 million people uses energy. Obama can't do it – and he knows it.

"Finally meet our moral obligation to provide every child a world-class education"

It is the responsibility of a child's parents to send the child to school. If private schools are chosen, the parents pay the tuition. If public schools are chosen, local property taxes typically fund the school system. The federal government has nothing to do with either; they are personal and local issues. Obama likely means more tax money from the federal government going to the states for

public education, with numerous federal strings attached. Those strings have not been defined.

More federal money for schools means taxing people in the 50 states, sending the money to Washington, and then sending it back to the 50 states – after first skimming from the top the bureaucratic handling fees. Keeping the schools locally run is more tax-efficient, and leads to better control by the parents – rather than the federal government.

Obama also may have in mind plans he developed with William Ayers (former Weather Underground member, 1960s radical socialist, fugitive from justice, and noted flag-trampler) to institute a “reparations education plan” to provide blacks with free college education, funded by the taxpayers as “reparations” for slavery.

Find more money for early childhood education and recruit teachers with better pay while also pushing "higher standards and more accountability"

The “better pay” will come from higher taxes. The “higher standards and more accountability” will likely be implemented only with the approval of the NEA, which, as a powerful national teachers union, will fight any efforts to hold poor teachers accountable or fire the worst teachers.

This is an effort to move education further from local control and close to the federal government, thus allowing it to better indoctrinate children with leftist ideology.

“Universal Voluntary Service Program”

Make sure young Americans can afford college if they serve their community or country

Obama plans to provide students with a portion of their college tuition if they serve in a “universal voluntary service program,” based on the Marxist “Public Allies” program Obama founded (and which was later run by his wife, Michelle Obama). The programs would pay a salary and benefits - provided the young adults work in federally-assigned “community projects” with non-profit or government agencies. Weekly training workshops and retreats would be involved. At the end of their service, the youths would receive money to be used toward college tuition. During the service, however, the youths (at an age when they are most impressionable) would be indoctrinated in leftist philosophies, and taught how to bring about “social change.” (Refer to Saul Alinsky's “Rules for Radicals,” the primer of the 1960s radicals which outlines these brainwashing

process in detail, and from which Michelle Obama quoted in her speech to the Democrat National Convention.)

With this program, Obama does *not* mean young adults would be removing graffiti in exchange for college tuition. This is a plan for leftist indoctrination. Refer to:

<http://www.investors.com/editorial/editorialcontent.asp?secid=1501&status=article&id=305420655186700>

Provide free public college for any student with a “B” average

Obama has said he would guarantee free public college for students who maintain a B average. He has not elaborated on the plan, estimated its cost, mentioned where the money would come from - or explained how he would keep professors from “inflating grades” for the benefit of students they favored.

Free job training

Obama supports free job training, even for criminals on parole.

Support Nancy Pelosi's “Fairness Doctrine”

Obama would sign into law “Fairness Doctrine” legislation planned by Speaker of the House Nancy Pelosi. This would force radio stations to provide equal time for liberals who oppose conservative broadcasts, essentially knocking conservatives off the air - because the stations cannot afford to also air the liberal programs few people listen to and advertisers won't support. This legislation would "encourage diversity in the ownership of broadcast media, promote the development of new media outlets for expression of diverse viewpoints, and clarify the public interest obligations of broadcasters who occupy the nation's spectrum."

Public Housing Expansion

Obama's “Youthbuild” program would be expanded from 8,000 to 50,000 over eight years at a cost of \$257 million, to "construct and rehabilitate affordable housing for low-income and homeless families."

Support an Air Traffic Controller's Union

Although Ronald Reagan thought safety of the American public was too important to be endangered by air traffic controller strikes, Obama supports a restoration of its union.

"Finally keep the promise of affordable, accessible health care for every single American"

Note: Obama will include the 12-25 million illegal immigrants in the United States in his health care plans, which would encourage more foreigners with illnesses to enter the country – both legally and illegally.

Obama estimates that his national health plan would cost \$65 billion per year. Hillary Clinton estimated her plan would cost about \$110 billion. Obama says he will cover everyone, while Clinton's plan would not. Obama thus is promising more for about half the cost, suggesting he is at least twice as smart as Hillary Clinton.

There is no possible way Obama can satisfy his promise of health insurance for every American (and every illegal immigrant, if you use Obama's own numbers) with only \$65 billion per year. No one outside of the Obama campaign will support his claim.

Note that while Obama states on the campaign trail that he is not seeking to establish a single-payer, universal health care plan for the United States, he *repeatedly* proposed just such a plan for Illinois while in its State Senate.

A nation health plan will most assuredly result in a shortage of physicians. If Americans who currently have no insurance are suddenly given free or low-cost insurance (subsidized by the taxpayer), they will certainly seek medical care – and there will not be enough doctors to go around. To control medical costs, the federal government will impose limits on fees for service. Reducing physician incomes is, of course, a good way to discourage young people from choosing the medical profession. After a few years of additional cost-cutting, a fair number of students will switch from pre-med to pre-law.

There will also be a shortage of hospitals, and few new ones will be built because of reduced payments made necessary by the federal government's need to slow down escalating costs.

To save costs on prescription drugs, the federal government will impose profit limits on the drug companies. (Look for a “windfall profits” tax.) Those limits will cause more drug companies to go out of business or flee to other countries.

Obama’s plan will require “...hospitals and health plans to collect, analyze and report health care quality for disparity populations and holding them accountable for any differences found.” In other words, an immense, expensive bureaucracy will be required to keep track of who gets what care, to make sure that blacks and Hispanics get treatment equivalent to whites.

Lastly, under a national health plan like Obama proposes, it is a guaranteed certainty that a substantial number of Americans who are working “only for insurance” will quit their jobs and go on public aid. This group includes the people who are currently too young for Medicare, but who go to work only because their employers provide group health insurance. They may be eligible for early retirement pensions, but their pensions may not include health care. Many people in that category will quit their jobs or retire as soon as they know they have health coverage from an “Obama plan.” That will place an even greater burden on a national plan, as those people move from high-paid group insurance to the federal plan. Worse yet, those people will tend to have health problems, all of which will be added to Obama’s tax-subsidized national health care system.

There simply won’t be enough money.

Lower premiums for those who have health care and let those without coverage "get the same kind of coverage that members of Congress give themselves"

Obama has not explained how he would do this. If those without insurance are given “the same kind of coverage that members of Congress” have, it will certainly cost more than \$65 billion per year. There are an estimated 47 million people in America without health insurance (granted, 20-25 million are illegal immigrants, but Obama has suggested they would not be denied care). Even if one estimates the cost of insuring people to be \$5,000 each, that amounts to \$235 billion per year – and the cost of health insurance for members of Congress is far more than \$5,000 per year.

Make sure insurance companies "stop discriminating against those who are sick and need care the most"

Obama has pledged that he will prohibit insurance companies from having “pre-existing conditions” clauses in their coverage. That is, insurance companies cannot turn you down for coverage simply because you already have something wrong with you. That, of course, is a prescription for the failure of insurance companies, because no one in their right mind would then bother to buy insurance until he became ill. People will simply go without insurance and, when they get sick, show up at the insurance company and say, “Okay, I’m here to buy health insurance and Obama says you can’t turn me down!” You may as well tell car insurance companies they must issue you a policy after your car has been in an accident or has been stolen.

This Obama promise is intended to force private health insurers to go out of business, thus leaving everyone with no choice but to enroll in his national plan of socialized medicine.

Close the pay gap between the sexes

It is currently illegal to pay employees different wages based on gender. Pay discrimination is already outlawed by the Equal Pay Act of 1963 (and reinforced by Title VII of the Civil Rights Acts of 1964, the Age Discrimination in Employment Act of 1967, and Title I of the Americans with Disabilities Act of 1990).

This Obama promise is a red herring. He makes the pledge to get the votes of women who do not understand that they already have equal protection under the law – *and have had it since 1963*. If a woman is paid less than a man for doing the same work, she should file a complaint with the local office of the U. S. Department of Labor. Obama, being a lawyer, should already understand that. If he doesn’t, how did he get to be a Senator?

The Equal Pay Act of 1963 made it illegal to pay men and women different wage rates for equal work on jobs that require skill, effort, and responsibility and are performed under similar working conditions. The law does *not* mean that, simply because their titles are the same, the female president of a small town bank should get the same pay as the male president of General Motors. The argument that “women get paid only 77 cents for every dollar paid men” merely reflects estimates of the *total average wage* paid to *all female workers*, compared to the *total average wage* paid to *all male workers*. That statistic, in and of itself, is meaningless – mostly because women tend, on average, to enter professions that pay less to begin with.

The fact that a woman who works as a check-out clerk at a supermarket gets paid less than a man who works as a steelworker constructing skyscrapers does not mean she is being discriminated against because she is a woman; a man who accepts a job like hers would also be paid less than the steelworker. The question is whether male and female supermarket check-out clerks are paid the same, or whether male or female ironworkers riveting steel beams 50 stories up are paid the same. They are... but should a violation be found, the filing of a complaint with the Department of Labor would be warranted under the 1963 law.

Current regulations require that a complaint be filed within 180 days of the discrimination event. Obama supports a "Fair Pay Restoration Act," which eliminates the 180-day requirement. The bill would more accurately be called the "Big Bucks for Lawyers Act," because that is what it would do, giving women (or men, conceivably) the ability to file discrimination complaints for employment events that happened decades ago. It could probably also be called the "Put American Companies Out of Business Act." One would think it is not unreasonable to expect women to need more than 180 days (six months) to recognize that they are being shortchanged in their paychecks. Obama wants to give them more leeway in filing lawsuits, and calls McCain and Palin sexist for disagreeing with him.

But Obama doesn't mention the 180-day limit in his speeches. He, like all liberals, keeps repeating the "women get paid only 7 cents for every dollar men make" line. If employers could easily "get away with" paying women 77 cents on the dollar, why then do employers bother to hire men? If a business could reduce its labor costs by an astounding 23 per cent just by hiring women instead of men, why would it not do so? Even a sexist employer is not stupid.

Obama should be intelligent enough to understand that argument. But he needs votes, so he ignores the fact that women can be paid less than men for reasons *other* than gender. For example, a man may be paid more than a woman, not because of gender, but because he has 15 years more experience in the position. An accounting firm pays a newly-hired female CPA less than the male CPA who has been there 15 years, but the pay difference is due to *experience*, not gender. A newly-hired male CPA would certainly also be paid less than a female CPA with 15 years under her belt.

What Obama may have in mind, however, are "comparable worth" proposals that have been floating around the leftist community for at least a decade. The "comparable worth" concept is that the government would establish pay guidelines based on the "worth" of certain jobs. A janitor, for example, might be "worth" two-thirds of a kindergarten teacher. That teacher might be "worth" three-fifths of an electrical engineer. Plumbers would also have a "defined worth" - as

would every occupation in the country. Needless to say, a huge federal bureaucracy would be required to administer such a scheme. (The lawyers and federal workers who design the program would no doubt end up with the greatest “comparable worth” values, and exceptions would, of course, be made for Hollywood stars with leftist leanings.)

The fact that a comparable worth scheme is ludicrous does not, of course, prevent liberals from proposing it. No doubt some people would rather have their “worth” determined by a friend on a government committee than by the free market, but this proposal is only one step away from the government telling you what career path you must follow.

If Obama 's pledge to insure equal pay does *not* mean a comparable worth scheme, he has not yet explained what he does mean. Again, pay differences due to gender are *already* illegal under federal law – but you do have to file a complaint within 180 days. Obama is attempting to attract the votes of women voters by offering them something they already have. They should be insulted.

Change bankruptcy law "so that your pensions are protected ahead of CEO bonuses"

Details have not been provided by Obama. On its surface, the proposal seems as though it has some merit.

Pay for "every dime" of his plans' costs "by closing corporate loopholes and tax havens that don't help America grow"

Obama's new proposals add up to at least \$367 billion per year. Closing corporate loopholes and tax havens won't generate that much revenue. In fact, eliminating corporate tax breaks will drive some businesses overseas, costing American jobs. (The reason they were given the tax breaks in the first place was to save jobs; the industry-specific exceptions were needed because Congress wouldn't go along with a reduction in the corporate tax rate for *all* businesses.)

Cut federal programs that don't work and improve those that do while reducing their costs

Obama has provided no details as to which programs would be eliminated or improved. Obama's limited legislative record, however, suggests an eagerness

to raise taxes and add new programs, and a reluctance to eliminate or streamline anything.

"End this war in Iraq responsibly and finish the fight against al Qaeda and the Taliban in Afghanistan"

Obama has given no specifics on these promises, other than to remove troops from Iraq (without those removals first being dependent on victory or evidence that Iraqi troops are capable of taking up where Americans leave off) as quickly as is practical. If he has specific plans for Afghanistan, he has not presented them in any detail.

Ban racial profiling

Obama has not explained how this would be accomplished, or how it would not hinder law enforcement. Does Obama mean that if a young black man robs a liquor store the police can only be "on the lookout" for a "young man?"

"Only send our troops into harm's way with a clear mission and a sacred commitment to give them the equipment they need in battle and the care and benefits they deserve when they come home"

This is a respectable and valid goal. In practice, however, Democrats have shown an eagerness to cut defense spending and reduce American fighting capabilities, while Republicans have sometimes gone overboard in the other direction (with weapons systems that cost more than they are worth).

"Rebuild our military to meet future conflicts"

This is a broad statement that means nothing. It conflicts with Obama's public statements to cut investment in missile defense systems, slow the development of future combat systems, redirect 15 per cent of the Pentagon's discretionary budget away from weapons and toward "education, health care, job training, alternative energy development, world hunger, and deficit-reduction."

Obama has pledged to eliminate the F-22 Raptor, V-22 Osprey, Virginia-class submarines, and the DDG-1000 destroyer. He plans not to implement the missile defense system that has been successfully tested, and which Poland has recently agreed to place on its soil as part of NATO's defense system.

Reduce America's Nuclear Arsenal

Obama has promised deep cuts in America's nuclear arsenal; no figures have been given. He has "set a goal for a world without nuclear weapons." (No word yet on whether the United States will "go first.")

"Restore our moral standing" in the world

This is a broad statement that means nothing. The "moral standing" of the United States is fine among nations which share its commitment to liberty, democracy, capitalism, and free markets. Its "moral standing" is much lower with Cuba, North Korea, Venezuela, Iran, and socialist nations of Western Europe. One might assume, however, that attempts by Obama to make America "more appealing" to the latter group could make us less appealing to the former.

Provide "tough, direct diplomacy that can prevent Iran from obtaining nuclear weapons and curb Russian aggression"

This contradicts Obama's running mate, Joe Biden, who told Israeli officials that they had "better get used to" Iran having nuclear weapons.

When Russia invaded Georgia, Obama showed an immediate willingness to apply a "moral equivalency" to the situation, and was afraid to assign blame to Russia.

"Build new partnerships to defeat the threats of the 21st century: terrorism and nuclear proliferation, poverty and genocide, climate change and disease"

This broad statement says nothing, other than the fact that Obama has bought into the unproven "human caused global warming" which, as time passes, appears less and less legitimate.

Work with people on all sides of the issue to reduce unwanted pregnancies

This directly conflicts with Obama's pledge to Planned Parenthood to abolish all state laws restricting late-term abortions and requiring parental notification for minors. Obama's policies will lead to even more abortions.

Uphold the Second Amendment but also keep "AK-47s out of the hands of criminals"

This broad statement says nothing, except that Obama doesn't want to lose more votes than he has to on the issue of gun control. In 1996 Obama responded in a questionnaire that he supported banning *all* handguns. When that was recently pointed out to him, Obama blamed it on a "staffer" who had filled it out for him. When a subsequent questionnaire surfaced with the same response – in Obama's own handwriting – the candidate said he must have "misread the question."

In 2007, Obama continued to support a complete federal ban on handgun sales. Obama publicly states that he supports "sensible gun control," but has not defined what that means. And alleged law expert Obama said that the Washington, D.C. Ban on guns was Constitutional; the Supreme Court recently ruled otherwise.

Based on his public statements and his record in the Illinois State Legislature, Obama supports a total ban on handguns, a ban on the sale or transfer of all semi-automatic firearms, a ban on right to carry permits, and a ban on firearms kept in the home.

Help ensure that gays and lesbians have the right "to visit the person they love in the hospital and to live lives free of discrimination"

The practice of hospitals denying visitors because they are gay is practically unheard of today. This is a red herring issue, as is the argument about gays not being able to leave their assets to gay partners when they die. If a gay individual leaves a proper will, he can bequeath his assets to anyone he wishes.

Notably, Obama avoids the issue of gay marriage in this pledge, preferring to mention only the situations where there is virtually no disagreement. It is therefore assumed that Obama will do nothing to stand in the way of states allowing gays to marry.

Pursue policies that don't result in separated families

It is assumed here that Obama means he is opposed to the practice of deporting illegal immigrants when it causes families to be separated, especially children from their parents. His implied position, based on his record, is that he would oppose such deportations. In practice, of course, such separations would never occur if foreigners did not cross the border illegally in the first place. Obama uses the separated families to make it appear that his main concerns are "the children." The record suggests that Obama will do little about illegal immigration. The immigrants are, after all, more likely to be future Democrats than Republicans.

Discourage companies from undercutting American wages by hiring illegal workers

It is unclear what Obama means with this pledge. It is already illegal to hire undocumented aliens – regardless of their wage rates. All Obama has to do is tell the immigration officials to enforce existing laws; there is more of a need to follow existing laws than to "discourage" people.

And a few more from Obama's goodie bag... (the following are from www.theobamafile.com/obamarace.htm)

Doling out faith-based grants "targeting ex-offenders."

Subsidizing supermarket chains that relocate to the inner city to deliver "fresh produce" to blacks, helping wean them off unhealthy fast food.

Imposing "goals and timetables for minority hiring" on large corporations whose work forces are deemed too white.

Continuing to fund the Community Development Block Grant program, Head Start and HUD public housing subsidies.

Funding Small Business Administration loans for minority businesses who train ex-felons, including gangbangers, for the "green jobs" of the future, such as installing extra insulation in homes.

Doubling the funding for federal after-school programs such as midnight basketball.

Subsidizing job training, day care, transportation for inner-city poor, as well as

doubling the funding of the federal Jobs Access and Reverse Commute program.

Expanding the eligibility of the earned income tax credit to include more poor, and indexing it to inflation.

Adopting entire inner-city neighborhoods as wards of the federal government.

Spending billions on new inner-city employment programs, including prison-to-work programs.

I would be surprised if many people are able to read this far and still support a Barack Obama for President. If Obama wins, I suspect it will be because the media successfully kept information about his plans from being widely known. Or America is closer to socialism than I had imagined...

*Don Fredrick
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