Obama Takes Illinois Mistakes Nationwide

by Phyllis Schlafly July 23, 2010

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"Unsustainable" is a scary word that recently entered political discourse, coming authoritatively from Congressional Budget Office (CBO) Director Douglas Elmendorf. Unsustainability is the operative moniker for Barack Obama's massive deficit spending, which Elmendorf said "cannot be solved through minor tinkering."

The CBO predicts an increase in our public debt from $7.5 trillion at the end of 2009 to $20.3 trillion at the end of 2020 if Obama's fiscal 2011 budget is implemented. As a percentage of gross domestic product, the debt will rise from 53 percent to 90 percent.

Senator Kent Conrad (D-ND) sharpened the focus by asking the CBO Director: "What's going to be necessary [is] either a 25 percent increase in taxes or a 20 percent reduction in spending, or some combination thereof. Is that correct?" Elmendorf replied "yes."

Americans are beginning to wonder if Greece is the picture of America's future. But we need look no further than the place where Obama and his team were trained in community organizing and bully tactics to redistribute the wealth: Illinois.

Illinois was the stomping ground for years for Obama, his top advisers Rahm Emanuel, Valerie Jarrett and David Axelrod, and his appointees such as Secretary of Education Arne Duncan. After they promoted themselves to Washington to run the country, other Obama associates who didn't make the cut continued to run Illinois into the ground as the Illinois unemployment rate jumped from less than 5 percent to nearly 11 percent.

For years, we thought California was the most fiscally irresponsible of all 50 states, but Illinois has now taken the lead. A lengthy news article in the New York Times was headlined: "Illinois Stops Paying Its Bills, but Can't Stop Digging Hole."

Under years of Democratic leadership, Illinois has refused to honor its obligations, cut its spending, or trim its shockingly large deficit, which at $12 billion per year approaches nearly half its annual budget. As a result, Illinois' credit rating has been downgraded and it pays a massive amount in interest on its loans.

That's like a family making $50,000 but spending $75,000 each year. Obviously, it won't take long before such a family would lose everything it has.

The big-majority Democratic state legislature, defying Illinois' balanced-budget law, has been passing deficit budgets for years. The new definition of a liberal is no longer tax-and-spend; it's borrow-and-spend.

It's no surprise that unemployment keep increasing, and the reason why the rate isn't higher than we are told is that the government has stopped counting people who have given up looking for a job. Employers are not hiring because taxes and regulations are expected to rise.

Starting January 1, 28 million middle Americans will be socked with a massive Alternative Minimum Tax (AMT) which Republicans had eliminated. That's a "gotcha" which penalizes taxpayers in ways they never expect, adding big tax penalties based on an "alternative" way of calculating taxes due.

Upper-income Americans will see a big jump in their marginal tax rates. Their accountants are already telling them that the more they work, the less additional money they will take home, so they may be already slowing down, canceling investments, or retiring to draw Social Security.

Hardworking parents who are saving for their children's future will be hit by the reinstatement of the massive "death tax" on January 1. They may wonder why they work hard and save if their money will go to Uncle Sam and to people who choose not to work.

Marriage penalties will hit couples hard, both in the income tax law and in Obamacare. Obama's financial favoritism toward unmarried women, his second biggest voting bloc, has become common knowledge.

Those who choose to control their own health care through Health Savings Accounts will be slapped with new taxes. That's just one more way to promote Obama's goal of moving all health care to government control.

Employers are not hiring because they know they will soon be paying not only higher taxes but also more health care costs or penalties. Depreciation allowances for investment in equipment will be lowered from $250,000 to $25,000, which means businesses will do less investing.

Our ability to compete in the marketplace, of course, depends on our advanced research and development. New taxes will hit R&D hard, which means more slowdowns and more outsourcing overseas.

The expiration of the Republican tax cuts will impose the largest tax hikes in history, affecting all taxpayers. The nearly 50 percent who pay no taxes will also be hurt by more loss of jobs.

There is only one antidote for these depressing prognostications. On November 2, American voters will have the chance to choose real change from Obama's failed Illinois borrow-and-spend policies by electing Republicans who commit to extend the expiring tax cuts.