

ON THE JOB TRAINING?

– OR IS IT “PRESIDENCY BY TRIAL AND ERROR”?

Stephen L. Bakke – December 4, 2010

The Tough Process of Learning

One thing I learned while spending many years in private business is that it doesn't do any good to take an order if you can't deliver the goods. And it doesn't do any good to make the sale and deliver the goods unless you can collect the money. Pretty basic stuff! What I mean to illustrate is that there is a cycle to complete – a natural and logical order to things. **There are dots that need to be connected and one doesn't connect the dots until considerable time has been spent trying, failing, learning, and ultimately understanding – that's called experience.**

Mallard Fillmore by Bruce Tinsley



President Obama continually demonstrates that he doesn't understand the “order of things” and is in a phase of trial and error in which he is only just now discovering where the dots are, but isn't even close to connecting them. **The President is in a phase of learning that any inexperienced individual must pass through. Too bad he has to go through this OJT as President of the United States.**

That's Not the Way It Works!

As I have discussed before, numerous people have influenced Obama's development thus far in life – his parents, his mentors, Saul Alinsky and many more. **As a result of some of these unfortunate affiliations, Obama suffers from “idealistic utopianism” which is not real, just theoretical. He really doesn't understand human nature – individually or collectively.** He makes declarations that certain events or policies will produce predictable results, but those predictions are often counter intuitive to the way our system works and the way of international affairs. In fact, if closely examined, I believe some of the results he is looking for and predicting would be possible only in a totalitarian/socialistic regime. **His predictions of reactions and short-term results could occur only if imposed by a government which controls all aspects of human action and economics.**

Economics and Market Forces

I certainly don't suggest that business/entrepreneurship is required for someone to be a qualified politician, but it's those talents and developed intuitions that are conspicuously absent in the President and, perhaps just as importantly, his administration. Some examples:

- **Obama thinks he can create a market by fiat or declaration.** Witness his concern about Obamacare – not that his policies were unattractive to consumers/voters, but that he didn't properly communicate/ market his “product.” He doesn't seem to realize that it is in socialism and communism that parameters of demand and consumption are defined by those in control of government. An entrepreneur who thinks he is smarter than his marketplace won't be in business long – such arrogance is fatal. **The President is surprised because he doesn't understand that the customer drives the market, not the other way around.**
- **Healthcare reform showed also a lack of understanding of suppliers' decision making in the free market.** Witness all the assertions of how doctors, hospitals, med-tech companies, and insurance companies would respond in the aftermath of the legislation. **So many assurances – so few worthy of attention.**
- **The OMB scoring for Obamacare was the biggest “ginned up” analysis I could imagine.** Remember that the democrats supplied OMB with the (ridiculous) assumptions used in the projections. Just one significant example is the last minute inclusion, in the OMB analysis, of a scheduled reduction in Medicare reimbursement rates – knowing full well such a reduction would be unlikely to occur unless other more dire health care changes would occur. **So naïve!**
- **Obama and “his minions” have demonstrated their ignorance of the economy by assuming certain impossible effects of their stimulus programs.** This showed profound ignorance of employer and consumer decision making following all that wasteful spending in the stimulus program.
- **“Sorry Charlie,” but governments don't create jobs, businesses do!** Obama believes that one major role of government is to create jobs, particularly in times like these. Mr. President, your every statement and policy implementation flies in the face of this reality.
- **Uncertainty is the worst enemy of economic growth** – Stability is a major factor for businesses making the decision to hire employees. Stability requires removing uncertainty. And what is one of the most significant “unknowns” that create uncertainty? That, my President, would be the total confusion as to the tax rates which will be in effect. **You really don't get that connection do you Mr. President!?! More experience in the real world would have taught you that.**
- **No informed thinker would suggest that any sort of comprehensive tax increase would do anything but stifle recovery and slow economic growth.** People and organizations respond to incentives. And the incentive derived from increased taxes is to go slow, lower your risk level, and “hunker down.” **But I forgot. Mr. President, you don't understand motivations and human nature.**
- **Whether we like it or not, increasing the tax rates for the highest incomes is the poorest way to increase revenue.** Yes! the richest can afford to pay more. But the fact is that they aren't stupid! They move their money from taxable investments to tax shelters and non-taxable investments. So what? Those funds are removed from productive growth

oriented, and job creating investments, and put into more conservative capital preservation assets – those don't create growth and jobs. And historical statistics, along with understanding human nature, clearly indicate that the result of tax increases, particularly at the upper income levels, is a reduction in total tax revenue. **Lower tax rates for the wealthy creates an atmosphere of aggressive investment in growth opportunities which does create jobs and profits and more tax revenue that is given up in the rate reduction. You may not like it, but that's a demonstrable fact!**

- **Let me expand that last item by using my personal experience.** A number of years ago I was a founder of a new company. In order to achieve our operating and growth plans, we needed to attract significant capital from outsiders. While this was a small company, we still needed several million dollars in pure capital from investors in order to attract the necessary bank loans and achieve our growth and profitability goals. Who were these investors? Wealthy individuals who invest their wealth in growth opportunities. We planned to make profits. And we knew eventually the company would be sold – for a profit. All of these profits brought with them income tax implications. **As sure as I'm standing here, if the tax rates had been sky high, or if it were not certain how much future rates would go up, such capital could not have been raised. Wealthy individuals and corporations are accused of standing on the sidelines and hoarding money. If there were less uncertainty about this administration's attitudes toward profits and tax rates, this money would not be on the sidelines.**
- **No business in its right and rational mind would make bold decisions about business expansion and hiring while the current administration repeatedly declares war on profits.** Obama implies that earning good profits is equivalent to “making out like bandits.” **Please! Mr. President. Zip your lip and quell you reflexive negative reactions to all things business. Wise up!**
- **Extension of unemployment benefits is NOT a good economic stimulus – contrary to what is preached by Obama and the democrats.** It is a humanitarian overture, to be sure, but it is merely a redistribution of wealth. It is either a redistribution of wealth from others who would also have spent it, or a redistribution from others who are investors of capital and would have kept those funds invested in growth investments. That being said, I am not philosophically opposed to extending unemployment benefits – but let's not fool ourselves as to what it represents. **Please Mr. President, open your eyes!**
- **Inequality isn't necessarily a bad result.** Egalitarianism is an enemy of prosperity and economic growth. There will inevitably be inequality any time the goal and result is maximizing opportunity for all. Forever seeking total economic equality, Mr. President, will certainly mean the richest among us will have less, but it's not a zero sum game. Such policies make the entire ship float a little lower in the water. **Mr. President, under your vision of the ideal U.S. economic circumstance, the poorest may be closer to the top, but they would find themselves less prosperous than they otherwise would be – and they'd still be at the bottom.**
- **Our President is naïve and reckless (perhaps even FECKLESS) about our economic and national security. This is evidenced by his careless and cavalier attitude toward meaningful ways to bring us closer to energy independence.** Mr. President, bring your hot air balloon back to earth and permit us to develop our extensive natural resources in a wise and appropriate manner. We can't drill. Nuclear power is still on the s___ list. Wind

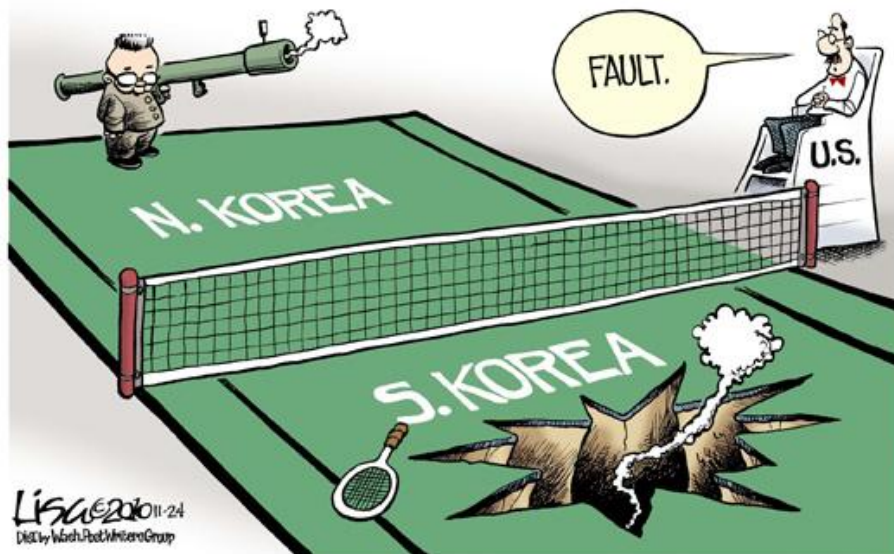
power? We're years away, if ever, from that making a meaningful difference. OK, there's always ethanol which helps the farmers – BUT WAIT! Even Al Gore now says that is an unwise choice. **Mr. President! Please! Please! Let us get off this “Catch 22” of politically correct ways to move toward energy independence!**

- **In Obama's naïve world view, unlike in the real world, failed policies simply mean that inadequate resources were allocated to the effort.** When people like me suggest there should be more accountability where money is spent, or if some social program is criticized for its ineffectiveness, it is often labeled as partisan, greedy, racist, or simply ignorant. **Our President doesn't get it!**

National Security and International Relations

There are a number of international issues that have proven the Obama administration to be uncertain, uncomfortable, and (of course) naïve.

- **Fail to forcefully confront a thug and you generally guarantee that the thuggish behavior will continue – that applies to playground bullies, urban criminals, and rogue states** (from commentary by Jeff Jacoby).



What better examples can be presented than the rogue nations of North Korea and Iran. This administration has shown very little sense of urgency beyond some booming rhetoric and empty threats of international sanctions. And there's always the offer of “talks and negotiations.” If you think that is in any way providing meaningful incentives for a change in behavior, it's just further proof of a dangerous deficiency in understanding and predicting human nature. **Mr. President, those rogues are “lovin' it”!!**

- **Obama's obvious opinion about the U.S.'s exceptional military power is one of embarrassment and apology.** Rather than being a force for peace and liberty, he seems to believe that responsible use of military superiority is no better than using it for tyranny. How unfortunate! The rogue nations of this world are keeping their fingers crossed

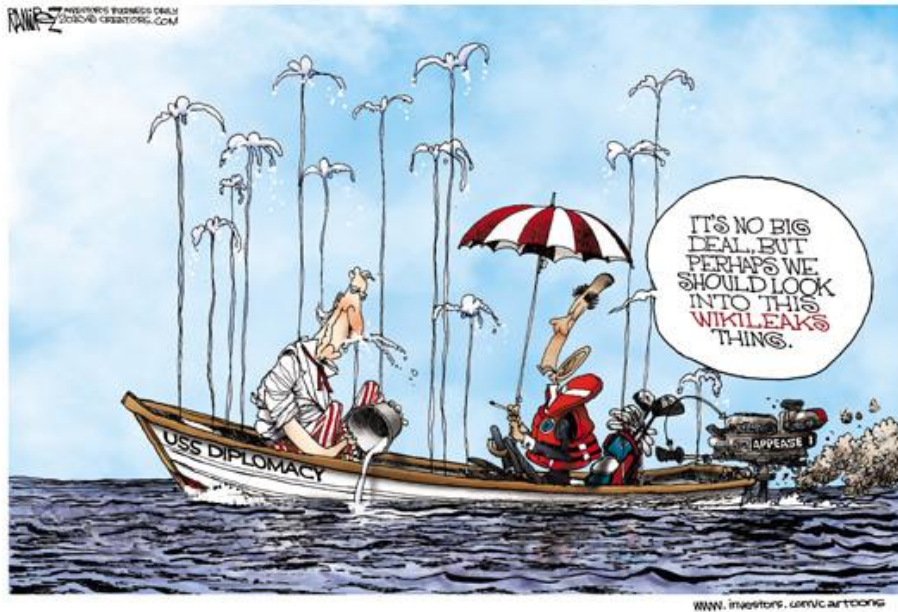
hoping the major powers do weaken their militaries so that they are closer to their goal of chaos, destruction, expansion, and eventual domination. Krauthammer says it well: **“Obama’s idea that the great powers must reduce their weapons to set a moral example for the rest of the world to disarm is simply childish. Does anyone seriously believe that the mullahs in Iran or the thugs in Pyongyang will in any way be deflected from their pursuit of nukes by a reduction of the U.S. arsenal?”**

- **Obama seems to like nothing better than to engage in talks and negotiations with our adversaries.** This was abundantly clear in many statements he made during the presidential campaign. But the rogue nations know this and love it! They know that as long as they can keep the U.S. “engaged” in discussions, the President will be relieved and satisfied. In the meantime, they just continue on as they wish. **Mr. President, you should take the lead at some point in understanding how we can be manipulated and made to look foolish – and meaningfully confront these evil countries while it’s still possible. Mr. President, you need to see the world as it is, not as your idealistic vision wishes it were. Discussions and diplomacy are meaningful only if accompanied by a credible threat of force.**



- **Closing GITMO, civilian trials for terrorists, and suing Arizona over its legislative reaction to illegal immigration.** These things make no sense whatsoever! **I start to sputter, stutter and stammer** when I think of the embarrassing naïveté and absurd thinking that went into those decisions! Softness will not win in this world – **only strong, confident, wise and determined leadership is respected.**
- **Wikileaks is potentially one of the most devastating leak of diplomatic documents in history.** In the face of that, the **President’s reaction seems dismissive** of those showing significant concern and, perhaps just on the surface, showing **no urgency** for taking any action. In fact there seems to be an air of **merely casual, even cynical,** concern. The President has actually not publicly acknowledged the event – leaving that up to Mr.

Gibbs. Mr. President, get out in front, show some outrage, and take definitive action against the perpetrator.



- How about recognizing the value of **reasonable profiling at airports**; and why not start calling it like it is – **terrorism can virtually always be described as RADICAL ... MUSLIM ... TERRORIST ... ACTIVITIES ... WHICH ... ARE ... PART ... OF ... EXTREMIST ... JIHADI ... ORGANIZATIONS. Why is it so hard to say?**

Please! Mr. President, apply what you have learned on the job so far and step away from your idealistic utopian theories and join the real world! **START CONNECTING THE DOTS!**