

# Obama's socialistic trends

by Randy Bright <http://www.tulsabeacon.com/?p=1068#more-1068>

There are still a lot of undecideds left in this election between Barack Obama and John McCain. To me, it is a clear choice between two extremely different paths, and the choice is very easy to make because I am old enough to remember what a bad economy is like.

When I moved to Oklahoma in 1982, the prime interest rate was around 22 percent. This was President Carter's and his Federal Reserve Chairman Paul Volker's solution to solving the problem of inflation. They believed that raising the interest rate would slow the economy down, reducing the demand for cash. It worked far too well, so well in fact, that Jimmy Carter invented the Misery Index.

It was a totally unnecessary action that hurt the middle and lower classes, but enriched the upper class. But that was part of the plan as well. They believed that the upper class would reinvest their earnings in America's businesses, but those people were so afraid of what the economy had become that they stopped investing.

Perhaps the largest investment that ceased was in construction. I recall sitting in an office in Cincinnati, Ohio, during the last six weeks of 1981 with absolutely nothing to do. The firm I worked for stayed open and continued to pay me during that time hoping that one of the projects they had been pursuing would break in time to save the firm. At the end of that year, when they realized that no one was going to be building anything anytime soon, they laid me off.

I was fortunate to have found work in Tulsa before the recession finally reached it, but it took many years to recover from the losses that I suffered from the real estate I owned at the time.

Obviously, we don't have the problem with interest rates that we had at that time. But the problems we do have are very serious, and lead to the same result that the high interest rates did. When people can't trust their government, they lose confidence in the economy and they stop spending. That's a recession.

For people to invest in business, they have to have confidence in making a profit. When Carter and Volker began meddling with the economy, trying to micromanage it, they destroyed the economy by destroying people's confidence. Carter's socialistic ideas were an absolute failure.

Now we have Obama, whose fingerprints are on the recent financial crisis because of the lawsuits he filed to force lenders to make bad loans for "affordable housing." Now he wants to lead America into a new era of "fairness." The "fairness" he wants will be created through high taxation, taking from those of us who work hard for what we earn, and transferring that wealth to those who don't through social giveaways.

His recent conversation with Joe the Plumber bears this out when he told him that he would raise taxes saying, "it's not that I want to punish your success - I just want to make sure that

everybody who is behind you - that they've got a chance at success, too." That was code talk that meant a transfer of wealth.

I submit that the high taxation will create the same outcome as Carter's high interest rates did - they will take away the incentive to invest. It will also remove the incentive from those who would have worked harder to achieve more, because they know that the surplus they create will simply be taken away through taxes. Instead, they will do only as much as necessary to keep as much of their income as possible.

That's how the Soviet Union worked. Remember how the United States used to sell its surplus wheat crops to the Soviet Union because it could not grow enough to feed itself? It wasn't that they weren't capable or didn't have adequate farmland. Truth be known, the Soviet Union probably had more natural resources than we did.

When I was in college, I worked with an older man who had emigrated from Latvia, one of the satellite countries of the Soviet Union. He explained to me why the Russians were starving. He said that in America, farmers worked long hours to bring in the largest crops they could because of the profit incentive. In Russia, farmers got on their tractors at 8 am, and got off at 5 pm and went home, regardless of how much work was left to do. Working longer hours brought them no more reward, so they had no incentive to work longer hours.

Why would Obama's plan be any different? A study recently being discussed on talk radio has shown that a large percentage of business owners are very afraid of an Obama administration, and it is already affecting how they are doing business.

I believe that if Obama is elected, we will see an immediate further decline in the economy. There is too much to fear from his socialistic policies.

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