



October 17, 2009

We Need Better Solutions from Washington

Written by Terry Neese

There's a new Fortune 500 company in Washington, DC, and it's called the federal government.

Oct. 3 marked the one-year anniversary of the largest government bailout in U.S. history. Passage of the Troubled Asset Relief Program gave our government (and taxpayers) a majority ownership stake in many financial services companies. This is one anniversary we shouldn't be excited about celebrating.

In the year since the TARP was launched, things have gone from bad to worse. In the past nine months, we have watched the federal government take over General Motors, pass a "stimulus" bill that did little to stimulate small business or our economy, transform itself into a used-car salesman with the Cash for Clunkers program and work around the clock to take over our health-care system.

Americans are growing tired and leery of too much government involvement in the private sector. Unfortunately, the administration hasn't ruled out expanding the TARP legislation (slated to expire on Dec. 31, 2009) into next year.

Our economy--which is already showing some signs of improvement--will recover,

not because of anything the federal government has done but, in many ways, in spite of it.

As small-business owners and entrepreneurs, we know that innovation, hard work, ingenuity and capital investment are key components of a healthy economy. There isn't much the federal government can do except keep taxes low and resist the temptation to add new mandates. Unfortunately, that hasn't happened much this year.

Take the ideas we are seeing come out of Congress: expanding the Family and Medical Leave Act, mandating paid vacation and sick leave, creating a new agency to regulate our financial and credit markets, initiating a radical change in our health-care system--and the list goes on. Our policy makers need to realize that the government can't solve every problem--and shouldn't try to do so.

With small business representing 99.7 percent of all U.S. employer firms, legislators need to move beyond more mandates and regulations, and look for solutions that really help small businesses.

Let's take a look at the health-care debate. As I wrote last month, opposition to a

government-run "public option" was in full force during the summer months. The more people learn about the health-care reform proposals, the more they don't like them.

I have heard from small-business owners across the country that the "Baucus" health-care bill does little to help them provide access to health care but does a lot to penalize them for not providing coverage.

There were nearly 500 amendments lined up for the bill that Sen. Max Baucus (D-Mont.) has introduced in the Senate, which will likely be the vehicle for any reform. It's clear that a lot of people don't like the bill as it's currently written. And there was enough opposition to a "public" or government option that it was voted down in committee.

Health-care reform legislation will be debated on the Senate floor during most of October. All indications are that another effort will be made to revisit the public option as well as many other ideas--some good, some bad.

At the National Center for Policy Analysis, we are deeply concerned about the health-

care reform legislation coming out of both the House and the Senate. No matter how you sell it, the bills in Congress rely too much on the government. Whether you call it a government option, a government trigger or a government co-op--it's still a government-run health-care plan.

Still absent from the debate over health care are some common-sense, free-market solutions that will give employers an incentive to offer coverage instead of imposing new surcharges on them. Instead of taxing employers, why don't we let them cross state lines to purchase health care for their employees? Why won't Congress allow people to carry their health insurance from job to job or keep it if they lose their job? And why aren't we debating the need to expand Health Savings Accounts?

Adding new layers of regulations and bureaucracies will only make it harder for consumers and small businesses to obtain access to credit, causing further harm to our economy.