

Lexington | From hope to change

Barack Obama has made history. But he can still make mistakes



the relationship between the individual and the state. By adding health care—a sixth of the economy—to the list of services Americans expect from their government, Democrats hope to spread dependency, reckons George Will, a conservative columnist. Benefits, once granted, are tough to take away. Beneficiaries will thank Democrats for their health insurance and recoil from Republicans who might snatch it away. Government will swell, freedom will recede and the great American tradition of self-reliance will wither a little. Ronald Reagan once argued that government medicine is a “foot in the door” for socialism; and Mitch McConnell, now the Republican leader in the Senate, told the *New York Times* recently that Democrats are trying to turn America “into a western European country”.

Nonsense, say Democrats. A plan that helps more people buy private insurance is hardly a stepping stone to socialism. The status quo was unacceptable. Americans spend far more on health than people in other rich countries, but die younger. America even spends more public money per head than many rich countries where the government covers everyone. The basic planks of Obamacare—compelling citizens to buy private insurance and subsidising those who cannot afford it—are hardly Marxist.

Nonetheless, the fears of Republicans and tea-partiers are not entirely foolish. America's public finances are a mess, and adding a huge new entitlement will not improve matters. The White House insists that a proposed commission to restrain health inflation will have powerful jaws, and perhaps it will. But entitlements tend to cost more than their creators predict. The payroll tax that funds Medicare is nearly twice what it was originally supposed to be, but the programme is still hurtling towards insolvency. Obamacare will mean higher taxes, and that is in addition to the tax increases that were coming anyway. Neither party likes to admit it, but bringing the deficit down to less threatening levels will require both tax hikes and spending curbs.

A less exceptional America?

For decades not having universal health coverage has been an important (if ugly) aspect of American exceptionalism. So this week is a good time to ponder whether America is becoming less exceptional. Obviously, America is not like France, where the state controls more than half the economy including a phalanx of big firms. But it has moved in that direction. Public spending (federal, state and local), which was 24% of GDP in 1950 and 35% before the current recession, could hit 44% this year. Uncle Sam owns big chunks of General Motors and Chrysler, among other companies. Is the expansion of the state under Mr Obama a temporary response to the economic crisis, or the harbinger of something permanent?

Some Americans would welcome a more European future. In a new book, Steven Hill of the New America Foundation extols the European social contract of higher taxes for better government services. Life in Europe is more secure, he argues, and therefore more agreeable. On the other hand, government incentives gradually shape a culture, and can deform it too. Safety nets, if too generous, make work optional. Tax rates, if too high, punish it. Regulation, if too intrusive, throttles enterprise. America is still the most dynamic nation on earth, but Mr Obama should not take that for granted. ■

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ABLIND senator asked a question: “Isn't this a teeny weeny bit of socialism?” The year was 1935, the senator was Thomas Gore of Oklahoma (no relation of the former vice-president) and what he disliked was the creation of Social Security (public pensions). Big changes always provoke loud howls, and Barack Obama's health reform is no exception. Mitt Romney, a Republican presidential aspirant, called it “an unconscionable abuse of power”. Richard Land, a Southern Baptist leader, said it would “lead to the overwhelming majority of Americans living shorter lives and experiencing more pain and suffering before they die”. Jim DeMint, a Republican senator, called it “an insult to our democracy” that “threatens our nation's prosperity and freedom”.

Relish it or revile it, everyone agrees that the bill is historic. None of Mr Obama's predecessors managed to make health care universal. Teddy Roosevelt's plan came to naught nearly a century ago. Franklin Roosevelt's attempts in the 1930s and 1940s were frustrated. Harry Truman's grand scheme fizzled, as did Dwight Eisenhower's more modest one. Lyndon Johnson brought health care to the elderly and the poor. Richard Nixon, Jimmy Carter and Bill Clinton all tried to extend it to everyone else, but failed.

How does it compare with the great domestic reforms of the 20th century? One difference is that Obamacare has been a strictly partisan affair. Not a single Republican voted for the final bill. Contrast this with the Civil Rights and Voting Rights Acts of the 1960s. Some 80% of congressional Republicans (and a smaller majority of Democrats) voted to give black Americans equality before the law. In the same decade roughly half of Republicans joined the Democratic majority in voting to create Medicare and Medicaid (public health care for the elderly and the poor, respectively). Bill Clinton's welfare reforms, which chivvied the jobless to find work, were also solidly bipartisan. The American system of checks and balances makes it hard to pass sweeping change without broad consensus. That Mr Obama went for broke despite polls showing a plurality of voters opposed to his plan strikes some as bold; others as rash. Some pundits predict that it will cost his party control of the House of Representatives in November, though one new poll suggests that Mr Obama's success has won him back some support.

Many on the right think Mr Obama is determined to change

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