Obama and the 'Competency Crisis'

Like many Americans who supported him, I long for a triple-A president to run a triple-A country.

By MORTIMER ZUCKERMAN

The rising impatience with the leadership of President Obama was epitomized on Aug. 8 in the middle of one of the now-habitual Wall Street roller coasters. His speech on the economy was 53 minutes late. What showed on TV screens was an empty White House podium, an image suggestive of the absence of leadership. When the president did speak, the best he could come up with was "We've always been and always will be a triple-A country." The market's response was a Bronx cheer, a drop of another 300 points.

Mr. Obama seems unable to get a firm grip on the toughest issue facing his presidency and the country—the economy. He now asserts he is going to "pivot" to jobs. Now we pivot to jobs? When there are already 25 million Americans who are either unemployed or cannot find full-time work? Does this president not appreciate what is going on?

Fewer Americans are working full-time today than when Mr. Obama took office. We have lost over 900,000 full-time jobs in the last four months alone, and long-term unemployment is at a post-World War II high. The public's faith in his ability to deal with the economy has plunged. As Doyle McManus of the L.A. Times put it, "Can this president persuade voters to let him keep his job when so many have lost theirs?" Even Jimmy Carter didn't plumb the depths of national dissatisfaction revealed in the stunning Gallup poll taken Aug. 11-13. The president's approval rating was only 39% with a mere 26% approving of his handling of the economy.

Meanwhile, everyone in the business world is pleading for some kind of adult supervision to build a national platform for sustained growth that includes a long-term fiscal plan that addresses our ballooning debt. They are desperate for strong leadership and feel that all we are getting out of Washington is a lot of noise as Democrats and Republicans blame one another.

Since the president is the one who represents all of America and all Americans, the buck stops with him rather than with the Congress. It is the president's job to offer a coherent program for the twin threats of a static economy and an unsustainable explosion of our debts and deficits. But
the only core issue on which he took a clear position in the recent debt-ceiling negotiations was that it would have to include new taxes on the wealthy—and he didn't even hold to that.

He made the politically tested and calculated statement that if you raise taxes on billionaires and millionaires you could solve the problem. This is not so. Even for those who support higher taxes on the wealthy, as I do, we must remember that we have an income tax system in which fully half the "taxpayers" pay no tax at all, and in which the variety of loopholes cries out for a real reform of the tax code. Even if the government instituted a 100% tax on both corporate profits and personal incomes above $250,000 per year, it would yield enough revenue to run the government for only six months. Why? Because under Mr. Obama's presidency, government spending has swelled to 24% of GDP from 18%.

We need real reform of the tax code in which everyone is asked to make some contribution, however small. Hardly anyone on either side of the aisle has a good word to say for the present hodgepodge of selective punishment of the middle class—replete with exceptions, loopholes, and special allowances. Worse, there are no serious proposals being canvassed among the White House, the Congress and the Treasury.

Erskine Bowles, co-chair of the bipartisan Simpson-Bowles commission appointed by the president in 2010 to devise a plan for dealing with the fiscal crisis, put it well: "It is one that is completely predictable and from which there is no escape." The president said he would stand by his commission, but as of today he's remained silent on its many proposals, seemingly unable to speak honestly on the subject.

Everyone recognizes that as populations age, the ratio of worker-to-retiree dependency plummets. Remember that the first baby boomers statistically retired on Jan. 1 of this year. There are now 79 million more of them to be supported in their retirement and with their medical requirements. This has obvious implications for our debts and deficits. How are we to meet this obligation in the face of long-term deficits that stem from approximately $60 trillion of unfunded entitlement liabilities?

It is no surprise that many have begun to doubt the president's leadership qualities. J.P. Morgan calls it the "competency crisis." The president is not seen fighting for his own concrete goals, nor finding the right allies, especially leaders of business big or small. Instead, his latent hostility to the business community has provoked a mutual response of disrespect. This is lamentable given the unique role that small business especially plays in creating jobs.

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Related video: The president appears to consider himself immune from error and asserts the fault always lies elsewhere—be it in the opposition in Congress or the Japanese tsunami or in the failure of his audience to fully understand the
wisdom and benefits of his proposals. But in politics, the failure of communication is invariably the fault of the communicator.

Many voters who supported him are no longer elated by the historic novelty of his candidacy and presidency. They hoped for a president who would be effective. Remember "Yes We Can"? Now many of his sharpest critics are his former supporters. Witness Bill Broyles, a one-time admirer who recently wrote in Newsweek that "Americans aren't inspired by well-meaning weakness." The president who first inspired with great speeches on red and blue America now seems to lack the ability to communicate any sense of resolve for a program, or any realization of the urgency of what might befall us. The teleprompter he almost always uses symbolizes and compounds his emotional distance from his audience.

We lack a coherent and muscular economic strategy, as Mr. Obama and his staff seem almost completely focused on his re-election. He should be spending most of his time on the nitty-gritty of the job instead of on fund raisers, bus tours and visits to diners, which essentially are in service of his political interests. Increasingly his solutions seem to boil down to Vote for Me.

Clearly the president will have to raise his game to win a second term, especially if the Republicans find a real candidate. Will voters be willing to give him another four years? Like many Americans who supported him, I long for a triple-A president to run a triple-A country.

Mr. Zuckerman is chairman and editor in chief of U.S. News & World Report. He will discuss this story Thursday at 5 p.m. ET on WSJ.com.