



Written by [R. Cort Kirkwood](#) on November 12, 2012

## Layoffs Begin After Obama Reelected

Within hours of the reelection of President Barack Obama, American manufacturers and other employers announced massive layoffs. The reason: the high cost of complying with the [Affordable Care Act](#), known as ObamaCare, and the anticipated economic stagnation that will accompany another four years of the leftist president's plans for centralization.



With chances virtually nil that the expensive health-care mandate can be overturned, and with [House Speaker John Boehner claiming the bill](#) is now the "law of the land," employers must find a way to defray the cost of doing business. Their answer: layoffs.

### The List

The list of companies trying to protect themselves from the president's destructive legislation and economic and regulatory polices is a long one.

Top among them is [Murray Energy](#), the nation's largest independently owned coal company, which directly blamed the reelection of Obama for layoffs. The company has grown from its production of one million tons of coal after its founding in 1988 to 30 million tons today, [its website says](#).

Murray Energy [immediately chopped](#) 163 positions at facilities in Ohio, Utah, Illinois, and West Virginia.

[Robert E. Murray](#), chairman of the giant coal concern, read a prayer to his executives and offered a list of what he sees coming now that Obama is in control for another four years, reported the *Intelligencer and News-Register* of Wheeling, West Virginia.

The American people have made their choice. They have decided that America must change its course, away from the principals of our Founders. And, away from the idea of individual freedom and individual responsibility. Away from capitalism, economic responsibility, and personal acceptance.

We are a Country in favor of redistribution, national weakness and reduced standard of living and lower and lower levels of personal freedom....

The takers outvoted the producers. In response to this, I have turned to my Bible and in II Peter, Chapter 1, verses 4-9 it says, "To faith we are to add goodness; to goodness, knowledge; to knowledge, self control; to self control, perseverance; to perseverance, godliness; to godliness, kindness; to brotherly kindness, love."

Lord, please forgive me and anyone with me in Murray Energy Corp. for the decisions that we are now forced to make to preserve the very existence of any of the enterprises that you have helped us build. We ask for your guidance in this drastic time with the drastic decisions that will be made to



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have any hope of our survival as an American business enterprise.

Amen.

Murray foresees “drastically reduced economic activity,” the newspaper reported, “reduced electric power consumption,” “even more drastically reduced coal markets with even worse coal pricing,” and “total destruction of the coal industry by 2030.”

[According to](#) its website, Murray “employs 3,000 people in some of the most economic depressed regions in the United States,” which didn’t matter much to Obama. When he ran for president the first time, he promised to destroy the coal industry: “If somebody wants to build a coal-powered plant,” [Obama told](#) the *San Francisco Chronicle*, “they can; it’s just that it will bankrupt them.”

And that’s just the coal business.

From sea to shining sea, companies [are downsizing](#) — [and quickly](#).

Another top industry affected by this administration’s drive toward collectivization is the medical device business, which ObamaCare hits with a 2.3-percent excise tax. But companies moved to protect themselves before the election.

For instance, [Stryker Corporation](#), according to Medical Marketing and Media, said it would “eliminate 5% of its global workforce as part of an effort to realize \$100 million in annual productivity gains to offset the hit when the excise tax takes effect in 2013.”

[According to](#) a report in the *Ventura County Star* in late October,

Boston Scientific anticipates \$100 million in additional taxes next year, with layoffs to follow. Medtronic estimates a \$175 million loss in 2013 and will cut 1,000 workers. Stryker plans 1,170 job cuts.

Other medical manufacturers will follow: Smith & Nephew, with 770 layoffs; Abbott Labs, 700; Covidien, 595; Kinetic Concepts, 427; St. Jude Medical, 300; Welch Allyn 275; and Hill Rom, 200.

In January, medical device manufacturers in the U.S. will be asked to take a 2.3 percent hit to their bottom line in the form of a 2.3 percent tax on medical devices, part of the Affordable Care Act, aka Obamacare.

The 2.3 percent tax will be imposed on gross sales of products from elastic bandages to pacemakers to imaging systems. Although the tax is intended to raise \$28.5 billion over 10 years to help cover the costs of Obamacare, opponents warn there will be unintended consequences.

The reelection of Obama won’t help that picture.

Companies are also shifting to more part-time workers to avoid the high cost of ObamaCare, as [FreeEnterprise.com explained](#):

Under the health care law, if a company has more than 50 “full time equivalent” workers, a combination of full and part-time employees, but doesn’t offer “affordable” coverage that meets the government’s minimum value standard, the company will have to pay a penalty.

This penalty is determined by the number of full-time employees minus 30 full-time employees. So to reiterate a very important point: part-time workers are not part of the penalty formula. The health care law creates a perverse incentive to hire part-time versus full-time workers.

Thus, the [Kroger](#) grocery store chain, which employs 350,000 workers and would face huge penalties



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under ObamaCare, [has altered](#) the hours of its (non-exempt) hourly workers, [as has](#) the Darden restaurant chain, which operates Red Lobster and Olive Garden.

That said, other reports of layoffs include [Vestas](#), a wind company that [will cut](#) 3,700 employees by the end of 2012 and 3,000 by the end of 2013, [Cigna health insurance](#) (1,300), [TE Connectivity](#) (620), [Energizer Holdings](#) (1,500, 10 percent of its workforce), [Turbocare](#) (220), [U.S. Cellular](#) (640), [First Energy](#) (400 by 2016), and many more.

Almost all these reports appeared a day or two after the election, which might mean executives had planned for layoffs some time ago, then executed them when another electoral disaster hit the increasingly leftist GOP.

### **Boehner at Peace With ObamaCare**

For his part, Boehner has made his peace with ObamaCare, noting that the reelection of the president means his fight against the bill is over, although Republicans might make a half-hearted effort to tweak the worst parts of the law.

Asked by ABC News' Diane Sawyer whether repealing the healthcare law is "still your mission," Boehner replied, "The election changes that. It's pretty clear that the president was reelected; Obamacare is the law of the land."

**SAWYER:** But you won't be spending the time next year trying to repeal Obamacare?

**BOEHNER:** There are certainly maybe parts of it that we believe need to be changed, we may do that. No decisions at this point.

Boehner did not, apparently, explain why Republicans cannot use other measures to disable the bill, such as refusing to provide appropriations for it. [The Constitution provides](#) that all tax and spending bills must arise in the House of Representatives. Were the GOP to refuse to fund ObamaCare, it could not be implemented.

Indeed, as [The New American reported](#) in September, the Pacific Legal Foundation is pursuing exactly that avenue to overturn the bill on constitutional grounds, arguing that because ObamaCare originated in the Senate, it is invalid.

Ironically, it was the [Supreme Court's ruling](#) that the penalties associated with ObamaCare regulations are taxes that makes it unconstitutional.



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