

Obamas quickly assembled a stimulus bill, whose hundreds of pages contain a mess of dormant proposals that couldn't otherwise get through Congress. In both cases, as the great Robert Higgs reminds us, real crisis is exploited to expand unnecessary governmental activities. Does this represent "change"?

— Richard Kostelanetz

**Follow the money** — In late February, the Seattle City Hall had a program on the future of daily newspapers. The speakers and commenters included people from the Seattle Times, which was financially suffering, and the Seattle Post-Intelligencer, which was about to close. It was a gloomy time. I know newspapers. Despite the crowing on the Right, their sickness has little to do with political bias, which is a low-level affliction that they have always had. It has to do with a big shift of advertising money.

Printed newspapers used to get 10% of their revenue from subscribers and 90% from advertisers — and half of that from classified ads. The classified business has been taken away by Craigslist and is not coming back. Much of the display-ad business has stayed with newspapers, printed and online, which is why they are still around; but the revenue is smaller.

Many at the Seattle hearing seemed to think the problem could be fixed with new owners. Nobody mentioned the Washington Times being owned by the Unification Church, but that was the idea. The problem was, someone might want a newspaper in Washington, DC, for ideological reasons, but who would be willing to lose \$14 million a year, which is what Hearst had lost in 2008, to have a daily newspaper in Seattle? Or Denver, where the Rocky Mountain News had just closed?

Some say they will get their news from the internet. But where do they think the internet gets it? Well, from lots of places, including organizations that cover themselves. The internet can function without advertiser-sponsored journalism, but the quality of information will not be as good.

— Bruce Ramsey

**For the want of a spine** — In the March edition of Liberty, I compared the Republican margin in the Senate that denied the Democrats a supermajority to the 18th-century British military formation — the famous Thin Red Line. Unfortunately, the Republican line fell at its first test, the so-called stimulus bill. The rout was as complete as it was inglorious.

The Democratic strategy came right from Rahm Emanuel's playbook. He preached that an economic crisis was "an opportunity to do things you could not do before . . . You never want a serious crisis to go to waste." Led by Obama and Pelosi, the Democratic hordes took up the war cry of "Crisis!" the Republican line wavered and fell, and the conquerors rode roughshod over the American people. A pork-ridden, ideologically suspect, and economically flawed bill was foisted on us. We and our children will pay with a longer than necessary recession, higher taxes, and quite possibly a lower standard of living for a long time. Such is the price of defeat.

After the Bush administration's malfeasance and the McCain campaign's ineptitude, it was clear enough that there wasn't much left of the Grand Old Party. I don't want to get overly nostalgic here; I'm not a Republican. But what happened to the party of Barry Goldwater, Ronald Reagan, and

dare I say it, even Newt Gingrich? At least the GOP was once a champion of small government and a bulwark against the worst excesses of the Democratic Party. Now, even that is gone. *Sic transit gloria.*

— Bob Marcus

**How low can the economy go?** — The 2008 fourth-quarter GDP figures have been revised, and they were even worse than originally projected. At an annual rate, the economy declined by 6.2% in the fourth quarter of last year, which was the worst quarter since the 1982 recession.

In response, the Obama administration and Congress passed the massive \$800 billion stimulus plan, the "American Recovery and Reinvestment Act of 2009" — as mislabeled and pork-riddled a package as has ever emerged from Congress. Hundreds of billions of dollars will be directed to states to allow them to continue to pay public employees' wages and benefits that employees in the private sector do not receive.

The federal budget deficit will now exceed \$1.5 trillion, about 10% of gross domestic product. The federal government will borrow slightly less than half of what it spends.

In the short run, it is possible — perhaps even likely — that the economy will experience an upturn, perhaps as soon as the second half of 2009. But in even the slightly longer run, the economy is likely to hit a wall as increased monetary and fiscal expansion leads to inflation and higher interest rates.

The crucial battles this spring will be about nationalizing health care, higher taxes, and even more spending. The only silver lining is that the worse the economy does, the less likely further changes will be. Voters must look forward to 2010 — and the chance, as in 1994, to change direction.

— Lanny Ebenstein

**Working for no one but him** — Tax Freedom Day — the day, calculated by the Tax Foundation, on which Americans have theoretically earned enough to pay all their taxes for the year — has not come before April 15 since 1967. The dreaded day has even twice fallen in May.

Although Americans are burdened with numerous local, state, and federal taxes, the federal income tax is the one that generally infuriates them the most. And infuriate it should. Americans who are familiar with the welfare states of Europe may be tempted to think that taxes in America are low compared to the world in general, but such is not the case. The United States ranks high in personal income taxes, and even higher in corporate income taxes.

According to the Heritage Foundation's 2008 Index of Economic Freedom — an index that compares personal and corporate tax rates, along with other economic measures, across the globe — there are 86 countries with a lower personal income tax rate than the United States and 124 countries with a lower corporate rate.

As the collector of the income tax, the agency of the federal government that Americans fear and loathe more than any other is the Internal Revenue Service (IRS). But contrary to proponents of the so-called Fair Tax, a progressive, revenue-neutral national retail sales tax on all new goods and services, the only way to eliminate the IRS is to eliminate federal taxes altogether. Changing the name of the IRS and exchanging one tax for another is not real tax reform.

Any hope of abolishing either the IRS or all federal taxes is, of course, a pipe dream. However, there is a way to

substantially lessen their impact on individual Americans. Individual income taxes could painlessly be eliminated if federal spending were simply reduced to about the level it was at the beginning of the Clinton administration. This would still leave the federal government with revenue from corporate income taxes, social insurance taxes, excise taxes, estate and gift taxes, customs duties, and miscellaneous receipts. With no income tax, there would be no capital gains tax, no withholding tax, no alternative minimum tax, and no refundable tax credit income transfer programs.

But because the currently projected federal deficit was not too long ago the total federal budget, I am not optimistic that any real change will be forthcoming. Looking at the Republican Congress under Bush and now the Democratic Congress under Obama, I fear that nothing short of a Congress made up of Ron Paul clones can stop the congressional spending juggernaut.

— Laurence M. Vance

**Pleading allegedly guilty** — Beware! According to television news, we are facing a frightening new category of crime: the “alleged” crime.

Did you think that ACORN was under investigation for voter registration fraud? The truth is much worse. In late October a television commentator announced that “ACORN is under investigation for alleged registration fraud.” We knew we had alleged representatives of the people (most of Congress), alleged spokesmen for various interest groups (Al Sharpton, Jesse Jackson, et al.), alleged businesses (Fannie Mae and Freddie Mac), and alleged juries (i.e., the ones for O.J. Simpson’s murder trial). We surely have no shortage of alleged facts, alleged experts, alleged political polls, alleged trends, and alleged diseases — but the mind boggles at the thought of all the committers of alleged crimes that our society now must deal with. How can we possibly contain them in our prisons?

And what is happening to our beautiful English language?

— Barbara Branden

**Popeyenomics** — Shouldn’t we learn from past mistakes and reduce both borrowing and long-term debt instead of allowing them to grow year after year? The debt of cities, states, and Uncle Sam now adds up to over \$11 trillion. It reminds me of the cartoon character Wimpy, who would “gladly pay you Tuesday for a hamburger today.” Is this the inheritance we wish to leave future generations? Taxpayer dollars should be spent prudently, with minimal taxation, balanced budgets, and means testing for any assistance programs.

Government at all levels needs to do a better job with the trillions of dollars already confiscated, rather than pick the pockets of its citizens for even more. Local, state, and federal government all need to return to pay-as-you go financial management. In the long run, this is the only way to introduce fiscal responsibility and reduce debt.

Under former President Bush and a Republican-controlled Congress, federal long-term debt increased from under \$6 trillion to over \$9 trillion. During this time, pork-barrel projects or “member items” numbered in the tens of thousands, at a total cost of several hundred billion dollars.

President Obama and the Democratic majority in Congress were elected on promises to control deficit spending and

eliminate earmarking. Talk is cheap. It appears both President Obama and the Democrat-controlled Congress intend to continue conducting business as usual.

Under the Democrats’ control of the White House, the Senate, and the House, the deficit will increase by \$1.75 trillion in less than one year. Within the proposed \$410 billion supplemental appropriations bill to fund all federal agencies for the balance of 2009 are over 8,500 member item earmarked projects worth over \$8 billion. President Obama promised an end to this pork barrel spending frenzy. Will he use the veto as promised? Does he have the strength to take on Senate majority leader Harry Reid, Sen. Charles Schumer (D-NY), and House Speaker Nancy Pelosi? Schumer sees nothing wrong with Democrats’ earmarking, pointing out that Republicans did the same. While that is true, it hardly justifies repeating the mistake.

How ironic that, after winning the Cold War, our weakened economy may end up being our Achilles heel. America may be on the way to becoming the world’s super debtor instead of the world’s superpower.

— Larry Penner

**Paul Harvey, R.I.P.** — When I was 7-years-old or so, growing up in the small town of Albert Lea, Minnesota, Paul Harvey was one of the first voices I heard in the morning. His memorable over-the-top radio delivery kept me entertained as I gulped my mother’s signature “mush” (which, contrary to the name, was a tasty Norwegian dish of cream, cinnamon, and butter). None of the reserved Minnesota adults I knew sounded like that. Harvey’s bracing “Good Day!” helped get me in the right frame of mind for the coming day in school — one my least favorite activities.

After we moved to Minneapolis, I rarely heard him. Even the old fogey stations didn’t seem to carry him. His fan base was always in small towns, where he often preceded or followed the daily crop report. Like many other people, I eventually came to dismiss Harvey as an antiquated vestige from a 1950s time warp, a sort of precursor to such bumbling and pretentious fictional new announcers as Les Nessman (“WKRP in Cincinnati”) or Ted Baxter (“The Mary Tyler Moore Show”).

But later, during research for my book on tax revolts, I gained a new appreciation for Harvey. He stood out as one of the last prominent survivors of the once powerful Old Right of the 1940s and ’50s. Old Right conservatives had fought a dogged rear-guard action against the New Deal welfare and warfare states. The man who published Harvey’s first books in the ’50s was John M. Pratt, an ardent FDR hater who, while in Chicago during the ’30s, had led one of the largest tax strikes in American history. He obviously saw something in young Harvey.

While Harvey moved away from his earlier Old Right isolationism, events sometimes pulled him back to it. It was Harvey, along with Walter Cronkite, who was instrumental in turning the heartland against the Vietnam War. In 1970, when Richard Nixon was still popular in countless small towns, Harvey announced dramatically in his daily commentary: “Mr. President, I love you . . . but you’re wrong.” He was deluged with angry mail and phone calls.

For this expression of old-fashioned Midwestern horse sense alone, Paul Harvey deserves the recognition and thanks of all Americans who value peace.

— David Beito