

5 May 2010

Today's Tabbloid

PERSONAL NEWS FOR Ign@limitedgovernmentnetwork.com


FISCALLY CONSERVATIVE BLOG FEEDS

Walter Olson Joins Cato [Cato at Liberty]

MAY 04, 2010 06:51P.M.

By Roger Pilon


I'm pleased to report that Walter Olson, known to many Cato@Liberty readers for his Overlawyered website, has joined the Cato Institute. Wally led the Manhattan Institute's litigation reform program for more than a quarter of a century. He'll be a senior fellow in our Center for Constitutional Studies, with a wide-ranging portfolio.

A Yale graduate, Wally began his career at *Regulation* magazine, back when it was published by the American Enterprise Institute. He has authored three books, 1991's *The Litigation Explosion*, 1997's *The Excuse Factory*, and 2003's *The Rule of Lawyers*, and countless articles. And another book will be out in the fall on bad ideas coming from the legal academy, *Schools for Misrule*. At PointofLaw.com, Jim Copland, director of Manhattan's Center for Legal Policy, gives us a rich account of Wally's contributions. We're delighted to have Wally on board. 

FISCALLY CONSERVATIVE BLOG FEEDS

In New York, More Evidence the Tobacco Tax Has Everything to do with Big Government [Americans for Tax Reform]


MAY 04, 2010 05:56P.M.

David Paterson's New York is in a whole heap of trouble. The state is barely keeping its head above water with a series of stop-gap spending bills to keep the lights on until the legislature an... 

FISCALLY CONSERVATIVE BLOG FEEDS

What Budget Crisis? California Wants to Ban Shopping Bags [Americans for Tax Reform]

MAY 04, 2010 05:35P.M.

The following article was originally posted at BigGovernment.com: Greece is the fiscally-dysfunctional member of the European Union. On this side of the pond we have California. Illustratin... 

FISCALLY CONSERVATIVE BLOG FEEDS

While You Were Watching the Economy, Health Care, Wars... [Cato at Liberty...]

MAY 04, 2010 04:21P.M.

By Neal McCluskey



...the federal government was taking over education. At least, it was moving a lot further in that direction, with Secretary of Education Arne Duncan wielding billions of "stimulus" dollars to coerce states to do Washington's bidding. And that's not just my take. It's also the *New York Times*:


Mr. Duncan is a man in a hurry. He has far more money to dole out than any previous secretary of education, and he is using it in ways that extend the federal government's reach into virtually every area of education, from pre-kindergarten to college.

Race to the Top. SAFRA. National standards. For well over a year, we at the Center for Educational Freedom have issued warnings about all of these escalations of utterly unconstitutional federal power in education, but it has been nearly impossible to cut through all of the huge, non-education stories to get much notice.

Unfortunately, the hits just keep on coming. While the nation is fixated on oil in the Gulf of Mexico and the supposed evils of Wall Street, the administration continues to change the constantly moving target that is the Race to the Top program, now essentially offering individual districts in California a chance to compete in RTTT round two. This despite states explicitly being identified as THE competitors in the current RTTT. It almost makes you conclude that you just can't trust anything you're told about RTTT by the administration, and that there is no good reason for any state to expect a fair race.

Thankfully, there is some good news to report. According to the *Times*, the ever-expansive Department of Education is now about as popular as the tax man — but not quite:

A new survey by the Pew Research Center found distrust of government at its highest level in 30 years. Of all federal agencies, the department of education's approval rating had fallen most sharply, to 40 percent from 61 percent in 1998. In fact, the department got the lowest rating of any federal agency, including the Internal Revenue Service.

And that is with ED operating largely under the radar. Imagine if people actually knew what Duncan and company were doing! 

FISCALLY CONSERVATIVE BLOG FEEDS

Bureau of Consumer Financial Protection: Violating Privacy One Bank Account at a Time [Americans for Tax Reform]

MAY 04, 2010 03:15P.M.

Today, ATR sent the following to all members of the U.S. Senate. Click here for PDF document. Senator Dodd's "Wall Street Bailout" bill, S. 3217 the Restoring American Financi... 

FISCALLY CONSERVATIVE BLOG FEEDS

Help Kareem Now [Cato at Liberty]

MAY 04, 2010 02:43P.M.

By David Boaz

We've written about the jailed Egyptian blogger known as Kareem before. Now the people who are working for his release are asking that people "flood the jail with mail" so that Kareem and his jailers will know that the world is watching. I hope you'll take a moment to help.

Kareem attended a conference for Arabic liberal and libertarian bloggers and writers in 2006, when he was 21 years old. Within months he was arrested and sentenced. He has served more than 3/4 of a four-year sentence for writing about freedom, democracy, and women's rights on his blog, and yet he still has not been released. He has suffered not only the loss of his freedom, but continuing abuse. It is important to let the Egyptian authorities know he is not forgotten. Please help by writing to him. And please follow the guidelines and not include anything incendiary or likely to lead to his being harmed further.

As Tom Palmer and Raja Kamal wrote in the *Washington Post*, "People should be free to express their opinions without fear of being imprisoned or killed. Blogging should not be a crime."



In 2008 students at the first convention of Students for Liberty rallied for Kareem on the steps of Columbia University (at right). Others around the world, on the web and in person, have tried to keep a light shining on Kareem's case. But it's hard to maintain such a campaign for years, as the Egyptian authorities refuse to let this young man go. Don't let them think that no one notices.

More details about the case can be found here. [📄](#)

FISCALLY CONSERVATIVE BLOG FEEDS

Surveillance Cameras and Civil Liberties II [Cato at Liberty]

MAY 04, 2010 02:40P.M.

By Roger Pilon

In a piece at Politico today, David Rittgers raised a number of important points on the role of surveillance cameras in law enforcement, about which I blogged yesterday at Politico Arena and Cato@Liberty. To add still more to the subject, David is quite right: the cop on the beat, assuming he's there, will be better than the camera at *preventing* crime. In at least two cases, however, cameras can fight crime not only *ex post* but *ex ante* as well. First, cameras monitored in real time — as private cameras often are in apartment buildings, casinos, warehouses, and elsewhere — can facilitate crime prevention by alerting monitors to suspicious activity. And second, would-be criminals who are concerned about being caught may think twice if they suspect they're being monitored. Cameras will not deter suicide bombers, of course; nor will they deter those who are unaware they're being monitored, as may have been the case with the incompetent bomb maker in Times Square — who seems at this writing (we await more facts) to have wanted to “get away,” all the way to Pakistan.

But to add further to the civil liberties point I made yesterday, not only are surveillance tapes usually more accurate than eyewitness accounts in identifying criminals, thereby lessening the very real problem of mistaken prosecutions and convictions, but they aid also in the equally real problem of police (and even prosecutorial) abuse. Two weeks ago

David blogged about the recent University of Maryland case involving the notorious Prince George's County police department, where a video showed police brutality that the police later falsified in their report. And surveillance tapes can work in the other direction too — to protect police from false accusations of brutality. So the civil liberties implications of surveillance cameras are many, and often not what they seem on first impression. [📄](#)

FISCALLY CONSERVATIVE BLOG FEEDS

Life under Prohibition [Cato at Liberty]

MAY 04, 2010 02:24P.M.

By David Boaz

Washington, D.C., has the highest percentage of marijuana smokers in the nation, reports the *Washington Post*. “More than 11 percent of Washingtonians older than 26 reported smoking marijuana in the past year — the highest percentage of any state in the nation, according to a 2007 survey by the U.S. Substance Abuse and Mental Health Services Administration.”

Is that a problem? Well, back around 1990 a satirical revue described the city government as “the nation's first work-free drug zone.” But the people described in the *Post* article seem to work pretty hard, as scientists, businessmen, and so on.

One problem is inadvertently described by D.C. Assistant Police Chief Peter Newsham:

“People don't feel marijuana is dangerous, but it is, because of the way it is sold,” he said. “We frequently recover weapons when serving search warrants associated with the sale of marijuana.”

Exactly. Because marijuana is illegal, it's not sold by kindly old liquor store owners. It's distributed by people who are by definition criminal and who tend to engage in criminal behavior to protect their markets.

Its illegal distribution also accounts for another phenomenon that the *Post* notes:

Teenagers in parts of the city said they can buy pot more easily than beer or cigarettes.

Legal products, for sale to adults only, are harder for teenagers to obtain than a product that is illegal for everyone. Maybe it's time to rethink the success of drug prohibition. [📄](#)

FISCALLY CONSERVATIVE BLOG FEEDS

The City That Never Blinks?

[Cato at Liberty]

MAY 04, 2010 02:21P.M.

By Julian Sanchez

A few points about closed circuit surveillance cameras, since their relative uselessness in the camera-festooned Times Square doesn't seem to have stemmed the call for yet more cameras as an anti-terror measure.

First, I think it's helpful to be clear just what we're talking about when we say "urban surveillance cameras." Lots of private businesses and apartment buildings have their own cameras trained at least in part on public spaces. And at this point, most of us are carrying around miniature cameras in our pockets 24/7 as well. I've read reports suggesting that the most promising video police obtained of the suspected bomber came not from the many CCTV cameras the city has in place there, but from a tourist who'd been taping in Times Square. These provide many of the same advantages as official surveillance networks—after a crime occurs, police can obtain and collate footage from the scene from the various owners—without creating a centrally controlled surveillance architecture. For the remainder of the post, I'll assume "cameras" means just such a citywide network of government controlled cameras, of the sort famously deployed in the U.K. and planned for New York—but it's worth noting that a city without *these* kinds of cameras is not necessarily a city without video evidence of crimes.

Second, while there will of course be the odd case one can find where cameras were instrumental in solving a crime, the research that's been done on public CCTV networks shows that they're of stunningly little evidentiary or deterrent value. There are a few specific types of locations where the presence of cameras does seem to reduce, crime, or at least push it elsewhere. They seem to be fairly effective in parking lots. But on the whole, at the city level, they just don't work very well. In Britain, famously festooned with CCTV cameras, they're only rarely useful in apprehending street criminals, and the boroughs with more cameras don't seem to be any better at catching crooks than those with few. Anecdotal evidence can be beguiling here, because once you've created such a system *of course* the history of a few memorable apprehensions will involve the use of that system. If we gave cops lassos instead of guns and tasers, they'd end up lassoing a few crooks sooner or later too, but that hardly goes to show lassos are the right tool for the job.

Third, if citywide surveillance cameras are merely ineffective as a response to street crime, they're ludicrous as a response to the threat of terror. The point is, I think, well illustrated by New York Mayor Michael Bloomberg's invocation of the 7/7 bombings in London as an argument for installing an elaborate network of CCTV cams in New York: "You don't want to wait until 52 people are killed here and then say, 'Oh, now it's time to do it.' The trick is to learn by experiences, but it's other people's experience you'd like to learn by." What Bloomberg did not


learn from the British experience, alas, is that *52 people were still killed*. The billions spent on CCTV did nothing to deter the bombers, nor to disrupt their plan in action. The Times Square bomber, far from being deterred, chose one of the most recorded locations in the city as his target—and ultimately failed because of his own incompetence, not because of any of the dozens of cameras trained on the Square.

This kind of scenario, incidentally, presents the *strongest* case for surveillance cameras: A failed attack where you actually have a perpetrator to try and track down after the fact. London's cameras did indeed help out on that score after the second, failed attempt at a bomb attack on the transit system: Since they had intended to die with their victims, the terrorists hadn't bothered with countermeasures like disguises, something that might conceivably occur to a non-suicidal terrorist plotter in the future. Of course, those failed attackers were also seen by dozens of their intended victims, so there's little reason to think it would have been impossible to track them down but for the cameras.

Stipulating that the cameras did add some value in that rather unusual case, though, we need to step back and ask: Is this really the best security use we can make of a few hundred million dollars per year? An elaborate camera network that doesn't reduce crime, but might be of marginal benefit in tracking down perps after failed terror attacks by inept bombers? If we've gotten this disconnected from any rational cost/benefit analysis once the word "terrorism" is uttered, let's just start building enormous mousetraps made of gold and bait them with South Park DVDs; maybe we'll catch a few jihadis that way.

Finally, there's the question of privacy, which I leave for last because I don't actually think you can reject citywide camera networks on security grounds alone. Still, it's worth pushing back on the notion that there are no privacy concerns worth speaking of because, after all, the cameras are only trained on "public" places. Lying in the background of that argument is a rather crabbed notion of privacy that Daniel Solove has called the "secrecy paradigm," and it assumes that privacy just means limiting the exposure of information that had otherwise been completely secret. But in practice, much of our privacy is not a function of the *secrecy* of information, but of its searchability and aggregability. There is a world of difference between knowing that *any* of your public behavior can be observed by others, and knowing that *all* of it is—that, indeed, a complete record of your public movements and actions can be automatically reconstructed from a central digital archive. Most of us probably don't mind shopping at "public" pharmacies full of indifferent strangers, but most of us would also be upset if a permanent record of our purchases were posted on the Internet with our names attached. And there's a difference, again, between merely being recorded and knowing that an automated behavioral analysis algorithm is apt to send up a red flag if any of your actions trigger a program's definition of "suspicious behavior."

To the extent that popular privacy discourse is saturated in the secrecy paradigm, it might be better to do away with "privacy" talk altogether, because the exercise of categorizing various kinds of information in a binary public/private schema may help while away the hours on a rainy

Sunday, but it's not ultimately that interesting. The question we ought to be asking is whether and to what extent monitoring technologies facilitate social control. Sometimes that will be a price worth paying for security, but here, the case is quite weak. 

- Jim LaCamp, Macroportfolio Advisors Sr. VP, Portfolio Manager
- James Altucher, Managing Director Formula Capital
- Lauren Tara LaCapra, The Street
- Lou Dobbs, Business & Political Commentator

BP OIL SPILL LATEST

- Jay Gray, NBC News - Venice, LA

Please join us. *The Kudlow Report*. 7pm ET. CNBC. 

FISCALLY CONSERVATIVE BLOG FEEDS

SELL-OFF ... SPECIAL KUDLOW REPORT TONIGHT [Larry Kudlow's Money Politic\$]

MAY 04, 2010 01:41P.M.



Tonight at 7pm ET:

INSIDE THE MARKET SELLOFF...

- CNBC's Bob Pisani
- CNBC's Scott Wapner
- CNBC's Rick Santelli
- CNBC's Bertha Coombs

CONTAGION FEAR...GREECE SENDS SHUDDERS TO INVESTORS AROUND THE WORLD...WILL GERMAN VOTERS SINK THE GREEK BAILOUT? ... ARE SPAIN & PORTUGAL NEXT?

- Lou Dobbs, Business & Political Commentator
- John Rutledge, Rutledge Capital Chairman; Fmr. Reagan Economic Advisor
- Lee Eugene Munson, Portfolio Asset Management Chief Investment Officer
- Steve Grasso, CNBC Market Analyst; Stuart Frankel, Managing Director of Institutional Sales

FEAR FACTOR & THE MARKETS... HOW TO PLAY THIS SELL-OFF

FISCALLY CONSERVATIVE BLOG FEEDS

A Cuban Exile Speaks for Millions [Cato at Liberty]

MAY 04, 2010 01:37P.M.

By Ian Vasquez

Renowned Cuban writer Carlos Alberto Montaner speaks for millions of Cubans in his statement on freedom below. It is a translation of the speech he gave in Madrid last Friday upon accepting a well deserved award given by the Instituto Juan de Mariana for defending liberty.

Freedom for What?*

In 1980, shortly after making a dramatic exit from Cuba, the magnificent writer Reinaldo Arenas collected in a book his more combative articles and essays and titled it "The Need for Freedom."

It was a shout. Reinaldo felt the need to be free. Human beings need to be free. He was asphyxiating in Cuba. He lived in sadness, fear and indignation. None of those three emotions is pleasant, and sometimes they twisted in his heart to the point of desperation.

After finding exile, Reinaldo felt profound relief and said something that was both wondrous and painful: for the first time, he had shown his true face. He had "unmasked" himself and felt the warm sensation of being himself, without the fear that such an act might bring him punishment and alienation.

In totalitarian societies, the pain of not being free and moving about in disguise becomes somatic in various ways, from a knot in the throat to a diffuse malaise expressed by assorted neurotic behaviors.

What is freedom? It is the ability we have to make decisions based on our individual beliefs, convictions and interests, without external pressures.

Freedom is choosing the god who best fits our religious

perceptions, or choosing no god if we don't feel the spiritual need to transcend.

Freedom is fearlessly offering our affection and loyalty to the people we love, or to the groups with which we feel a kinship.

Freedom is choosing without interference what we want to study, where and how we wish to live, the ideas that best reflect our vision of the social problems or the ideas that best seem to explain them.

Freedom is selecting the artistic expressions that please us the most, or, conversely, rejecting them without consequences.

Freedom is being able to undertake or renounce an economic activity without reporting to anyone, beyond the formalities established by law.

Freedom is spending our money as we see fit, acquiring the goods that satisfy us and disposing of our legitimate properties. Without freedom, the creation of wealth is weakened to the point of misery.

José Martí, the illustrious journalist who generated Cuba's independence, contributed another definition: "Freedom is the right of every man to be honest, and to think and speak without hypocrisy."

Tyrannies deny us the right to be honest when they force us to applaud what we detest or reject what we secretly admire.

When Cubans parade, shouting slogans they don't believe in, they are not honest. When they applaud the leader they abhor or laugh at the nonsense he spouts, they are not honest.

That simulation creates in us an uncomfortable psychological dissonance. When we sacrifice our honesty, when we renounce our internal consistency to avoid harm or obtain a privilege, we feel "dirty" and internally ashamed. Hypocrisy is a behavior that wounds the person who practices it and repels the person at whom it's directed.

But there's more. At some point in the evolutionary process, when human beings abandoned the rule of instinct and began to guide themselves by reason, they discovered the agonizing process of making decisions by constantly shuffling the prevailing moral values, material interests, and psychological impulses.

To make such decisions, it was necessary to become informed. Totalitarian violence tries to prevent people from becoming informed. Why become informed if all the decisions are made by the State and all the truths have already been discovered?

In Cuba, there are numerous police brigades whose task it is to remove parabolic antennas, find satellite phones, confiscate banned books, and deny Internet access to anyone who is minimally independent. I cannot think of a more wretched activity.

When Spanish socialist Fernando de los Ríos asked Lenin when he was going to institute a regime of freedoms in the fledgling Soviet Union, the Bolshevik answered with a question loaded with cynicism: "Freedom for what?"

The answer to that is manifold: freedom to investigate, to generate wealth, to seek happiness, to reaffirm the individual ego in a human tide, all of them tasks that depend on our ability to make decisions.

The history of the West is the history of societies that have progressively expanded the horizons of free people.

Gradually, they took away from the monarchs and the religious and economic oligarchies their exclusive powers to decide in the name of the whole. The poor and the foreigners attained their rights. The same happened with the races considered to be inferior, with the women, with the people who were alienated because of their sexual preferences. Slavery was finally eradicated.

It is possible to narrate the long, historical trek of human beings as the constant adventure of our species in the quest for a gradual increase in the number of people given the right to make their own decisions.

Sometimes, the exercise of that ability assumes heroic proportions. Some weeks ago, Cuban political prisoner Orlando Zapata Tamayo decided to die of hunger and thirst to protest against the injustice and abuses of the dictatorship. All he had to defend his dignity as a human being was his life — and he gave it. To him, to his sad memory, with deep emotion, I dedicate these words.

[© FIRMAS PRESS]


** Speech by Carlos Alberto Montaner, upon receiving the "Juan de Mariana Award for an exemplary trajectory in the defense of freedom," Madrid, April 30, 2010.*



FISCALLY CONSERVATIVE BLOG FEEDS

President of the United States uses the term “Tea-baggers” [Americans for Tax Reform “Tea-baggers”]

MAY 04, 2010 12:24P.M.


[PDF Version] President Barack Obama, known for his lectures to others on civility, saw fit to use the obscene and derogatory term “tea-baggers” in a book interview with author Jona... 

FISCALLY CONSERVATIVE BLOG FEEDS

Tuesday Links [Cato at Liberty]

MAY 04, 2010 12:21P.M.

By Chris Moody

- David Rittgers on the New York bomb plot: “This is one of the few cases in which police surveillance cameras earn their keep. When it comes to deterring crime and terrorism, police on the beat are still the sharpest tool we have. The Times Square plot was foiled by an alert person and a prompt police response — not by a camera. ...But cameras aid in the response — helping piece together the plot and track down those responsible.” More on this from Roger Pilon.
- Quiz Time: If government spending is growing faster than GDP, can the resulting deficit problem be solved by: (A) decreasing the rate of growth of government spending, (B) increasing tax rates, (C) decreasing the rate of growth of government spending and increasing tax rates? Click here to find out how you did.
- Gene Healy: Busting the Myth of Camelot.
- Doug Bandow on what to do about North Korea: “Beijing should take the lead in forging a new, active policy designed to both denuclearize the Korean peninsula and promote political and economic reform in the North.”
- Podcast: “Alcohol and the Commerce Clause” featuring Ilya Shapiro. 

FISCALLY CONSERVATIVE BLOG FEEDS

First Impressions from Abu Dhabi [Cato at Liberty]

MAY 04, 2010 12:19P.M.

By Christopher Preble

Abu Dhabi, United Arab Emirates—I arrived in Abu Dhabi late last night, and have spent the day in a series of meetings (with one more scheduled for this evening). The 9-day trip, organized and led by Jon Alterman of the Center for Strategic and International Studies, will also take us to Dubai and Riyadh. If the accommodations are even half as nice as our current digs (on a 5-star scale, I'd rate the hotel an “8”) then we're in for a real treat. (Sorry Doug and Malou).

My first impressions of Abu Dhabi generally conform to what I expected based on my very limited knowledge of the place. I last visited here onboard *USS Ticonderoga* in 1992, but frankly remember very little. A few buildings looked vaguely familiar, but that is about it. I have had to rely on a packet of materials that Jon assembled for our group in order to get up to speed.

This is a wealthy country; oil wealth, to be sure, which can be as much a curse as a blessing. But there are signs of diversification. Cranes abound, and unlike in Dubai, where the financial crisis has put a chill on a once-booming real estate market, Abu Dhabi continues to do well. Indeed, much of the traffic flowing into the city, I was told, is made up of cars from Dubai. I'm anxious to see the contrast when we visit there later this week.


This is a nervous country. Emiratis (at least the ones we met today) are nervous about Iran, a traditional adversary, and a rising power in the region made more powerful by the overthrow of Saddam Hussein. They worry about Iran's nuclear ambitions. They worry about how Iran's behavior might change if they were to acquire nuclear weapons. But they also worry about the ramifications of military action against Iran's nuclear facilities, given that the retaliation is likely to be directed at numerous targets in the region. They don't hold out much hope that sanctions will be particularly effective in convincing the Iranians to reverse course, but they support the effort nonetheless.

Looking past Iran, Emiratis are nervous about a future that depends far too much on proceeds from the sale of oil, and on the contributions of expatriates who make up more than 80 percent of the UAE's total population of nearly 5 million. These expats operate the hotels and the restaurants. They can be seen building the roads and skyscrapers. They are instrumental in Abu Dhabi's nascent homeland security unit, the Critical National Infrastructure Authority. They help manage the UAE's nuclear power program. And they serve as advisers at the highest levels of the national security apparatus.

This is a country that values its good relations with the United States, but that understands that this relationship will always have its limits. In our

last meeting of the day, a senior government official reminded us of how far the UAE had come in a relatively short time. Fifty years ago, according to this official, 1 in 4 women died during childbirth, and infant mortality was nearly 50 percent. Now the UAE is among the healthier countries in the world.

They do not take their good fortune for granted, however. They are striving to develop the skills necessary to operate their critical infrastructure, and to be able to better defend their country without having to rely so heavily on foreign assistance.

I'm off to another meeting, but I'll write more later. 

FISCALLY CONSERVATIVE BLOG FEEDS

Earmarkers vs. Bureaucrats: Taxpayers Lose Either Way [Cato at Liberty]

MAY 04, 2010 12:09P.M.

By Tad DeHaven

One of the justifications members of Congress offer for earmarking is that the Constitution gives the legislative branch the "power of the purse." Congressional earmarkers often denigrate the executive branch's inability to effectively allocate funds. But just because the federal bureaucracy does an abysmal job of spending taxpayer money, it doesn't mean lawmakers would do any better.

The following example out of Florida illustrates why lawmakers are just as likely as bureaucrats to misspend taxpayer money. According to the *St. Petersburg Times*, a developer who has never had a successful project was able to convince four members of Florida's congressional delegation into supporting a \$500,000 earmark for a Tampa affordable housing project. The developer had already wasted \$563,000 in federal and state taxpayer funds on housing projects that now "sit vacant and rotting."

According to the article, suckering more money out of Congress was apparently pretty easy:

But the federal earmark process involves little vetting of recipients. So the four members of Congress didn't know that Foster had never successfully completed a housing project. They didn't know he exaggerated the involvement of his partners in the proposal he presented to them. They didn't know he has a record of mishandling grants for much less ambitious projects. And they didn't know his nonprofit has faced legal troubles, including IRS liens for unpaid payroll taxes.


The lawmakers, who represent Florida and the Tampa Bay

area, say they made their decision based largely on information provided by Foster. Others say he never should have gotten a cent.

"I am flabbergasted that this guy's getting another \$500,000. That's just insane," said Craig Rothburd, an attorney working pro bono for the Hillsborough County Homeless Coalition. The coalition directed a \$400,000 state grant to Foster to develop housing for homeless people. It is now suing Foster for fraud and breach of contract.

Might these lawmakers have put a *wee bit* more effort into scrutinizing the developer had the money been their own?


Regardless of whether federal funds are allocated by the bureaucracy or earmarked by politicians, both are spending other people's money. Neither has the incentive to conduct the due diligence necessary to ensure that the money is properly spent. This is one reason why the federal government's "affordable housing" efforts have been a failure.

Therefore, the question of whether the executive or legislative branch should have more control over spending is a secondary concern. The primary focus should be on efforts to restrict the government's activities to the small number defined in the Constitution. 

FISCALLY CONSERVATIVE BLOG FEEDS

The Capital Gains Tax [Americans for Tax Reform]

MAY 04, 2010 11:52A.M.

In an effort to fund the trillion dollar Obamacare healthcare takeover/boondoggle, President Obama recently proposed increasing the Capital Gains Tax, a tax on job-creating investment. Raising ... 

FISCALLY CONSERVATIVE BLOG FEEDS

Public Service Recognition Week – Fact #2 [Americans for Tax Reform– Fact #2]

MAY 04, 2010 11:26A.M.

Coinciding with national Public Service Recognition Week, the Alliance for Worker Freedom will send out a press release everyday highlighting some of the problems associated with America's pu... 

FISCALLY CONSERVATIVE BLOG FEEDS

Removal of \$50 Billion Bailout Fund Not Enough to Fix Dodd Bill [Americans for Tax Reform]

MAY 04, 2010 10:58A.M.

Sen. Dodd (D-Conn.) has pledged Democrats will work with Republicans to “fix” S. 3217, the Restoring American Financial Stability Act of 2010. Floor speeches last week and recent r... 

FISCALLY CONSERVATIVE BLOG FEEDS

Lobbying R Us [Cato at Liberty]

MAY 04, 2010 10:32A.M.

By David Boaz

Think Washington lobbying is just for the big-money interests? Think you could never afford a lobbyist yourself? Well, think again! At Crazy Eddie's Lobbying Service, our prices are insane!

The firm is actually called Keys to the Capitol. It was started not by Crazy Eddie or Sy and Marcy Syms, but by Paul Kanitra, who's happy to call it McLobbying. Keys to the Capitol


targets small towns, humble associations and others of modest means that can't even consider signing the \$10,000-a-month retainers required by many top Washington firms. Instead, Kanitra's company offers contracts starting at \$995, month-to-month agreements and prices and other details spelled out on the company's Web site.

Want some government money? Want to regulate your competitors? Come on down to Keys!

Now of course it might be that the new, low-priced, easy-to-understand lobbying firm would be helping people get government off their backs. Sort of a “leave us alone” lobbyist for Tea Party times.

Get real. What do you think those small towns want? They're not hiring a Washington lobbyist, even a cheap one, to get government off their backs. They want a piece of that stimulus money, or that Race to the Top money, or that highway money, or whatever. And take a look at the *Washington Post's* description of one of Keys's first clients,

the aptly named Louie Key, national director of the 3,000-member Aircraft Mechanics Fraternal Association of Aurora, Colo. Key was shopping around for a lobbyist to help his union on several federal issues, including persuading lawmakers to tighten oversight of repair stations that use unlicensed mechanics.

That's right. This little ol' association just wanted a nice simple law to impose new regulatory burdens on their cheaper competitors. That's Washington in a nutshell. As long as the government has favors to hand out, people will pay lobbyists to get access. So come on down and get yours! 

FISCALLY CONSERVATIVE BLOG FEEDS

Keynesian Spending Has Zilch Effect on Recovery [Larry Kudlow's Money Politic\$]

MAY 04, 2010 10:00A.M.

Stubbornness is a bad trait in politics and policy, one that will be punished at the polls this November.

The Obama administration continues to argue that its massive federal-spending campaign is essential to economic recovery. Yet the latest GDP report from the U.S. Department of Commerce shows that the 3.2 percent first-quarter economic growth rate got no help from government spending.

In fact, combined federal, state, and local spending actually *fell* 1.8 percent. What's more, over the last three quarters of a mild V-shaped recovery, with an average quarterly rebound of 3.7 percent, government spending actually exerted a small net drag (-0.03%) on growth.

I guess it's time to ask our Keynesian friends in and out of government what exactly happened to those vaunted multiplier effects they so loudly proclaimed. So far, there is zilch effect.

Turns out that all those entitlement transfers of income borrowed and taxed from Peter to pay Paul have made no direct contribution to the nation's production of goods and services. This, however, comes after

\$318 billion of spending through April 23, according to the website recovery.org.


Pretty expensive fiscal habit, wouldn't you say? But for what?

And who can blame taxpayers for saying, "Show me the money that was supposed to generate growth." In the winter quarter, consumer spending increased 3.6 percent and business equipment investment rose 13.4 percent, all while inventories were rebuilt by \$31 billion. But the G in the GDP equation C+I+G+(X-M) actually dropped. (That is, consumption + investment + government spending + the net exports/imports trade.) That's right, dropped.

That failed G for federal, state, and local spending may cost untold trillions of dollars of future tax and debt burdens. Rather than stimulate growth, this will depress it in the years to come — unless we do something about it.

How about stopping the madness right now? How about "de-stimulating" the remaining \$500 billion of unspent Keynesianism?

And how about some truth-telling about the big pick-up in business profits that is really behind the recovery — profits that have fueled a stock market boom which has created trillions of dollars of new wealth through capital gains that are being spent and invested *in the private sector*?

The only temporarily effective government-stimulus effect is coming from the Fed's free-money, zero-interest-rate policy. And here, too, is stubbornness. For the economic emergency has long passed; the recession ended in last year's second quarter. Yet the Fed — now controlled by Obama doves — stubbornly persists in maintaining an emergency pump-priming policy that surely will drive up inflation in the years ahead. 

FISCALLY CONSERVATIVE BLOG FEEDS

TODAY: Primaries in Indiana, Ohio, and North Carolina [The Club for Growth]


MAY 04, 2010 09:59A.M.

Here s Chris Cillizza. 

FISCALLY CONSERVATIVE BLOG FEEDS

Pennsylvania Department of Revenue Report Brings More Bad News [Americans for Tax Reform]

MAY 04, 2010 09:42A.M.

The Commonwealth Foundation has published their monthly deficit watch following the release of the Pennsylvania Department of Revenue's April collections report and the bottom line is the fis... 

FISCALLY CONSERVATIVE BLOG FEEDS

Afghanistan: Complicated, Confusing, and Tragic [Cato at Liberty]

MAY 04, 2010 08:50A.M.

By Doug Bandow

Kabul, Afghanistan—Malou Innocent and I have been interviewing a range of people in Afghanistan's capital. Getting around isn't easy. The traffic is horrendous: automobile ownership has grown on roads built for a different era. Street upkeep is not one of the city government's strong suits. Police checkpoints and traffic barriers dot Kabul.

Arriving at your destination is merely the start. Military bases, government ministries, Western embassies, luxury hotels, and large businesses are fortified with tall walls, barbed wire, concrete barriers, reinforced gates, and guard posts. Armed personnel man entrances and patrol grounds.

As so often is the case, it quickly becomes evident on the ground that foreign conflicts are far more complicated than commonly advertised. Afghanistan is a diverse and complex land. Parts of it are stable and peaceful. Ethnic and tribal divisions run deep, but vary around the country. Although rural illiteracy is high, many urban Afghans are as educated and sophisticated as the Westerners who have flocked to Kabul. And most everyone evinces a desperate desire for peace and security.


An overwhelming sense of tragedy hangs over this beautiful land. The evidence of war and instability is everywhere. The old royal palace still stands, abandoned and wrecked years ago. The casualties of endless conflict are visible—adults and children hobbling along on only one leg, legless beggars by the road. "Poppy palaces," many constructed with drug money, continue to rise while the streets teem with people struggling to find work. Afghan women covered by burqas walking

outside of hotels and restaurants serving alcohol to foreigners. Westerners abound, fighting the war, running NGOs, advising government ministries, and otherwise attempting to re-engineer Afghan society.

Individual stories remind us how blessed we are to live in America. As frustrated as we might grow with U.S. government policy, we live in a nation that is prosperous, peaceful, democratic, stable, and still relatively free. One 27-year-old Afghan, who currently works for a government ministry, told us about how his family decided to flee Kabul after his neighborhood was bombarded as the city was being fought over by various mujahedeen factions. They returned home from Pakistan after the ouster of the Taliban; now he worries about the future.

The overwhelming message that we have heard so far is that the Afghan government is incompetent and corrupt; as such, it is a poor partner to Western nations seeking to create a functioning state. Moreover, Western nations, and especially the U.S., are commonly unrealistic in their assumptions, objectives, and tactics. We have yet to encounter many optimists about allied policy.

Although many foreigners of good intentions are working in Kabul, the flood of money to consultants and NGOs is often wasted or misspent. Afghans themselves have grown cynical after decades of war; many focus on the short-term and are happy to manipulate Western aid agencies and militaries alike. At the same time, those who have come forward to idealistically work for a better future are vulnerable and worry about the consequences of an allied retreat.

Every conversation makes it more evident how little we know and hard it is to understand this complex society and conflict. Malou and I don't expect our time here to turn us into experts. But we do hope that we will learn enough to better participate in the Washington debate over U.S. and allied policy towards Afghanistan. 

FISCALLY CONSERVATIVE BLOG FEEDS

Of Butterflies, Tsunamis, and Draconian Recusal Standards [Cato at Liberty]

MAY 04, 2010 08:47A.M.

By Ilya Shapiro

Last October, I blogged about *Comer v. Murphy Oil USA*, a lawsuit in Mississippi alleging that the defendant oil, coal, utility, and chemical companies emit carbon dioxide, which causes global warming, which exacerbated Hurricane Katrina, which damaged the plaintiffs' property. Mass tort litigation specialist Russell Jackson called the case "the litigator's equivalent to the game 'Six Degrees of Kevin Bacon.'" In a brief that Cato was due to file this week, I framed the operative question as,


"When a butterfly flaps its wings, can it be sued for the damage any subsequent tsunami causes?"

The plaintiffs asserted a variety of theories under Mississippi common law, but the main issue at this stage was whether the plaintiffs had standing, or whether they could demonstrate that their injuries were "fairly traceable" to the defendants' actions. The federal district court dismissed the case but a dream panel (for the plaintiffs) of the Fifth Circuit Court of Appeals held that the plaintiffs could indeed proceed with claims regarding public and private nuisance, trespass, and negligence.

In my blog post, I predicted that the Fifth Circuit would take up the case *en banc* (meaning before all the judges on the court, in this case 17) and reverse the panel. And this was all set to happen — even though eight judges recused themselves, presumably because they owned shares of defendant companies — with *en banc* argument slated for May 24. I was planning to head down to New Orleans for it, in part because the judge I clerked for, E. Grady Jolly, was going to preside over the hearing (the only two more senior active judges being recused).

But a funny thing happened on the way to legal sanity. On Friday, not half an hour after I had finished editing Cato's brief, the court clerk issued a notice informing the parties that one more judge had recused and, therefore, the *en banc* court lacked a quorum. As of this writing, I still don't know who this judge is and what circumstances had changed since the granting of the *en banc* rehearing to cause the recusal. And indeed, by all accounts the Fifth Circuit is still figuring out what to do in this unusual (and, as far as I know, unprecedented) situation where a court loses a quorum it initially had — *having already vacated the panel decision*.

In short, the court could decide that the vacatur stands and either remand to a (now-confused) district court or rehear the case in a new random panel assignment. More likely, however, the court will now reinstate the terrible, horrible, no good, very bad panel decision — and we'll tweak our brief to make into one that supports the defendants' inevitable cert petition.


All in all, an illustration of the absurdity both of litigating climate change politics in the courts and of forcing judges (including Supreme Court justices) to withdraw from cases for owning a few hundred dollars' worth of stock. If that's all it takes to corrupt federal judges, we have bigger problems than trial lawyers run amok! 

FISCALLY CONSERVATIVE BLOG FEEDS

Tax Collection Ain't Pattycake [Cato at Liberty]

MAY 04, 2010 08:44A.M.

By Jim Harper

And in case you're wondering, your privacy don't matter one whit. 

FISCALLY CONSERVATIVE BLOG FEEDS

Six Reasons Why the Capital Gains Tax Should Be Abolished [Larry Kudlow's Money Politic\$]

MAY 04, 2010 06:17A.M.

Here's my friend Dan Mitchell's latest video. As usual, it's definitely worth watching.

According to Dan: The correct capital gains tax rate is zero because there should be no double taxation of income that is saved and invested. This is why all pro-growth tax reform plans, such as the flat tax and national sales tax, eliminate the capital gains tax. Unfortunately, the President wants to boost the official capital gains tax rate to 20 percent, and that is in addition to the higher tax rate on capital gains included in the government-run healthcare legislation.

