

24 April 2010


Today's Tabbloid

PERSONAL NEWS FOR Ign@limitedgovernmentnetwork.com

FISCALLY CONSERVATIVE BLOG FEEDS

Cap and Tax Bad for Government Employee Pensions [Americans for Tax Reform]

APR 23, 2010 05:36P.M.

Reports indicate that some in Congress are prepared to offer versions of a “cap and tax” scheme next week. This new tax would be assessed on all fossil fuel-derived energy source in&nb...; 


FISCALLY CONSERVATIVE BLOG FEEDS

State Fiscal Reforms [Cato at Liberty]

APR 23, 2010 05:32P.M.

By Chris Edwards

The Federal Reserve Bank of St. Louis recently held a conference on state and local government finances. I presented a paper discussing four reforms for state and local governments to consider: abolishing corporate income taxes, privatizing government activities, cutting public-sector compensation, and reforming public-sector labor laws.

Those may seem like disparate policy ideas, but the common theme is that governments need to be smaller, more efficient, and more flexible if America is to prosper in an age of intense global competition. 

FISCALLY CONSERVATIVE BLOG FEEDS

The Latest Taxpayer-Funded Boondoggle: The EPA's Video Propaganda Contest [Americans for Tax Reform]

APR 23, 2010 04:59P.M.

The EPA is at it again. No, we're not talking about the latest (and possibly biggest power grab yet - Oberstar's Clean Water Act - but we're talking about a shameless (and was... 

FISCALLY CONSERVATIVE BLOG FEEDS

What Colombia Needs Is More Economic Freedom [Cato at Liberty]

APR 23, 2010 04:56P.M.

By Juan Carlos Hidalgo

The *Washington Post* had an interesting story a few days ago on poverty in Colombia, a country that is viewed by many as Washington's closest ally in Latin America. Colombians are heading to the polls on May 30th to elect a new president, so we'll be hearing more about that country and Alvaro Uribe's legacy as president in the upcoming weeks.


Uribe has been credited—rightly so—with making Colombia more secure. Crime rates have fallen dramatically since he took office in 2002, right-wing paramilitaries have been disbanded (although many complain that most of them just moved into regular criminal activities), and the decades-old Marxist FARC guerrilla group, which not long ago threatened Colombia's capital and main cities, has been dealt spectacular blows to its leadership and is now a shadow of its former self.

As a result of a more secure environment, the economy has experienced a boom. Foreign direct investment has ballooned, growth rates have shown robust numbers, while poverty and unemployment have gone down. There is no doubt that Colombians are better off today than in 2002. However, as the *Post* story points out, poverty is still stubbornly high, and neighboring countries such as Peru seem to be having better

results in reducing it. Perhaps this has to do with one key ingredient that has been largely missing in Uribe's recipe for development: a bolder push for economic freedom.

Let's be fair: According to the World Bank's *Doing Business* report, Colombia significantly improved the ease of doing business in recent years. This is not a small feat given Latin America's well known taste for red tape. The Uribe administration has also negotiated free trade agreements with the United States, Canada and the European Union, among others. Unfortunately, the agreements with the U.S. and Canada are stalled in those countries' legislatures due to concerns about Colombia's record on labor rights. These concerns are overblown, as shown here in this case for the U.S.-Colombia FTA.


However, Colombia scores poorly on economic freedom. Consequently, the country's outlook won't brighten much more as long as it stifles its economy with high tax rates, burdensome labor regulations, bloated public spending, impoverishing tariffs, and weak protection of property rights and enforcement of contracts. A comprehensive economic agenda must be undertaken in all these areas if the country is going to repeat the successes of other South American countries such as Chile and Peru in tackling poverty.

Unfortunately, none of the leading presidential candidates is talking much about the need for economic reforms. Despite the gains of recent years, security still monopolizes the political debate in Colombia. 

FISCALLY CONSERVATIVE BLOG FEEDS

Stovall Witte Signs Taxpayer Protection Pledge in SC-01 Congressional Contest [Americans for Tax Reform]

APR 23, 2010 04:23P.M.

South Carolina's Stovall Witte recently signed the Taxpayer Protection Pledge in his bid for the state's first Congressional district. Witte is running in a competitive GOP Primary with multip... 


FISCALLY CONSERVATIVE BLOG FEEDS

This Week in Government Failure [Cato at Liberty]

APR 23, 2010 01:51P.M.

By Tad DeHaven

Over at Downsizing Government, we focused on the following issues this week:

- You wouldn't know it based on comments from members of Congress, but the U.S. Postal Service has a serious union problem.
- Food stamp cost and usage are at record highs. And no, it's not good for the economy.
- When it comes to Fannie Mae and Freddie Mac, President Obama has amnesia.
- The federal government has more food subsidy programs than Tiger Woods had girlfriends.
- There's not much difference between Sen. Kent Conrad's budget proposal and the president's. Both would continue the massive spending, deficits, and debt that are bankrupting the country. 

FISCALLY CONSERVATIVE BLOG FEEDS

The Washington Tax Attack Marches On [Larry Kudlow's Money Politic\$]

APR 23, 2010 01:16P.M.

The worst thing I've seen recently, by far, is the Senate Budget Committee's new mark-up to jack the dividend tax from 15 percent all the way up to 40 percent. What in the world are these people thinking?

This is a direct tax attack on capital, jobs, the stock market, and entrepreneurs. It would take effect next year, in 2011, which is not so far from where we are right now in late April 2010.

This tax attack would come on top of a scheduled capital-gains tax hike. And then you've got a potential hike of the alternative minimum tax as well as a hike of the inheritance/death tax. And there's more: In his Cooper Union speech yesterday, President Obama renewed the call for a new bank tax. Remember that one? You thought it was dead? Nope. It's still alive.


Finally, you've got all the chatter about a European-style value-added

tax, or VAT.

This is all terrible for economic growth. Whatever happened to the tea-party Contract from America, which calls for constitutional limits on taxing, spending, and ultra-big government?

Washington is not listening.


Incidentally, a new Pew poll reveals that a staggering 80 percent of Americans do not trust Washington. What a shocker. (Read Dan Henninger's great column in yesterday's *Wall Street Journal* on this very important point.) Is anyone really surprised at this poll's results?

Again, what happened to the tea-party call for limited government, limited spending, and limited taxation? That's what I want to know. 

FISCALLY CONSERVATIVE BLOG FEEDS

Brace yourself, you won't believe this... [Americans for Tax Reform]

APR 23, 2010 01:00P.M.

Brace yourself. This post is going to blow your mind. I mean it. There is no way anyone could have seen this one coming. Because, you see, according to a report by the Chief Actuary of the Cente... 

FISCALLY CONSERVATIVE BLOG FEEDS

Weekend Links [Cato at Liberty]

APR 23, 2010 12:55P.M.

By Chris Moody

- Why new financial reform plans could make American business less competitive.
- Regardless of its currency regime, China has been the hottest major export market for U.S. companies in the last decade.
- How not to spend taxpayer money: City council in the UK spends £2,000 (about \$3,000) on an 8-foot long bike lane.
- Could the U.S. become another Argentina?
- Podcast: "A Small Step Forward for Online Privacy" featuring Jim

Harper. 

FISCALLY CONSERVATIVE BLOG FEEDS

On Tonight's Kudlow Report [Larry Kudlow's Money Politic\$]

APR 23, 2010 12:53P.M.



This evening at 7pm ET:

-ARE WE IN A V-SHAPED RECOVERY?
-STOCK MARKET BULL OR BEAR?
-DO WE NEED SOME COWBOY MONETARISM?
-DIVIDEND TAX ATTACK & OTHER WASHINGTON TAX ATTACKS

- David Kelly, JP Morgan Funds Chief Market Strategist
- Jack Ablin, Harris Private Bank Executive VP & Chief Investment Officer
- John Rutledge, Rutledge Capital Chairman; Fmr. Reagan Economic Advisor
- Chip Hanlon, Delta Global Advisors president
- Steve Moore, Senior Economics Writer for the Wall Street Journal Editorial Board; "Return to Prosperity" co-author

INTELLECTUAL PROPERTY; GREECE, EURO, YUAN, KING DOLLAR

- Bob Hormats, Under Secy of State for Economic, Business, & Agricultural Affairs; fmr. Vice-Chmn Goldman Sachs Internat'l

WILL TEA PARTY CHANGE GOV'T & AMERICA?

- Bill Hennessy, St. Louis Tea Party Founder; "The Conservative Manifesto" Author; Town Hall Forum Contributor

INFLATION THREAT...TAX ATTACK & THE MARKET


- Jimmy Pethokoukis, Reuters Money & Politics Columnist
- Jim LaCamp, Macroportfolio Advisors Sr. VP, Portfolio Manager

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

FISCALLY CONSERVATIVE BLOG FEEDS

ATR Supports Goodlatte Earmark Moratorium [Americans for Tax Reform]

APR 23, 2010 12:30P.M.

The following is cross-posted at www.fiscalaccountability.org: Americans for Tax Reform and its Center for Fiscal Accountability today commended Congressman Bob Goodlatte (R, VA-6) and his 163 co... 

FISCALLY CONSERVATIVE BLOG FEEDS

SEC Incompetence [Cato at Liberty]

APR 23, 2010 12:09P.M.

By Mark A. Calabria


There has been much speculation that the Securities and Exchange Commission (SEC) released its charges against Goldman Sachs on the eve of a Senate vote on new finance regulation in order to help Democrats win that vote. Perhaps that theory is wrong: It now looks more likely that the SEC timed its Goldman case in order to divert attention away from two SEC inspector general (IG) reports criticizing the commission.

In one of the reports, the SEC IG found that several of the top staffers at the SEC were spending their days surfing the web for porn, rather than looking for securities fraud. One senior manager spent almost 8 hours a day looking at porn, getting to the point where he even filled up his government issued hard-drive with porn. His actions were not some isolated incident. Over 30 employees were found to have regularly used SEC computers to download and view porn. Some of the senior employees had salaries as high as \$222,000 a year. Sounds like nice work, if you can get it.

But the porn charges are the least of the SEC's worries. Also released was the IG's report on the SEC's failure to stop the Stanford Ponzi scheme. The report shows a clear pattern of incompetence at the SEC. Given the SEC's failure to act on the Madoff scheme, and the repeated warnings

about Stanford, one has to wonder how good SEC investigators are at discovering fraud if they don't even pursue the clear-cut cases brought to them.

The IG report does help explain the SEC's poor track record. The SEC's head of enforcement made it very clear that the staff was "to bring more Wall Street types of cases." Perhaps ones like the recent Goldman case? The head of enforcement even goes so far as to ask the staff working on the Stanford case, "What are you bringing these cases for?" Clearly the SEC only seems to care about fraud if it catches a big headline. Since the SEC was first warned about Stanford, investors placed about \$8 billion more into the Ponzi scheme, far more than the damages alleged in the Goldman case.

If anything should expose the current financial regulatory bill being debated in the Senate as a fraud, it should be the fact that it leaves the SEC still standing. Even worse, it reduces Congressional oversight of the SEC by removing it from the appropriations process. 

FISCALLY CONSERVATIVE BLOG FEEDS

Stovall Witte Signs Taxpayer Protection Pledge in SC-01 Congressional Contest [Americans for Tax Reform]


APR 23, 2010 11:32A.M.

South Carolina's Stovall Witte recently signed the Taxpayer Protection Pledge in his bid for the states first Congre... 

FISCALLY CONSERVATIVE BLOG FEEDS

Blackwell: Obama Is Prepping For a VAT [The Club for Growth]


APR 23, 2010 11:22A.M.

At Townhall.com, Club for Growth board member Ken Blackwell writes that a VAT wrath—to stitch a fig leaf for an after-November major tax hike. Read the rest here. 

FISCALLY CONSERVATIVE BLOG FEEDS

Value-Added Tax (VAT) Toolkit [Americans for Tax Reform]

APR 23, 2010 11:18A.M.

For those working on the VAT issue, bookmark this page (permalink is below). It will be continually-updated to have the latest Anti-VAT materials: [ATR Anti-VAT Caucus Roster Letter o...](#) 

FISCALLY CONSERVATIVE BLOG FEEDS

The Four Congressmen of the Cotton Subsidy Apocalypse? [Cato at Liberty]

APR 23, 2010 10:42A.M.

By Sallie James

Yet another show of that rare commodity, bipartisan efforts to reduce the size of government today. Four members of the House—two Republican and two Democrat—have sent a letter to President Obama, calling on him to reverse the insane policy of bribing Brazilian farmers with subsidies in an attempt to correct, in accordance with the perverse two-wrongs-make-a-right school of logic, for illegal U.S. subsidies. (There were other questionable parts of the deal with Brazil).


Barney Frank (D, MA), Ron Kind (D, WI), Paul Ryan (R, WI) and Jeff Flake (R, AZ) make compelling arguments for finding a better and more permanent solution to the dispute than the current (dodgy) deal with Brazil, including arguments about fiscal responsibility, the adverse effects of distorting markets in this way, and the implications for the U.S. economy of continuing to operate the cotton program in its current form.

They also cleverly allude to President Obama's emphasis on enforcement in his trade policy, pointing out that enforcement runs two ways:

Should we fail to effectively reform [the cotton] program now, American businesses and workers will pay the price because we refused to write a law that complies with our international obligations. **We cannot expect our trading partners to play by the rules if we are not willing to do the same.**
[emphasis added]

The press release from Rep. Flake's office contains some great quotes, too. Flake, for example, says, "This proposal takes our federal farm subsidy policy from the impractical to the absurd."


But I'll give the last word to Rep. Frank, who has this gem to offer:

[T]he Obama administration apparently feels compelled to preserve our right to subsidize American cotton farmers by extending that subsidy to Brazilian cotton farmers. People looking for an illustration of the meaning of the phrase, 'from bad to worse,' need look no further. 

FISCALLY CONSERVATIVE BLOG FEEDS

Missouri Votes to Expedite Tax Refund Process, But At What Cost? [Americans for Tax Reform]

APR 23, 2010 10:27A.M.

On Tuesday, the Missouri State Senate voted to cut the period of time the government possesses to process tax refunds before being required to pay interest. The Senate bill would decrease the c... 

FISCALLY CONSERVATIVE BLOG FEEDS

Well-Worn Ideological Grooves [Cato at Liberty]

APR 23, 2010 10:22A.M.

By Jim Harper

This week, over drinks at a fresh, new watering hole on up-and-coming H Street, NE, my companion and I struck up a conversation with a local resident, artist, and dandy. (Yes, dandy. His hair is what got the conversation started.)


We all three appreciated in varying degrees the change coming to the street. Having been about to up-and-come for quite a while now, H Street seems actually to be taking off. There's quite a lively scene on the eastern end now, known as the Atlas District.

Change isn't always easy, though. Increased commerce and gentrification along the street are apparently already raising property values and increasing property taxes, which some longtime local businesses can't afford.

So it is with capitalism, though, remorselessly serving the tastes of the masses, shoving aside the businesses—institutions, really—that can't keep up.

Now ask yourself: Where is it part of "capitalism's" nature that increased *property taxes* push out long-time local businesses?

Note how the ideological grooves people trace again and again don't quite match actual events.

(If you're the kind of person who would debate this kind of thing at the bar, though, don't come to H Street. It's still too cool for you.) 

FISCALLY CONSERVATIVE BLOG FEEDS

Trouble in Georgia: The Tonya Craft Trial [Cato at Liberty]

APR 23, 2010 10:20A.M.

By Tim Lynch

William Anderson has been blogging about a child abuse prosecution underway in Georgia in which Tonya Craft is accused of abusing her daughter. The daughter, some of her friends (and their parents), and Ms. Craft's ex-husband are witnesses for the state — so Ms. Craft needed and obtained a good defense lawyer. However, there is only so much a defense lawyer can do when the prosecutor and the judge in the case start breaking rules.

Anderson's account of the prosecutorial and judicial misconduct is shocking. Here's a sampling:

- A Facebook status update written by the prosecutor, with comments left by witnesses for the pending trial.
- A mother claiming on the stand that her daughter had never taken acting classes, yet with information on IMDB that suggests she's taken acting classes in Atlanta (that information was dismissed by the judge).
- The judge sitting on the case represented the defendant's husband in their divorce, but refused to recuse himself from the case.


More here. Some are comparing this case to the Duke lacrosse players who were railroaded by Michael Nifong. That case — bad as it was — fell apart *before* the trial got underway. This case is in trial right now and the judge is *compounding* the prosecutorial abuses.

Anderson had a recent article in *Cato's Regulation* magazine. For more Cato work on prosecutorial misconduct, go here and here. 

FISCALLY CONSERVATIVE BLOG FEEDS

Maine Would Gain \$522 Million From Offshore Drilling [Americans for Tax Reform]

APR 23, 2010 09:21A.M.

With Maine facing a predicted \$849 million shortfall and 8.3 percent unemployment, Americans for Tax Reform continues to urge President Obama, Congress, and state elected officials to look toward ener... 

FISCALLY CONSERVATIVE BLOG FEEDS


Return of the Neo-Malthusians [Cato at Liberty]

APR 23, 2010 08:15A.M.

By Indur Goklany

This Earth Day we heard various commentators bemoan the growth in population, consumption, and carbon emissions driven by fossil fueled technologies. Once again we are told that this is unsustainable, that we are running out of resources, prices are inevitably headed up, and, worse, such consumption reduces both environmental and human well-being. In this worldview, industrialization and economic development were fashioned in the Devil's crucible, and that de-industrialization and de-development will be our saviour.

I have started a series of posts at Master Resources that compares the above Neo-Malthusian view of industrialization, economic growth, and technological change against empirical data on human well-being from the age of industrialization. The first post revisits the bet made in 1980 by Julian Simon and Paul Ehrlich on the direction of commodity prices, and examines long term trends in the prices and affordability of various commodities. Specifically, for metals, I look at trends going back to 1800, while for food I examine trends from 1900 onward. Parts II and III will compare long term trends in population, consumption, economic development, and carbon emissions against trends in human well-being for the world (from 1750 onward) and the United States (from 1900 onward). Finally, Part IV will provide an explanation as to why empirical data is at odds with the Neo-Malthusian worldview.

Part I, which examines the Simon-Ehrlich Bet in the context of long term trends in the prices and affordability of various commodities, is here. 

FISCALLY CONSERVATIVE BLOG FEEDS

ATR Will Rate Against Cloture on Dodd Financial Reform Bill [Americans for Tax Reform]

APR 23, 2010 08:00A.M.

Today, Americans for Tax Reform (ATR) sent the below letter to all Senators urging them to vote “no” on Monday’s scheduled cloture vote to proceed to consider Sen. Dodd’s flawed “financ... 