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Today's Tabbloid

PERSONAL NEWS FOR Ign@limitedgovernmentnetwork.com

FISCALLY CONSERVATIVE BLOG FEEDS

Cato Experts Live-Blogging Obama's State of the Union Address [Cato at Liberty]

JAN 25, 2010 04:46P.M.

By Chris Moody

President Obama will deliver his first official State of the Union Address this Wednesday at 9:00 PM Eastern. We'll be streaming the entire speech here at [Cato@Liberty](#), while Cato experts offer live commentary on the address.

The president is expected to discuss his new "middle class tax plan," student loans, the health care overhaul, and more.

Please take a moment to sign up for a reminder alert in the box below and be sure to tune in right here Wednesday evening at 9:00 PM Eastern. 

FISCALLY CONSERVATIVE BLOG FEEDS

New Ideas for Stumbling Democrats [Cato at Liberty]

JAN 25, 2010 04:45P.M.

By David Boaz

Terry Michael, former press secretary for the Democratic National Committee, has some advice for Democrats wondering what to do with a Democratic party that can't win Massachusetts — Jeffersonian liberalism:

We have met the new center, and it is us, the sex, drugs, and rock 'n' roll baby boomers and our younger Gen X siblings and children. Because of our advanced age, we are the "most likely voters" that pollsters and their political clients focus on.

That is *precisely the opposite* of what happened in the first year of the Obama administration.

The new center tilts liberal on social issues, like gay rights

and abortion. It zigs left on national security, having seen two really bad elective wars in our lifetimes: Vietnam and Iraq. But it zags right on economic questions, empowered with the democratization of information, technology, and finance, eschewing one-size-fits-all fixes from Washington. The new center embraces individual choice in the marketplace....


Democrats need to free themselves from the AFL-CIO, K Street, DuPont Circle, share-the-wealth wing of the party and run to the center on money matters, while passionately playing to their base on social issues and vigorously pursuing a non-interventionist foreign policy.

There's an interesting echo there of something Michael Barone wrote today:

What Brooks has described as "the educated class" — shorthand for the elite, university-educated, often secular professionals who probably make up a larger share of the electorate in Massachusetts than in any other state — turned out in standard numbers and cast unenthusiastic votes for the Democrat....

Members of "the educated class" are pleased by Obama's decision to close Guantanamo and congressional Democrats' bills addressing supposed global warming. They are puzzled by his reticence to advance gay rights but assume that in his heart he is on their side.

They support more tepidly the Democrats' big government spending, higher taxes and health care bills as necessary to attract the votes of the less enlightened and well-off. For "the educated class," such programs are, in the words of the late Sen. Pat Moynihan, "boob bait for the bubbas."

Could it really be that a lot of Democratic voters don't really like higher taxes and government-run health care, that they would respond favorably to a socially liberal, economically sensible program? We could only hope. 

FISCALLY CONSERVATIVE BLOG FEEDS

Unions Fading in Private Sector But Not in Government [Cato at Liberty]

JAN 25, 2010 03:53P.M.

By Daniel Griswold

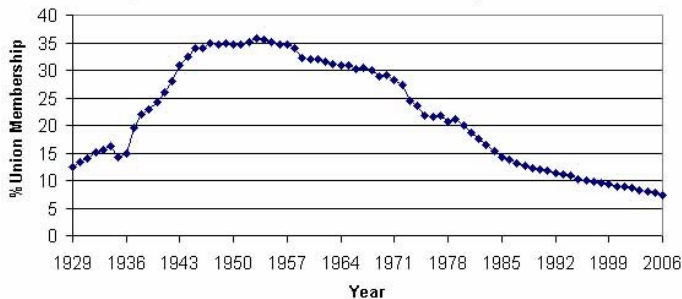
At the end of last week, the Labor Department reported that the share of private-sector workers who belong to labor unions fell to its lowest level in more than a century.

In 2009, the “union density” in the private sector fell to 7.2 percent, the lowest it has been since 1900. The recession caused the number of private-sector union members to fall by 10 percent last year, with the heaviest losses in manufacturing and construction.


Not surprisingly, union membership held steady in the public sector, with the share of government workers belonging to unions actually inching up to 37.4 percent. Unionization is more viable in the public sector because the additional costs imposed by unions can be passed along to captive taxpayers.

The economics of unionization are much different in the private sector, as I argue in an article in the latest issue of the *Cato Journal* now available online. In a competitive market, producers cannot pass the costs of unionization on to consumers without the real risk of losing market share to non-unionized rivals. This is a major, self-serving reason why organized labor typically opposes competition-enhancing trade agreements with other countries. (See the chart below from my *Cato Journal* article.)

Figure 1: U.S. Private Sector Union Density, 1929-2006



Source: Hirsch (2008a), “Sluggish Institutions in a Dynamic World,” p. 156.

The drop in union members was also another piece of bad news for the Democratic Party last week. As labor unions have become relatively more important as a constituency within the Democratic Party, they have become increasingly irrelevant in the private economy. Unions will find it more and more difficult to generate the funds for their political activities if the number of dues-paying members continues to slide. 

FISCALLY CONSERVATIVE BLOG FEEDS


Don't Fear the Foreigner [Cato at Liberty]

JAN 25, 2010 03:20P.M.

By John Samples

You might have heard that the *Citizens United* decision will allow foreign corporations to become involved in American campaigns. You might have heard that from the President, in fact, whose speech decrying the decision said foreign corporations “may now get into the act” of pursuing their “special interests” in American politics.


Not true. Justice Kennedy explicitly says the Court did not decide whether Congress has the power to prevent “foreign individuals or associations from influencing our Nation’s political process.” Nothing in *Citizens United* prevents Congress from prohibiting such political spending by foreign corporations. The Supreme Court might uphold such a law or it might strike it down. The upholding or the striking down of such a law was left for another day. (Other parts of existing laws would also probably preclude foreign nationals or corporations from getting involved in American elections, as Brad Smith argues).

I don't think I like the new populist Obama as much as I did the old rationalist Obama. The old Obama would have read a Supreme Court opinion before talking publicly about it. 

FISCALLY CONSERVATIVE BLOG FEEDS

Who's Going to Pay the Bank Tax? You Are. [Americans for Tax Reform]

JAN 25, 2010 02:20P.M.

I've written before about the new “bank tax” President Obama is so fond of these days (and even did a bit on Fox News Channel to discuss more). One natural question is, “who will pay t... 

FISCALLY CONSERVATIVE BLOG FEEDS

Monday Links [Cato at Liberty]

JAN 25, 2010 12:15P.M.

By Chris Moody

- The massive impact government spending has on job creation.
- Why climate change spurs whining about cold snaps.
- Beware the “Crusader Temptation”: “Afghanistan has become a target of aggressive pro-war activists in America, including feminists who believe in waging war to improve the status of women.”
- What happens when the only socialist in the U.S. Senate starts to look moderate when compared to his colleagues?
- Podcast: “Bush’s Budget-Busting Binge,” featuring Chris Edwards. 

FISCALLY CONSERVATIVE BLOG FEEDS

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

JAN 25, 2010 12:06P.M.



This evening at 7pm ET:

FED FIGHT - THE BERNANKE CONFIRMATION
CNBC’s Hampton Pearson will join us from Washington.

BEN BERNANKE-HARRY REID MEETING
-Is Bernanke trolling for support?
-Is Bernanke changing policy just to keep his seat?

Joining us to discuss will be Sen. Jim Bunning (R-KY).

BERNANKE & STOCKS

Panel:

- *John Taylor, Stanford University Economics Professor; Hoover Institute Sr. Fellow ; “Getting Off Track”
- *Peter Navarro, “The Coming China Wars” Author; University Of California - Irvine Business Professor
- *Don Luskin, CNBC Contributor/Trend Macro Chief Investment Officer

OBAMA’S MIDDLE CLASS INITIATIVES & LOOK AHEAD AT STATE OF THE UNION

NBC’s Steve Handelsman reports.

WASHINGTON TO WALL STREET

- Debt-limit commission...Was Scott Brown a GOP wakeup call?
- Holy war against the banks?
- State of the Union

Joining us to discuss will be Sen. Tom Coburn (R-OK).

CLASS WARFARE? OBAMA’S MIDDLE CLASS TAX CREDIT...HOLY WAR AGAINST BANKS

Panel:

- *Chris Edwards, CATO Director of Tax Policy
- *Christian Weller, Center For American Progress
- *David Kotok, Cumberland Advisors Chairman & Chief Investment Officer

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

FISCALLY CONSERVATIVE BLOG FEEDS

ObamaCare Could Become Law at Any Time [Cato at Liberty]

JAN 25, 2010 11:42A.M.

By Michael F. Cannon


The American people don’t want President Obama’s health care plan (see below). Massachusetts voters don’t want it.

The White House *knows* that the people don’t want it. In Ohio last week, President Obama said:

the process has been **less than pretty**. When you deal with 535 members of Congress, it’s going to be **a somewhat ugly process**...when you put it all together, **it starts looking like just this monstrosity**. And it makes people fearful. And it makes people afraid. And they start thinking, you know what, **this looks like something that is going to cost me tax dollars** and I already have insurance so why

should I support this.

Yet Democrats still want ObamaCare to become law, and they are very close to making it happen. If Speaker Nancy Pelosi bribes enough House members to reach that magic number of 218 votes, she could hold the vote with as little as 24 hours' notice. And ObamaCare would become law. Done and done. Comments from David Axelrod and other administration officials this weekend indicate that they haven't given up on the Senate bill, and suggest that they are likely pressuring House Democrats to support it.

On ABC News' *This Week*, Axelrod said, "People will never know what's in that bill until we pass it." He was right, though not in the sense that he meant it. As bad as the American people think this legislation is, they won't really know until Nancy Pelosi bribes her way to 218 votes. 

FISCALLY CONSERVATIVE BLOG FEEDS

Time for a Change at the Fed [Larry Kudlow's Money Politic\$]

JAN 25, 2010 11:01A.M.

What exactly did Ben Bernanke promise Senate Democratic leader Harry Reid? That's the big question right now. Reid reluctantly endorsed Bernanke after a one-on-one meeting. Here's what Reid said, according to the Las Vegas Sun: "I made it clear that to merit confirmation, chairman Bernanke must redouble his efforts to ensure families can access the credit they need to buy or keep their home, send their children to college, or start a small business."


So, in a desperate search for votes, is Bernanke going around the Hill making easy-money promises? Even easier money than we have had in the last year? A Wall Street Journal editorial on Monday opposing Bernanke's nomination is spot on. Monetary quid pro quos will destroy Federal Reserve independence and could generate yet another bubble.

And while Bernanke was right to gun the printing presses in the fall of 2008, he has overstayed his easy-money welcome by at least six months. The emergency has long passed, but the emergency policies continue. Breaking a window between 2002 and 2005 — when Greenspan and Bernanke kept rates too low for too long (especially negative real interest rates) — and then fixing that window later on is no way to run a policy.

Bernanke's trillion-dollar purchase of mortgage bonds and other consumer loans is a fiscal action, not an appropriate monetary policy. Over the past year, while the dollar has fallen about 10 percent, and the gold price has risen 20 percent, the consumer price index has increased 2.7 percent with producer prices jumping 4.4 percent. Bernanke's blatant disregard for preserving a stable King Dollar, and his stubborn resistance to using inflation-sensitive market-price indicators as a monetary guide,

are two important reasons why he should not be reconfirmed.

Sen. John McCain intends to vote "no" on the Bernanke nomination, saying "I believe that he must be held accountable for many of the decisions that contributed to our financial meltdown." McCain is dead right. The Fed missed the boat in terms of monetary and regulatory policy. It is time for a change at the Fed.

And following the Scott Brown victory, Republicans have an opportunity to push for a much sounder monetary thinker for the Fed post. 

FISCALLY CONSERVATIVE BLOG FEEDS

Monday's Daily News [The Club for Growth]

JAN 25, 2010 11:00A.M.

Larry Kudlow asks, Bush-bashing goes bust. The Hill has compiled a list of ten reasons why ObamaCare stalled. 

FISCALLY CONSERVATIVE BLOG FEEDS

Giving Away the Keys to the Kingdom? [Cato at Liberty]

JAN 25, 2010 10:59A.M.

By Thomas Firey

The *New York Times* editorial board must be baffled by this news story about a few dozen present and former corporate executives appealing to Congress to expand public funding of political campaigns.

The appeal comes one day after the Supreme Court re-extended (some) First Amendment rights to corporations in a move the editorial board branded a "blow to democracy" that will lead to corporations "overwhelm[ing] elections and intimidat[ing] elected officials." But now some corporate executives want to be dispossessed of the keys to the kingdom immediately after SCOTUS returned them — say what?

The executives' appeal makes sense if you've read this article by law professor Robert Sitkoff (then of Northwestern, now the John L. Gray Professor of Law at Harvard). Sitkoff argues that the 1907 Tillman Act, which placed the first federal limits on corporate involvement in campaigns, was not adopted because elected officials wanted protection from corporations, but because corporations demanded protection from donation-seeking politicians like William McKinley and his bagman Mark Hanna. Now, in the wake of the *Citizens United* decision, corporations are asking for renewed protection — this time on the taxpayers' dime.

As others have argued, corporations are subject to federal laws, regulations and taxation, just like citizens, and therefore should have First Amendment rights just like citizens. If corporations are afraid their regained rights will expose them to politicians' demands for corporation-financed political ads, then corporate officers should follow their duty to shareholders and learn how to say no.

As for the New York Times Company's concern about corporations having undue influence on democracy, there are a couple of things it can do to reduce that influence. For one, the New York Times Company can stop endorsing candidates for office — a practice that undermines newspapers' claims of fair and objective reporting. For another, the New York Times Company can stop using its reporters to electioneer. 🗣️

FISCALLY CONSERVATIVE BLOG FEEDS

Federal Subsidy Programs Top 2,000! [Cato at Liberty]

JAN 25, 2010 10:36A.M.

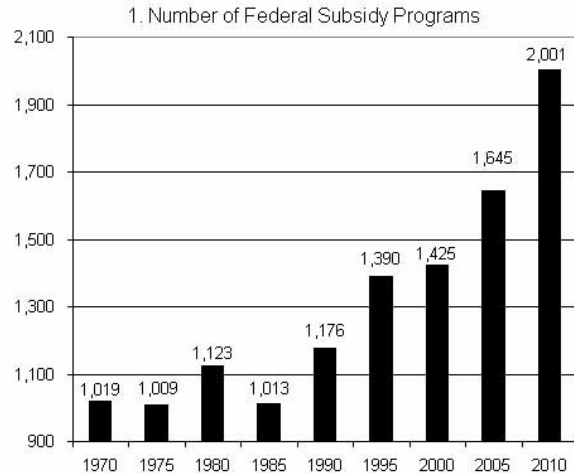
By Chris Edwards

January 22, 2010 is a day that should live in infamy, at least among believers in limited government. On that day, the federal government added its 2,000th subsidy program for individuals, businesses, or state and local governments.

The number of federal subsidy programs soared 21 percent during the 1990s and 40 percent during the 2000s. The entire nation is jumping aboard Washington's gravy train. My assistant, Amy Mandler, noticed the recent addition of two new Department of Justice programs, and that pushed us over the threshold to reach 2,001.

There is a federal subsidy program for every year that has passed since Emperor Augustus held sway in Rome. We've gone from bread and circuses to food stamps, the National Endowment for the Arts, and 1,999 other hand-out programs from the imperial city on the Potomac.

Figure 1 shows that the number of federal subsidy programs has almost doubled since the mid-1980s after some modest cutbacks under President Ronald Reagan.

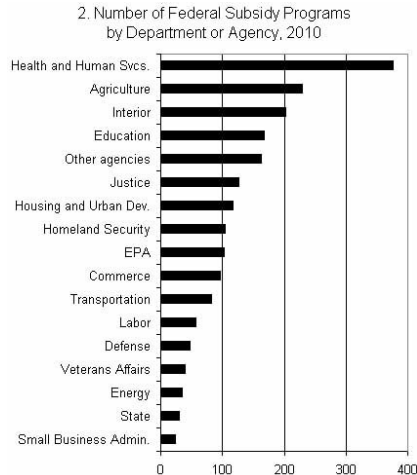


Most people are aware that federal spending is soaring, but the federal government is also increasing the *scope* of its activities, intervening in many areas that used to be left to state governments, businesses, charities, and individuals. To measure the widening scope, Figure 1 uses the program count from current and past editions of the *Catalog of Federal Domestic Assistance*. The *CFDA* is an official compilation of all federal aid programs, including grants, loans, insurance, scholarships, and other types of benefits.

Figure 2 shows the number of subsidy programs listed in the *CFDA* by federal department. It is a rough guide to the areas in society in which the government is most in violation of federalism—the constitutional principle that the federal government ought not to encroach on activities that are properly state, local, and private.

As the federal octopus extends its tentacles ever further, state governments are becoming no more than regional subdivisions of the national government, businesses and nonprofit groups are becoming tools of the state, and individualism is giving way to a more European desire for cradle-to-grave dependency.

Yet recent election results indicate that Americans may be starting to wake up and fight back. Whether we are more successful than Cicero and Cato the Younger in battling to retain our limited-government republic remains to be seen.



Which concept of the Constitution do you find most appealing?

FISCALLY CONSERVATIVE BLOG FEEDS

Populism: Good and Bad [Cato at Liberty]

JAN 25, 2010 09:51A.M.

By Roger Pilon

Today, Politico Arena asks:

What is it about the word “populist”? (these days)

My response:

“Populist” (or “populism”), in its American usage, invokes the “common man,” yet the idea’s origins — in “the people” or “the polis” — can be traced to ancient Greek democracy and, in particular, to political demagoguery. Both Plato and Aristotle had reservations about democracy as a system of government precisely because it was susceptible to corruption by populist appeals to superstition and error. In America, populism has had a long and varied history, but it is most often associated with the Populist Party that was formed in 1891 and, in particular, with the fiery speeches of the Democratic Party candidate for president in 1896 and 1900, William Jennings Bryan, and his famous “cross of gold” speech at the 1896 Democratic National Convention.

Thus, in a fundamental way, populism stands opposed to elitism, yet it’s more complicated than that. On one hand, the populism of the late 19th and early 20th centuries contrasted with the Progressivism of the era, which held that society should be organized and run by “professionals” trained at the best schools. (Thus, the emergence of political “science,” as distinct from the older tradition of political philosophy.) But on the other hand, Progressives themselves purported to speak for “the people,” even if in practice they were often contemptuous of the people’s capacity to govern themselves, susceptible as the people were to the appeals of demagogues.

At the end of the day, therefore, populism is a double-edged sword. Used pejoratively, it stands for the idea that politicians, to obtain or preserve political power, will appeal to base popular sentiments or mistaken (often economic or legal) ideas. A good example is Obama’s reaction last week to the Supreme Court’s *Citizens United* decision, rooted in the First Amendment’s guarantee of political speech: He called it “a major victory for big oil, Wall Street banks, health insurance companies and the other powerful interests that marshal their power every day in Washington to drown out the voices of everyday Americans.” There is an element of truth to that sentiment, of course, because the system of government that has evolved in America under the influence of Progressive “professionals” has endowed those professionals (read: the governing

FISCALLY CONSERVATIVE BLOG FEEDS

Citizen United’s Concept of the U.S. Constitution [Cato at Liberty]

JAN 25, 2010 10:29A.M.


By John Samples

The *Citizens United* decision and the talk that has followed imply two different and incompatible ideas of the Constitution.

The majority in *Citizens United* believe that the U.S. Constitution establishes a government of limited and defined powers. They asked: “Does the Constitution give government the power to prohibit speech by corporations (and others)?” The First Amendment indicated the government did not have that power.

The critics of the *Citizens United* decision assume the Constitution created a government of plenary powers with limited exceptions. They recognize that free speech for individuals is one such exception. But that exception is limited to natural people, not legal constructs. If there is no exception to the plenary power of government, the critics conclude, then there is no right to speak. Congress may prohibit speech by corporations (and others).

The *Citizens United* decision depends on an idea of the Constitution that forces government to justify its powers to citizens. The critics of the decision assume an idea of the Constitution that forces citizens to justify their rights to the government. Absent such justifications, the government has plenary power over speech and much else.

class, in all its reaches) with unprecedented power over “the people,” who often feel powerless as a result. But demagogic appeals like that or like others we’ve heard lately from Obama will only exacerbate that problem. By contrast, a “populist” appeal that seeks to return power to people (N.B.: I did not say, as in the ’60s, “power to *the* people”) – power to run their own lives, free from unwarranted government regulation or dependency – is a side of the idea we hear too seldom. Yet it’s what our founding documents are about. They established not simply popular government but *limited* popular government – ensuring the right of the people to govern themselves, not mainly through government but individually or in voluntary association with others. It is that liberty that Progressive elitists who “knew better” – the folks in Cambridge who voted 84 to 15 against Scott Brown – have gradually extinguished. 

FISCALLY CONSERVATIVE BLOG FEEDS

Making Government Bigger Is Not Stimulus – and It Won’t Create Jobs [Cato at Liberty– and It Won’t Create Jobs]

JAN 25, 2010 09:11A.M.

By Daniel J. Mitchell

This new video from the Center for Freedom and Prosperity explains how last year’s so-called stimulus was a flop – and also reveals why politicians are pushing for another big-government spending bill.

Interestingly, since last year’s stimulus was such a disaster, the redistributionists in Washington are calling their new proposal a “jobs bill.” But as I say in the video, this is akin to putting perfume on a hog.

For further background, here is a video explaining why Keynesian economics is wrong and another predicting (in advance!) that last year’s stimulus would be a mistake. And just in case anyone actually wants the economy to grow faster, here’s one about policies that actually increase prosperity. 