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THE FOUNDATION

“Were we directed from Washington when to sow, and when to reap, we should soon want bread.” --Thomas Jefferson

GOVERNMENT & POLITICS

The Real Unemployment Story

According to the latest Department of Labor statistics, December unemployment fell to 9.4 percent, down from November’s 9.8 percent. At first glance this seems to be a sign that the job outlook is improving, but, as we have noted before, looks are deceiving. While the White House and its lackeys tout the 0.4-point drop in unemployment as a policy victory for the “stimulus,” discerning taxpayers will question whether a paltry 0.4 percent drop in reported unemployment is really worth the trillion dollars we spent to achieve it.

As Investor’s Business Daily reports, “The only reason the rate dropped was that 260,000 Americans stopped looking for work entirely in December.” In other words, add those who are no longer job hunting to those who have part-time jobs but want full-time work, and the real total unemployment rate leaps to 16.7 percent. Additionally, for the third consecutive month, the average length of unemployment increased, hitting 34.2 weeks. The bad news doesn’t end there. IBD also notes, “[T]his is the 20th month in a row that the unemployment rate has hovered above 9%, a post-World War II record.”

Testifying before a Senate committee last week, Federal Reserve Chairman Ben Bernanke said, “At this rate of improvement, it could take four to five more years for the job market to normalize fully.” Yet even that estimate assumes pie-in-the-sky monthly job growth of 250,000. Bernanke went on to assert that the labor landscape has “improved only modestly at best.” You don’t say.

The extension of the Bush tax rates was a good start, but because they’re not permanent, growth will be slower than it otherwise could be. Massively cutting government spending is the next thing that will ultimately help our ailing economy.

Leading the resistance against that remedy is, not sur-

prisingly, failed 2004 presidential candidate Sen. John Kerry (D-MA). He warned Republicans this week against cutting government to the point that it can’t help the U.S. economy. And what a “help” it’s been so far!

“Do [Republicans] want a government too limited to have invented the Internet, now a vital part of our commerce and communications?” he asked. Do they want a “government too small to give America’s auto industry and all its workers a second chance to fight for their survival? Taxes too low to invest in the research that creates jobs and industries and fills the Treasury with the revenue that educates our children, cures disease and defends our country?” He forgot to mention the “moment when the rise of the oceans began to slow and our planet began to heal,” all thanks to the election of Barack Obama.

Illinois Raises Taxes

Speaking of Obama, the former community organizer’s home state is preparing to do its part to drive up unemployment. Illinois Democrat Governor Pat Quinn and the lame-duck Democrat-controlled legislature enacted a 67 percent state income tax hike, which will add an average of \$1,400 to a family’s tax bill, as well as a 50 percent increase in the corporate tax. The personal income tax rate will move from 3 percent to 5 percent for four years (yes, another “temporary” tax hike), in order to help close a \$15 billion budget deficit. Of course, raising taxes rarely raises the revenue its proponents “need.”

Illinois has lost 374,000 jobs in the last two years, and taxing businesses won’t help that number. In fact, governors Mitch Daniels (R-IN) and Scott Walker (R-WI) took the opportunity to extend invitations for Illinois residents and businesses to relocate to their states. As Daniels said, “We already had an edge on Illinois in terms of the cost of doing business, and this is going to make it significantly wider.”

This Week’s ‘Braying Jenny’ Award

“We still would have lost the election because we had 9.5 percent unemployment. Let’s take it where that came from. The policies of George W. Bush and the Republican support for his initiatives, tax cuts are for the wealthy, recklessness by some.” --Minority Leader Nancy Pelosi (D-CA)

News From the Swamp: House Rules

House Republicans plan to bring back the “Truth in Testimony” rule, requiring anyone who testifies before Congress to declare any money they receive from the federal government in the form of aid, loans or grants. The rule was created by the Contract with America bunch in 1995 and it exposed a number of leftist groups that were receiving major amounts of funding from the government. Former Republican Rep. David McIntosh of Indiana first sponsored the idea. “It forced liberal advocacy groups to come clean in admitting how much federal money they were getting,” he said recently. “Many groups that were said to be unbiased experts were actually financially benefiting from the programs they were testifying to get more money for.”

The rule drifted into obscurity, however, as Democrats refused to follow it. They didn’t want the truth exposed that three out of four “expert” witnesses are always asking for more money, and only one in four supports smaller government. Returning the Truth in Testimony rule to the books may change this for the better.

New & Notable Legislation

In the wake of the Arizona shootings, MSNBC’s Richard Lui asked, “Is it time to rethink the Second Amendment?” Some gun-control advocates on Capitol Hill say the answer is yes, though they seek merely to ignore the Second Amendment, not rethink it. Rep. Carolyn McCarthy (D-NY) has unveiled a bill that will once again make illegal gun magazines capable of holding more than 10 rounds. “The only purpose for the existence of these devices is to be able to shoot as many people as possible as quickly as possible,” McCarthy wrote. “There is no reason that these devices should be available to the general public.” We didn’t notice exceptions like that the last time we read the Second Amendment.

Also in the House, Rep. Peter King (R-NY) plans to introduce legislation that will make it illegal to carry a firearm within 1,000 feet of a member of Congress. This, of course, makes us wonder why he or anyone else would think members of Congress are so special. Speaker John Boehner (R-OH) and Majority Leader Eric Cantor (R-VA) oppose the bill, as do we. May it not come within 1,000 feet of passing.

Rep. Geoff Davis (R-KY) and Sen. Jim DeMint (R-SC) are sponsoring legislation called the Regulations from the Executive In Need of Scrutiny (REINS) Act, which would require that Congress approve regulations enacted by the Executive Branch. Over the last 25 years, adminis-

trations of both parties average between 30 and 40 major regulations (those affecting the economy by \$100 million or more) each year. The Obama administration created 59 in 2009 and 62 in 2010. However, as The Wall Street Journal put it, “[T]he Constitution vested Congress with the duty to make laws, not to make vague suggestions about what it might be good for the law to be.” This bill wouldn’t be necessary if Congress wasn’t ceding its power to unelected bureaucrats, but that’s the best political cover for politicians who don’t want to take responsibility for the negative effects of their actions. If passed, this law would go a long way to fixing the system and holding government accountable.

DeLay Sentenced to Three Years

Tom DeLay was sentenced to three years in prison this week after his December conviction for conspiracy to commit money laundering in Texas. As we said in December, charging DeLay with money laundering seems terribly out of step with what actually took place, and the same goes for the sentence. When he was Republican House Majority Leader in 2002, DeLay collected \$190,000 from corporate donors in 2002 for Texans for a Republican Majority (TRMPAC), an organization that he ran. His political action committee then donated \$190,000 to the Republican National State Elections Committee, which then donated the same amount to Republican candidates for the Texas House. DeLay maintains that his conviction is politically motivated and remains free on bond pending his appeal.

NATIONAL SECURITY

Warfront With Jihadistan: Obama’s Afghan Surge

Obama’s Afghan war-fighting policy continues full speed ahead. Or is that full reverse? It’s hard to tell, as it’s almost impossible to determine what Obama’s ultimate Afghan objective is. Last week, Defense Secretary Robert Gates said that an additional mini-surge of 1,400 Marine combat troops would be sent to Afghanistan, possibly arriving as early as this month. These extra troops come on top of Obama’s original 30,000-troop surge of 2009.

The extra troops are headed for the southern Kandahar region, where the U.S. is consolidating recent gains in anticipation of an expected spring offensive by the Taliban. U.S. commanders are also looking at other ways to provide even more combat troops in Afghanistan. It should be noted here that U.S. commanders originally asked for at least 40,000 additional troops for the 2009 surge, but Obama gave them only 30,000 in an attempt to appease his anti-war base. If Obama had listened to military leaders to

begin with, this mini-surge might not be needed and many U.S. and NATO casualties could have been avoided.

We would applaud this move if Obama's ultimate war objective were victory, or at least giving our troops a shot at victory. In spite of the recent increases in U.S. troop strength, Obama still plans to start the withdrawal of U.S. troops in July. What's the point of ordering more U.S. troops into battle if whatever gains those battles yield are surrendered six months later? All indications are that the native Afghan troops are not yet ready to secure any gains that U.S. troops make. Before we risk the lives of more American warriors, would it be too much to ask Obama to make clear that he's committed to victory?

On Cross-Examination

"It is not our intention to govern or to nation-build. As President [Hamid] Karzai often points out, this is the responsibility of the Afghan people, and they are fully capable of it. We stand ready to help you in that effort. And we will continue to stand ready to help you in that effort after 2014. The United States, if the Afghan people want it, are prepared, and we are not leaving in 2014. Hopefully we will have totally turned over [the lead on security] to the Afghan security forces ... but we are not leaving, if you don't want us to leave." --Vice President Joe Biden, in a joint press conference in Afghanistan with President Karzai, completely changing the emphasis of U.S. policy

Department of Military Readiness: China's Not-So-Stealthy Move

This week China unveiled its version of the F-22 Raptor -- America's stealthy front-line air superiority fighter -- via "leaked" (i.e., well-staged) Internet releases. Designated the J-20, the aircraft completed its first test flight only hours before U.S. Secretary of Defense Robert Gates met with Chinese President Hu Jintao. The purpose of the meeting was supposedly to mend frayed relations between the two nations, but the test flight didn't help further that end much.

The calculated disclosure of the J-20 also is not the big news. Nor is the news that the J-20 looks *a lot* like the F-22. Nor even that China has apparently been "mining" data from super-secret U.S. computers to be able to build a "J-20" in the first place. No, the news is that President Hu and the rest of China's civilian leadership apparently had no clue about the J-20 and its test program. This revelation comes from senior U.S. defense sources in the wake of the meeting, noting Hu's reactions to Gates' questions about the new weapon system.

Those reactions highlight the growing disconnect between China's military and its civilian leadership. In a nation comprising roughly one-fifth of the world's population, the issue has at least regional, if not global, implications. Although China's civilian leadership ostensibly has control over its military, this event and others like it -- including China's anti-satellite test -- call into question the practical application of China's claim that its civilian leadership controls its military arm.

It's also a wake-up call to America's Pollyanna doves, who believe the U.S. no longer needs a strong force-on-force defense and that all future wars will simply be door-to-door counterinsurgency operations. Among this group, sadly, is the SecDef himself, who advocated vehemently for limiting F-22s and against fighting "tomorrow's wars."

The U.S. has only 187 F-22s in total to replace roughly 650 aging F-15s. With the makings of "tomorrow's wars" now on America's doorstep courtesy of the J-20, Russia's T-50 and other as-yet-to-be-announced fifth-generation weapons systems, we invite Secretary Gates to reconsider his position -- especially in light of the looming numbers-fight over the F-35 Lightning II, the fifth-generation replacement for the venerable-but-aging F-16.

Finally, with respect to U.S. national defense concerns, we believe: Yes the Army is important. Yes the Navy is important. Yes the Marines are important. But give up air superiority, and in *any* war -- let alone "tomorrow's war" -- you've just given up the ballgame.

Profiles of Valor: Maj. Dick Winters, Inspiration for 'Band of Brothers', RIP

America lost another World War II hero on Jan. 2, when Army Maj. Dick Winters (ret.) died at the age of 92. He requested that his death not be made public until after the funeral. On June 6, 1944, then-First Lt. Winters parachuted into the French village of Ste. Marie-du-Mont with the other members of the U.S. Army's E Company, 506th Parachute Infantry Regiment of the 101st Airborne Division. The group was famously nicknamed "Easy Company" and became the inspiration for historian Stephen Ambrose's "Band of Brothers."

After Easy Company's commander was killed in a plane crash early in the assault, Winters led the company on its mission to destroy four 105mm howitzers and a 50-man German platoon to help clear the way for the invading Allied Forces' landing at Utah Beach. Winters lost his weapon during the drop and was initially isolated from

his men, but he regrouped and led the successful assault, despite the unit's suffering 50 percent casualties. He later called his actions "my apogee" -- actions for which he received the Distinguished Service Cross. Ambrose wrote, "It surely saved a lot of lives, and made it much easier for -- perhaps even made it possible in the first instance -- for tanks to come inland from the beach."

When the war was over, Winters worked in New Jersey at a fertilizer plant, and later sold animal feed and ran a farm. He left his war experiences behind him, but his men never forgot. William Guarnere lost a leg in the Battle of the Bulge under Winters' command. After learning of the latter's death, Guarnere said, "I would follow him to hell and back. So would the men from E Company." Rest in peace, Maj. Winters.

BUSINESS & ECONOMY

Income Redistribution:

Government Pays Itself Back for Investments

For the second year in a row, the Federal Reserve sent a record amount of money back to the Treasury Department. On the heels of a \$47.4 billion transfer in 2009, interest from the Fed's portfolio -- which is, by statute, transferred back to the Treasury Department after the Federal Reserve pays its expenses -- accounted for another \$78.4 billion. This is considered the "profit" from the vast increase in securities acquired by the Federal Reserve since the TARP program was instituted two years ago. Since TARP was put in place, the Fed has bought \$1.4 trillion in mortgage-backed securities and \$300 billion in government debt -- and that's just what we know about.

While TARP proponents claim the move was necessary to save our economy, the fiscal shell game being played is actually creating a bigger financial mess. In essence, the government is borrowing money from itself to finance deficit spending while prospectively leaving itself stuck with some of the worst money-losing toxic "securities" -- everything from paper securities to properties it can never sell for the purchase amount. What happens when the spigot of profitable items is cut off -- who will pay then? Even our financial system isn't actually "too big to fail."

Regulatory Commissars:

Oil Business Comes Under Scrutiny

While the national average price for a gallon of gasoline creeps past the \$3 mark in this time of limited driving and the prospect of another summer of \$4 gas looms, Barack Obama's handpicked seven-member Oil Spill Commission released a report calling for, you guessed it, more regulation and red tape for the industry.

It goes without saying that extracting raw crude can be a messy business, and few, if any, are calling for unfettered drilling in offshore areas. However, the report ignores the fact that the industry had an exemplary safety record for decades before the Deepwater Horizon disaster, and the commission's solutions lean heavily on additional government involvement with the system. To be fair, we concede that there are a few reforms in the package, which are prudent, particularly in the area of risk-based assessment.

Unfortunately, this administration has proved repeatedly that it simply will not stick to commonsense reform. They likely will seek to gum up the works with additional taxes, fees and restrictions on where drilling may take place regardless of the Commission's recommendations. With this prospect of additional regulation and other plans in Washington to place vast swaths of land off-limits to mineral extraction, Obama's stated desire to raise gasoline prices to \$4 a gallon is steadily coming true.

Mexican Trucks to Resume Transport in U.S.

Two years after pulling the plug on a pilot program that allowed Mexican trucks to transport goods north of the border, the Obama administration has made an about-face. Last week, Transportation Secretary Ray LaHood introduced a new pilot program that would re-open U.S. highways to Mexican trucks and, as Investor's Business Daily notes, "help restore U.S. trade to its normal, pre-recession vigor."

The original program had tardily fulfilled a NAFTA requirement that the U.S. give Mexican trucks full access to our highways by 2000, but as we wrote in 2009, the administration was more concerned with catering to U.S. labor unions, which oppose the program, than with fulfilling our treaty obligation. In response, Mexico slapped tariffs on 99 U.S. products, costing American companies \$2.4 billion and killing some 28,000 jobs in 43 states.

Not surprisingly, the Teamsters are none too thrilled with the renewal, and union president James P. Hoffa claims that the program will "threaten U.S. truck drivers' and warehouse workers' jobs." As IBD notes, however, "Keeping Mexican trucks out didn't save a single U.S. job." Instead, unemployment climbed.

CULTURE & POLICY

Village Academic Curriculum:

What Value Is Added?

Several cash-strapped states -- and their taxpayers -- are tired of paying more each year for higher education, and

they're demanding that schools be held accountable. Now Texas A&M, the Lone Star State's oldest public institution of higher learning, wants to institute a cost-benefit analysis that has the academic community in an uproar.

College tuition has been rising at three times the rate of inflation. At some schools, four years of college carries a price of \$200,000. Total student loan debt, at \$850 billion, now trumps even credit card debt, which means that many 20-somethings are starting their professional lives under an enormous financial burden. This would be bad enough under normal circumstances, but it's even worse when one considers today's bleak employment prospects. Wise parents understand this, and they want to know if they're getting a good return on their investment.

Under Texas A&M's proposed plan, a professor's salary will be broken down to determine how much he or she earns per student. The school will also look at student evaluations, as well as the amount of money the professor brings in for research. Professors who rate highly under these criteria will be given a bonus of up to \$10,000. Texas is facing a \$12 billion deficit and subsidizes Texas A&M and the University of Texas to the tune of nine figures a year. The higher-education bubble has been building for some time now; surely it's time for this sort of analysis.

Around the Nation: Stimulus Incinerators

A little known environmental consequence of Barack Obama's failed stimulus scheme is just beginning to attract attention: the construction of waste-to-energy incinerators on Indian reservations using deficit stimulus financing.

Building these facilities on reservations allows Democrats to claim that they're promoting green energy projects. However, as is often the case with stimulus dollars and Democrats, the truth and the project claims are strangers. Placing incinerators on Indian lands merely removes them from the environmental oversight that normally prohibits them from doing just what they're doing. Due to the quantity and hazardous composition of nano-particulate fly ash and chemical vapors emitted by the plants, the EPA would shut them down in a heartbeat if it could get at them. The large emission fallout zone contaminates soil, water and air for miles in every direction. This is what passes as "liberal compassion for native peoples."

The effect on residents of metropolitan areas adjacent to reservation lands where the plants are proposed can

be particularly devastating. They find themselves lacking both representation to oppose the facilities as well as the normal environmental protections or legal recourse against the tribes responsible for damaging their health and property values. A good example of such a planned project is by the Oneida tribe in Wisconsin, which will be in close proximity to numerous residential homes, elementary schools, churches and Lambeau Field, the football stadium of the Green Bay Packers.

Given the high failure rate for Obama's "green" stimulus initiatives, the new GOP House majority should follow through on its stated goal to pull back unspent stimulus dollars. Otherwise, they will be forcing taxpayers to pay for being injured in a twisted new form of taxation without representation.

Judicial Benchmarks: Profanity as Free Speech

A Superior Court judge struck down a North Carolina law prohibiting profanity last week. Judge Allen Baddour ruled that the law, which bans "indecent" or "profane" language, is unconstitutionally vague. What constitutes profane or indecent language has certainly changed in the 98 years since the law was enacted. In this case, Samantha Elabanjo had been convicted for saying the word "damn" in front of police officers. Of course, millions of American TV viewers hear that and more any given night of the week. The state chapter of the ACLU helped Elabanjo with her appeal and called Baddour's decision a "victory for free speech."

The timing of this case is ironic, given the Left's push to censor political speech in reaction to the horrific events in Tucson last weekend. One wonders where the ACLU falls on that issue, and whether it will continue to remain (conspicuously) silent.

And Last...

National Review's Jonah Goldberg wrote of Barack Obama's speech at the Arizona memorial, "The speech was a good speech, probably the best of his presidency (somewhat surprisingly, that's not as high praise as it might sound). The president, who campaigned as a post-partisan, spent two years in office as a rank and intellectually disingenuous partisan. For two years, conservatives have been decrying and denouncing Obama for failing to live up to his own standards. [Wednesday] night Obama took our advice. He gave what may have been the least self-involved speech he has ever given -- and the most presidential. It was high-minded and empathetic, open-hearted and civil. It was inspiring without belittling those not on his side."

We agree. However, we would add that, though Obama's speechwriters paid proper tribute to those who were killed and injured, they should have left out the opportunistic Demo rhetoric. We suppose the temptation to "never want a serious crisis to go to waste" was just too great. (For more on how Democrats seek to convert tragedy into fodder for their political agendas, see *Tragedy to Triumph, Democrat Style*.)

Rep. James Clyburn (D-SC) has been at the forefront of such efforts, criticizing so-called violent and vitriolic political speech. However, while on MSNBC, Clyburn himself couldn't help but use a gun metaphor. The president, he said, made a "double barrel" effort in his speech

to help the victims move on from the tragedy. As blogger Doug Powers quipped, "Clyburn really shot himself in the foot there."

Veritas vos Liberabit -- Semper Vigilo, Fortis, Paratus, et Fidelis! Mark Alexander, Publisher, for *The Patriot Post's* editors and staff. Read online at <http://patriotpost.us>

(Please pray for our Armed Forces standing in harm's way around the world, and for their families -- especially families of those fallen Soldiers, Sailors, Airmen, Marines and Coast Guardsmen, who granted their lives in defense of American liberty.)