



September 2, 2009

## OTHER COMMENTS

### Defining Document

I'm glad you brought up stimulus, bailout and some of these other things government has been doing (and trying to do). There is a big difference between what government is allowed to do--and more importantly is restricted from doing--and what we have seen government do under Democratic and Republican administrations. That's the debate we should be having. Does the Constitution mean anything anymore and should government be constrained by it, or is any administration allowed to do whatever it wants as long as it won the last election?

--Cal Thomas, *USA Today*

The Fed needs to be split up. As long as the government insists on maintaining a monopoly on the production of money, it needs to have a board that has the sole responsibility of maintaining price stability (within a relatively specified narrow range, such as plus or minus 2%). If the Fed governors fail to do so, they should be dismissed.

The Fed's bank regulatory functions need to be put into a separate agency. If the federal government wishes to bail out companies and serve as a lender of last resort, it needs to put the liabilities on its own balance sheet. The new central bank should not be required to buy [government debt](#). That would force the Congress and the President to reduce spending or raise taxes to pay for all of the interest on the bonds.

The smarter folks in Washington understand that the trillions of dollars of new spending will be "paid for" largely by the "inflation tax," which will fall hardest on those without assets--i.e. the poor about whom the President and many in Congress claim to care so much.

Do not expect an America without pervasive inflation until the money-supply function is separated from the financial-regulatory function at the Fed and governors are appointed who have not only the technical competence but the individual courage and character to do what is necessary.

--Richard W. Rahn, chairman, Institute for Global Economic Growth, *Washington Times*

## Celebrating Petroleum

We live in a world where chemists are able to employ oil to suit any conceivable purpose, from making shatterproof glasses to ultra-durable synthetic rubber tires to medical implants to bacteria-resistant refrigerators to HDTVs to iPhones. Look in your home and you can find 100 things made of oil in no time.

And if you look at the "Made In" labels on everything you use--from your Asian electronics to your pineapple from Hawaii to your oranges from California to your beef from Omaha to your furniture from Sweden--you will begin to appreciate the system of global trade that could not exist without oil-powered transportation--the 800 million-plus planes, automobiles, trucks, ships and tankers that move men, machines and material quickly and cheaply.

Nearly every item in your life would either not exist or be far more expensive without oil; there is simply no comparable source of practical, portable energy. Yet today people increasingly label oil a pollutant that damages rather than enhances our lives and, even worse, an addiction--likening our consumption of oil to a junkie's self-destructive heroin habit. This is profoundly ignorant, not to mention unfair to the petroleum industry that tirelessly innovates, year after year, to find more oil and extract it more efficiently.

--Alex Epstein, Ayn Rand Center for Individual Rights, *Investor's Business Daily*

## Cap and Save

Congressional Democrats talk about "pay-as-you-go" budgeting--which requires higher taxes or entitlement spending cuts to pay for any new spending or new [tax cuts](#)--to enforce discipline. This is laughable.

When House Speaker [Nancy Pelosi](#) first implemented pay-as-you-go in 2007, the deficit was \$160 billion. Today it's 12 times higher. Congressional Democrats violated their own rules to the tune of \$420 billion in their first two years in office. This year's \$786 billion fiscal stimulus bill was also outside the pay-go rules, as is the current \$1 trillion health-care bill.

To bring the budget under some semblance of control, what's needed are iron-clad restraints on the annual growth of expenditures. Colorado implemented a spending restraint plan in the 1990s. It was known as the Taxpayer Bill of Rights, and then-Gov. [Bill Owens](#) described it as a "fiscal straitjacket on the spenders." It worked. The state balanced its budget every year and citizens received tax rebates in the mail because the legislature was prohibited from spending the windfall payments that came in during prosperous years. (The cap was eventually weakened by liberal interest groups but remains in place.)

That's the spending discipline Washington needs.

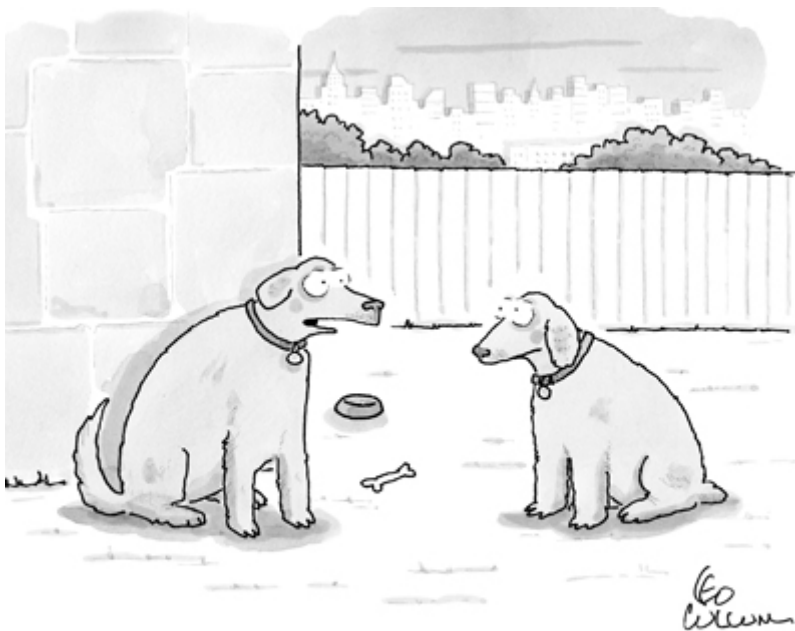
--Stephen Moore, *Wall Street Journal*

### **Nice Work If You Can Get It**

In 2008 the average wage for 1.9 million federal civilian workers was \$79,197, which compared to an average \$49,935 for the nation's 108 million private sector workers. The federal advantage is even more pronounced when worker benefits are included. In 2008 federal worker compensation averaged a remarkable \$119,982, which was double the private sector average of \$59,909.

[What we have is] an increasingly overpaid elite of government workers, who are insulated from the economic reality of recessions and from the tough competitive climate of the private sector.

--Chris Edwards, Cato Institute



*"That's the problem with e-mail — no one to bite."*

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### **Fed Up**

### **Hostage Tax**

French tourists in hostile or unstable countries would have to reimburse the treasury for rescuing them, under a new French government proposal. The proposed law, introduced by Foreign Minister Bernard Kouchner, would require

travelers to cover the costs incurred in rescuing them from war zones, hostage-takings and other dangerous situations. Diplomats, reporters, aid workers and business travelers would be exempt from the fees. Last year France spent more than \$1 million flying some 500 tourists home from Thailand during that country's civil unrest.

--*The Week*