



Chris Dodd

**CONSERVATIVE
BATTLELINE
ONLINE**

*The "Bold Colors" Conservative
Voice in Washington*

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Historic Finance Reform?

by Donald Devine

Issue 157 – June 9, 2010

“Historic Financial Bill Passes Senate,” blared the Washington Post May 21st headline, adding: “The vote gives Obama his second major legislative victory of the year, following the March passage of his landmark health-care bill.” The new bill represents the “most profound remaking of financial regulations since the Great Depression.”



Besides the obvious media cheerleading – the bill still must be reconciled with the House – it is most instructive to see precisely what is in this supposedly historic legislation. According to Democratic Senate Finance Committee Chairman Christopher Dodd and President Barack Obama, the purpose of the law was to correct for a “lack of regulation” that allowed financial abuse that created the 2008 economic crisis. “When this bill becomes law, the joy ride on Wall Street will come to a screeching halt,” Majority Leader Harry M. Reid remarked after the vote.



Chris Dodd

In fact, finance is one of the most regulated of any business sector. It is currently regulated by the Treasury, Federal Reserve, Comptroller of the Currency, Securities and Exchange Commission, Federal Deposit Insurance Corporation, Commodities Futures Trading Commission, Federal Housing Finance Agency, National Credit Union Administration, and the Office of Thrift Supervision. The reform would use precisely these same institutions that were unable to identify the initial crisis to try to diagnose a future one. The reform’s major target was to regulate against very complicated investment devices called derivatives that were believed to have been a major cause of the crisis. Yet – in fact, neither the Fed nor the SEC are now forbidden from regulating derivatives. Both simply

chose not to do so.

A newly created Financial Stability Oversight Council – composed of the heads of these earlier regulatory bodies – is put in charge of regulating financial institutions against proprietarily trading in their own derivatives, stocks, bonds, commodities and so forth, preventing asset bubbles, and not allowing financial firms to become “too big to fail.” Yet, for some reason, the mortgage giants that actually caused the crash – Fannie Mae and Freddie Mac – were specifically excluded from this authority.

The Fed, whose loose monetary policy arguably provoked the original bubble, was granted the greatest increase in oversight power – together with the Treasury Secretary who also originated the policy (and worked out the AIG sweetheart deal). The same FDIC that allowed its member banks to overinvest in mortgages in the first place will replace bankruptcy judges in managing which investors will be paid in liquidation and which not, promising politically-inspired replays of the



Chrysler favoritism for powerful unions at the expense of what President Obama derided as "speculators."

So what would really change? In fact, no one has any idea. The legislation specifically instructs the Council to study the problem and the provisions of the legislation within six months and then "make recommendations regarding the definitions...including any modifications to the definitions, prohibitions, requirements, and limitations contained therein that the Council determines would more effectively implement the purposes of this section." The agency experts then have nine months to create regulations based on the new law as modified by the Council.

In other words, the legislation itself recognizes its provisions are inadequate and so turns the problem over to the same bureaucrats who did not know how to prevent the earlier crash to decide what should be done next time, proving none of them know how to regulate something as complex as an entire financial economy.

The scientific justification for the free market is that it can deal with complexity. No one at the top needs to know everything his subordinates are doing to allow rational solutions to take place below him. This is the case for a chief executive over his subordinates in a private organization compared to a public one but it is especially true in the impossibly complex case of a national government claiming to plan for major sectors or even for the whole economy. The market makes mistakes but allows them to be corrected.

It is not one political party or the other. Neither one can do the impossible. Imagine if the government or some central authority tried to create a plan to transport people from home to work each day. It would be a catastrophe trying to arrange millions of schedules, assigning routes and times, allowing time for refueling, substituting for those late or with sick children, deciding when to purchase new automobiles, what type of cars or buses or trains and on and on. Yet, somehow in a free market everyone gets up every morning on his and her own and gets back and forth quite well, thank you. Or, what if government tried to assign dwellings to everyone that would be appropriate and fair for all. How could it decide who would live in what type of housing, where, with what type of furnishings, with what other people, using what colors and landscaping and so on? Yet, somehow, it all happens freely.

The founder of modern economics, Adam Smith, made this insight the foundation of his new science. Life is too complex for some central authority to plan and force through. Social order succeeds when partiality and restrictions are removed:



Adam Smith

All systems either of preference or of restraint, therefore, being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord. Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man, or order of men. The sovereign is completely discharged from a duty, in the attempting to perform which he must always be exposed to innumerable delusions, and for the proper performance of which no human wisdom or knowledge could ever be sufficient, the duty of superintending the industry of private people, and of directing it towards the employments most suitable to the interest of the society.

Government control cannot work because it cannot obtain sufficient knowledge to make it work, as the great modern economists F.A. Hayek and Ludwig von Mises have shown so convincingly – and the Soviet Union demise proved in spades. Only individuals who are actually consuming or producing have the detailed knowledge of their own particular circumstances to solve the innumerable actions required or to decide what they prefer to make or purchase. Yet, as each individual acts freely,

by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it.

Government was necessary, said Smith, but only for a few key responsibilities:

According to the system of natural liberty, the sovereign has only three duties to attend to; three duties of great importance, indeed, but plain and intelligible to common understandings: first, the duty of protecting the society from violence and invasion of other independent societies; secondly, the duty of protecting, as far as possible, every member of the society from the injustice or oppression of every other member of it, or the duty of establishing an exact administration of justice; and, thirdly, the duty of erecting and maintaining certain public works and certain public institutions which it can never be for the interest of any individual, or small number of individuals, to erect and maintain; because the profit could never repay the expense to any individual or small number of individuals, though it may frequently do much more than repay it to a great society.

Local and regional governments are the best for most public works and institutions close to the people such as education and transportation maintenance but charitable giving and care are too complex even for these local bureaucracies and so are best left to individuals, churches and other voluntary associations. By keeping government functions few and intelligible, it can focus its resources and do them in a reasonably efficient manner, while the nation's people are left with a large measure of freedom.

Smith did allow a limited role for national government even in the economy. It could require that the bank or banks that do business with the government extend credit to it in emergencies, but only up to the amount of taxes expected to be paid in the "year or two before it comes in," and the government could assure that insurance companies have sufficient capital before they are granted charters. This limited role could justify such actions today as the Federal Reserve extending credit to the U.S. Treasury (and of course private banks) but clearly not at the levels of 2008-9 and not by forcing private firms to participate. As Smith noted, "no human wisdom or knowledge could ever be sufficient" to know how to do these things efficiently or even well.

Since no one has a clue how to regulate something as vast as a financial economy, why will no one follow Smith and let the market sort it all out as Ronald Reagan did in 1987 when the economy recovered quickly from a stock decline as severe as the 2008 one? Apparently, although the market might straighten things out, even rather quickly, no one can predict the effects. Will it discipline investors or traders or short sellers or corporations or pension funds or unions or employees or regulators or, most important, restrict me? The market responds to what the individuals and groups in the economy will freely do and that cannot be predicted or controlled. But most people appear to be risk adverse and desire a nice safe world they can control.



The simple alternative seems to be government regulation. But it is a chimera. The Wizard of Oz always has been and will remain a fraud. He cannot grant wishes to everyone. It gets worse. If the Oversight Council has the responsibility to prevent bubbles and not allow "too big to fail," will it not be its fault when – and it is "when" and not "if" – the next bust comes? Will the government (that is the taxpayer) not then be required to bail out the failures the law required it to prevent? Was not the implied government guarantee of Fannie/Freddie loans precisely the reason why Wall Street was so reckless before and caused the crisis in the first place?

Donald Devine, the editor of ConservativeBattleline Online, was the director of the U.S. Office of Personnel Management from 1981 to 1985 under Ronald Reagan and is Senior Scholar at Bellevue University's Center for American Vision and Values.

**E-mail the
Editor**

Growth Then Inflation

by Brian S. Wesbury and Robert Stein

Issue 157 – June 9, 2010

Early this year, it was our belief (and forecast) that the Federal Reserve would start lifting interest rates from their current level of near zero by mid-year 2010. Our view has been that zero percent interest rates are too low, that the economy would be (and is) in recovery, and that inflationary pressures would continue to increase.

Even though all of this is still true, the Fed has made it clear in recent months that they are willing to hold interest rates down for a period of time that is much more “extended” than we had thought. As a result, we now believe the Fed could continue holding rates at current levels through the end of 2010.

As is typical of the Fed, it has not done a very good job of explaining itself. What we mean by this is that the Fed tries to tell the market what it might do (stop buying mortgages, shrink its balance sheet), but does not tell the market why it will do these things.

Here’s what we think. The Fed is operating right now using two tools – the Taylor Rule and historical precedent. The Taylor Rule (invented by John Taylor at Stanford) uses a mathematical formula of inflation and growth to set a target federal funds rate. Last year, because GDP fell so sharply in the Panic, the model said a “neutral” federal funds rate was between negative 2% and negative 6%.

In other words, zero percent interest rates weren’t low enough, according to the model. Even with the funds rate at rock bottom, the Fed thought it was still too tight. Historical precedent – the Great Depression of the 1930s or Japan in the 1990s – created fears of a similar deflationary spiral. And because the Fed could not cut rates into negative territory, the Fed got serious about expanding its balance sheet. By pushing the balance sheet to more than \$2 trillion, the Fed was attempting to use “helicopter money” to boost the economy – what many at the Fed felt was the only option.

Now that the economy is growing again and deflation has been avoided, the Fed thinks its policies have been successful. So, it wants to reverse course. What this means is that it will shrink its balance sheet first and then raise interest rates later.

For two reasons, we view this as a mistake. First, we think the Taylor Rule has made a mistake. As many of our readers know, we use a model for determining a neutral federal funds rate that is based on the two-year change in nominal GDP. This model never dipped into negative territory. In fact, one version of the model says rates never needed to fall below 1%.

Second, the expansion of the Fed’s balance sheet is not the same as helicopter money. There are two ways to expand the balance sheet – print new money and buy assets or borrow money from other people and buy assets. The vast majority of the increase in the Fed’s balance sheet was due to borrowing, not printing.



Putting these two ideas together leaves us with an entirely different perspective than the Fed. First, the Fed was never as tight as the Taylor Rule suggested. Second, it was not the balance sheet expansion that lifted growth. Third, as growth picks up and nominal GDP increases (as it is doing today) the Fed is much easier than it thinks.

Unfortunately, the Fed does not see it this way and will continue to hold interest rates down for longer than necessary. This means that interest rates will remain lower this year than we originally thought, but that inflation (and commodity prices) will eventually rise even more than we have forecast. The good news is that the stock market and economy will continue to be lifted on a sea of liquidity.

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**E-mail the
Editor**

Perfect Debt Storm

by Chris Wood, Jake Weber, and Vedran Vuk

Issue 157 – June 9, 2010

Hearing President Obama's economic pep talks, you might be under the impression that the U.S. needs to keep spending for just a little while longer to stimulate the economy – but then will swear off big deficits.

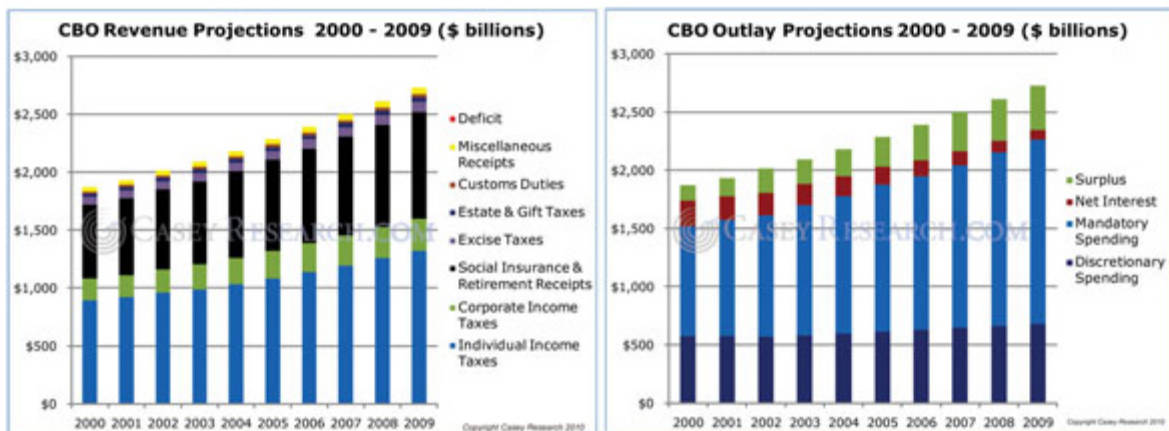
Reinforcing the point, to address concerns stirred by a Congressional Budget Office (CBO) forecast that the U.S. government will accumulate total deficits in excess of \$6 trillion over the next decade, in February President Obama issued an executive order to create a bipartisan fiscal commission. The commission's task is to deliver recommendations to the president by December 1 for limiting future deficits to 3% of GDP. (The FY 2009 deficit approached 10% of GDP. The FY 2010 deficit will probably go even higher.)

It's our contention that the president's fiscal commission is mostly for show; the 3% limit is just a hoop for the clowns to jump through. U.S. government finances are now past the point of no return; the U.S. government lacks not just the will but the ability to close the gap between revenue and expenditure.

At [The Casey Report](#), we like to focus on facts. Unfortunately, when it comes to government debt, the facts aren't pretty. They show that the country is already sliding towards financial collapse and hyperinflation in a way not dissimilar to the Weimar Republic.

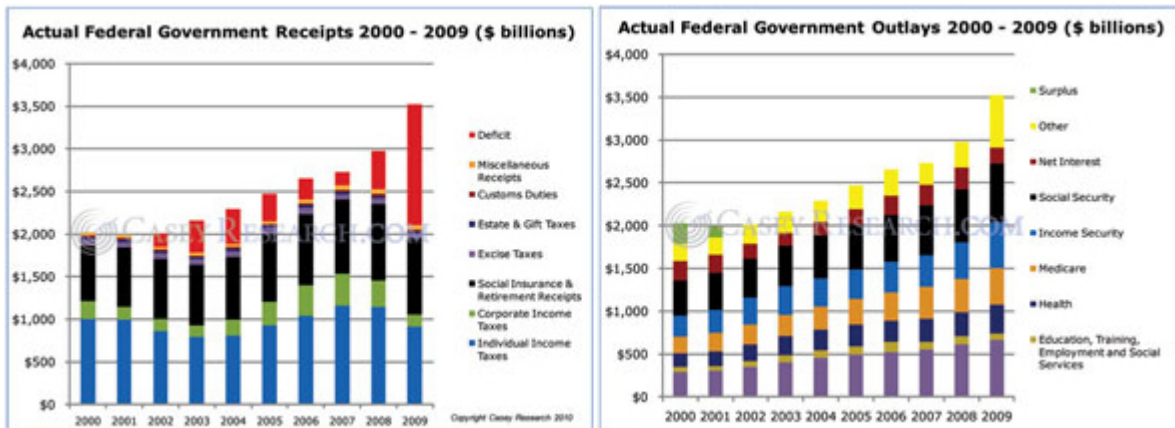
Let's first look at recent history to see how reliable CBO forecasts have been. In 1999 the CBO issued its 10-year forecast for 2000-2009 (see charts below). It looked as though we were heading into ten years of prosperity that would rescue us from little worries like the trillions in unfunded liabilities of Social Security and Medicare.

As you can see in the charts titled "CBO Revenue Projections 2000 – 2009" and "CBO Outlay Projections 2000 – 2009," the CBO expected a budget surplus in every year from 2000 to 2009. And not just that, but that the surpluses would grow at an annual rate of more than 13% and would accumulate to \$2.5 trillion over the decade.



The next charts titled "Actual Federal Government Receipts 2000 – 2009" and "Actual Federal Government Outlays 2000 – 2009" show how wrong the CBO's forecast was. One

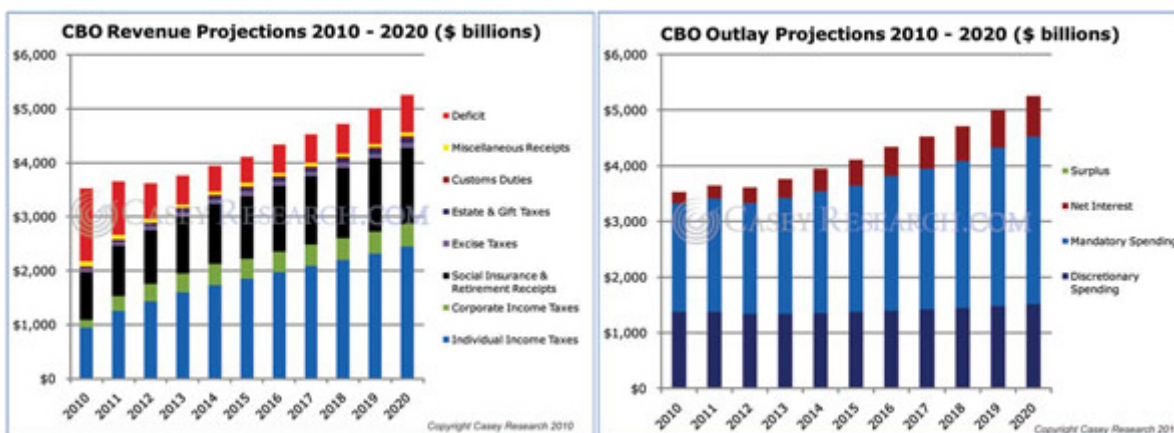
reason it went wrong was that the CBO naively assumed that the abnormally rapid rate of economic growth experienced in the 1990s would continue. It didn't.



A second reason is that the “conservative” Bush administration went on a spending spree – passing Medicare drug coverage and No Child Left Behind, to name two big tickets. While the CBO anticipated ending the past decade with a net budget surplus of \$2.6 trillion, the U.S. government actually accumulated the largest deficit ever, a staggering \$3.2 trillion. So the difference between the CBO forecast and eventual fact was only \$5.8 trillion. (And that’s not counting for off-balance sheet unfunded liabilities, such as \$60 to \$70 trillion for Medicare and Social Security.)

So what does the CBO foresee for the coming decade? And how far from reality is that foresight likely to stray?

In January, the CBO released [“The Budget and Economic Outlook: Fiscal Years 2010 to 2020.”](#) This long-term forecast expects the U.S to accumulate an additional \$7.4 trillion in deficits during the eleven years beginning with 2010, which reflects an average annual deficit of about \$670 billion.



The picture painted by the CBO is by no means rosy, but we think the facts could prove to be much worse. We have already demonstrated that the CBO’s assumptions can be wildly off the mark, and there are many ways for things to go wrong in the years just ahead. Here are three of the big ones.

The Revenue Landmine

The Congressional Budget Office projects total federal revenue of \$2.2 trillion in 2010, a 3.3% increase from 2009, under the assumption that current laws and policies remain in effect.

Because of several tax provisions set to expire in December 2010 and what the CBO sees as a strengthening economic recovery, it projects that revenue will rise substantially after 2010, increasing by about 23% in 2011 and by another 11% in 2012.

According to the CBO's projections, revenue will continue rising nonstop from 2013 through 2020 and will reach 20.2% of GDP. Almost all of the increase is attributed to expected growth in individual income tax receipts.

This forecast relies on the CBO's expectation that the unemployment rate will average slightly above 10% in the first half of 2010 and then turn downward in the second half of the year. As the economy expands further, predicts the CBO, the rate of unemployment will then continue declining until, in 2016, it reaches 5%, the level that the CBO considers full employment.

The CBO projects annual government receipts to better than double between 2010 and 2020, growing at an average annual rate of 7.8%.

How do these growth projections compare with actual history?

Actual data from 2000 through 2009 show that over the last decade federal government receipts grew at an average annual rate of 0.9%. And the total increase in government revenue between 2000 and 2009 was only 3.9%. Even if we go back to 2007 and 2008, when tax receipts were at all-time highs, the increase from year 2000 levels was only about 25%.

Given the historical record, are we really supposed to believe government revenue will grow at an average annual clip of nearly 8% from now until 2020?

Comparing data during the first four months of fiscal 2009 to the same period for 2010, government receipts are down more than \$80 billion, or 10.4%, from the same period the year before. And remember, 2009 revenues were about 17% below those in 2007 and 2008.

There are countless plausible reasons that revenue might disappoint and not grow as rapidly as the CBO projects – the main ones being that the economy may not expand as expected and that the employment picture won't be as pretty as predicted.

So what happens to projected deficits if instead of growing more than 100% between now and 2020, government revenues only increase by, say, 50% (still a generous amount given recent history)?

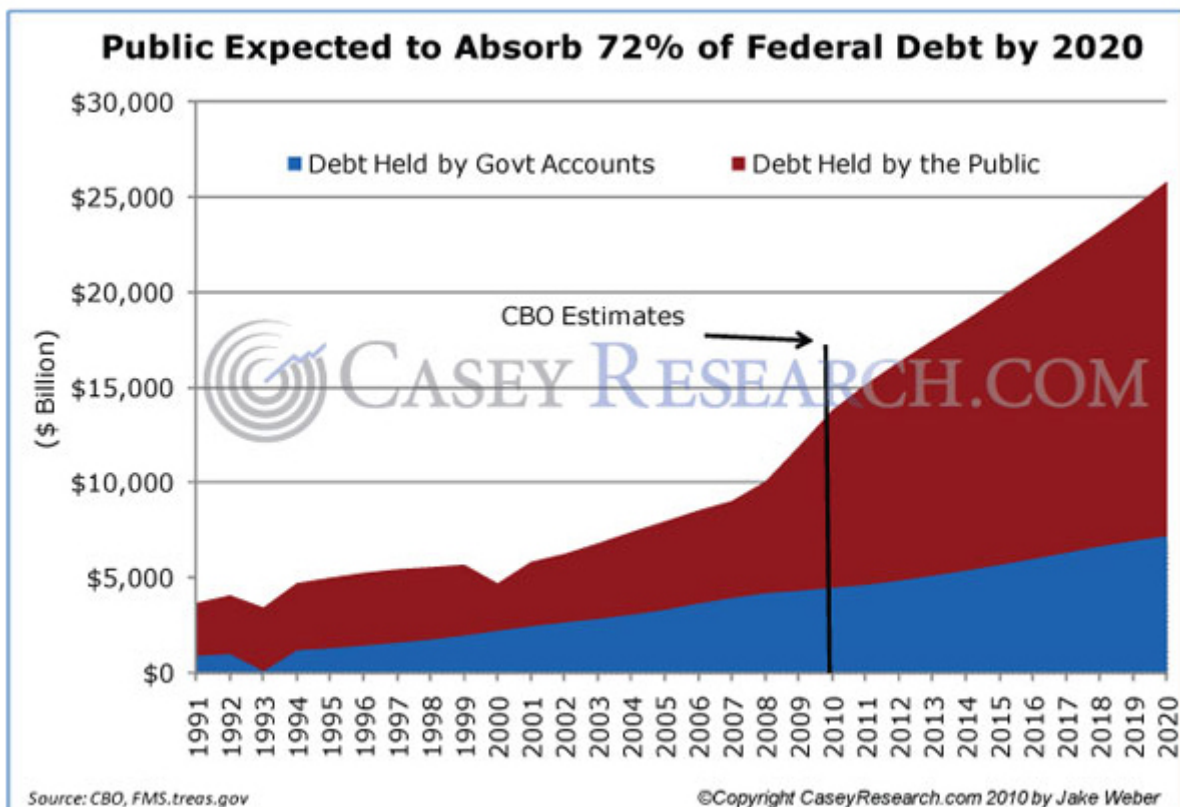
Assuming revenue in 2010 matches 2009 and then grows by a total of 50% over the 10 years that follow, the accumulated deficits for the period would be \$17.5 trillion, or about \$10 trillion more than projected by the CBO.

The Interest Expense Landmine

Whether you're an individual, a business, or the government, when you spend more money than you make, there is only one way to close the gap – by taking on debt and paying interest.

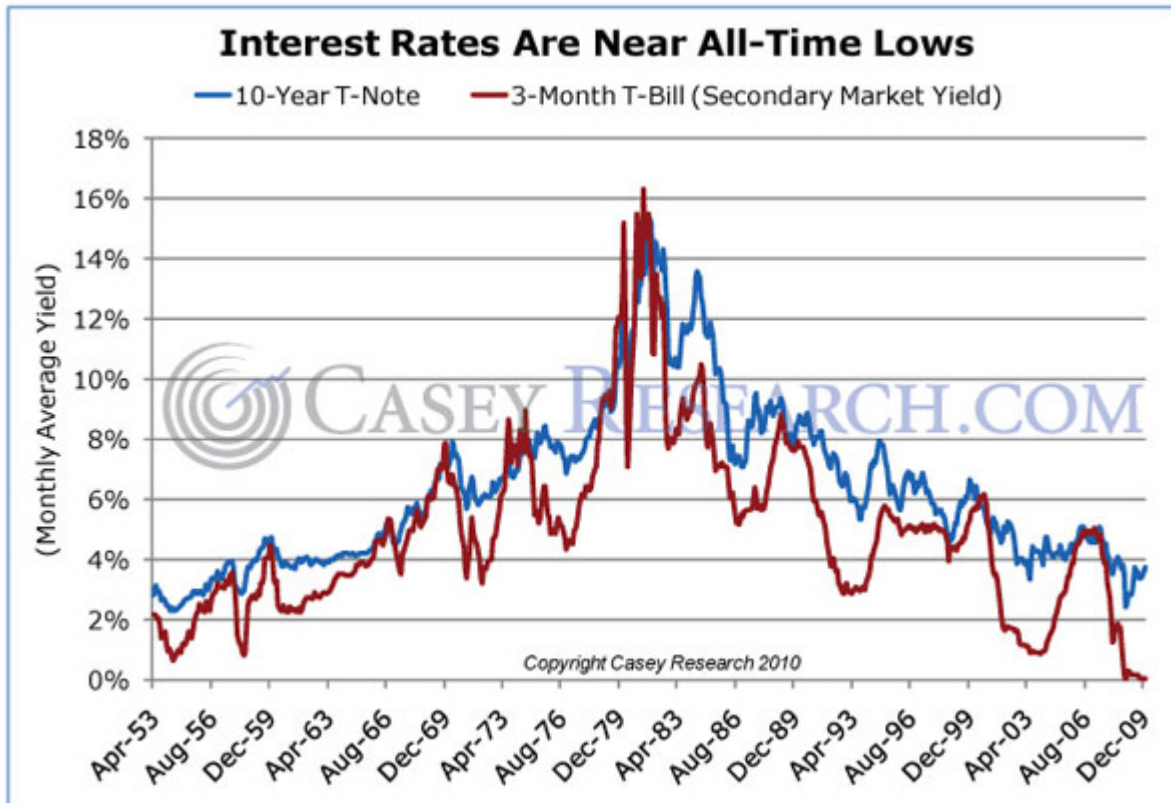
Until the end of 2008, the government's cost of funding its debt had been growing steadily, at about 11% per year, as both interest rates and the size of the debt were rising. When the financial crisis hit full throttle in 2008, interest rates headed toward zero and the government's net interest expense for 2009 dropped 26%, even though total debt was still growing.

The CBO projects that gross federal debt will continue to grow in the coming years, eventually topping \$25 trillion by 2020 or nearly double where it stood at the end of 2009. And the CBO pins most of its hopes of financing the debt on the public's savings.



While the CBO acknowledges that interest rates will have to rise to cover the next decade's \$10 trillion deficit, its rate estimates are cheerful in the extreme. The CBO expects the 3-month Treasury bill rate to average 1.9% in 2010, fall to 1.5% in 2011, and then hold steady near 2% for the rest of the decade. The projection for yields on the 10-year Treasury note is 3.9% in 2010, 4.5% in 2011, and then slowly increasing to 5.3% by 2020.

This paints a rather congenial picture for future interest rates. History, however, provides a much bleaker outlook. The chart below shows that interest rates can go much higher than what the CBO expects, and can go there quickly.



During the high-inflation 1970s, interest rates were volatile, but the overall trend was up, up, up. From 1971 to 1981, rates on both short-term and long-term debt averaged an increase of about one percentage point per year, to a peak of 15.5% on the 3-month bill and 15.3% on the 10-year note.

While the CBO does assume that interest rates will rise over the next decade, a few key factors suggest its assumptions are wishful.

The first issue is debt management. The Treasury will be issuing bills, notes, and bonds in unprecedented quantities. At the same time the administration plans to run trillion-dollar-plus deficits, the glut from past government expenditures is catching up. In the next four years, over \$4.8 trillion worth of marketable Treasury debt will mature. As portfolios get packed with U.S. government IOUs, the Treasury will have to offer higher and higher rates to induce investors to accept more IOUs from the same issuer.

In fiscal 2009, the Treasury held over 290 auctions issuing more than \$8 trillion in marketable securities. The auctions have been primarily focused on shorter-term maturity debt, which will make it progressively more difficult to roll over debt in the coming years.

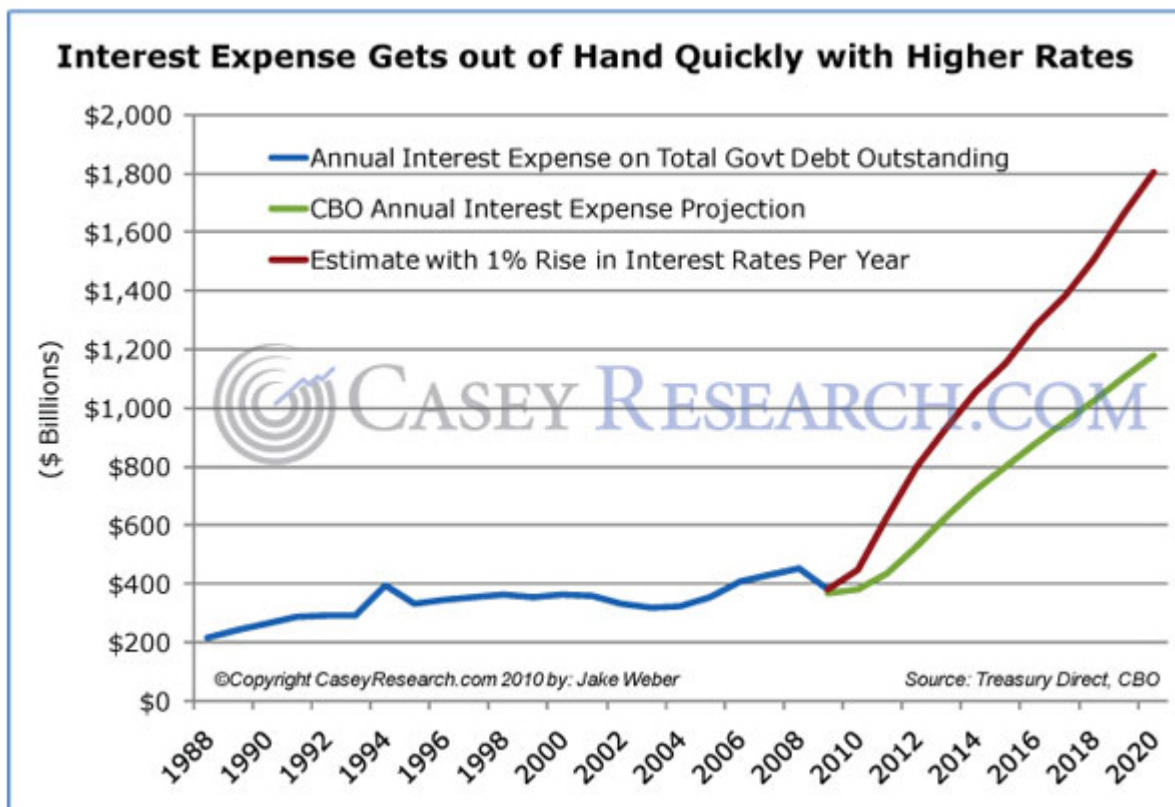
The second major issue for the Treasury is foreigners. For decades the U.S. has relied on foreigners to purchase its debt; they now own roughly 50% of the outstanding debt held by the public. We may already be approaching the point at which they say, "Enough!" China's holdings of Treasuries peaked in May 2009, and they have been buying Treasuries in much smaller doses since then.

In December, Japan reemerged as the top holder of Treasury debt, and the U.K. has been the third-place holder for most of the last decade. Both Japan and the U.K. have been

buying more Treasuries, but the rest of the world has followed China in throttling back on purchases. The only way to continue luring foreigners back to U.S. Treasury debt will be with richer compensation, i.e., higher interest rates.

What happens to the CBO budget projections if their interest rate outlook is wrong? What happens if, for example, interest rates rise at the same pace they did in the 1970s? The result would be horrendous.

The blue in the chart below is the actual historical interest expense on all the federal government's outstanding debt. The green line shows the CBO's projected interest expense. Even their conservative estimate has total interest expense tripling over the next decade. The red line is our estimate assuming annual increases in interest rates of one percentage point. By our estimate, this would add \$3.6 trillion in cumulative interest expenses by 2020.



And with the higher interest expense, total federal debt would climb to almost \$35 trillion in 2020.

The Military Spending Landmine

The CBO views the wars in Iraq and Afghanistan as either guaranteed victories or swift departures. Rather than basing estimates on historical data, the CBO chooses unrepresentative and misleading growth rates for defense spending. Making matters worse, a middle road or a war escalation isn't considered in the budget outlook. CBO estimates fall into three groups: optimistic, rosy, and snake oil.

Optimistic. The first forecast assumes funding will follow the annual growth rate for nominal GDP, estimated to be 4.4% per year.

That rate is highly unlikely. In practice, there is no correlation between defense spending and GDP growth. As wars wax and wane, so does defense spending, regardless of GDP. Since 1985, the ratio of defense spending to GDP has ranged from 3.0% to 6.1%, and since 2001, the trend has been upward, not flat as the CBO predicts.

Rosy. Under this assumption, total defense spending increases at the rate of inflation, which the CBO with a straight face assumes will average 1.1% for the next ten years.

Snake Oil. The last CBO estimate freezes nominal spending at the 2010 level (with the exception of certain minor programs). Essentially, it would let inflation eat away at total military spending.

The CBO estimates of total military spending from 2010 to 2020 that come out of its three assumptions are:

- 2010 Spending Frozen Estimate: \$7.5 trillion
- Inflation-Adjusted Estimate at 1.1%: \$8.1 trillion
- Nominal GDP Growth Estimate at 4.4%: \$9.0 trillion

We have redone the CBO projections for military spending based on scenarios we consider more realistic. Without assuming any new wars, our most conservative projection still outpaces CBO estimates by nearly 3 trillion dollars. The three scenarios are:

Growing at the 1999-2009 rate. Military outlays grew at 8.5% during this period.

Growing at the 2002-2010 rate. Military outlays grew at 9.4%.

New War rate. From 2002 to 2004, two wars pumped the growth rate for military spending to 14.06% per year. In this calculation, we assume a new war from 2011 to 2013 raising growth rates to that level; then growth returns to the 1999-2009 rate of 8.5%.

Our estimates of total military spending from 2010 to 2020 in our three scenarios are:

- Growing at the 1999-2009 8.5% rate: \$11.8 trillion
- Growing at the 2002-2010 9.4% rate: \$12.4 trillion
- Growing at the New War rate: \$13.5 trillion

Compared to the CBO's largest estimate, \$9.0 trillion, these projections are \$2.8 to \$4.5 trillion greater.

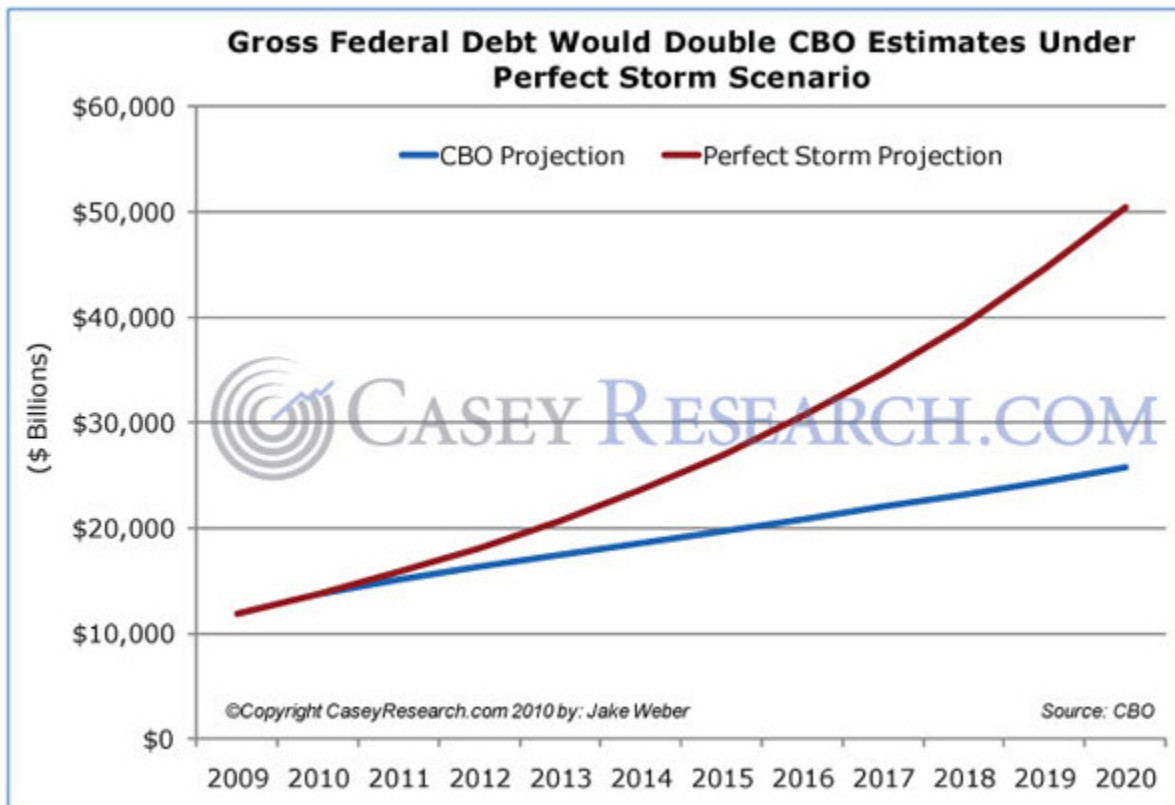
So what happens to the CBO's projected deficits if the only revision we make is to assume military spending growth at the more plausible 2002 – 2010 rate of 9.4%? The U.S. government's average annual deficit over the next eleven years would exceed \$1 trillion, and the accumulated deficit would exceed \$11.6 trillion.

The Perfect Storm

So what happens if the government hits all three landmines – the revenue landmine, the interest expense landmine, and the military spending landmine?

If (1) federal revenues only increase by 50% from now until 2020, (2) interest rates rise by one percentage point per year, and (3) military spending continues to increase at the same rate as it did from 2002 to 2010, by 2020, the U.S. government would be running a deficit of \$4.2 trillion per year.

And with the Perfect Storm's rising deficits, total debt would accumulate at an accelerating pace. In 2020 it would reach \$50 trillion – double what the CBO is projecting.



At \$50 trillion, the national debt would be 208% of the CBO's projected GDP for 2020, and the 2020 deficit would be \$4.2 trillion, or 17% of projected GDP. The interest expense on U.S. debt alone would represent 12% of 2020 GDP and 55% of the total federal budget.

And this only takes into account the three potential landmines outlined in this article. There is much more that could materially change the landscape of the federal budget in the next ten years. The most notable factors not accounted for in our analysis are the entitlement programs – Social Security and Medicare – which are likely to make the government's debt problem significantly worse as the baby boomers start to retire. No matter how many times we shake the Magic 8-Ball, it keeps coming back with the same reading: "Outlook not so good."

From [Clusterstock](#) by Casey Research, where this originally appeared at *The Casey Report*.

Beauty Matters

by Daniel Crandall

Issue 157 – June 9, 2010

Inform a museum's curator that she should request a refund from her [plumber who foolishly set a urinal](#) among the works of [Rembrandt](#), [Degas](#), [Winslow Homer](#), and [Thomas Eakins](#), and Madam Curator will likely label you a judgmental, knuckle-dragging, Rush Limbaugh-listening, right-wing Neanderthal.

"That's not a urinal," Madam Curator retorts. "That's art! How dare you bitterly cling to an outdated objective standard of beauty! Clearly you know nothing about art's relationship with the modern world."

"But it's a toilet!" You argue, "Nothing but an ugly bit of porcelain designed to capture my pee."

"Ugliness and beauty," Madam Curator haughtily notes, "are merely in the beholder's eye. They are entirely subjective."

Roger Scruton flushes that postmodern nonsense in *Why Beauty Matters*, which aired on 28 Nov 2009 on BBC2. Scruton's goal is to persuade us:

that beauty matters. That it is not just a subjective thing, but a universal need of human beings. If we ignore this need we find ourselves in a spiritual desert. [Scruton] wants to show [us] a path out of that desert. It is a path that leads to home.

When Scruton's documentary aired it received the typical reaction from critics. In an article, published in [The American Spectator](#), Scruton notes that whereas many average BBC viewers responded positively,

the reviewers ganged up to lament the sad, anomalous, and reactionary character of poor Scruton, and to thank the BBC for showing the absurdity and outdatedness of the aged professor's views. Waldemar Januszczak, who made another of the films in the series on beauty, mounted a libelous character assassination in the *Sunday Times* in order to advise his readers, in advance of the showing of my film, to dismiss me and whatever I might try to say to them.

For Scruton, producing *Why Beauty Matters* was

an instructive glimpse into my country and its culture. I don't say that my film had any merit beyond its honesty. But it produced overwhelming proof that its vision of art and the aesthetic is shared by many ordinary British viewers, and that the official culture is not just detached from such people but profoundly hostile to what they believe, what they feel, and what they hope for....



But perhaps just as many or more believe the official “multicultural” story, which tells us that there is nothing special about Britain, that the old ideals and dignities are mere illusions, and that the purpose of art is to pour scorn on the values of antiquated people. And if the impression of American visitors is right, it is not the official culture only, but also the rising generation of New Brits, which has settled for facetiousness against dignity and transgression against the norms of social life. If this is so, then at least one part of the message of my film has been vindicated: namely that beauty matters, and that you cannot pour scorn on beauty without losing sight of the meaning of life.

Daniel Crandall blogs at The American Culture (<http://culture.stkarnick.com>), where this first appeared.

Culture War

by S.T. Karnick

Issue 157 – June 9, 2010

There is a culture war, and we need it, [argues Carol Iannone on NRO's The Corner](#).

I don't like martial metaphors, but I strongly agree with Carol Iannone that there are basically two worldviews competing irreconcilably in the United States today.

One, called progressivism, derives from the ideas of Jean-Jacques Rousseau and tends to blame all human problems on imperfect social institutions. Individuals devoted to this worldview concentrate great effort on the perfecting of institutions according to their idea of social justice, which evolves as new problems are created by their efforts to transform society and its institutions.

Their opponents refer to this fundamental problem of progressivism as [the Law of Unintended Consequences](#).

In addition, progressives of all stripes require the development of an aristocracy consisting of political, economic, social, and cultural elites who can implement the proper management of society.

The other worldview, best described as classical liberalism, acknowledges that social conditions circumscribe individuals' choices, but they nonetheless argue that people have freedom of choice within the conditions under which they live. Such classical liberals argue for political liberty and allowance of social mobility, an essential element of which is the acceptance of the concept of personal responsibility, the willingness of society to allow people to reap the consequences of their actions, both good and bad.

As Iannone notes, a prominent progressive writer who says there isn't any real culture war going on in the United States has argued that there are more important issues than culture, specifically income redistribution:

I heard a [talk](#) on C-Span a couple of weekends ago by Irene Taviss Thomson, emeritus professor of sociology at Fairleigh Dickinson, whose new book is [Culture Wars and Enduring American Dilemmas](#). The idea behind the book is something we've heard from people on the Left and the Right many times, that the culture wars are over, if they ever really existed; that there are more important things to deal with. . . .

During the Q&A, she was asked about growing income inequality, and she said that the attention given to the culture wars takes attention away from that issue, which is something we should be addressing. With this the picture became clear. People who declare the end of the culture wars have their own agendas, in this case, income redistribution, and are shortsighted as well. Perhaps the major factor behind poverty, unemployment, underemployment, crime, imprisonment, and so on, is the fatherless household. The liberal view for many years was to diminish the importance of the intact two-parent family and to promote single motherhood as equal if not superior, with the effect of greatly enlarging the underclass and multi-generational poverty and dysfunction. Is it rocket science to see



S. T. Karnick

this [connection](#) and others like it, between cultural choices, economic well-being, and expanding the middle class?

Meaning: the progressive agenda has had unintended consequences in this area, as has been documented extensively by opponents of the progressives' denigration of the family, which the progressives refer to as a laudable and overdue transformation of the family and/or an extension of rights to others. But as Iannone notes, there are other consequences, in this case an increase in economic inequality in the society.

As Iannone also notes, Thomson, like other progressives, "resents the conservative emphasis on individual responsibility." That's their Rousseauian roots poking up out of the ground once again.

Whether we want to talk about it as a war or something else, there are indeed two irreconcilable worldviews at work in the United States today. Recognizing that fact and understanding that culture is the greatest influence on individuals' worldviews is essential to any program for lasting reform of the United States political and social cultures.

Until the great majority of the American people acknowledge and accept the assumption of personal responsibility as the essential element behind a free society, there will be no lasting change. Such cultural reform, however, must be done through persuasion and positive endeavors—on both the producer and consumer sides—and not through merely complaining or political pressure.

Such a cultural awareness appears to be manifest in the Tea Party movement and other expressions of public resentment against the rise of the progressive agenda during the past couple of years (which is a more aggressive version of the agenda that characterized the entire decade of the 2000s).

That's all to the good, and it's critically important for adherents of the classical liberal worldview to support positive efforts toward cultural reform.

S. T. Karnick edits [The American Culture](http://culture.stkarnick.com) (<http://culture.stkarnick.com>), where this first appeared.

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Editor**

Comedy Central Censors
by Brent Bozell
Issue 157 – June 9, 2010

From Uppsala, Sweden comes the news that cartoonist Lars Vilks was attacked and head-butted by an angry Muslim at a university lecture. A group of Muslims surrounding him shouted "God is great!" in Arabic as the cartoonist laid on the floor, his glasses broken. Ever since Vilks impolitely drew the prophet Muhammad's head on a dog, he's been a wanted man. Even the American terrorist wannabe nicknamed "Jihad Jane" plotted to kill him.



Brent Bozell

This explains why Comedy Central's "South Park" has been censoring images that might offend Muslims. The executives at Comedy Central (and their parent company Viacom) regularly pledge allegiance to freedom of expression, but don't really believe it – not when they ponder someone cracking their skulls at a Beverly Hills restaurant.

It's not just "South Park." [Jo Piazza of Foxnews.com](#) reports that after the failed Times Square bombing, Comedy Central's "The Daily Show" told their "senior Islamic correspondent" **Aasif Mandvi** not to comment further on it. One writer for a scripted drama told Piazza that in one of his show's final episodes there had been a minor plot involving a Muslim extremist. Last week, "it was removed and the script was rewritten."

It's clear that Mohammed is off limits – and it's just as crystal clear that Jesus Christ remains the juiciest of targets.

Even at the sensitive time when they're shutting down every possible mockery of Islamic extremism, Comedy Central has announced their plans for a new cartoon titled simply "JC," a half-hour show about Jesus trying to live a normal life in New York City to escape his "powerful but apathetic father." God is preoccupied with playing video games while Christ is the "ultimate fish out of water."

As "original programming," this hardly applies. A slacker Jesus came to Earth to escape an annoying God the Father as He tried to quit smoking on "Family Guy" two years ago.

On the offensiveness scale, that's nothing. In the 2005 Comedy Central special "Merry F—ing Christmas," Denis Leary called the Christmas story "bull[bleep]" and said the Virgin Mary must be a myth since someone surely "banged the hell" out of her. In the 2006 "South Park" episode that spiked Mohammed themes, the show ended with Jesus wildly defecating on President Bush: "Look at me, I'm Jesus. Would you like me to crap on you, Mr. Bush? Mmm, yummy, yummy crap!" And there was Stephen Colbert's 2008 Christmas special, where Toby Keith sang about (and a cartoon Santa laughed at) Christians blowing up an ACLU lawyer's house.

Comedy Central programming head Kent Alterman trotted out the normal line for anyone objecting to this profane new series on the god most Americans define as sacred. "In general, comedy in its purest form always makes some people uncomfortable."

Earth to Alterman: just stop with the First Amendment poseur routine there at Cowardly Central. If you're proud of "making some people uncomfortable" (Christians) while censoring your jokesters in fear of others (Muslims), you're just an anti-Christian bigot.

This "JC" show is merely in development, alongside other potential gems like "Live Sex Show" (no mystery in that title), "Rich Dicks" (ditto), and two pot-themed shows, "Highdeas" and "This Show Will Get You High." How is that for comedic genius?

Comedy Central is currently airing another religion-mocking cartoon right after "South Park." It's called "Ugly Americans," and it imagines a New York City crawling with demons, monsters, and zombies. Some are even social workers at the "Department of Integration." Mark, the lead character, is a social worker who's dating a co-worker and daughter of the devil named Callie Maggotbone. One of his supervisors is a bullying demon called "Twayne the Bone-Raper."

Mark works with a washed-up wizard named Leonard, whose brother is a superstar magician named... "Christ Angel." So it should not come as a surprise that "[Christ](#)" is a [nasty guy](#) who pulls "tricks" on women like inserting himself into their uterus, forcing labor, and being "born again." He also makes Leonard punch himself repeatedly in the face.

There is a silly tendency to raise anti-social pranksters to First Amendment hero status for their willingness to be atheist jerks. The TV critics shower you with praise about how you're "profanely whip-smart" and have a "wry, postmodern vibe" – even when there's hardly anything smart or wry in the tasteless gore and sex jokes that are the norm on this network. Having Mark meet the devil in Hell and decline an order for "unbaptized baby-arm soup" is not witty. It's just sick.

But the amazing thing is a sleazy programming chief like [Kent Alterman will still claim](#) "The beauty of working at a place like Comedy Central is you can empower people to actualize their vision in a really unfiltered way, and that's when things have the best shot at being funny."

Unfiltered? What a shameless liar.

L. Brent Bozell III is president of the Media Research Center.

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Editor**

Debt Solution Pain

by Robert Weissberg

Issue 157 – June 9, 2010

There are many ways to kill a nation, but sinking into hopeless debt is one of the most certain. Unfortunately, like an irresponsible spendthrift, the U.S. is rapidly embracing this path to ruination. Between 2000 and 2009, our national debt soared from \$5.7 trillion to, as of April 2010, \$12.8 trillion (DefeattheDebt.com), and this before -busting Obamacare kicks in. Moreover, this statistic ignores state and city debt that is similarly expanding at record levels. Also excluded are the humongous future debts – perhaps trillions – that will be incurred by [Social Security](#) pay-outs. A [Pew Study](#) finds a \$1 trillion shortfall in 2008 between what states owe in [pensions](#) and what is now set aside. According to the Congressional Budget Office, by 2020 our nation's debt will be equal to 90 percent of our gross domestic product and mainly Chinese owned (Irwin Stelzer, "Small Bras and the Value-Added Tax, *WSJ*, April 5, 2010, A19). This is an historic – one might add, embarrassing – liability level arriving when the US is not waging a two-front war or selling bonds to feed the hungry.



Owing money per se is not the culprit. Alexander Hamilton correctly asserted that *some* debt promotes national prosperity. Rapacious Third World level appetites are the culprit; the difference between prudent economic investment versus the national equivalents of borrowing for vacation homes and snowmobiles. One need not be a CPA to realize that this profligacy cannot continue forever. Just ask Greece. Eventually, nervous Chinese bankers will invest elsewhere and a [bankrupt](#) Washington will just debase the currency by printing worthless greenbacks. To anticipate the future, consider California and Illinois where state employees work fewer hours due to their state's inability to meet payroll. Stories from the April 9, 2010 *Wall Street Journal* matter-of-factly recounted how Los Angeles was considering closing city offices two days a week, how Colorado Springs was [funding](#) parks via bake sales, while California, New Jersey, Virginia and Connecticut were thinking about deferring payments to state pension funds. And this will only get worse unless drastic action is taken.

The roots of this addiction are psychological, not financial need. Certain barely noticed policies facilitate seemingly "rational" cravings for unaffordable government-supplied benefits. Irresponsibility begins when, thanks to increasingly progressive taxation policy, millions come to believe that government largess is "free." This delusion was made clear to me years ago when Chris Matthews interviewed the Rev. Al Sharpton about slavery reparations. Matthews asked Sharpton why today's guiltless whites should pay reparations. Sharpton, a tax deadbeat, quickly shot back, "People won't pay. The government will." Eureka! In other words, "the government" existed apart from taxpayers and if "the government" could be pressed to pay, it would be "free."

This "free" becomes comprehensible if one examines the relationship between many Americans and the taxman – for millions he barely exists. A recent Tax Policy Center [report](#) showed that in 2009, 49 percent of all [taxpayers](#) will pay no federal tax. The true proportion of freeloaders is probably much larger since many people work off-the-books or under-report income given scant likelihood of an audit. Others rent versus owning and

therefore are unmindful of indirect [property taxes](#). Perhaps the only in-your-face tax is the [sales tax](#), and even here much of it is hidden as in the gasoline and cigarette taxes. This weakness for “free” benefits is hardly surprising given how millions of Americans are daily seduced by “too good to be true” schemes.

With the prospect of “free” government, it makes perfect sense to indulge appetites for electronic toys, cable TV, and weekly beauty treatments and have “Uncle Sam” pay for national defense, rebuilding the infrastructure, education, police and fire protection, subsidized housing and, more recently, health care. Why forgo a cell phone upgrade so as to pay taxes for “nothing”? No wonder office-seekers promise endless “free” benefits; voters never receive the bills. Especially in poorer areas, candidates vie for the title, Mr. Santa Claus.

Now, thanks to decades of convincing the poor that political activism is both an honored duty and their salvation, if something is unobtainable personally, demand that government “freely” supply it. It is a stampede to the public trough. Can’t read or write, hold boisterous rallies and command Washington to put knowledge into brains by wildly spending yet more on star teachers, spiffier textbooks, country club-like schools and all else that an omnipotent government free of financial constraints can supply. Feeling a little sick but broke due to over-spending on designer jeans? No problem. Organize a demonstration for government supplied healthcare. Government now outshines MasterCard: you cannot be turned down, and as far as you can see, the monthly bill never arrives. Put bluntly, modern government is infantilizing its citizens under the guise of improving their lives.

The incredible irony is that runaway public debt helped create the Constitution. The Founders personally witnessed this prosperity-destroying evil. All recalled the Revolution when the Continental Congress issued millions in script redeemable when things got better. This indebtedness soon sold for pennies on the dollar and rendered governing all but impossible. Fortunately Secretary of the Treasury Alexander Hamilton insisted that the government created under the Constitution redeem the script dollar-on-the-dollar. But the lesson was clear and should be etched in stone: doom awaits those who go deep into debt and cannot pay. One can only imagine if Alexander Hamilton returning and informed that Congress was borrowing to rescue financially imprudent home owners.

Indeed, it was an armed insurrection by over-extended farmers – Shays’ Rebellion in 1786/7 – that instigated the national convention that wrote the Constitution. Here a band of Massachusetts farmers attempted to escape crushing debt by forcefully preventing courts from seizing their mortgaged property. The insurrection was quelled but since such insolvency was commonplace, it sent shock waves through the colonies. The need for a strong central government to restrain proliferating indebtedness was indisputable.

Many solutions have been proposed to cure this worsening addiction, but nothing on the menu will reform the drunk. A Constitutional amendment inhibiting spending begins with a two-thirds vote in both houses, the same houses that keep piling it on. A recently floated solution popular in high-tax Europe is a national Value Added Tax (VAT). This is a sales tax at every point of production whose main allure is its stealthy quality since the tax portion of the price is seldom explicit – \$25,000 cars overnight become \$30,000 cars. But, as we mentioned, it is this very invisibility that stimulates appetites for “free” government goodies.

A precise solution is unclear but one key ingredient is vital: pain, the inevitable discomfort brought by immoderate consumption, whether from over-eating, getting drunk or buying an unaffordable house. This is Nature's way of saying, "Don't do it again." Why not a national yearly "no exception" levy of \$2,000 on every adult? And payable in one lump sum! If the debt declines, so does the levy though, of course, this would increase if the debt rose. Can't tote the note? No problem. Just as paupers once chopped wood for town use, we'll institute national service where non-payers can settle their obligation by picking up trash, washing government cars and otherwise *personally* feel the pain of fiscal irresponsibility. Dodgers will be caught and coerced to toil publicly while wearing day-glo orange jump suits. Hopefully, a new breed of office-seeker will emerge – the debt buster. Read my lips: no more orange jump suits! And if all goes well, these conscripted trash pickers will just say no, please, please *no* the next time some "compassionate" public official" proposes a "free" entitlement.

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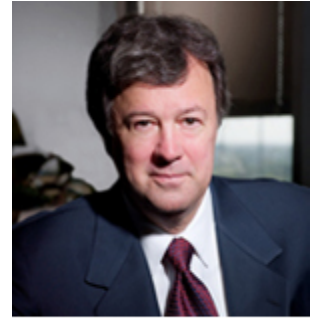
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Editor**

Retirement Health Reality

by John Goodman

Issue 157 – June 9, 2010

There are 78 million baby boomers and a very large number of them have retirement on their minds. If the past is a guide, more than 80% of them will retire before they become eligible for Medicare (at age 65). Although about one-third of U.S. workers have a promise of post-retirement health care from an employer, almost none of these promises are funded and, as is the case of the automobile companies, are likely to be broken in whole or in part.



John Goodman

As a result, millions of retirees will find themselves buying their own insurance in the individual market. There they will face some unpleasant realities, which for many of them may come as a shock:

- Whereas employers typically pay about 75% of the premium at work, these retirees will have to pay 100% of the premium out of their own pockets.
- Whereas the share of premium paid by employees tends to be the same — regardless of age — individual insurance premiums for, say, a 60-year-old tend to be 5 times higher than for a 20-year-old.
- Whereas employers are forced to accept employees into their health plans and charge the same premiums regardless of health status, people in the individual market typically face medical underwriting. They may be charged higher premiums because of a health condition, face exclusions or be denied coverage altogether. If they are forced into a risk pool, they may face waiting periods as well as higher premiums.

Unwise public policies will make these problems even worse. And far from correcting these mistakes, ObamaCare promises to pile new problems on top of existing ones.

In general, tax law, labor law and employee benefits law favor the active employee and discriminate against the retiree. For example, here are three public policy barriers that will stand between early retirees and affordable health insurance:

- Although tax law allows employers to pay premiums for group insurance for active employees with pretax dollars, employers cannot make premium contributions to the individually-owned insurance of their retirees with untaxed dollars.
- Although many employees are able to pay their share of health insurance premiums using premium-only plans set up by their employers, retirees must pay their premiums with aftertax dollars.
- Although the ability to pay premiums with untaxed dollars encourages employer-paid health insurance for current medical expenses, there is no easy way for employers and employees to save for future medical expenses — including post-retirement expenses.

As for employer promises of post-retirement health care, it tends to be an all-or-nothing proposition. That is, employers can keep their retirees in their group insurance plan — paying with pretax dollars — or they can do nothing. It's hard to be in between. If an employer cannot afford, say, \$12,000 family coverage for a retiree, the employer cannot

split the difference and contribute \$6,000 to the employee's individually-owned insurance. Such a contribution would be treated as taxable income.

The obvious solutions to these problems are: (1) allow employers to contribute (say, to a retiree's Health Savings Account) any contribution the employer can afford to make; (2) allow the retiree to pay his share of premiums with pretax dollars and (3) allow active employees and their employers to save tax-free — knowing that they will face the problem of post-retirement care.

Yet precisely because these solutions are obvious, direct, simple and workable, they are nowhere to be found in ObamaCare.

Instead, the new law creates [subsidies for employer-provided insurance for retirees](#) between now and 2014. However, these subsidies go not to individuals but to employers. And because higher-income employees are more likely to have an employer promise of post-retirement care, the subsidies will go to those who least need them.

These subsidies end in 2014, by which time insurers — selling in a newly created health insurance exchange — will have to accept all applicants regardless of health condition. Since the difference in premiums in this artificial market cannot exceed 3 to 1 (rather than the actual cost ratio of 6 to 1), the idea is to overcharge young people so that 50- and 60-year olds can be undercharged.

Problem is: It appears the mandate will be weakly enforced. If people wait until they get sick to insure, the average premium in the exchange will have to be quite high to cover the costs. As a result, seniors could face higher premiums in the exchange than they would have faced with no reform at all.

John Goodman is President and CEO Kellye Wright Fellow at the National Center for Policy Analysis in Dallas.

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Editor**

Energy Future

by Jeffrey Folks

Issue 157 – June 9, 2010

Every year ExxonMobil publishes a [report](#) entitled “The Outlook for Energy.” The “Outlook” is a public document that can be reviewed and backtested for accuracy. Over the years that it has been published, the report has proven remarkably accurate. Exxon’s conclusions are substantially [backed up](#) by annual reports from the International Energy Agency and other non-governmental agencies. The IEA report, for example, predicts a 38% increase in energy demand between 2006 and 2030 while the Exxon forecast is for a 35% increase between 2005 and 2030. In line with Exxon’s prediction, the IEA [asserts](#) that “oil will remain the world’s main source of energy for years to come.”



Some readers might be skeptical of the objectivity of a report published by the world’s largest oil and gas company, but the conclusions reached in the “Outlook” are not at all self-serving. If anything, Exxon’s outlook is considerably more objective and better informed than White House and Congressional predictions based more upon ideological preferences than rigorous investigation. In its prognosis for energy supply and demand through 2030, Exxon recognizes that carbon mitigation and other factors will lead to a flattening demand for carbon-based fuels within the developed nations. The report factors in dramatic improvements in energy efficiency as well as tighter regulation of CO2 emissions (which, it assumes, will drop to 1980 levels by 2030 within the OECD countries). At the same time the “Outlook” notes that the use of nuclear power will increase significantly and that alternative sources such as wind and solar will show the largest gain. In sum, Exxon’s prediction is for major changes in global energy sources and conservation efforts over the next twenty years.

So what will the global energy mix look like in 2030? According to the “Outlook,” nearly all of the 35% increase in global energy demand will take place in developing countries, where increased energy usage is accompanying and fueling tremendous gains in prosperity. By 2030 the combined GDP of non-OECD countries such as China and India will have increased by 1,000% from 1980 levels, the most remarkable expansion of global prosperity in human history. This dramatic expansion in the health and well-being of billions of human beings would not have been possible, however, without reliance on fossil fuels. Nor will the continuation of this benign trend beyond 2030 be possible without vigorous new development of coal, oil, and natural gas.

As global demand for energy increases, the world will continue to rely on fossil fuels even as new energy sources come on line. According to Exxon’s projections, fossil fuels will still supply 80% of the world’s energy needs in 2030. At the same time, the use of solar, wind, and biofuels will have increased dramatically (at a rate of nearly 10% annually), yet twenty years from now alternative fuels in total will only supply 2.5% of the world’s energy needs. Nuclear, hydro, biomass, and other fuels will account for the remaining 17.5%.

Now, in the wake of the BP disaster, there is the danger that emotionalism will take over and that the facts will be lost sight of. There is also the danger that opportunistic politicians will exploit this uncommon mishap—the last important offshore accident being the Santa Barbara spill of 1969—to rally support for regulations unrelated to what happened in the

Gulf. There have already been calls for a permanent halt to deep-water drilling or for offshore drilling altogether. Senators from ethanol-producing states, such as Nebraska's Ben Nelson, have been among the first to demagogue the issue. White House climate czar Carol Browner has [stated that](#) the BP accident alters the discussion regarding future offshore drilling. The disaster has also spurred calls for further investigations into hydraulic fracturing or "fracking," a high-pressure process in which water and chemicals are injected to release natural gas from shale and other formations.

The fact is that America's economy cannot survive without ready access to fossil fuels. Neither the technology nor the capital base exists to even begin to replace our oil and gas infrastructure with one supported by alternative fuels. Heavy trucks, trains, ships, and airplanes cannot be operated with batteries. While car and light trucks will undoubtedly become more fuel efficient, most will continue to be fueled with a gasoline-ethanol mix. Existing transmission lines are inadequate to transmit wind-generated electricity from the Great Plains to population centers in the East. The rapid conversion of power plants from coal and natural gas to solar is not technologically feasible. Even if it were, it would impose huge rate increases on industry, schools, private households, and all other consumers of electricity. The result, at minimum, would be decades of subpar growth.

Not only must we have access to fossil fuels, an increasing proportion of those fuels need to be produced in North America. Increased energy independence is essential to our economic survival: first of all, because foreign sources of oil and gas are becoming less stable and less affordable as a result of nationalistic demands; secondly, because continued importation of energy is the primary factor behind America's continuing trade deficits. As Western oil companies have recognized the importance of contractually secure sources of energy, they have turned to sources in North America. Washington needs to promote this renewed interest in domestic exploration, not hinder it.

Offshore drilling and fracking both need to be reviewed for safety, and adequate safety regulations need to be imposed, as undoubtedly they will. Not only must automatic shut-off valves be required in North American as they are in European waters, fail-safe technology must be developed to prevent spills even when shut-off valves fail. But regulation should not go beyond what is necessary. President Obama has [ordered a moratorium](#) on new drilling in the Gulf, at least until safety reviews and investigations are completed. The moratorium may be justified, but the idea that we can afford to delay drilling for long is unrealistic, to say the least.

American prosperity depends on the availability of affordable energy. To the extent that the production of fossil fuels is over-regulated, over-taxed, or banned altogether, America will suffer lower growth rates in the future than it otherwise would. Fossil fuels will continue to power most of our energy needs for decades to come. A reasonable policy will be one that encourages new drilling while carefully regulating that drilling for safety.

Dr. Jeffrey Folks taught for thirty years in universities in Europe, America, and Japan. He has published many books and articles on American culture and politics.

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Editor**

Presidential Chemo-Phobia
by Dennis Avery
Issue 157 – June 9, 2010

The newly published “President’s Cancer Report” puts this quote in bold type:

I believe it is time for a new human experiment. The old experiment is that we have sprayed pesticides which are inherent poisons . . . throughout our shared environment. They’re in our amniotic fluid . . . They’re in our mothers’ milk. What is the burden of cancer that we can attribute to these poisons in our agricultural system? We won’t really know the answer until we do the other experiment, which is to take the poisons out of our food chain, embrace a different kind of agriculture, and see what happens.



Dennis Avery

Sandra Steingraber, biologist and author of the book *Living Downstream: An Ecologist Looks at Cancer and the Environment.*”

Unfortunately, Dr. Steingraber’s ignorance of biochemistry and agriculture is breathtaking. We’ve actually been running a long-term experiment on chemical-free farming for about 5,000 years: It’s called Africa. Africans don’t produce much food, and the little food they produce comes at a fearful price in human stoop labor, horrifying soil erosion, and increasing displacement of wildlife by low-yield crops.

Africans get cancer at an alarming rate even so—though many die too young for the old age cancers. In Kenya, where Mr. Obama’s father lived, the life expectancy is 20 years shorter than America’s 78 years. Cancer has recently made the “Top Ten Killers” list, but Kenyans worry more about the epidemics of malaria, HIV, and tuberculosis.

Don’t look for any new science in this new President’s Report. There isn’t any. The report includes much talk of the precautionary principle, and how we might begin to find these “hidden” cancer sources. It’s just the same old fears and alarms that have circulated since Rachel Carson. Indeed, Dr. Steingraber has been called “the new Rachel Carson.” That’s no compliment; Rachel’s rant against DDT has cost more than 50 million needless malaria deaths.

Dr Graham Colditz, a cancer epidemiologist at Washington University in St. Louis, urgently disagrees with the new cancer report. He told Reuters, “Maybe 4 percent of cancer in the western world is caused by contaminants and pollution.” He wants more done to combat much larger known cancer risks, such as smoking and obesity.

The new report recommends eating organic food. However, National Science Medal winner Bruce Ames reports that 99.99 percent of the carcinogens we swallow grow naturally in our

fruits and vegetables—put there by Mother Nature to fend off the insects, bacteria and fungi. Eating organic food makes one ten-thousandth of a percent difference.

This chemo-phobia is another left-wing import from Europe, like the coming government health monopoly. Europe is banning some 85 percent of its pesticide active ingredients—based on “theoretical risks” rather than “proven risks.” President Obama wants similar laws for the U.S., even though our rat tests overstate our real pesticide risks—deliberately—by about 1000 percent.

Besides smoking and old age cancers there has been no increase in cancer rates; but huge numbers of Americans will live long enough to get (and hopefully survive) cancer. Dr. Steingraber is herself a cancer survivor

Following the Obama Presidential Report’s farming advice, however, would make it impossible for us to feed humanity not only some time in the future but right now. Nothing in the plant world grows without nitrogen, and we have less than half enough manure—so we take nitrogen fertilizer from the air. Lack of nitrogen and too much pest damage (especially weeds) cut organic crop yields by about 40 percent compared to conventional.

The African forced scenario is that mom and the kids spend their days out in the fields, pulling weeds by hand—and skin cancer is among the most prevalent African cancers.

Dennis Avery, a senior fellow for the Hudson Institute in Washington, DC, is an environmental economist. He was formerly a senior analyst for the Department of State. He is co-author, with S. Fred Singer, of Unstoppable Global Warming Every 1500 Hundred Years, Readers may write him at PO Box 202, Churchville, VA 24421

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Questions On Climate

by Paul Driessen

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The newly introduced so-called “compromise” Kerry-Lieberman climate bill mandates an incredible 17% reduction in US carbon dioxide emissions by 2020. It first targets power plants that provide reliable, affordable electricity for American homes, schools, hospitals, offices and factories. Six years later, it further hobbles the manufacturing sector itself.

Like the House-passed climate bill, Kerry-Lieberman also requires an 80% reduction in CO₂ emissions by 2050. Once population growth and transportation, communication and electrification technologies are taken into account, this translates into requiring US emission levels last seen around 1870!



Paul Driessen

House Speaker Pelosi says “every aspect of our lives must be subjected to an inventory,” to ensure that America achieves these emission mandates. This means replacing what is left of our free-market economy with an intrusive Green Nanny State, compelling us to switch to unreliable wind and solar power, and imposing skyrocketing energy costs on every company and citizen.

Meanwhile, the Environmental Protection Agency is implementing its own draconian energy restrictions, in case Congress does not enact punitive legislation.

It’s time to ask these politicians some fundamental questions.

- 1) Even slashing carbon dioxide emissions to 80% below 2005 levels would reduce projected global average temperatures in 2050 by barely 0.2 degrees F, according to a study that used the UN’s own climate models. That’s because China, India and other developing countries are building new coal-fired power plants every week, even as the United States and Europe shackle their economies and send more jobs overseas. How do you justify such destructive, punitive, meaningless legislation?
- 2) Reflecting agreement with thousands of scientists, most Americans now say climate change is natural, not manmade. Fully 75% are unwilling to spend more than \$100 per year in higher energy bills to “stabilize” Earth’s unpredictable climate. What provision of the Constitution, your oath of office or your duty to the overall health and welfare of this nation permits you to ignore the will of the people, the mounting evidence that “climate disasters” are the product of computer models, manipulated data and falsified UN reports, and the job-killing impacts of the laws and regulations you seek to impose?
- 3) If carbon dioxide is causing “runaway global warming,” why have average global temperatures not risen since 1995, and why have they been COOLING for the past five years – even as atmospheric carbon dioxide levels have continued to rise to levels unprecedented in the modern era?
- 4) What properties does manmade carbon dioxide have that enable it to replace the complex natural forces that clearly caused the Ice Ages, Medieval Warm Period, Little Ice Age, Dust Bowl, ice-free Arctic seas in 1822 and 1922, Alaska’s 100 degree F temperature

record in 1915, and all the other climate and weather changes and anomalies, blessings and disasters that our planet has experienced during its long geologic and recorded history?

5) What physical or chemical properties does manmade carbon dioxide have that would enable it to overturn the laws of thermodynamics – and cause temperatures in Antarctica to rise 85 degrees F, from an average of minus 50 F to plus 35 F year-round (or 48 degrees C, from -46 C to +2 C), to melt that continent's vast ice masses, raise sea levels 20 feet or more, and flood coastal cities?

6) Precisely what chemical, physical and thermodynamic processes would drastic carbon dioxide reductions alter, and how? Precisely what weather and climate improvements would those reductions achieve? Precisely how will CO₂ reductions stabilize planetary temperature, climate and weather systems that have been turbulent, unpredictable and anything but stable throughout Earth's history?

7) Is there ANY direct physical observation or evidence that would falsify your climate crisis thesis, and cause you to admit human greenhouse gas emissions are not causing a planetary climate disaster? Or do you think everything that happens confirms your climate disaster hypothesis: warmer or colder, wetter or drier, more snow and ice or less, more hurricanes and tornadoes or cyclical periods with few such storms?

8) Replacing hydrocarbons with unreliable, subsidized "green" energy will require millions of acres of land for wind turbines, solar panels and transmission lines – plus hundreds of millions of tons of steel, copper, concrete, fiberglass and rare earth minerals for all those facilities.

Do you support delaying wind, solar and transmission projects for years, to protect the rights and property of local communities and private landowners? Or do you favor regulatory edicts and eminent domain actions, so that government can seize people's property and expedite construction of these projects?

Do you support opening US public lands for renewed exploration and development, so that we can produce these raw materials and create American jobs? Or do you intend to keep US lands off limits, and force us to depend on imports for renewable energy, too?

Do you support relaxing environmental study, endangered species and other laws, to fast-track approval of these projects, despite their obvious impacts on wildlife and habitats? Or do you want them subjected to the same rules that have stymied thousands of other energy projects, so that renewable energy projects cannot be built, either – and we have massive blackouts?

9) Over 1.5 billion people in Africa, Asia and Latin America still do not have electricity, for even a light bulb or tiny refrigerator. Millions die every year from diseases that would be largely eradicated with electricity for refrigeration, sanitation, modern hospitals, and industries that generate greater health and prosperity. How can you justify using taxpayer money to finance UN and environmental activist programs that claim global warming is the biggest threat they face, and they need to get by on wind and solar power, and give up their dreams of better lives, because YOU are worried about global warming? Doesn't that violate their most basic human rights to improved living standards, and even life itself?

10) If you're so sure about your data and conclusions – and intend to use climate disaster claims to justify sending our energy costs skyrocketing, killing millions of factory jobs, controlling our lives, and totally overhauling our energy, economic and social structure – why do you refuse to allow fair, open and balanced congressional hearings and debates on climate science and economics? Why do you refuse to debate skeptical experts in a public forum, or even answer questions that challenge your alarmist thinking? Why do you refuse to require that scientists who get taxpayer money for their research must share and discuss climate data, computer codes, methodologies and analyses?

11) How much money and campaign help have you gotten from companies and activist groups that benefit from renewable energy mandates and subsidies, carbon offset and trading schemes, coal mining and oil leasing bans, and other provisions of climate and energy legislation?

12) What if you vote for these job-killing, anti-growth, anti-poor, anti-human-rights "climate disaster prevention" laws – and it turns out you are WRONG on the science or economics? What will you do? Give up your congressional seat, home, pension and worldly wealth – and pledge yourself and your children to an austere life of service to the people you have harmed? Or just say, "Oh I'm so sorry," and then pass more intrusive, oppressive laws, before retiring to collect a nice government pension – while millions freeze jobless in the dark?

13) If you can't or won't answer these questions, then why do you think you have a right to tell anyone on this planet that we have a "climate crisis," and dictate how they must live their lives – especially when you've done so little to slash your own taxpayer-funded air travel, staff, and home and office energy use?

Paul Driessen is senior policy advisor for the Committee For A Constructive Tomorrow and author of Eco-Imperialism: Green Power – Black Death. He has studied climate change for over 15 years.

**E-mail the
Editor**

Cooperating With Islam

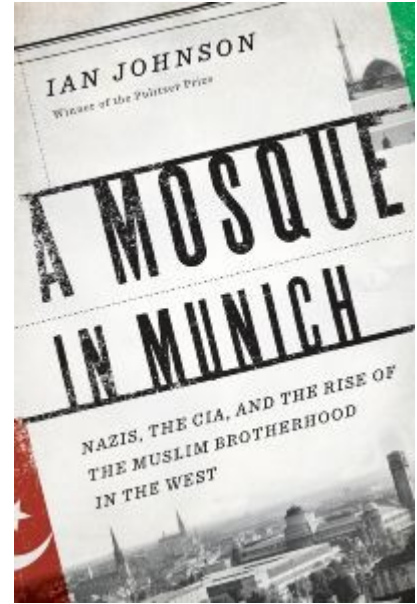
by Daniel Pipes

Issue 157 – June 9, 2010

The 7/7 bombings in London, in which Islamists killed 52 and injured 700, prompted British authorities to work with Muslims to avoid future violence.

However, rather than turn to anti-Islamist Muslims who reject the triumphalist goal of applying Islamic law in Europe, they promoted non-violent Islamists, hoping these would persuade coreligionists to express their hatred of the West in lawful ways. This effort featured Tariq Ramadan (b. 1962), a prominent Islamist intellectual. For example, London's Metropolitan Police partially funded a [conference](#) Ramadan addressed and Prime Minister Tony Blair appointed him to an official "[working group on tackling extremism](#)."

Deploying an Islamist may have seemed like a original and clever idea but it was neither. Western governments have been allying without success with Islamists for decades. Indeed, they have been allying with Ramadan's own family.



In 1953, Dwight D. Eisenhower hosted a group of foreign Muslims that included Said Ramadan (1926-95), a leader of arguably the most influential Islamist organization of the twentieth century, the rabidly anti-West Muslim Brotherhood – and also Tariq's father. The Eisenhower-Ramadan meeting took place in the context of sustained U.S. government efforts to rally Muslims against Soviet communism, in part by putting Said Ramadan on the CIA payroll. [Talcott Seelye](#), an American diplomat who met with him about that time explains: "We thought of Islam as a counterweight to communism."

Then there was Hasan al-Banna (1906-49), Tariq's grandfather, founder of the Muslim Brotherhood, and recipient of Nazi funding, [American diplomats](#) in Cairo in the late 1940s had "regular meetings" with al-Banna, found him "perfectly empathetic," and perceived his organization to be a "moderate" and even a "positive" force. The British apparently [offered al-Banna money](#).

In other words, Western governments have a history of ignoring the Islamists' repulsive ideology and working with them, even strengthening them.

In a stunning piece of investigative historical research, Ian Johnson, a Pulitzer Prize-winning journalist formerly with the *Wall Street Journal*, reveals new twists and turns of this drama in his just-released book, [A Mosque in Munich: Nazis, the CIA, and the Rise of the Muslim Brotherhood in the West](#) (Houghton Mifflin Harcourt, \$27).

Johnson opens with a review of the systematic Nazi efforts to recruit Soviet Muslims from among their prisoners of war. Many Muslims loathed Stalin; and between 150,000 and 300,000 of them fought for the Axis in World War II. In other words, over and above their unfulfilled [propaganda effort directed at Arabs](#), the Nazis actually fielded a substantial force of mainly Turkic Muslims under the leadership of a scholarly Nazi enthusiast named Gerhard von Mende.

After the German defeat in 1945, Johnson follows von Mende as he continued his anti-communist work with ex-Soviet Muslims, now in a Cold War context. But his network of former soldiers proved not very competent at the task of arousing Muslim hostility against the Soviet Union. Their leading intellectual, for example, had served as the imam of an SS division that helped suppress the Warsaw uprising of 1944. Islamists quickly proved themselves far more competent at this political and religious challenge. Johnson explains that they “wear suits, have university degrees, and can formulate their demands in ways that a politician can understand.”

The heart of his fascinating study lies in tracing the evolution, much of it in Munich, from old soldiers to new Islamists. It’s a classic tale of 1950s intrigue, complete with rehabilitated Nazis, CIA-front organizations, and dueling Soviet-American ambitions.

Johnson shows how, without anyone quite planning it, the Americans usurped von Mende’s network and handed it over to Said Ramadan. This early U.S. boost to the Muslim Brotherhood, Johnson argues, gave it the means to establish an Islamist framework just in time to welcome the surge of Muslim immigration to Europe in the 1970s.

Thus did the Islamist domination of European Muslims have two hidden facilitators, Nazi and American. Its origins in Operation Barbarossa reveals the ugly pedigree of today’s Islamist strength. Hitler and his thugs could not have foreseen it, but they helped set the stage for [Eurabia](#).

American backing for Islamists prompts Johnson to warn against the futility of allying with the Muslim Brotherhood and its ilk – as Tony Blair once again recently attempted. However tempting, it invariably harms the West. The lesson is simple: be cognizant of history and do not assist the Islamists.

Mr. Pipes (www.DanielPipes.org) is director of the Middle East Forum and Taube distinguished visiting fellow at the Hoover Institution of Stanford

**E-mail the
Editor**

Feds Can't Do Oil

by Jeff Crouere

Issue 157 – June 9, 2010

With each passing day, the crisis in the Gulf becomes worse for South Louisiana. Our delicate ecosystem is being destroyed as we wait for British Petroleum and the federal government to take action. Every day, the Deepwater Horizon well is spewing thousands of barrels of crude oil into the Gulf of Mexico. As the oil reaches the marsh, fishermen are giving chilling reports of dead fish, birds and other wildlife. The seafood supply is dwindling everyday, hurting our famed restaurants and our tourism industry.



This oil spill is impacting the entire region and is a true disaster, so it is mind boggling that President Obama has not done more to deal with this crisis.

Clearly, the incident is too big for British Petroleum to handle. What about the Coast Guard? Coast Guard Commandant Thad Allan just told Congress the Federal Government does not have the expertise to solve the problem. Despite assurances that the process would be expedited, the Corps of Engineers is still waiting for an environmental impact study to be granted approval to the plan of local leaders to build barrier islands to protect the wetlands. The dredging equipment is available, but the permits need to be approved. However, if this situation persists much longer, we will not have an environment to protect.

Our local leaders should have learned the tough lessons from Katrina. It is folly to depend on the federal government for timely assistance. The federal bureaucracy is too large and there is too much red tape for a quick response. During Katrina, President Bush was criticized for the slow reaction of the federal government. However, after a sluggish start, Bush showed true interest in the recovery and visited the region dozens of times. Sadly, in this case, President Obama has done nothing but give lip service to the people of South Louisiana. He seems more interested in blasting the state of Arizona about their illegal immigration law than in helping the people of Louisiana.

Local and state leaders should take matters into their own hands and start building the barrier islands on their own. Louisiana has a \$26 billion state budget and certainly has enough money to rent the necessary dredging equipment and hire the appropriate number of workers to complete the project. They should forget about the permits and the federal approval and just begin work on this vital project. Otherwise, our environment, economy and way of life may be obliterated.

Some experts now estimate that 100,000 barrels of oil are flooding into the Gulf of Mexico each day. Since the initial explosion, enough oil has escaped to completely fill 102 school gymnasiums. This threat could destroy our fragile wetlands if action is not taken immediately.

Louisiana has waited long enough for a federal response; the survival of our state is at stake. If this is technically a violation of the law, so be it. No one from the federal government will have the audacity to arrest any local or state leader trying to protect their

constituents from a serious threat. In fact, if they do take action, local and state leaders will not be viewed as lawbreakers, but as heroes.

Jeff Crouere is the Host of "Ringside Politics," which airs at 7:30 p.m. Fri. and 10:00 p.m. Sun. on WLAE-TV 32, a PBS station, and 7 till 11 a.m. weekdays on WGSO 990 AM in New Orleans and the Northshore. He is the Political Analyst for WGNO-TV ABC26 and a Columnist for selected publications. For more information, visit his web site at RingsidePolitics.com.

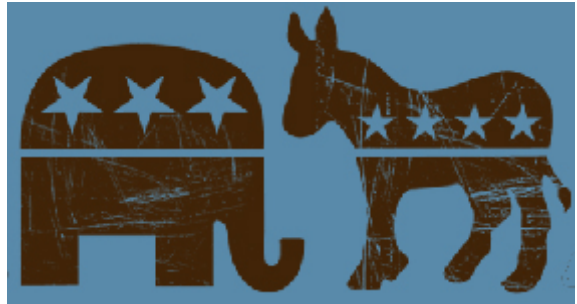
**E-mail the
Editor**

Bipartisan Spending

by Mark Hendrickson

Issue 157 – June 9, 2010

Economic error knows no partisan bounds. Republican Herbert Hoover and Democrat Franklin Roosevelt both adopted foolish, harmful policies during the Great Depression. Republican George W. Bush's stimulus plan made no sense, and neither did Democrat Barack Obama's.



The greatest threat to our country's future is chronic overspending by the federal government. We are racing toward national bankruptcy. Once again, bipartisan economic ignorance is the problem. Neither political party seems ready to tackle the spending problem.

This is not to say, as some do, that there are no significant differences between Republicans and Democrats. Such assertions are either intellectually lazy or an expression of extreme exasperation. That being said, neither party is sufficiently grounded in the philosophy of freedom and free enterprise to propose a freeze in government spending, much less a quantum reduction in the power and scope of government intervention into economic matters. Instead, the party of Big Government—the Republicans—and the party of Bigger Government—the Democrats—both support continued increases in federal spending.

Under the leadership of the Obama-Pelosi-Reid troika, Democrats have embarked on a reckless, dangerous spending splurge. Republicans are enjoying a resurgence of popularity by virtue of their opposition to the Democrats' attempts to expand federal control over healthcare, energy, education, etc. But would Republicans cut spending, balance the budget, shrink government, and begin to reduce the gargantuan national debt if voters gave them the chance? I have my doubts.

We saw earlier this decade that, given majority status, Republicans went wild with earmarks and produced gushers of red ink in Washington. It seems to me that the best thing one could say about the Republicans is that might take us down the path toward national bankruptcy more slowly than the Democrats.

What we have here is a classic case of the "good cop, bad cop" routine. In terms of controlling government spending, Republicans may seem far more pleasant for us to deal with than the other guys, but in the final analysis, they're both part of a statist system that would curtail our economic liberty and penalize us with diminished prosperity.

We may regard Republicans as the "good cops" insofar as they seem more aware that if they redistribute wealth too rapidly, the system may collapse. However, the GOP has a long track record of redistributing wealth (some to different special interests than Democrats and some to the same but to a different extent) and they never question the fundamental legitimacy of government power trumping property rights.

Here are a few timely questions: What do Republicans want, other than to unseat Democrats? What is their vision? What are their principles? What concrete, coherent

programs have Republicans offered to shrink government? What challenge are they posing to the practice of redistributing wealth?

Few Republicans talk about shrinking the leviathan state. They may talk about the need for fiscal responsibility, affordability, and slowing the growth of the state, but few question the premise that the state must continue to grow.

Economic problems abound. Weak job prospects, a shaky housing market, concerns about affordable healthcare, ongoing bank closures—take your pick, they're all serious and large numbers of Americans are affected by each one of those problems. But the biggest, most menacing, economic problem of all—the one that jeopardizes the economic well-being of almost all of us—is reckless overspending by the federal government.

Years of unjustified and unaffordable government spending have brought us to the precipice of national bankruptcy. When investor demand for government debt falls below the bloated supply, interest rates will surge and the Fed will probably inflate like mad. We will suffer massive business failures, surging unemployment, a colossal debt implosion and/or a severely depreciated (if not utterly ruined) currency, and significantly lower standards of living.

Who got us into this parlous predicament? The facile answer for conservatives is to blame Democrats. Certainly, Democrats are not innocent in this matter. But are Republicans blameless? No. Out-of-control government spending has been a bipartisan failure.

Dr. Mark W. Hendrickson is an adjunct faculty member, economist, and contributing scholar with [The Center for Vision & Values](#) at Grove City College where this first appeared.

**E-mail the
Editor**

Mexican Gun Assault

by David Keene

Issue 157 – June 9, 2010

Days before Mexico's President Felipe Calderon arrogantly addressed a joint session of Congress on how we ought to run this country, members of the National Rifle Association gathered in Charlotte, N.C., to celebrate their victories in Congress and the courts, discuss their passion for guns, hunting, the shooting sports and plan for the future.

The largest turnout for an NRA Annual Meeting since the association's founding in 1871, the more than 72,000 members in attendance served as a boisterous reminder to politicians of both parties that the nation's gun owners remain a potent political force that no one should take lightly. Indeed, recent polls give the NRA a higher favorability rating than that accorded the Congress, the president or either of our two major political parties, and while the NRA claims "only" 4 million members, an additional 30 million Americans tell pollsters they consider themselves members and look to the NRA for leadership.



David Keene

As an NRA board member, I know that NRA members have worried since Barack Obama installed Eric Holder as his attorney general that at some point this administration would seek to further restrict firearm ownership in this country. Holder said as much in private meetings with several senators prior to his confirmation and had been a major anti-gun player during the Clinton years. Holder helped draft the so-called "Assault Weapons Ban," which expired after 10 years, and has said he would like it renewed.

Democratic politicians, however, have been reluctant to renew the political gun-control wars of the '90s, which President Clinton claimed cost his party's candidate, Al Gore, the presidency in 2000. Since then, Democratic candidates have donned hunting gear and taken to the field; some 65 Democratic House members even went so far as to warn President Obama that he would not have their support if his administration attempts to mess with the Second Amendment.

Still, many within the Obama administration and Congress would love to find a crisis they might exploit to renew their assault on the Second Amendment, and more than a few of them think that crisis might be the drug wars in Mexico. U.S. and Mexican officials have been claiming that the violence in Mexico can be traced to the availability of guns in the United States, contending that thousands or hundreds of thousands of weapons purchased at "thousands of gun shops" along the Mexican-U.S. border are being used by Mexican drug cartels in their war against the Mexican government.

Figures can lie when used by politicians. Mr. Calderon repeated a several-year-old contention that something like 80 percent of the arms used by Mexican drug warriors have been traced to the United States. The claim was a lie when his government first asserted it, and repeating it before our Congress doesn't make it true. This figure represents the percentage of those guns (a few thousand) submitted by Mexican authorities for tracing here. As Bureau of Alcohol, Tobacco and Firearms officials told Congress when the numbers were first bandied about, Mexico sends a small percentage of the guns confiscated there to the U.S. for tracing. These are guns they believe came from the U.S., but represent a very

small percentage of the guns being used by the cartels in Mexico. In addition, many of them are decades old and none of them are the cartels' weapons of choice.

In fact, Mexico's cartels get their guns on the international market and most of what they buy aren't the semiautomatic sporting arms they could get here, but fully automatic military weapons, grenades, rocket launchers and the like from China, Israel, Korea and Russia. According to the Los Angeles Times, most of this weaponry flows into Mexico over that nation's southern border with Guatemala, not over her northern border with the U.S.

This isn't to say some U.S.-made military weapons aren't falling into the hands of bad guys, but they don't come from the U.S. because they aren't legally available here. They do come from the more than 150,000 Mexican military deserters who took their U.S.-made automatic weapons with them to join the more lucrative drug wars when issued just the right weapon; others sold their guns before heading home or illegally fleeing across our all-too-open border for a new life.

It was nevertheless quite a sight to witness the spectacle of the president of a failed state appearing before our Congress to pervert the truth in order to blame the United States for his country's troubles. The Democrats who gave him a standing ovation don't seem to get it, but they can rest assured that the folks who gathered in Charlotte do.

David Keene is chairman of the American Conservative Union.

**E-mail the
Editor**

Compassionate Drugs Act
by Frank Burroughs
Issue 157 – June 9, 2010

With my fingers crossed, it looks like we are close to getting the ACCESS Act reintroduced in Congress and having help getting more momentum for adding more cosponsors this time around.

The Abigail Alliance has become part of a rare disease patient advocacy lobbying group put together by the Kakkis Foundation. This will help patients and help get more traction for the ACCESS Act.



Also recently, the Abigail Alliance has developed a closer relationship with BIO (Biotechnology Industry Organization). We are a significant and well received part of a project at BIO looking into ethical issues regarding earlier access to promising investigational drugs.

Why should the bill be supported?

The succinct answer is that passage of the Compassionate Access Act would save and extend thousands of lives a year, jumpstart the FDA using more modern scientific and statistical tools, and get people care who just happen to be on the wrong side of the approval line for safe and efficacious drugs and vaccines for cancer and other serious life-threatening illnesses.

The Alliance began pushing for access to investigational drugs for terminal patients after its founding in mid-2001 upon the death of Abigail Burroughs, who was denied an investigational drug (Erbix) that an early trial showed might have helped her. She and her doctor were right, but she never got the drug.

Over the past nine years, the Alliance has pushed for access to 12 exceptionally promising investigational cancer drugs which have subsequently been approved by the FDA and now represent standard care. At the time we began our advocacy, each of the drugs had cleared at least preliminary Phase 1 testing, and in some cases more-advanced Phase 2 or Phase 3 trials. In other words, they obviously worked for some patients.

These 12 drugs — had they been available to people denied entry to clinical trials — might have helped more than one million mothers, fathers, sons and daughters live longer, better lives. We have actually underestimated the number of "life-years" lost at more than 520,000, because we have not included other safe and effective uses of these drugs that the FDA has yet to approve.

Passage of the Compassionate Access Act will help real people get the drugs they need. HELP support the COMPASSIONATE ACCESS of 2010 Act H.R. 4732 – See the easy to use link on our homepage to WRITE your U.S. Representative! www.abigail-alliance.org.

Frank Burroughs is President of the Abigail Alliance for Better Access to Developmental Drugs

**E-mail the
Editor**

Commemorating Mao

Paul Kengor

Issue 157 – June 9, 2010

Where's Anita Dunn when you need her? Recall Anita Dunn, who resigned as President Obama's communications director not long after Glenn Beck had the temerity to broadcast her jaw-dropping affirmation, made in a church no less—at a high-school baccalaureate ceremony—that her two favorite philosophers were an extraordinarily unlikely pair: Mao Tse-Tung and Mother Teresa. ([Click here.](#))



I'm not sure of Dunn's current whereabouts, but I'm certain the management department at the Empire State Building in New York City could benefit from her input. Readers might recall the last time I wrote about the Empire State Building: I grappled with the astounding image of the building's top aglow in red and yellow to commemorate the birth of Red China. Yes, unbelievably ([click here](#)), the Empire State last October paused to recognize Mao's communist China, which was responsible for 60-70 million deaths, the single greatest slaughter of humanity in history, dwarfing Hitler's terror by six-fold.

New Yorkers apparently were oblivious to such vital facts—or were aware and simply didn't care—as they strolled along Madison Avenue slurping Smoothies and reading their *New York Times* under a blood red (and yellow) sky.

But why do I revisit such sordid recent history? Wasn't it embarrassing enough to suffer this once?

Well, it turns out the brain-trust in charge of deciding which symbols (and revolutions) to elevate in New York—the same brain-trust that offered up this crowning touch for Chairman Mao—are refusing to light up for ... brace yourself, Mother Teresa.

The Empire State Building Lighting Partners rejected a request made by official application, backed up by a nationwide petition, to recognize this paragon of virtue. That's right, Mao's dystopia was honored for its 60th birthday, but Mother Teresa will not be acknowledged for the centennial of her birth this August 26.

I wish I were joking, but, sorry, you can't make this up. ([Click here.](#))

Indeed, who, or *what*, would be so perverse as to even *think* it up? It sounds like a plot right out of the *Screwtape Letters*, though the Prince of Darkness had a tendency to be more subtle than this.

So, the saintly nun who comforted the sick as they died in her arms in destitute Calcutta, soothing souls in their final earthly moments, an act of sheer selflessness she did as "something beautiful for God," was refused. To the contrary, Red China, byproduct of a murderous Marxist despot, where collectivization starved to death more people in three years than Mother Teresa could meet in a lifetime, was recognized.

Chairman Mao is howling from his grave.

By my recollection, the only juxtaposition possibly more strange was the Obama White House considering banning a crèche at Christmas while, simultaneously, sanctifying the White House Christmas tree with a most curious ornament: a twinkling little comrade Mao. (Again, unbelievable, I know—[click here](#).)

Christ at Christmas? Maybe. Mao at Christmas? Yes.

Mother Teresa honored? No. Mao's Red China honored? Yes.

Of course, this is a travesty, but one hardly surprising, given the state of American culture, the people Americans elect, and America's educational horrors, especially the failure to teach the horrors of communism. Bill Donohue and his Catholic League are protesting the Empire State Building's blacklisting of Mother Teresa, and a petition is circulating.

I, for one, wouldn't be surprised if the city and ACLU got involved and upheld the decision out of *respect* for "church-state separation." Why not heap absurdity upon absurdity? Besides, such would be yet more delicious irony: Mother Teresa, modern saint, banished because of faith; Mao, militant atheist who booted out the missionaries and declared war on religion, illumined.

There's one positive achievement from this episode: It exposes as nonsense what we were told by defenders of the Empire State's Red China recognition last October: No big deal. They recognize all kinds of things.

Apparently, that's not true. They are exclusive in their inclusiveness; intolerant in their tolerance; discriminating in their diversity. Their moral and verbal gymnastics allow for evil's coronation but a blackening of one [who truly served the Light](#).

And so I ask: Where's Anita Dunn when you need her? At least Anita Dunn, confused as she was, found room in her mental-philosophical universe for both Mao and Mother.

Of course, those of us upset by this will be told we're over-reacting, and that there's surely good reason for these decisions. Sure—always is.

But it's our silence in the face of such blatant acts that creates a culture where people don't know the difference. The other side is quite audacious, why must we always be silent?

Alas, I have a suggestion for New Yorkers unhappy with this: On the day which would have been lit for Mother Teresa, light a candle and place it in your home or office window. Now that would be a symbol.

Dr. Paul Kengor is professor of political science and executive director of [The Center for Vision & Values](#) at Grove City College. His books include ["The Judge: William P. Clark, Ronald Reagan's Top Hand,"](#) ["God and Ronald Reagan"](#) and ["The Crusader: Ronald Reagan and the Fall of Communism."](#)

Reader Comments

*Issue 157 -June 9, 2010***CONSERVATIVE
BATTLELINE
ONLINE**

Editor: Regarding your article "Science Speaks On Warming?" the reports on "global warming" presented by NAS to the Congress are (even taking into account the uncertainty inherent to any scientific results) purely political, or even more bluntly, career- and money-seeking. The people who stand behind the theoretical conclusions (partly based on a computer model, which even in principle cannot take into account many important factors) leading to "global warming" unfortunately are only human, and they understand that their financial support (especially NSF grants) depends very strongly on the level of alarmist predictions. It is clear that, say, if I would present a request for a grant from NSF stating that there is no "global warming", at least not the one caused by human activities, my chances of getting the grant are nil! Therefore the people who stand behind their claims about the alarmist "global warming" will never agree to change their views and will be ready even to falsify and withhold their data. On a more practical ground, the major factor influencing the Earth climate is the Sun's activity. It is the well-established (beyond any doubt!) fact that every square meter of the Earth surface receives 1.38 kw of solar power. Human input represents a miniscule portion of this power. By comparing the curves of solar activities during the last century and the respective temperature changes on Earth one can clearly see the similarity of the two curves. It is pity that in our age of the lying politicians and financiers science also fell into the same pit. Sincerely, A. Granik, Emeritus Professor of physics

Editor: Every American needs to read your editorial titled "Science Speaks on Warming?" Great work getting it together and putting out the word. Sincerely Gale DeVoar Sr, Ho, TX

Editor: I just read your recent article "Science Speaks On Warming?" Keep up your persistent and good work! I don't know why people don't mention much in their articles that "all the planets are warming up". This is data provided by launched satellites going to the furthestmost planets in our solar system. I understand this collection of data has been ongoing for more than a decade. There is a lot of media pressure on we ordinary citizens in this country to turn our lifestyle upside-down. I see this as an attempt by left wing political theorists who want to sever the right wing altogether, once and for all. Once that is done we won't have much left of our present lifestyle which, by the way, allows people to be creative and innovative enough to create jobs and even whole new industries which can benefit people both inside and outside this country. I perceive that we have a bunch of "paid liars" in our scientific, medical, media and political system. Bill Arant

Editor: Regarding your recent editorial "Science Speaks On Warming?" I will soon be sending you a letter that a group of well-trained meteorologists in the Boston area will have sent to the main Boston and New Hampshire newspapers. Whether they will publish it is

unknown. We were all well known weathermen for many years on different Boston television stations, competitors to be sure, but are now retired, and agreeing. The delay is due to some minor fuss over a few words. Fred Ward

Editor: You can say whatever your motivations lead you to in "Science Speaks On Warming?" Discuss this issue with scientists and if you are so able to render conclusions let there be honest debate. Most of us accept the conclusions of the majority of scientists from around the world. Ed Briody

Editor: Your article "**Science Speaks on Warming?**," did little or nothing to help understand the so-called exoneration by the parliamentary science and technology select committee, chaired by Dr. Phil Willis MP. It did not convince me that Dr. Jones at the Climate Research Unit of the University of East Anglia had not acted inappropriately. Many are now convinced the assertions made by the United Nations Intergovernmental Panel on Climate Change, whether it is the policy summary or the contents, are based on unsound data. Data that was peer-reviewed by the same people who wrote emails advocating suppression of evidence & data. These folks all seem to peer-review each other, thereby assuring the conclusions will match what each other asserts. It is a vicious circle. What really disturbed me was that Dr. Phil Willis MP may not have been an objective analyst. Dr. Willis has money invested in 'green industry' projects, such as wind generation. A bad report could have crushed the value of any of his personal investments. The fact that many of these folks are interrelated causes the public to suspect a nefarious incestuous relationship that works to protect each other. The fact that those financial interests went under-reported or unreported, also causes serious concern. The public is extremely angry that our media worldwide, is selectively reporting on issues. If the issue coincides with their political ideology or with their financial interest, many 'journalists' are reporting on only those points that reinforce their positions. This is why so much of the old establishment mainstream media are losing money or market share hand over foot. The people realize they are being taken for a ride & they do not like it! I agree we cannot ignore warnings from the scientific community. However, based on the personal vested interests of many scientists & the hyper partisan & suspiciously politically influential special interest groups that are associated with, taking them at their word alone, would be simply suicidal. We now know there are foundational data that have been corrupted. We know there are many & serious omissions of data and the omissions were deliberate. We know data has been manipulated. That the reasoning behind those manipulations is not being freely revealed for review by others, represents a possible pattern of deception. Nothing about this issue is enhanced by the very real fact that many of the so-called scientific conclusions or assertions are hyper exaggerations. The Himalayan glaciers will not melt by 2035 as the UN IPCC has asserted and used as an event that justifies massive, immediate political responses by every government on the planet. Once that deception was exposed, the UN IPCC simply told everyone that issue was not all that important. There are political motivations at work that represent massive change to how humans on this planet function. Nearly all solutions proposed amount to abandoning any & all sovereign governments in favor of what would be global governance or even global government. And of course, those crying 'wolf' would be the people to run the new order. The United Nations has been searching for a lucrative funding stream independent of the dues paid by member nations. The UN wants money coming in that governments do not control so no conditions can be

attached to such funds. Based on the pathetically abysmal performances of the UN over the decades, turning them lose with that much money & authority, would mean the end of individual freedoms around the world. No thanks! Science needs to understand that over-reacting is as bad as under-reacting or even ignoring an issue. Dangerous people take advantage of crisis. And, each time they do human beings suffer. Those dangerous people may mean well. They may not be criminal or insane. However, their 'causes' always end up overtaken by those we should fear. Let's face it, Hitler & his National Socialists morphed into vicious Nazi fascists, only after they sold the German public on their plans to "take care of" the people. In short, the solutions to Climate Change that have been proposed & which many scientists have endorsed appear to be solutions that benefit specific persons or groups and not humanity. The solutions all sound like they are for our own good. And the solutions have been made to sound good to us. My father always said, "if it sounds too good to be true, it probably is & especially if those saying it will personally benefit." Scientists have lost credibility with the people & they will have to go out of their way to rebuild the trust that mercenaries like Al Gore & utopian shysters like George Soros & political hacks like Barack Obama, have been pushing. Stephen Ralston

Editor: Regarding your editorial "Science Speaks On Warming?" you might be interested in what GOD says about the seasons. Gen 8:22: "While the earth remaineth, seedtime and harvest, and cold and heat, and summer and winter, and day and night shall not cease. R. Gene Payne (Romans 8:28)

Editor: Regarding George Gilder's proposal—The Zero-Out Solution—the initial response would be horror. After that perhaps common sense would prevail and making the best of it would prevail. From that moment on no hands would be held out, because they would be too busy mending fences and making do but with a light at the end of the tunnel beckoning the country forward. That is what happened in New Zealand. I have a niece and a nephew both living in NZ. Why do you think they went there? Here I came to this country legally in 1955 at great expense as you can imagine, complete with a family of four girls. At times, seeing what is happening, I wonder why I came, but at that time the grass was greener here than there in England. Frank Jones

Editor: My goodness, this article by Daniel Crandall "Religion Is Racist?" is commenting on probably the nastiest article I have read in a long time. The author, Wendy Wood, has perhaps read the bible, with attitude. This is not the way to read. Read it with a loving heart and kindness towards mankind. Seeking justice and what is right for our World. Yes, as a Christian I do live by certain fundamental beliefs such as the Ten Commandments. She does not mention these. I wonder what her attitude is towards the Ten Commandments! Shame on her for saying that Christians and organized religion are composed of racists. Shame! I as a Christian love all people. I do not love their deeds always however. I am not obliged to love all mankind's deeds. There you come into values. Is she suggesting what values are good for me and what are not? Is she expressing that I can not open my mouth and speak as honestly as she has done to tear down everything I feel and believe in. Shame! I can not put enough Shame on her. I would normally not do this, but what she has written here is very Shameful to so many. Wonder how God feels about her article? I

have a feeling she is a non believer in God as she is certainly walking on the edge here, putting at risk her chances for eternal life. Eternal Life is not a fantasy Wendy. You might do well to consider some other topics of interest to articulate about and stay away from things that you have not knowledge of. You may think you know all things concerning God and let me say that is what we are really talking about here. Not someone's idea of a higher being etc. There is one and only one God. If you start reading the bible you will learn to love it as much as you loved writing her article in opposition. Please always pray and ask God for your guidance, write the things that he would inspire you to write and make the world a more honorable place to bring up future generations. Generations that would love one another, yes love one another yet not necessarily love the things that they do. Neither is this world required to fulfill and create laws to meet everyone's desires. Let's keep what is private to ourselves. Let's not try to make people accept our way of life by passing laws etc. If someone asks me about my beliefs I will gladly state. If there is a chance that I can inspire someone for the good of the Lord by sharing God's Love I will do so. I will not push anything on anyone. I happen to think this is the Christian way. I will however, when and if the time comes; stand up for my Lord and Savior and if needs be give my life for him as he gave his son for my sins that I might have that eternal life. Wendy, please try some kindness and love and understanding. Do what is good and pleasing. We all know if something is for the good and if it is pleasing. Pleasing for our Country, pleasing to God; when you find him. He is right there with you always. He would love to live in your heart if you would only ask. It is truly the greatest way to live your life and so comforting. Thank you for allowing me to share my feelings on this article about Wendy Wood and I wish she would reconsider her thoughts. Thank you. Jean Shepherd

Editor: Regarding Brent Bozell's article "Mostly Peaceful' Left," for me this attitude of the so-called mainstream media is déjà-vu. The same sympathetic and even instigative attitude was characteristic for the leftist media in Russia 100 years ago. The result: the left got their utopia, - capitalism was destroyed, they got Bolsheviks, Stalin, and at least 60,000,000 dead of their own citizens. But who counts if it is in the name of the bright future! Really; those who do not learn from history are doomed to repeat it! Sincerely, Alex Granik

Editor: Regarding "Illegals Problem" by Alan Caruba, the nit wit left is at it again. They are as tiring and annoying as gnats on a summer day. It is impossible for them to identify root causes of our social programs as they ignorantly support illegal activities, in this case, illegal immigration. How stupid can one be when they fail to realize the TEA party people are simply patriotic, honest, hard working, law abiding citizens tired of government corruption, excessive taxation, and paying for excessive social programs long out of control. I support the TEA party and have been a Judge in my home town for over 18 years. I served 18 years in the U.S. Army, attack helicopter operations, and am also a disabled Veteran. We are not against immigration, not at all. We support legal immigration of those who are qualified as acceptable people who harbor no criminal backgrounds or terrorist connections. We support immigration of those who come here to abide by our Constitution and our customs, to do so legally. We are tired and fed up with being forced to support the trash, terrorists, and filth, from every corner of the globe so they can become part of the far left nit wit policies that are destroying our Country from within. My State of NY is broke, but we are forced to pay for an estimated 489,000 illegal immigrants who

illegally landed here. By virtue of the far left liberal policies in place, we essentially support an illegal activity. Those who condone this should be brought up on charges....period, it is illegal!!! Forget California with an estimated 2 million illegal immigrants, how can the State possibly remain financially stable? The far left liberal nit wits have had their parade and we have allowed it. We have had it with their whining, their destructive policies, their tantrums, their lies and deceitful behavior. I am a Veteran, a fiercely loyal American patriot, a supporter of the TEA party, and the millions like me, are NOT going to continue to allow a bunch of annoying gnats to ruin all that we have sacrificed for. It is time to swat them out of the way. Richard Christensen

**E-mail the
Editor**