Government’s view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it. -- Ronald Reagan

I don’t make jokes. I just watch the government and report the facts. -- Will Rogers

‘Progressive’ Journalists and State Power

by William L. Anderson

At the end of the movie Animal House, a band tries unsuccessfully to march through a brick wall at the end of an alley. This is supposed to be a scene which reflects the absolute absurdity of the film, but it also unwittingly presents a picture of the modern “Progressive” mindset: the state can do anything as long as it has enough authority.

Such actions, of course, reflect Einstein’s alleged definition of insanity (repeat an action over and over again while expecting different results), yet that irony is lost at the present time, especially in the world of modern journalism. People are forever diagnosing the mainstream media as either having a “liberal” bias or engaging in coverage that lacks “objectivity.” The answer to such issues, unfortunately, seems to be to engage in more insanity. Let me explain.

In a recent column, Glenn Greenwald decries what he sees as a “merger” of journalists and the state, and I agree with his sentiments wholeheartedly. Greenwald is one of the few journalists out there who is not a shill for particular politicians or the Democratic Party, despite the fact that his political views definitely are left-of-center.

Yet, for all of his excellent insights, I’m afraid that even the great Greenwald is missing the bigger picture. The problem is not misplaced priorities on behalf of journalists or the fact that most media outlets are owned by corporations (which most Progressives confuse with free markets). The problem is that modern journalism is a relic of the Progressive Era when state power merged with the press to promote “American” interests. Progressivism itself – of both the “liberal” and “conservative” viewpoints – is the problem.

Most Americans believe that the significant “revolution” in our nation’s history occurred from 1775 to 1781, yet the republic that emerged following the colonial war with Great Britain no longer exists and has not existed for at least a century. We may shoot fireworks on July 4, but the document we supposedly celebrate – the Declaration of Independence – is nothing more than parchment under glass and is more irrelevant to our present lives than the old “constitution” of the former Soviet Union.
The United States as we know it was shaped first by what most people call the Civil War and second by the Progressive Era of the late 1800s and early 1900s. If there is a year when the constitutional American republic died absolutely, it would be 1913. (Thomas DiLorenzo refers to the passing of the Constitutional amendments to authorize both the income tax and direct election of U.S. Senators as the “Revolution of 1913.” Congress also authorized the Federal Reserve System in that year.)

However, the process leading to the permanent establishment of the Leviathan State was begun long before 1913, which codified the movement that already existed. Every “Progressive’s” favorite Republican President, Theodore Roosevelt, already had put into motion the process in which Congress ceded its powers of lawmaking to the executive branch, something that continues apace today.

In his utterly statist Losing the News, Alex S. Jones decries the loss of daily newspapers and suggests that what he calls the “watchdog of government” be “rescued” by government itself through subsidies and government regulation, and does so without any irony whatsoever. Yes, he calls for a “watchdog of government” to be tied financially to the state, a relationship that he claims will increase the “objectivity” of the press, a view that makes sense only if one falls into the “Progressive” camp.

It is hard to fathom the utter nonsense of Jones’ proposition, yet Jones is typical of most mainstream journalists today. As a former newspaper reporter, I can attest to the desire by journalists to have “access” to those in political power and to be advocates for a certain politician or political points of view. If there is a constant theme among mainstream journalists, it is that state control of our lives must increase.

If one reads a typical newspaper or watches a news show on television, this point almost is impossible to miss. Look at all of the journalists who worked in the executive branch of the federal or even state governments. (Relatively few former legislators become journalists, as lobbying is a more lucrative career. The vast number of journalists who had government titles worked either directly for an elected official – i.e. Chris Matthews – or had a high-profile position as a political appointee for a regulatory agency.)

This is not unlike the “revolving door” between government regulators and the firms they help regulate or between U.S. Department of Justice antitrust division attorneys and high-paying private firms that specialize in antitrust litigation and defense. The relationships are more than just symbolic, however; they highlight the real merger between modern corporate journalism and the state.

Greenwald’s concerns deal specifically with the WikiLeaks release of classified U.S. Government documents, but the problem is much broader than just whether or not one thinks Julian Assange is a hero or a criminal. Furthermore, the problem is not that many journalistic outlets are owned by private corporations. Instead, the problem with modern journalism is that most journalists are little more than foot soldiers for state power, and they demand (and receive) special privileges from the authorities.

In Losing the News, Jones (who was an editorial supervisor of mine more than 30 years ago) is openly disdainful of blogs and the “citizen journalism” that has erupted on the Internet. Instead, he holds to the academic/state view that “journalists” should be credentialed, and that First Amendment protection should be afforded only those who fall into that proper category.

One would think that his would be a minority view, but it is not. As they have done with the rest of the Constitution, Progressives have re-interpreted the First Amendment as offering protection only to those people who have proper journalistic credentials and who are employed by official media outlets. Thus, as Greenwald points out, many of them can argue that Assange really is not a journalist, so he does not enjoy the same protections as did the New York Times after it published the Pentagon Papers.

Read newspapers like the New York Times and Washington Post, or watch Fox News or MSNBC, and you will see what I mean. Journalists employed...
for all of these entities (with the exceptions of Judge Andrew Napolitano and John Stossel on the Fox Business Channel) tend to believe that “progress” occurs only with the advancement of state power over the lives of individuals.

That is why you will see uncritical support from these outlets of the Transportation Security Administration’s utterly-invasive “security” measures, or why the NYT has been a consistent shill for high income tax rates. Such things are the logical end of a Progressive ideology that claims freedom advances only with the advancement of state power (in the hands of the correct and properly-credentialed people, of course).

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**Stamp Out the Post Office**

by Becky Akers

Thank God that any time Our Rulers mutter about controlling the internet, Americans rise in holy horror. Earlier this month, when the blasphemously misnamed Gary Locke, Commerce Comrade – sorry, Secretary, offered to help us poor serfs remember our passwords by regulating the net, everyone from the ACLU to “privacy and technology experts” denounced his scheme.

So why do Americans cheer, and lustily, the Feds’ power over other communications? Why do they rise in holy horror at the tiniest diminution of the United States Postal Service’s scope? The agency owns 32,000 outlets nationwide, many of which “are located in areas where people no longer live, work or shop,” according to U.S. Postmaster Patrick Donahoe. So we shouldn’t be shocked that “total expenses [exceed] revenue” at a whopping 26,000 of those offices – but still, we are. The agency’s proposal to close 2000 of its money-pits should have us applauding, albeit modestly to match that modest start. Yet the nitwits among us wail as if Obaminable had just won another four years.

“The news is crushing in many remote communities where the post office is often the heart of the town and the closest link to the rest of the country,” the War State Journal moans. Ahem: you bozos heard of TV, radio, telephones, and, yes, the internet?

Then the WSJ quotes “Delmer Clark, a 70-year-old retired coal miner in Eastern Kentucky’s Appalachian Mountains, in the no-stoplight town of Holmes Mill,” which will lose its PO next month. “It ain’t right doing this to our community,” whines Mr. Clark. Echoing him is “Esther Sizemore, a 62-year-old retired school-bus driver”: “It will hurt us real bad.” I don’t know what joy awaits them in their mail-boxes, but for sure it beats the junk that packs mine.

Let’s suppose for a moment that we can’t pay bills online and that corresponding with Ma and Pa requires old-fashioned letters in envelopes. Still, would you miss the USPS should it disappear tomorrow? In fact, given the importance of payments and messages from home, wouldn’t you want anyone other than Our inefficient and stupid Rulers handling those essential missives? Now back to reality: tell me you can’t live without your catalog from LL Bean and your congresscritter’s propagan – sorry, newsletter. And that receiving such nuggets is worth footing the USPS’s annual losses – $8.5 billion in 2010 alone.

Recall, too, that when the Founding Fathers included the PO among government’s “enumerated powers,” it was not only the nationwide web of its day but the sole means of communicating at a distance. Entrusting it to the Feds dramatically increased their power as they dictated what free men may mail.

Meanwhile, behold how a century of socialism has degraded the American spirit: “Residents [of Holmes Mill] will still have home delivery, and can use the post office and maintain P.O. boxes in the next town, but some locals fear” the drive of six whole miles because
it follows “a winding mountain road bordering a steep drop-off to the river.” Yet “Coal Miner’s Highway” is safe enough for the trucks that gave it its nickname.

So we aren’t talking no mail or anything close to that; rather, folks who enjoy the peace and quiet of small-town life are miffed at the resulting inconvenience. Yo, Bumpkins: move. Imagine your rage should New Yorkers who relish their concerts, museums, and restaurants complain about the City’s bustle so the Feds would waste your money hushing it.

The brouhaha over the USPS illustrates the unbridgeable gulf separating government from business. It also proves the former’s failure to imitate the latter and the utter inability of “good” politicians and bureaucrats – if any there be – to “reform” the boondoggles of the lying, thieving, murderous State.

An entrepreneur such as UPS sees delivering his customers’ goods as his raison d’être. Not the USPS. “Under U.S. law, mail delivery is a ‘basic and fundamental’ government function meant to ‘bind the nation together’ by providing service to ‘all communities’ at a reasonable price” – or at least, at a reasonable pretence prior to its multi-billion-dollar raids on “federal coffers.”

Compounding this lunacy are regulations equally insane: “The law currently allows the postal service to close post offices only for maintenance problems, lease expirations or other reasons,” but not for losing money. Then there are the “532,800 workers [sic]” whose union wrangled them “significantly lower premiums for their health and life insurance plans than other government employees.”

Woe betide the Postmaster General who says, “The heck with it all – I’m shuttering that sinkhole in Holmes Mill.” He’ll fall under investigation of “the Postal Regulatory Commission … which … investigat[es] whether the postal service … illegally us[es] reasons such as lease expirations to close small, underused branches.” Count on Leviathan to penalize common sense and profits.

Ah, but here come politicians to the rescue: while Sen. Thomas Carper (D-Delaware) has introduced legislation to repeal the absurdity of operating offices in the red, “elected officials in several communities have already written the Postal Regulatory Commission protesting planned closures.” It seems “shutting down post offices is often politically unpopular” because “many citizens see [them] as an essential public service.” Go figure: despots who ignore constituents’ outrage over sexual assaults at airports, Obamacare, and bail-outs are all ears when it comes to maintaining their stranglehold on the mail.

Last but not least, Sen. Susan Collins (R-Maine) couldn’t resist blessing us with her usual perspicacity: the USPS “needs to look for ways to stay in business…” Why?

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Becky Akers [send her mail] writes primarily about the American Revolution.

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**Tiger Moms and the Central Plan**

by Jeffrey A. Tucker

The hottest commentary of the year appeared in the Wall Street Journal: Why Chinese Mothers are Superior by Amy Chua. The story has 7,200 comments and counting, and every other outlet including the New York Times, the Washington Post, and everyone else, including tens of thousands of bloggers. The author’s name yields more than one million Google hits.

The thesis was simple. American moms coddle their kids and protect their self-esteem; Chinese mothers, in contrast, work their kids hard, accept nothing less then excellence, and help the kid accomplish real things so that self-esteem is rooted in reality. The response was beyond belief, with mobs of angry mothers claiming that the author was essentially advocating child abuse.
I’m not entering the fray on child-raising techniques. Rather I would like to draw attention to something that seems to be lost in this debate: the institutional context that has led to the American tendency to let the kids grow like weeds.

The problem begins with public schooling itself. Teachers and parents alike report the widespread tendency of parents to take a strong interest in their child’s education from preschool through second grade. But after the child learns to read, more or less, and life gets busy to double-income households, the job of tending to education is left to the authorities, who give off the illusion that they are taking care of all important matters.

The child is meanwhile swimming in a world of peers and the distance between this world and the world of the parents grows, and by the time the child is in middle school, there is very little connection left between the parents and the child that would allow anything like close monitoring of educational outcomes.

Child rearing becomes a waiting game and a matter of a huge checklist. Reading: check. Basic math: check. Middle school: check. High school: check. SAT prep: check. College admission: check. Then the magic age of 18 arrives and it’s off to college, a time when parents sign huge checks and the child learns that life is a blast with few responsibilities beyond repeating on tests the blather they hear from the expert standing up front.

What about the child’s individual traits, such as strengths and weakness, talents and preferences? These are private matters, not something readily accommodated by the great system of K through 12 education, which is really a type of central plan. Most parents don’t even think twice about it but it is true: this country has an approved tract for all kids and the goal of the system is to force conformity to it. If a child is faster than the plan allows, he or she has to learn to wait. If a child is slower then the plan allows, he or she had better speed up. Each year that goes by is a marker, like a production goal in a Gosplan.

You can see it in the educational codes of every state, which have a century of accumulated cruft that reflects a slight change in educational philosophy that is written into law every ten years or so. We must have open classrooms and language experience! But no child can be left behind! Values clarification! Back to basics! The old priorities are not repealed but rather become like a layer in an old growth tree, the branches of which are a gigantic bureaucracy living off the taxpayer. But who can complain since the system is “free?”

Any child who deviates from the approved path is considered to be a problem. What if a child is ready for college at the age of 13 or 14? You can count on school administrators, counselors, teachers, pastors, and other parents to all say that it would be a disaster for the child to skip a step. Is it even allowed that a child can graduate that early?

And look at the shock and horror that has greeted the success of homeschooling: people who do this are seen as short-sighted, freaky, and even unpatriotic. Certainly they are doing the child no favors in denying him or her the glorious socialization that comes with staying with the central plan. When the homeschool child performs well, and all the data indicate that they do, this is chalked up to some exogenous factor and then ignored by the central planners.

Has this system reinforced a certain pattern of negligence among parents, the sense that there is no real need to push the child in this direction or that or otherwise insist on excellence and help the child achieve it? Certainly that is the usual path that central planning takes. When we are no longer owners of a resource, and no one in particular takes responsibility for outcomes, and the things we do to affect those outcomes don’t produce substantial results anyway, why bother?

This might be the real reason for the American tendency to approve of things the child is and does. As a culture, we’ve come to trust someone else to take on the essential responsibility of molding the next generation.

The central plan has instilled a kind of parental lethargy. We let the state take over the core responsibilities from the age of 5 through 22, and then we are shocked
to discover that kids leave college without a sense of work ethic, without marketable skills, and even without the ambition to succeed in the real world. So we let them become boarders in our homes, "reverts" who specialize in Wii and Facebook updates. Growing up takes longer and longer because the machinery we have in place saps individual initiative and punishes any outlying behavior.

As for the Chinese approach, it might reflect a sense that authorities can never be trusted with the essential job of training a child for life. Long enough experience with a central plan will tend to teach that lesson. Americans are just behind the learning curve in this regard.

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Ninth in a monthly series of Nelson’s lessons, right out of Becoming Your Own Banker®, we will continue until we have gone through the entire book.

PART I LESSON 9: BECOMING YOUR OWN BANKER®


As in the grocery business that we discussed earlier, you must first study the banking business so that you have a firm grip on what it is all about and feel that you can run such a business. Without this confidence you are fighting a losing battle. This, too, is a very competitive business.

Next, you must come up with some capital – money. In today’s world it should be in the order of $10 million or more and it must be on deposit at some other bank in a very liquid form -- i.e. earning a very low interest rate while you are trying to get the Banking Commissioner in your state to issue you a charter. This is not all that easy to do. The odds of your getting a charter at this point are less that 100 to 1. There are a lot of other folks in your state wanting to get into the banking business too, and you must wait your turn. This could easily take 10 years!

A lot of what is going on at this stage is unseen. Whenever I hear the word “commissioner” it reminds me of an iceberg -- only 10% of it appears above the water! Surely, you have had some experience with bureaucracy, so use your imagination as to what I’m describing. The bottom line is that you are going to spend a lot of time and money in this phase of creating your own bank. Years are likely to have passed before you finally win the coveted charter. In the meantime, you have probably gone through the part about a good location and an attractive building – all at considerable expense.

Now you are finally in the banking business! You must make your bank known by lots of advertising and trying to induce other people to deposit money in your bank. This is going to cost you a lot of money. Banks are in the business of lending money. Adam Smith, in his book, Paper Money, says, “A banker cannot make a loan unless he has a deposit. It seems a little silly to state that so baldly, but if three college educated Americans in ten don’t know we have to import oil, I don’t feel so bad about saying something bald. Banks do not lend their money. They lend the money someone else left there.” He goes on to say, “When you start up a bank, you have to put in some capital. Then you get some deposits, and then you lend the deposits. In a proper bank these three items bear a prudent relation to one another. If you are a little country bank with a capital of $100,000 it would be imprudent of you to loan Brazil $50 million. So you want a prudent relationship between the capital and the assets, which is to say the loans on the books, and between the loans and the deposits. In the Western countries the financial agents of the government are there with a definition of prudence.”

Even with such government oversight banks can, and do, still fail. There were massive failures in the 1980s. A case comes to mind. In September 1983 the First National Banknotes - Nelson Nash's Monthly Newsletter February 2011

6 www.infinitebanking.org
Bank of Midland, TX (the richest city in America per capita at that time) had a loan portfolio of $1.5 billion. And 26% of the loans were non-performing, i.e., they were not getting the money back. When this happens in a bank someone must support the situation and this is normally the function of the stockholders. Because of the losses the stockholders’ equity lost 87% of its value down to $12 million. This is in relation to a $1.5 billion loan portfolio! That’s a shaky bank! Guess what happened when the depositors learned of this? Right! They withdrew $500 million! Remember, this is what bankers lend, the deposits.

This sounds ominous, but you haven’t seen anything yet! You must add the “multiplier effect” of bank lending practices. Practically no one knows that when one makes a deposit of $1,000 at a bank, the bank can now lend out $10,000. Where did the other $9,000 come from? They are creating money out of thin air! It is called the “fractional reserve lending system.” I call it the world’s largest “con game.” It is all predicated on the theory that “everyone is not going to withdraw their money at the same time.” For a complete understanding of all this, read The Creature from Jekyll Island by G. Edward Griffin, and also, The Case Against the Fed by Murray Rothbard.

So First National hired a new CEO to come in and “put out the fire,” but it was too late. Two months later they were out of business. More understanding of what really happened appeared in the December issue of a drilling magazine. Reading “between the lines,” it was pretty evident that a lot of those non-performing loans were made to the members of the board of directors.

Does this remind you of the grocery store example that we studied earlier? If the owner and his family go out the back door without paying for them, he will probably go bankrupt. The same think happens in the banking business!

Remember this, because in the banking system I am going to tell you about, you can also destroy it by not obeying the basic rules of banking. Loans have to be paid back or you can kill the best business in the world. It is all up to you, but don’t try to blame others when it happens. We will continue this in lesson 10. I’ll see you then.