

BEWARE LAME DUCKS

Wounded animals are dangerous. In particular, the “lame duck” Congress that occurs after the November 2nd midterm election may wreak havoc on our threatened republic and staggering economy.

Washington bureaucratic birds were anything but lame as they winged it out of their well feathered nests to hit the campaign trail, leaving us without a formal budget or action on a crucial piece of legislation that is holding up the economy; the Bush tax cuts set to expire Jan 1, 2011

Is this unconscionable, cowardly or calculating? Is this prelude to lame duck looniness that has happened before?

Although it is a tad early to pick out red office drapes in the Rayburn building, Republican hopefuls have announced plans which strongly resonate with the tenets of the Tea Party “Contract From America.” House minority leader Boehner correctly asserted, while quoting former president John F Kennedy, “An economy constrained by high tax rates will never produce enough revenue to balance the budget, just as it will never create enough jobs.”

Erskine Bowles, President Clinton’s former Chief of Staff and co-chair of Obama’s blue ribbon deficit panel was clear (paraphrasing)...” to get out of this mess we need to increase revenues”. He did not say do it with taxes.

Carefully done, cutting taxes generates revenue. The US chamber of commerce, the CATO Institute, the nonpartisan Institute for Research on the Economics of Taxation and most importantly, history all show that Reagan tax cuts resulted in stable revenue and increased GDP by a third. Keynesian models were wrong in 1978, the Reagan era, 1997 and spectacularly so now. We cannot afford to bury job hopes in the locked tomb of progressive ideology.

The CBO predicted yield from tax cuts is only about \$115 billion against a \$980 billion deficit. That is about 12%. Spending by the Feds will be about \$2 trillion more in 2011 than it was in 2001 when the tax cuts started. Thus government cutting spending can have over 17 times more impact on the debt than any revenues generated by allowing the tax cuts to expire.

Spending, not primarily low tax revenue led us here. Boehner also called for the repeal of new Alternative Minimum Taxes which will lasso another 24 million families, planned increases in Employer Taxes and Obamacare, with its many hidden provisions. One hidden jewel is a sure job killer and major intrusion of government that requires immense tracking and exchange of personal information and 1099’s by all small businesses for any transactions over \$600. Gotcha!

Lower tax rates create capital for taxpayers to grow businesses thus expanding the tax base and increasing tax revenue. The administration’s insidious war against private-capital investment, entrepreneurial rewards, free-market incentives, and private business is beleaguering the economic

recovery. It must end and serious bi-partisan, across the board spending cuts without sacred cows must commence.

Economic security is directly related to incentives. Reward for one's labors, not enfeeblement through entitlement, forced redistribution or "spreading the wealth around" by government is the best incentive.

Citizen's must get informed and engaged, not just enraged and make elected officials follow through. Constitutional republics and American exceptionalism ultimately depends on every generation of our nations' constituents understanding who we are and how this nation, under God as envisioned by our Founding Fathers, is the best and brightest hope to safeguard the unalienable rights of life, liberty and pursuit of happiness.

So beware the lame ducks known as the North American pin tail progressive. Prone to delusions of "fundamentally transforming America", they whip up class warfare and play race cards with aplomb. As economist Lawrence Kudlow said, "Lower the cost of capital and raise the investment return permanently to reignite sagging animal spirits in the economy. Then let markets -- not government planners -- make the final decisions."

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