

## Another Pyrrhic Victory

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*But what do we mean by the American Revolution? Do we mean the American war? The Revolution was affected before the war commenced. The Revolution was in the minds and hearts of the people.... This radical change in the principles, opinions, sentiments, and affections was the real American Revolution.—John Adams*

As voters headed to the polls for the mid-term elections, many pundits and political insiders correctly predicted a Republican triumph. They correctly argued that, although outraged voters are not particularly enamored with the Republican Party, they would throw out Democrats and give Republicans a temporary lease on power. This temporary lease would be an opportunity for Republicans to demonstrate their ability to govern. They gave them that temporary lease in the House and the balance of power in the Senate has shifted despite Democratic control. However, many of the Republican candidates who wrapped themselves in the *Constitution* and the American flag to garner support from Tea Party supporters will provide the same warmed over Statism of the Neoconservative elite that governed during the Bush years, the father's and son's administrations, and spurred the 1994 Republican Revolution; the 1994 Republican Revolution was led by one of the most opportunistic Neoconservative politicians: former Speaker of the House and Representative Newt Gingrich. It is unfortunate that many of the current Republican candidates and the leadership in the House and Senate suffer from the same perverse desire for power and erroneous ideas as Newt Gingrich and lack the courage to offer the American public statesmanship; it is important to emphasize that the Neoconservatives, particularly, Irving Kristol, one of the fathers of the movement, argued that the acceptance of President Franklin D. Roosevelt's massive government intervention by many Republicans was the greatest advancement in Conservatism. Unfortunately, like the 1994 Republican Revolution, this election will deliver the American voters, particularly Tea Party voters and Conservatives who genuinely support the *Constitution* and desire liberty, another pyrrhic victory.

The absence of statesmanship has plagued the American political scene for decades and the hope of many of the Tea Party voters will be dashed by the activists, candidates, pundits, and organizations that claimed to be supporters of the *Constitution*. The new buzz word, Constitutional Conservative, has been thrown around by many activists, candidates, pundits, and organizations, but, when these individuals are questioned about their vision for the future of the American Republic, it bears little resemblance to the vision of the Founders or the Framers. This was manifest in a recent interview of Max Pappas from FreedomWorks, Karl Denninger from FedUp USA, Amy Kramer from The Tea Party Express, and Judson Phillips from The Tea Party

Nation by Lawrence O'Donnell on MSNBC. Mr. O'Donnell asked these guests, who claimed to oppose Socialism, particularly the redistribution of wealth, and Obama's health care and, more importantly, considered themselves Constitutionalists, to raise their hands if they considered Social Security and Medicare to be examples of Socialism or the redistribution of wealth. They predictably sat there without raising their hands and, when Mr. O'Donnell pointed out that the philosophy underlying these programs is the same redistributionist schemes advocated by President Obama and the Democrats, they attempted to divert the conversation to the "out-of-control" spending. This should not be a surprise to those who grasp the distinction between Communism and Socialism and recognize the lack of knowledge and understanding of the majority of American politicians, pundits, and activists of the principles of the American Revolution. Moreover, it should not surprise anyone of their woeful ignorance of economics.

The "Pledge to America" put out by the Republican leadership is further evidence of the lack of statesmanship and the ignorance of the established Republican political class; as Representative John Boehner of Ohio, the Speaker-Elect of the House and advocate of the Pledge, wept in his victory speech, I wept for the future of our liberty and the souls, particularly the souls of those who courageously serve in the military, of my fellow Americans. The Republican leadership has little understanding of the *Constitution* and the Worldview at the heart of the *Declaration of Independence*. They have like so many "Conservatives" unknowingly adopted the language of the Progressives and are, like Cafeteria Catholics, Cafeteria Constitutionalists. The document is without substance and, far worse, filled with contradictions. They claim that every piece of legislation must pass constitutional muster; i.e., the advocates of legislation must demonstrate their constitutional authority to exercise the power sought. However, a few passages later, they claim they are going to reform and strengthen Social Security and Medicare. Where do they find the constitutional authority to continue these redistributionist schemes? The document goes on to present their predictable "solutions" to the economic crisis: incentives that distort the free market and the usual "supply-side" schemes. They are prepared to focus on the economy and create jobs is their slogan, regardless of the fact that in a free market the government does not create jobs. This is the role of the entrepreneur.

Moreover, they continue to advocate nation building in Afghanistan and the use of military force to establish Democracy; Ken Buck, a supposed Constitutional Conservative candidate for Senate in Colorado who fortunately lost his bid, was beating the drums of war against Iran and Senator-Elect Marco Rubio of Florida, the new American Dream story of the Republican political class and fair-haired boy of prominent Neoconservative pundits like Bill Kristol, has a voting record in the Florida legislature that indicates he will, like all good Neoconservatives, vote to merely "reform" programs and aggrandize the warfare state. They argue that the spread of Democracy, the panacea of the Neoconservative elite and what Aristotle cogently argued is one of the worst regimes, will maintain peace and security; their real agenda is to maintain America's hegemony and establish an empire. However, these are the same Republican leaders and organizations that

rail against Obama's policies and cast him as a Socialist. Obama is attempting to centrally plan the American health care sector, an attempt that will fail and lead Progressives to blame the free market and the lack of a "public option," but Republicans are attempting to centrally plan entire nations; nations that lack the cultural institutions to accept Western ideas. Thus, the question is who are the real Socialists or, more appropriately, the real Statists? Is it the Democrats or the Republicans? Or is it both?

Unfortunately, it is both, but the hypocrisy of the Republicans, who claim to favor limited government, is the greater danger to the future of our liberties. Their Statist policies, which are shrouded in the language of liberty and freedom, leads the American public to lose faith in the enduring truths of the American Revolution and presents a false portrait of the free market; it lulls America into the soft tyranny that flows from the modern political god: Democracy. The Republicans champion "free market solutions" and "incentives" that, coupled with the predictable monetary policy of the Federal Reserve, lead to the very distortions in the marketplace that cause mal-investment and the inevitable bust of the corresponding bubble. The only incentive in a free market is the profit opportunities that entrepreneurs perceive based on the demonstrated preferences of market participants. The supposed "free market solutions" and "incentives" of the various Republican public policy experts and think tanks—the very idea of public policy implies central planning—hinders the creation of real wealth and benefits the various politically connected cronies. This is Corporatism and it misleads the American public to believe that the free market is inherently unstable and beneficial to the politically connected. The only free market solution is the ingenuity of entrepreneurs who seek to fulfill the most urgent demand of market participants; demand that is based on the individual preferences of market participants not politicians or bureaucrats. The Republican policies distort those preferences and change the behavior of entrepreneurs. This inevitably leads to the destruction of wealth as entrepreneurs engage in ventures that would otherwise be unsustainable and, more importantly, unprofitable.

If there are any doubts about the direction the Republicans will pursue, then Americans should look at the Republican actions and pathetic legislative proposals while in the minority in the House and Senate over the past few years. Their first alternative budget proposal, put together by Representative Paul Ryan of Wisconsin, one of the "young guns" and rising stars of the Republican Party, purported to balance the budget within 15 to 20 years and promised to limit the growth of government to its historic levels of 4% to 5% a year. The budget made no effort to eliminate unconstitutional departments, agencies, or programs and the rosy economic predictions prohibit any possibility of balancing the budget. Moreover, the idea that limiting the growth in government to its historic levels is limited government is erroneous and indicates contempt for the *Constitution*. It is the typical Orwellian new-speak of the modern political charlatans that masquerade as "Conservatives" and continue to claim their support for the *Constitution*. It is the same tyrannical mindset that paved the way for the *Patriot Act*—the very name is used to smear

those who disagree with the modern police state as unpatriotic—and will pave the way for the Republicans to impose their own unique form of central planning on Americans. If Americans still doubt that Republicans seek to impose their own form of Statism, then listen closely to the response by Senator Mitch McConnell of Kentucky and Senator-Elect Pat Toomey of Pennsylvania, another supposedly rising star in the Republican Party, to questions about repealing health care: they want to replace it. The question is: replace it with what? The answer is: a centrally planned Republican health care proposal that is shrouded in the language of “free market” reforms.

Moreover, this year the supposed rising stars floated the idea of a “non-budget budget” that emphasized some key points rather than an actual budget; it should be noted that these Republicans hypocritically berated the Democrats for failing to present a budget. Several of these points are: to bring transparency and oversight to and to limit the risk at Fannie Mae and Freddie Mac; stop the stimulus spending that is scheduled to be spent in the out years; and to establish a commission to determine which programs, departments, and agencies should be cut or eliminated. These are the typical establishment ideas that lack courage and vision. Why should the American public pay for additional bureaucrats to serve on a commission to determine programs that should be eliminated? Is this not the responsibility of our Congressmen? And why is there no proposal to liquidate Fannie Mae and Freddie Mac, which are both unconstitutional, and return the responsibility of purchasing mortgages to the private sector? The answer is that the majority of Republicans lack any understanding of the free market and, more importantly, the courage to present the truth and challenge the American public; they lack the virtue that befits a statesman. Thus, if they are unwilling to offer a sincere budget proposal or any other legislation consistent with the *Constitution* while they are in the minority, then why should anyone expect them to sincerely pursue an agenda consistent with the *Constitution* when they are in the majority?

Furthermore, the response to Moderator Chris Wallace’s questions about the budgetary problems on Fox News Sunday by Representative Eric Cantor of Virginia, another rising star and fair-haired boy of the Republican establishment, and Paul Ryan, the Republican’s budget guru, indicates the lack of a bold vision for the future. They attempted to defend the typical establishment proposals to cut \$100 billion from non-defense discretionary spending, but offered little specifics beyond the statistics of the recent percentage increases and defended the modest need to merely return to the 2008 levels of non-defense discretionary spending. While \$100 billion in spending cuts is admirable, why are they unwilling to acknowledge that there is as much waste and fraud in defense spending and the continued attempt to sustain our overseas presence is as much a drain on the discretionary budget as other discretionary spending? Why is there this incessant need to equate patriotism with maintaining the warfare state and expanding the police state? Why are the increases in spending at the Department of Homeland Security, which have little effect on our security and, more importantly, as the current TSA debacle

indicates, are a threat to our liberties, not as egregious as other spending increases? Where is the courage and the leadership? Where is the statesmanship? The answer is: it is foreign to the character of the modern American politician.

Moreover, their timid response to Wallace's questions about something as minor as a permanent ban on earmarks rather than a mere moratorium indicates little has changed. Both claimed that earmarks have a corrupting influence on the political process, but they are unwilling to commit to a permanent ban. The recent candid remarks by Senator Jim Inhofe of Oklahoma about the real purpose of earmarks and the unwillingness of Mitch McConnell to apologize for his past abuses of earmarks should not surprise anyone; their hubris is a common character trait of the modern political class. The current economic environment, particularly the news that the Federal Reserve will pump \$600 billion into the economy coupled with the unsustainable entitlement state, demands a more frank discussion with the American public. The discretionary budget cuts will not resolve the deficit or debt crisis. The entitlement state must be addressed. The American public needs to hear the truth about the nature of the entitlement state. The Social Security program is a redistributionist scheme established by unprincipled politicians who never expected to pay the majority of potential recipients; the initial eligibility age was set above the life expectancy of the majority of potential recipients. They never intended to pay the majority of contributors. It was a ponzi scheme that politicians used to fund their special interest boondoggles and aggrandize the State. Bernard Madoff's scam pales in comparison, but the intense outrage directed at his fraudulent and criminal activities escapes our politicians.

The effect of Medicare and Medicaid on the deficit and health care sector must be discussed. Like Social Security, Medicare and Medicaid are redistributionist schemes; the medical expenses of current beneficiaries are paid by current contributors. The often floated excuse, the trust fund was raided, for Medicare's insolvency, like Social Security's insolvency, is, to be polite, misleading. Under any circumstance these programs are unsustainable. The redistribution of wealth and ponzi schemes are unsustainable and, more importantly, immoral; an individual that uses fraud or the threat of force to engage in theft is a criminal and these are precisely the actions of our "benevolent" politicians. Moreover, Medicare and Medicaid, which are the greatest expenditures in the health care sector, distort the health care market and prevent the sort of genuine innovation and competitive environment that produces better care at lower prices. Why is it that in those areas of the health care sector that are not covered by Medicare, Medicaid, and private insurance there is innovation? Why is it that prices for procedures decline with those innovations? Why is it that these providers advertise their prices? How often do you see an advertisement for the cost of an x-ray, a yearly physical, or a general check-up? The answer is: a genuine free market in health care produces the competition that leads to the greatest possible benefit for market participants.

A further concern is the various Washington D.C. orientation seminars for new Republican Representatives organized by the Claremont Institute, which produced some of the very Neoconservative intellectual elites that spurred former Secretary of Defense Donald Rumsfeld's utopian vision of a Democratic Middle East and former Vice President Dick Cheney's ridiculous synthesis of just war theory and preemptive war, and FreedomWorks, former Representative Dick Arney's unprincipled organization that is for sale to the highest bidder, conducted last week. The buzz is that these influence peddling organizations are competing for the ear of the Tea Party candidates. Dick Arney shamefully remarked at the FreedomWorks seminar that the newly elected Representatives should reform government in a manner that is consistent with our constitutional principles; reforming redistributionist schemes to improve their efficiency is inconsistent with the *Constitution*. However, the real concern is the cavalier remarks that some of the newly elected Representatives made in response to email blasts from grassroots Tea Party organizers: they sent us here and now they need to trust us. This is the typical response of naive and unprincipled politicians. The grassroots Tea Party organizations that are not funded by various politically connected cronies must continue to apply pressure and the newly elected Representatives should recognize that they will need the support of the grassroots to challenge the septic influence peddling system in Washington D.C.; a system that Dick Arney and many other former Representatives have parlayed into lucrative lobbying positions for themselves and their families. The newly elected Republicans need to lean on their grassroots' supporters for courage amidst the pressure to accept and promote the predictable "silver-bullet" solutions floated by the established Republican political class. They should scorn the established political class and the influence peddlers and revere their grassroots supporters and their oath to the *Constitution*.

Anyone who may have placed their hopes on the release of the bi-partisan commission's report on the debt and the deficit had their hopes dashed as former politicians from both sides of the aisle continued the trend towards an economic meltdown. The much heralded and supposedly courageous report merely attempts to "reduce the deficit to sustainable levels by 2015 and balance the budget by 2037," "achieves nearly \$4 trillion in deficit reduction," and "ensures lasting Social Security solvency." What level of deficit spending is sustainable? How can anyone expect politicians to adhere to a plan that balances the budget in 27 years? Why is there this need to perpetuate the myth about Social Security sustainability? If former politicians lack the courage to be frank about the entitlement state, then why should anyone expect current or future politicians to be frank? The American public desperately needs to hear the truth about the necessity to eliminate the entitlement state over the course of the next 20 years and the need to reduce Federal Government spending to less than 15% of GDP rather than the modest attempt to reduce spending to 22% and, eventually, 21% of GDP. The eventual goal should be to reduce Federal Government spending to less than 10% of GDP and to limit the "revenue" to the Federal Government to at or less than 15% of GDP as the debt is eliminated. This would be a genuine proposal to return the Federal Government to its constitutional limits. This sort of vision would

demand genuine statesmanship. It would require the American public to forgo the usual pandering by spineless politicians and begin to except responsibility for the current state of the Republic. It would require the sort of change in the American public's idea that their Representatives and Senators should reflect their romanticized notions of Democracy, particularly the egalitarian notions, and begin to choose statesmen to represent them rather than politicians who capitulate to their fickle desires; the fickle desires of the mob.

However, despite these obvious difficulties and obstacles, there are many reasons, including the realization that 4 out of every 10 voters in the mid-term election expressed a positive view of the Tea Party movement, to remain optimistic. This year's pyrrhic victory will present an opportunity similar to the original Boston Tea Party; it will lay the foundation for principled statesmen to articulate the real problems and lay the foundation for a genuine revolution. Many American's erroneously believe that the Boston Tea Party was the proverbial straw that broke the camel's back and spurred the American Revolution, but many of the colonists, particularly the Southern colonists, who produced the greatest statesmen of the American Revolution, considered the actions of the Massachusetts colonists a criminal act; it was seen as the destruction of private property by an undisciplined, leaderless, and angry mob that lacked a political vision. It was the oppressive British response, known as the *Coercive Acts*, which unified the colonists and produced the statesmen who championed our independence and provided the leadership and eternal truths that fueled the outraged colonists. If the Tea Party movement remains engaged, then the Republican approach, an attempt to merely better manage and reform programs rather than recognize that government is the problem, to America's problems will hopefully provoke a similar response. Hopefully, it will provoke a response that will lead to a revolution in the hearts and minds of Americans; this response may provoke a radical change in the principles, opinions, sentiments, and affections of Americans and produce a revolution that seeks out statesmen, rather than businessmen who think better management of the State is the solution, who grasp the philosophy underlying the American Revolution and recognizes that liberty demands personal responsibility and sacrifice.

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