



## Lady Liberty Doesn't Recognize Her Own Country

by **Herbert I. London**  
**April 6, 2009**

In a little over two months since the inauguration of President Barack Obama, the United States has become a different nation. It is not merely the transfer of trillions of taxpayer dollars from the government to designated industries. It is not only the deleveraging in the private sector and the re-leveraging in the public sector. It is not solely the dramatic increase in aggregate debt. The primary issue, as I see it, is the method employed to achieve these goals and the disregard for personal liberty and the Constitutional. Atlas is getting ready to shrug.

Let me cite an example. On March 24th, 2009 House Financial Services Committee Chairman Rep. Barney Frank's committee passed a bill giving Treasury Secretary Timothy Geithner extensive control over the salaries of employees working at companies receiving bailout funds. This bill goes well beyond the removal of Richard Wagoner as President of General Motors. The "Pay for Performance Act of 2009" would impose government control on the salary of all employees -- not just senior executives -- of every company receiving a capital investment from the government.

Presumably the legislation is designed to prohibit "excessive compensation" -- a somewhat obscure standard to say the least, but one to be adjudicated by Mr. Geithner. This legislation will soon be coming before the full House of Representatives for a vote at a time when the populist toxin of anti-elitism is in the air we breathe.

Yet it is interesting that Article One, Section Eight of the Constitution -- which enumerates the powers of Congress -- does not mention the power to determine salaries in the private sector, nor does it mention bailouts and the extra-Constitutional authority these bailouts confer. It is remarkable that the Democratic-led Congress and the Obama administration consider it appropriate to assume such power and equally remarkable that no one, to my knowledge, has pointed out the unconstitutional nature of this decision.

This, of course, is not the only example. The Obama administration, through TARP allocations, permitted bonuses at AIG in those divisions that generated a profit. In fact, contracts were signed to this effect. However, when the story leaked that \$150 million would be allocated to AIG executives in the company that had received billions in bailout funds, an outcry arose from the public so shrill the White House was obliged to respond.

Rather than note that our Constitution prohibits ex post facto laws and bills of attainder (the so-called "bonus tax" being one of the latter) and that the bonuses were given with forethought from the administration, Obama joined the chorus of angry citizens and demanded a return of the money. Surely this president, who has taught Constitutional Law at the University of Chicago, must know that such bills of attainder provisions are illegal. If our Constitution means anything, contracts that are conducted legally and in good faith require an obligation by both parties to meet the terms of the agreement. The Fifth Amendment states clearly that "No person shall...be deprived of life, liberty or property with the due process of law, nor shall private property be taken for public use without just compensation."

Yet here is America in Constitutional denial as the Obama administration marches blithely into a Brave New World of expansive government control over the private sector. Whether socialism has come to this land of the free or whether this is an invasion of European leveling is too early to say. But it is already clear that the change Mr. Obama discussed during the course of his presidential campaign is here, and it is transformative.

Moreover, despite the claim that this is a temporary shift of priorities in order to ameliorate the meltdown in the credit markets, it is instructive to recall Milton Friedman's admonition that there is nothing more permanent than a temporary government decision. My great grandchildren will be dealing with the changes initiated today a century from now. And even though I hope my prediction is wrong, these actions taken in haste by the President and the Congress are altering the foundational principles of our nation into the indefinite future. No wonder I see tears flowing down the cheeks of the Statue of Liberty. She doesn't recognize her country.

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## **Penn State's Anti-Veteran Bias**

**By Mark Hyman**

**April 27, 2009**

Move over Janet Napolitano. Your Department of Homeland Security is not the only public institution that claims military veterans pose a threat to public safety.

Napolitano has been under fire from veterans groups and others for a DHS document warning counterterrorism and law enforcement authorities of an alleged threat to the U.S. posed by "domestic rightwing terrorists." Included in the group of potential rightwing terrorists are individuals who are pro-life, support the Second Amendment and oppose the flood of illegal aliens.

The DHS pamphlet ("Rightwing Extremism: Current Economic and Political Climate Fueling Resurgence in Radicalization and Recruitment") also singled out veterans who "were disgruntled, disillusioned, or suffering from the psychological effects of war" for possible recruitment into domestic terrorist cells.

Pennsylvania State University has joined the Napolitano school of thought in warning against the dangers presented by military veterans. The university's Division of Student Affairs produced a series of vignettes under the category of "Worrisome Student Behavior." According to the Penn State website, the "vignettes demonstrate common situations where faculty or staff are attempting to help students."

One of the vignettes featured an Iraq war veteran who displayed aggressive behavior toward his instructor. In an office meeting with her department chair, the instructor characterized the veteran as dimwitted, poorly-educated, inattentive to instruction, argumentative and threatening.

Instructor: I'm still having problems with that student I mentioned.

Department Chair: The veteran?

Instructor: Yeah. He's having problems with his papers still. His grammar is really poor and he veers off-subject and he's just not really seeming to understand the assignments....I just feel kind of nervous talking to him. He's very, his tone is very confrontational and I feel like he's always on the verge of losing his temper."

In the video, the veteran threatens the instructor after receiving a C+ on his assignment.

Veteran: I just want the grade I deserve. You know what? You'll see. You'll be sorry. I'm going to get you fired.

The university removed the video from the Student Affairs website after receiving student criticism. It may be viewed here:

What is truly worrisome is how Penn State's Division of Student Affairs, presumably the office that advocates on behalf of students, portrays military veterans as academically-challenged,

belligerent and potentially violent. This is an incredibly ignorant tone emanating from academia considering it was the tremendous influx of World War II veterans who helped fuel the enrollment and growth of hundreds of colleges and universities immediately following the war.

Even Penn State has benefited handsomely from veterans-turned-students. The school has been closely associated with military training since passage of the Morrill Land Grant Act of 1862. Present-day on-campus military training programs include Army, Navy and Air Force Reserve Officer Training Corps programs. The university credits veterans with contributing to the expansion of its 19 extension campuses around the state.

In 2001, Penn State President Graham Spanier announced the school's 5-year, \$453 million contract with the Department of the Army to provide distance learning to an estimated 15,000 soldiers worldwide. The school's "World Campus" program continues today.

The school's anti-veteran bias appears to violate the university's own personnel policies. Policy AD29 State of Intolerance prohibits "discriminatory bias against or hatred toward other individuals or groups based on characteristics such as...veteran status."

Imagine the public outcry if PSU had instead identified the student exhibiting "worrisome behavior" as black, Hispanic, a homosexual or a Jew? Race, religion, ethnicity and employment history are immaterial if an individual behaves inappropriately. Bad behavior is bad behavior. Yet, Penn State authorities felt compelled to identify the aggressive student portrayed in the video titled "I Deserve A Better Grade...Or Else" as an Iraq war veteran.

A representative in the office of President Spanier referred all inquiries to a university public affairs official. A phone call to that individual requesting comment was not returned.

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## Could Iowa Signal the Tipping Point Against Rapid 'Change'?

by Herbert I. London  
April 28, 2009

Here in the heart of the heartland in Sioux City, Iowa a "pitchfork mentality" is emerging. In a town that has stockyards and a meatpacking company that yields what locals call "aroma alley," the Republican base, which has been in retreat since the presidential election, is energized and the Democratic majority is growing angry at its own leaders.

Two issues have emerged as critical: a government plan to prevent the deductibility of state taxes on the federal tax form and a state Supreme Court decision to mandate homosexual marriages.

If subject to a vote, these proposals would lose 85 to 15% according to recent polls. Yet the state court is seemingly oblivious to public sentiment and is intent on making the law rather than interpreting it. And the Democrat majority in the legislature anticipates a revenue windfall if the tax proposal passes, a windfall it cannot resist.

These two issues are the front burner matters in a state that voted for Barack Obama in the presidential election. But this support for the president is evaporating quickly. In Sioux City even the Democrats at a recent rally contend "he is moving too fast and too far." Iowans believe America is sliding into a command economy that imperils freedom. Despite the claims by hard-core leftists like Janine Garofalo that these cross-country tea parties are nothing more than discontent with the president's race, I couldn't find a scintilla of evidence to support this claim.

The concern is real and deeply felt uniting most Republicans and many Democrats. These are rumblings in the heartland that President Obama should heed, although that doesn't appear to be the case. Iowa farmers don't know John Maynard Keynes, but they do know a power grab when they see one. Fiercely individualistic Iowans are resistant to a Washington bureaucracy that wants to tell them how to live and work. Priming the pump is seemingly acceptable as a method for kicking the economy into gear until the decisions affect personal behavior.

I don't know if Americans are yet ready for a second American Revolution as some bloggers are suggesting, but I do know that in a state conservative in outlook and disposition, anger is building that may be unprecedented. The "I'm angry and won't take it any more" refrain at

rallies is often bipartisan with some Democrats saying if we only knew "this is the change we've been waiting for," they might have kept on waiting.

Admittedly, the Iowa caucus launched the Obama campaign for president about which some Iowans are quite proud. Many state Democrats argue it is still too early to assess the president's performance. That may be true, but the policy directions established with the Stimulus Bill, the Appropriations Bill and the budget proposal indicate an enormous transfer of capital from the private to the public sector and an accompanying transfer of power as well. This change cannot be overlooked even for those inclined to support the president.

It is possible that if there is an uptick in the economy, the public mood may change. However, it will soon be obvious blame cannot be leveled against former President Bush for the problems Obama inherited. Both the proposals and the state of the economy will soon belong to President Obama and his team. Therefore excuses and rationalizations are not likely to fly.

As I see it, the tea parties are a genuine *cri de coeur*. They arise as a plaintive eruption from the grass roots. Where this will lead is anyone's guess, since these events are dispersed across the country. At the moment, no one to my knowledge has attempted to translate the evident frustration into a political movement. But that could happen.

President Obama has chosen to ignore or dismiss these actions. That is a major error. He would be far wiser to address the concerns directly. The longer the anger festers, the more it becomes an impediment to his political fortunes. 2010 isn't far off for a congressional realignment and 2012 isn't far either for a Republican in the White House. These tea parties may augur a change as formidable as the one America once experienced in Boston Harbor.

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## Obama's First 100 Days

by Herbert I. London  
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Every new administration -- propelled by election success -- is in the political driver's seat for only so long. It is compelled by the calendar to attempt to put its agenda into effect in the first one hundred days. This was true of every president from FDR to George W. Bush and it is certainly the case with Barack Obama.

Today is the one hundred day mark for this Democratic term and in most respects the agenda and its contours have been outlined. While the full effect of the Obama program cannot yet be assessed, there is enough that has been done to engage in at least a partial evaluation.

The transfer of capital and influence from the private to the public sector has been profound and unprecedented. Americans will be saddled with debt for as long as one can imagine. And, unless I am sadly misguided, governments, including this government, tend to monetize unfunded liability thereby ushering in an inflationary tsunami, notwithstanding elitist arguments that this vicissitude can be managed.

It is also clear that the president has arrogated powers to himself not vouchsafed in the Constitution. For example, he asked for the resignation of the CEO of General Motors, a power in clear violation of Article I Section 8. Treasury Secretary Tim Geithner is talking about firing bank executives, and the administration is talking openly about taking an ownership interest in GM.

As significant as the assumption of government authority over the economy, is President Obama's stance on foreign policy. Without any fanfare and almost no news coverage, the president signed a G-20 contract with world leaders for a new world banking system.

This act, The Financial Stability Board (FSB), establishes an economic union with uniform trade regulations and bylaws. It includes the extension of "oversight to all...important financial institutions, instruments and markers..." (my emphasis). The head of FSB, Mario Draghi of Italy said, "every financial institution capable of creating financial risk will be the subject of supervision." This means that the United States has been inserted into an entangling alliance with Europeans and Asians that compromises national economic independence.

In the first one hundred days President Obama has attempted to chart a foreign policy course that tilts in the direction of multilateralism. He told the G-20 representatives that past

American policies "wrecked" cross Atlantic ties. He apologized for "national arrogance." He genuflected before the king of Saudi Arabia. He made a personal appeal to the Iranian mullahs indicating mistakes made by the U.S. in its policy approaches.

The president announced that he was prepared to slash the nuclear arsenal, cut back the missile defense program and reduce the power projection capability of the air force and the navy. He made it clear that a quid pro quo with Russia was possible. If Russia applied pressure on Iran to forego a nuclear weapons program, the U.S. would not deploy an anti-missile system in the Czech Republic and Poland. He prepared the newly-created Israeli government for a confrontation over the Palestinian territory. Most significantly, he toned down the rhetoric of the Bush years noting that we are not at war with radical Islam, but are engaged in "overseas contingency operations."

Whether this means the United States is no longer a superpower or -- under President Obama will -- refuse to act as a superpower, remains to be seen. After all, the president personally gave the go-ahead for military action in the stand-off with the Somali pirates and he "resolved to halt the rise of piracy in this region." He did approve the deployment of four thousand additional troops in Afghanistan, albeit conspicuously avoiding the use of the word "surge" or calling for victory.

While in Prague the president gave a speech outlining his tough posture on foreign policy. "Rules must be binding. Violations must be punished. Words must mean something. The world must stand together to prevent the spread of weapons. Now is the time for a strong international response." But when the North Koreans fired a missile over the Japanese archipelago two days after the speech, the U.S. appealed to the nations in the Security Council and couldn't even get them to agree on a nonbinding statement condemning the action. So much for punishment, rules and words with meaning.

As I see it the formidable shifts in policy will ultimately be judged by two standards: an evident improvement in the economy and forcing or encouraging Iran to forego development of nuclear weapons. On these matters, it is still too early to make hard judgments.

Americans are a forgiving people and despite Constitutional violations and an assault on the free market, are likely to give the president the benefit of the doubt if conditions in these two areas improve. If they do not, Barack Obama will be perceived as a failed president who altered the basic principles in the economy and diminished America's standing on the world stage.

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