



## Today in Liberty: Facebook CEO expressed NSA frustrations to Obama, CFOs say minimum wage hike would curb hiring

by Jason Pye

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*“The greater the power, the more dangerous the abuse.”* — Edmund Burke

— **Pen and Phone:** In its latest executive action, the Obama administration has decided to reverse cuts to Obamacare’s cost-sharing subsidies that it previously said would be trimmed because of the Budget Control Act, better known as the sequester. “Last year, the Office of Management and Budget (OMB) said the subsidies would face a roughly 7 percent cut under sequestration,” *The Hill* reports. “Budget officials changed that in their latest report, removing the subsidies from a list of programs the sequester will hit.” Presumably, the administration will have to cut elsewhere in the budget to make up for preserving these subsidies.

— **Zuckerberg expressed frustrations to Obama over NSA:** It must be nice to just pick up the phone and call the President. Nevertheless, the Facebook founder and CEO did so for a damn good cause. “This is why I’ve been so confused and frustrated by the repeated reports of the behavior of the US government. When our engineers work tirelessly to improve security, we imagine we’re protecting you against criminals, not our own government,” Zuckerberg wrote in a Facebook post. “I’ve called President Obama to express my frustration over the damage the government is creating for all of our future. Unfortunately, it seems like it will take a very long time for true full reform.”

— **Senate strikes a deal to extend unemployment benefits:** After months of negotiations Democrats and Republicans in the Senate have reached an agreement to extend unemployment benefits for five months. “The cost of extending the program is about \$25 billion for one year,” the *Washington Examiner* explains. “But the proposal is fully paid-for using a combination of offsets that include extending ‘pension-smoothing’ provisions in the 2012 highway bill, which are set to expire this year, and extending customs user fees through 2024.” Many economists argue that long-term unemployment benefits encourage people to not seek work. North Carolina recently reformed its unemployment compensation program, after which the state saw labor market growth.

— **Rand Paul on CIA spying:** The Kentucky Republican had strong words about the allegations that the CIA spied on Senate Intelligence Committee staffers. “There’s an incredible arrogance to me that the CIA thinks they can spy on a committee that is providing oversight for the CIA, and I think it’s a real, very serious constitutional breach,” said Paul, according to the *Washington Examiner*. “This cannot happen in a free country.”

— **NSA an enemy of the Internet:** The controversy over the NSA’s domestic surveillance programs has landed the intelligence agency on the “Enemies of the Internet” list, according to J.D. Tuccille of *Reason*. “Published by Reporters Without Borders, *Enemies of the Internet 2014* lists the NSA and [the UK’s Government Communications Headquarters] among such notables as Cuba, Iran, Russia, Syria, and a cabal of western firms that sell surveillance technology to the sort of governments that make decent people squeamish,” Tuccille notes. “Most of the names on the list are no surprise. Cuba’s communist dictatorship ‘denies most of its population free access to the Internet’? You don’t say. Syria’s thuggish rulers ‘monitor the Web and trace activists and dissidents’? Few of us thought otherwise.”

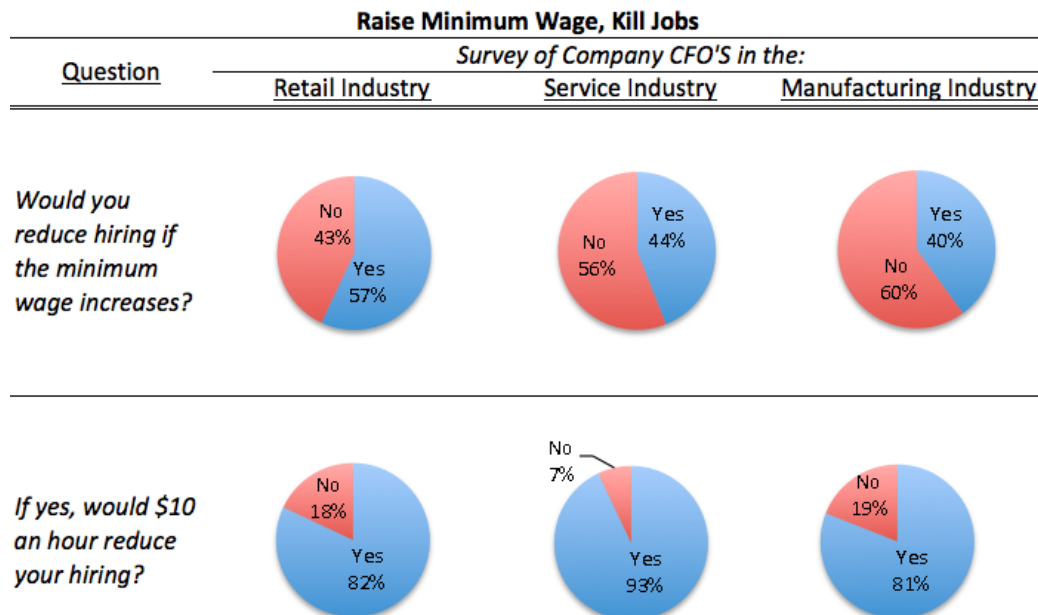
— **Yes, metadata is very revealing:** While apologists for the NSA are dismissing concerns about the information collected by the agency’s domestic surveillance programs, two grad students at Stanford University have shown how revealing metadata can be. “Beginning last November, [Jonathan] Mayer and [Patrick] Mutchler used a smartphone app called MetaPhone to collect metadata from 546 volunteers. They analyzed the information to see how much they could deduce about the people making the calls. Using publicly available directories (Yelp and Google Places), they identified specific parties called by the volunteers about one-fifth of the time (6,107 of 33,688 unique numbers),” Jacob Sullum explains. “Among other things, they found that 57 percent of the subjects had made medical calls, 40 percent had called financial institutions, 30 percent had called pharmacies, 10 percent had called businesses offering legal services, and 8 percent had called religious organizations. The last sort of call allowed Mayer and Mutchler to correctly identify the subject’s religion about three-quarters of the time.” That’s not all they found. There is much more detailed information available, including calls by one participant to gun stores and calls from another to hydroponics dealer and a head shop

— **Republicans should oppose Ex-Im Bank:** When the Export-Import Bank comes up for reauthorization, congressional Republicans should raised objections about its rampant cronyism and wasteful spending. “The Bank does more harm than good. It assists some – mostly large, politically savvy, deep-pocketed – U.S. companies at the expense of others. When U.S. taxpayers provide the financing for foreign companies’ purchases from U.S. companies, they are subsidizing the foreign competitors of downstream U.S. companies. “This is analogous to the tariff-rate quotas of the U.S. sugar program, to give one example, which benefit cane and beet producers and refiners, but put U.S. sugar-using firms in the food processing, bakery, and confectionary industries at disadvantages vis-à-vis their foreign competitors, who have access to cheaper sugar,” Dan Ikenson wrote at the Cato Institute’s blog. “It is an exercise in picking winners and losers with the winners being those firms and industries with the most effective K Street operations.” Ikenson hopes that Republicans take Tim Carney’s suggestion, and make opposition to the Ex-Im Bank a part of a campaign against corporate welfare in 2014.

— **Join the Rebellion:** It looks like Rep. Justin Amash (R-MI) is gearing up for another money bomb. His campaign posted this on his Facebook page yesterday. Amash, who has an establishment-backed primary challenger, raised over \$518,000 in the last quarter of 2013. He ranked third in the House in total individual contributions, behind only Speaker John Boehner (R-OH) and Rep. Paul Ryan (R-WI). March 31 marks the end of the first quarter of 2014, so candidates are blasting out fundraising emails to their lists in hopes to post strong numbers in campaign filings.

— **Brannon picks up Gun Owners of America endorsement:** Greg Brannon, a Republican running for North Carolina’s U.S. Senate seat, has picked up the endorsement of Gun Owners of America’s Political Victory Fund. “In six years, Senator Kay Hagan has done more to harm our Second Amendment than most Senators accomplish in multiple terms. That’s why it’s time for gun owners in North Carolina to exercise their right to vote and oust Senator Hagan from her office in Washington,” said Tim Macy of Gun Owners of America, which bills itself as a “no-compromise” organization. “Greg Brannon is committed to restoring and defending the Second Amendment to its fullest intent. This is our chance to send a true pro-gun patriot to Washington and to have our Second Amendment protected by a true leader. Gun Owners of America Political Victory Fund is proud to support Dr. Greg Brannon in his bid to take Senator Hagan’s seat.”

— **CFOs say they’d reduce hiring because of minimum wage hike:** A Duke University/*CFO Magazine* finds that Chief Financial Officers in three major industries say they would reduce their hiring if the minimum wage were raised to \$10.10. “Based on data from EU countries, it is clear that minimum wage laws kill jobs,” wrote Steve Hanke. “I concluded that hiking the minimum wage will kill jobs in the U.S., too. Executives surveyed in the Duke University/*CFO Magazine* Global Business Outlook Survey agree.” Here’s the chart, via Hanke:



Source: *CFOsurvey.org*. Prepared by: Prof. Steve H. Hanke, The Johns Hopkins University.

— **United Liberty to co-moderate congressional debate:** On Saturday, March 21, your humble Today in Liberty author will co-moderate a debate featuring candidates running in Georgia's 10th Congressional District (GA-10). The debate is hosted by the Newton Conservative Liberty Alliance. Confirmed candidates are Mike Collins, Gary Gerrard, Jody Hice, Stephen Simpson, and Mitchell Swan. Rep. Paul Broun (R-GA), a U.S. Senate candidate, currently represents the district.