



A Little on the Side; Obama's Biggest Super PAC

January 28, 2013 Forbes Staff

A Little on the Side

In an age of what should be more austerity, members of Congress couldn't resist slices of pork for their friends [in their deal that avoided the "fiscal cliff."] These include \$430 million in tax breaks for Hollywood filmmakers—who are doing very well at the box office—\$331 million for railroad operators, \$222 million for producers of rum in Puerto Rico and the Virgin Islands, \$70 million for NASCAR, \$59 million for algae growers, \$4 million for makers of electric motorcycles and \$15 million for asparagus growers.

—Cal Thomas, USA Today

Obama's Biggest Super PAC

The Federal Reserve Bank [has] pumped about \$2 trillion into the economy over a span of about two years—and none of it was part of the money Obama and his Democratically controlled Congress handed out. Roughly half of that \$2 trillion came after the last recession was officially over. And the Fed's not done yet, announcing [last year] its third quantitative easing (QE3)—or what some might call Obama's biggest super PAC.

But there is a price to pay for easy-money policies: inflation. Most people today, including many economists, think of inflation as a rise in prices and wages. But as economist Ludwig von Mises pointed out decades ago, the rise in prices and wages is the result of inflation. According to von Mises, inflation is "the increase in the quantity of money and money substitutes," which is exactly what's been happening.

We are living in very inflationary times, thanks to the Fed, and some day the bill in the form of very high prices will come due. And only then will most of the public think we have inflation.

—Merrill Matthews, Institute for Policy Innovation

The Greatest Man in the World

Britain has had many military foes in its long history and, [last year], London's National Army Museum set out to discover whom the British considered the most outstanding among them. The answer, by some margin, was George Washington, who won almost half of both the 8,000 votes cast in the online poll and the 70 votes cast at the museum's special event. Washington edged out his fellow contenders because he managed something that runners-up Michael Collins, Napoleon Bonaparte, Erwin Rommel, and Mustafa Kemal Atatürk did not — he comprehensively beat the might of the British Empire, and he did so despite facing a significantly larger and better-trained force.

Of these five men, Washington most significantly altered the world map. Indeed, historian Stephen Brumwell describes the American Revolutionary War as “the worst defeat for the British Empire ever.” This is most probably true; but it is not for this alone that Washington deserves his approbation: A reeling George III famously said that if Washington returned to his farm after winning independence, “he will be the greatest man in the world.” Two centuries later, it seems his countrymen agree.

—National Review

Infrastructure Investment

Federal policymakers are understandably concerned that America has top-notch infrastructure in order to compete in the global economy. But the best way forward is for the federal government to cut subsidies and reduce its control over the nation's infrastructure.

Privatization holds great promise. Consider, for example, that U.S. airports and seaports are generally owned by governments, but many foreign airports and seaports have been partly or fully privatized. The World Economic Forum rates America's seaports only 19th in the world, but the world's second- and third-best seaports—in Singapore and Hong Kong—are private.

Rather than increasing federal infrastructure spending—as some policymakers are proposing—we should begin devolving federal infrastructure activities to the states. The states should then unleash businesses and entrepreneurs to help America solve its mobility and congestion challenges.

—Chris Edwards, Cato Institute

Flight Risk

Former Transportation Administration agent John W. Irwin has pleaded guilty to stealing \$520 from a passenger at Norfolk International Airport. The passenger claimed he had a medical condition that would not allow him to go through the machine and asked to be patted down. TSA agents then selected the man for additional screening in a private room. Irwin used that opportunity to hide cash the man had placed in a plastic bin. Irwin said he did it because the man “had given my fellow employees a hard time.”

—Charles Oliver, Reason

French Revolutionary

French actor Gérard Depardieu has set off a firestorm after moving just across the border to Belgium in a huff, to escape France’s recent large tax hike. In a scathing open letter to the French government, the acclaimed actor, a member of the French Legion of Honor, said he had paid \$190 million in income taxes over 45 years and could not tolerate the new top rate of 75%. He charged the new Socialist government with believing that “success, creation, talent—difference, in fact—must be punished,” and said he was considering renouncing his French citizenship. Prime Minister Jean-Marc Ayrault called the actor’s departure unpatriotic and “pathetic.” Labor Minister Michel Sapin said he was exhibiting a “form of personal degeneration.