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An Objectivist Individualist

The personal thoughts of Charles R. Anderson are presented here. He is a materials physicist, a benevolent and tolerant Objectivist, a husband and a father, the owner of a materials characterization laboratory, and above all a thinking individualist. The critical battle of our day is the conflict between the individual and the state. We must be ever vigilant and constant defenders of the unalienable and sovereign rights of the individual to life, liberty, and the pursuit of happiness.

01 November 2010

Eliminating the Deficit Is Not Hard


Daniel Mitchell of the Cato Institute [has a prescription for a simple way to balance the federal budget without higher taxes](#). He would freeze the budget where it is or allow either a 1% or 2% increase per year to achieve budget balance in a few years. Freezing the budget where it is, projected tax revenues will slightly exceed the spending in 2016. With 1% spending increases, a micro surplus would occur in 2017. A 2% spending increase allows a surplus in 2020. His is a simple response to the absurd claims by John Podesta of the Center for American Progress that the Bush tax cuts cannot be extended or made permanent because there is no reasonable way to downsize the government.

Let us look at this a bit further. I have plotted the [actual federal spending in 2005 dollars from 2000 through 2009](#) below, with the corresponding actual federal tax revenues. Beginning in 2002, the tax revenues have been consistently lower than the spending, so we have become habitual deficit spenders. The Obama government's expected spending and tax revenues for 2010 through 2015 are also plotted. The Obama government intends to continue huge deficits through the 2015 fiscal year. I have also plotted what government spending would have been if it had increased each year since 2000 at the same rate as the growth of our population.

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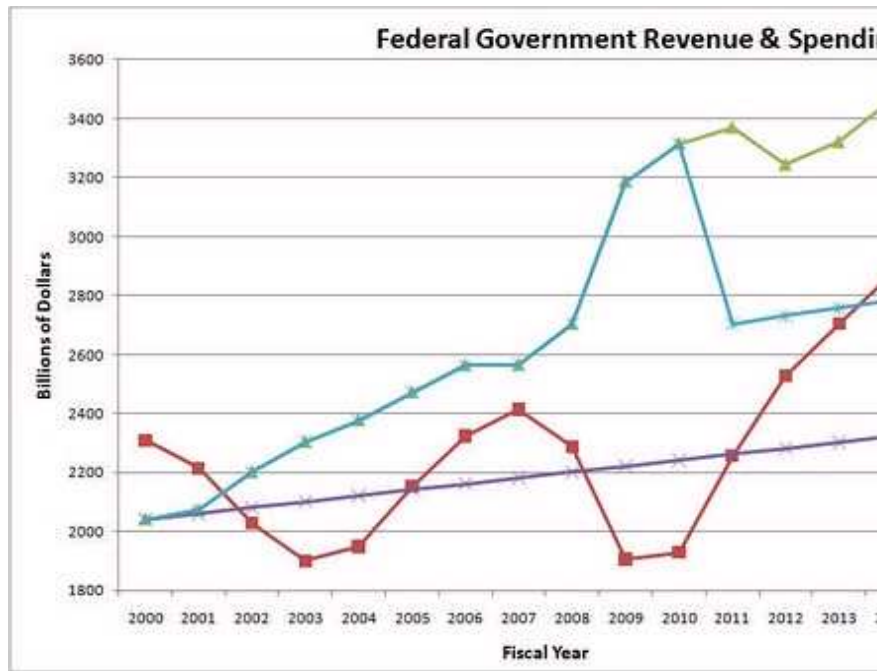
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Limited Government Capitalism

is the only system that allows Individuals to make their own moral choices and to act upon them. Without individual

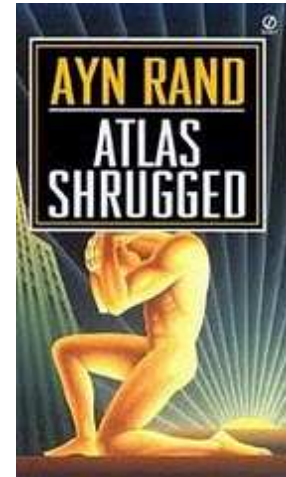


For many decades, federal government spending has been excessive. It was certainly excessive in fiscal 2000. At least \$2 of spending was unconstitutional even then for each \$1 that might have made a reasonable claim for being constitutional. If the federal government had increased its spending at the rate of population growth since then with a constant per capita spending rate, the tax revenue income would have been a match for spending except in the dip of revenue corresponding to the aftermath of the dot.com bubble bust and the present Great Socialist Recession in 2009 and 2010. This would have been government we sorta, coulda have afforded. Instead, we have had an insistence that at no time should the government feel any constraints on its spending. In 2009 and 2010, the years whose spending Obama and the Democrats have completely controlled, the spending has been more than two-thirds higher than tax revenues. I see no reason for the ridiculous spending of the years 2009 and 2010 to be continued, even without growth. The new Republican House should insist that 2011 spending return to at least the absurdly high spending level of 2008. The federal budget could then be allowed to grow at the population growth rate of 0.986% a year from 2000 to 2010. The rate of spending from 2011 through 2015 is the curve I have called Spending Rationalized.

Under the Spending Rationalized plan, spending would be barely in excess of tax revenues with the extended Bush tax cuts in 2013 and there would be a small surplus in 2014. There is no reason for government to grow faster than the population does. In fact, while one might argue that the kind of protective services of local and state governments might justify growth at the population rate, there is no reason for the federal government to grow as fast as that. At least there is no constitutional reason. A constitutional government's main expense, by far, would be defense. The threats to us defensively tend to be what they are,

moral choice, there is no morality and society is mean, brutal, envious, and depressing.

Atlas Shrugged by Ayn Rand



More Important than Ever

About Me

Charles Anderson



I enjoy rational analytical conversations, learning from thinking people, and solving problems of science and technology. My perspective is that of an Objectivist with a joyous sense of life, a great appreciation for human complexity and achievement, a benevolent regard for others, and a strong interest in ideas.

A recurring theme is the importance of individuality and the fight for individual rights against the onslaught of the Nanny State and socialism.

I wish to live the life of a rational self-managing adult and am amazed that so many others wish to be perpetual children. The fear, envy, and guilt that cause many to yield their individual rights to

whether we have some more people or some fewer people. Actually, with more people, enemies may be more reluctant to tangle with us, so the defense needs per capita may drop.

The socialists of the Obama government may argue that the recession will require on-going higher spending levels. But, the many Obama attempts at stimulating the economy with massive spending bills have not worked. It is clear that what is needed is a restoration of business confidence, both for large corporations and for medium and small businesses. They need a known and not too expensive regulatory climate coupled with a reasonable tax policy that recognizes that many American companies are in direct or indirect competition in the world markets. They need the government to get out of the way and let them produce.

The only way to get out of the looming cost of government problems such as the Medicare, Medicaid, and Social Security underfunding problems is to cut back on those programs somewhat and foster real growth of the private sector. The Obama idea of transferring wealth in larger and larger amounts from the private sector to the governments is a recipe for the collapse of the American economy, not just on the temporary scale he has forced in 2009 and 2010, but on a permanent basis. Indeed, I have little confidence that Obama and the Democrats would even hold spending down to the very high levels they are projecting. I am even more confident that under their management, the growth in tax revenues they are projecting for 2011 onward is unrealistically high.

Those increases in revenue are not too high if there is a sufficient change of philosophy in Washington that results from the Republicans gaining control of the House, which has to originate all spending bills. If the Republicans manage to defund ObamaCare and to prevent the EPA from driving up the cost of energy due to their ridiculous declaration that CO₂ is a pollutant, then there is hope the U.S. economy might become healthy enough to be able to generate the tax revenues projected. If Obama takes over the many union pension funds that are underfunded and in critical condition and pushes through union card check so that many more businesses will be forced into a death spiral by being unionized during the lame duck session of Congress just after the election, then growth will be slowed for several years and things may be less rosy than the Democrat projection of tax revenues assumes. Or, the Republican leadership may think it can ignore the Tea Party and its demands for smaller government and start making compromise after compromise with the socialists to grow government more and the business recovery will be impeded. Many ifs remain and we will have to be aggressive in making demands of the Republicans once they are in office if the economy is to be set upright again.

The Bailouts and the Stimulus Bills provided gifts to many financial and large companies, but they hurt almost all other companies except for those in the green energy and global warming fraud business. Obama's much touted small business loans came late and were not at all what small business needs.

collectivism are ugly, anti-life emotions. I consistently believe in both the personal and the economic rights of the sovereign individual. As the United States Declaration of Independence says, each of us has the sovereign right to our life, our liberty, and our pursuit of happiness. Our mostly ignored Constitution attempts to severely limit the powers of the federal government, so that we may develop and exercise of our individual minds, including the choice of our own values, and have the freedom to manage and live our own lives.

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Socialized Medicine

Few small businessmen want Obama to become their partner. Come to think of it, most large businesses belatedly learned that he is not usually a good business partner. Most American businessmen, and especially small businessmen, agree that they just want government to stop constantly writing more laws and regulations to micromanage their businesses. There are more laws and regulations than they can comprehend, which is not surprising given that the law makers themselves do not have the time to read the laws for which they vote. Businessmen have to earn a living and then they are either supposed to read the voluminous laws themselves or have the surplus piles of cash to hire someone else to do it and constantly advise them. This is a huge drain on small businesses and an unnecessary drain on any business of any size.

So, if government wants to have the tax revenues to spend for all the programs it is already committed to, then it had better change its tune and start recognizing that it is business that generates the income the government taxes or distributes money as wages and salaries, which the government taxes. You could say that the business of America is business. I think I have heard that before. It is often held up to ridicule, but business is the way we all lead productive lives and generate the wealth that sustains the government and for that matter the charities of America. It is high time we see the validity of that saying that the business of America is business. So, in the name of the business of America, we need a federal government which knows to avoid being constantly in the way of those who are producing America's wealth.

Posted by Charles R. Anderson, Ph.D. at [Monday, November 01, 2010](#)

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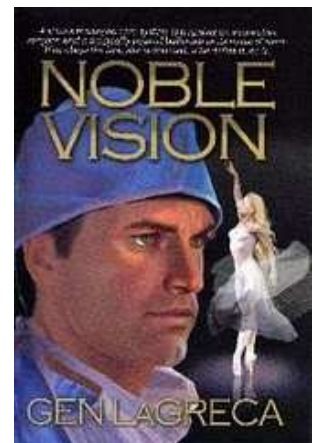
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