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Defining Document

I'm glad you brought up stimulus, bailout and some of these other things government has been doing (and trying to do). There is a big difference between what government is allowed to do--and more importantly is restricted from doing--and what we have seen government do under Democratic and Republican administrations. That's the debate we should be having. Does the Constitution mean anything anymore and should government be constrained by it, or is any administration allowed to do whatever it wants as long as it won the last election?

--Cal Thomas, *USA Today*

Fed Up

The Fed needs to be split up. As long as the government insists on maintaining a monopoly on the production of money, it needs to have a board that has the sole responsibility of maintaining price stability (within a relatively specified narrow range, such as plus or minus 2%). If the Fed governors fail to do so, they should be dismissed.

The Fed's bank regulatory functions need to be put into a separate agency. If the federal government wishes to bail out companies and serve as a lender of last resort, it needs to put the liabilities on its own balance sheet. The new central bank should not be required to buy [government debt](#). That would force the Congress and the President to reduce spending or raise taxes to pay for all of the interest on the bonds.

The smarter folks in Washington understand that the trillions of dollars of new spending will be "paid for" largely by the "inflation tax," which will fall hardest on those without assets--i.e. the poor about whom the President and many in Congress claim to care so much.

Do not expect an America without pervasive inflation until the money-supply function is separated from the financial-regulatory function at the Fed and governors are appointed who have not only the

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