

Tea party is effect, not cause

"The tea-party downgrade"? Are they nuts? Leading lights in the White House and prominent national Democrats blame the tea-party movement for bringing about the downgrade in America's credit rating by the Standard and Poor's rating agency from AAA to AA+. The narrative goes like this: The tea party contributed to the gridlock in recent weeks that supposedly brought the nation to the brink of default. Indeed, statements S&P executives made Aug. 5 include references to congressional dysfunction: "The political brinksmanship of recent months highlights what we see as America's governance and policymaking becoming less stable, less effective, and less predictable than what we previously believed."

So we're supposed to believe that everything that came before July 2011 — the TARP and the first automaker bailouts under George W. Bush; the Obama stimulus; two rounds of quantitative easing (incontinent printing of money) by the Federal Reserve; subsequent automotive bailouts; Cash for Clunkers; more than two years without a federal budget; a budget proposal from the White House that was so poorly crafted, every Democratic senator joined every Republican senator in rejecting it? All of this had nothing to do with the downgrade, but a few dozen conservative lawmakers who don't want to raise taxes brought the nation to the edge of ruin?

They expect Americans to believe this tripe. Some will, owing to their ignorance of the history of past economic crises. How sad.

Warren G. Harding revealed his understanding of the interplay of government and business when he reversed a burgeoning depression in 1921. "Under Harding, federal spending was cut from \$6.3 billion in 1920 to \$5.5 billion in 1921 and \$3.2 billion in 1922," writes Jim Powell, a senior fellow at the libertarian Cato Institute. Mr. Harding also exhorted Congress to cut taxes and fulfilled his campaign promise of "less government in business."

Interestingly, Mr. Powell notes Herbert Hoover, then secretary of Commerce, mounted principled opposition to Mr. Harding's policies but apparently learned nothing when they spawned not misery and want, but the Roaring Twenties. A believer in government intervention during times of economic crisis, Mr. Hoover was able to wield his beliefs from the White House after he was elected president in 1928, and Franklin Roosevelt expanded on the Hoover policy palette after his election in 1932. This, rather than the strategy used by Mr. Harding and his successor, Calvin Coolidge, is the template Mr.

Obama and his advisers are using. It bred the Great Depression.

Today, businesses large and small are stymied by the rabid activism of Environmental Protection Agency Administrator Lisa Jackson, whose bold initiatives include an ozone restriction that will cost 7.3 million jobs by 2020, says the Manufacturers Alliance. Environmentalists in the federal government do all they can to block domestic energy development, which would promote energy independence, create tens of thousands of jobs, and produce vast sums for state and federal coffers. Even a project as safe and simple as a pipeline providing access to Canadian oil has been blocked.

Meanwhile, Obamacare and the Dodd-Frank financial reform alone add up to thousands of pages from which bureaucrats will extract rules businesses must follow under penalty of law. In just one year since the passage of Dodd-Frank, bureaucrats had managed to churn out 49 of the hundreds of rules the law eventually will yield. Meanwhile, the National Labor Relations Board wants to block Boeing Corp. from building airliners in South Carolina, and wants to impose card-check rules on companies to foster the growth of labor unions — a scheme so controversial, it couldn't even pass a Congress controlled by Big Labor-friendly Democrats.

This adds up to a perfect storm of excessive, commerce-stifling regulatory practices that range from unpredictable to openly hostile; and federal spending so vast, it would be unsustainable even in a business-friendly regulatory environment.

"Tea-party downgrade"? The tea party isn't the cause of the crisis; it's the effect, as more and more Americans come to grips with how thoroughly the government is choking the life out of the U.S. economy.