

## ***POLITICS- PERCEPTIONS***

*There is a perception by the body politic and the public at large that if we do not 'raise the government debt ceiling' that we will go to economic/financial hell in a hand-basket! And a perception by even more that government default on its obligations is more political threats than realistic economic policy in a tumultuous time of runaway spending, horrendous growing debt, a shaky dollar, and a world in economic turmoil that borders on 'the Great Depression' of the early thirties. Perhaps there is both wisdom, conjecture and disbelief in the mix. Laissez-faire(where owners of industry and business fix the rules of competition, labor conditions, without governmental regulation or control)shroud the ideologies of both sides of the question*

*Brit Hume of Fox News believes like Major Garrett(The Enduring Revolution)the 'Contract with America'-led by Newt Gingrich in 1994, the House takeover in mid-term opposition of the Clinton Presidency has similarities to the House takeover in the Obama term. In the former case, Gingrich informed Clinton if he vetoes the proposed changes, the result will be Republican shut down of Government, a form of veto, too. This plan effected the Republican position and gave Clinton the advantage, ironically, using ideas like welfare reform (a part of the contract)as his program. Hume believes despite Obama's failure to author a balanced budget and a detailed plan to derail the 'default threat' he will receive the 'credit' in the current default argument and the political high ground. It takes two to tango as they say.*

*There is a sense of the 'enduring revolution' and both sides rationalize the questions and answers taking or exploiting the other's ideas. Both Clinton and Kerry used 'Contract for America' as though it was theirs. Herbert Hoover, perhaps the most defamed leader of the past, met the challenge of the Depression creating, changing and disallowing 'laissez-faire for government intervention: his was really the New Deal of RFC( Re-*

*construction Finance corporation)-lending, spending and applying theories of countering market and debt problems, oil production, tax policies, public works, etc. Unemployment received government help...too much and all in vain, and the incoming Roosevelt absorbed the best and brightest of the concepts and got the credit and also the blame. Unemployment remained high and so did debt finally aided by the Second World War. Free market was not the cause of the Great Depression but be placed at the door of politicians, bureaucrats, and enlightened economists. Sound familiar?*

*Hayek(The Road to Serfdom)argues the ‘Great Utopia’(collectivism and socialism)initially a threat to freedom received credence from liberalism and excesses of the French Revolution. Freedom of thought –a root evil. DeToqueville told us ‘democracy extends sphere of individual freedom, while socialism restricts us. Fascism got its birth from socialism, and Stalin’s socialism (communism)was more brutal, ruthless, barbarous, unjust than fascism all prefaced on equality of individuals. Mill, ‘On Liberty’ restates the issue between liberty and authority.*

*After thirty-two printings in the United States, ‘The Road to Serfdom’ has established itself alongside the works of de Tocqueville, Mill and Orwell for its timely meditation on the relation between individual liberty and government authority. We suspect our President read it when he taught, matriculated at the University of Chicago. An enduring conflict and revolution of ideas.*

*Perception isn’t always true but often is an influence in our thinking and actions.*