



THE MOST PERILOUS NATIONAL SECURITY CRISIS SINCE 1860
A Time to Choose: Prosperity or Poverty

"To preserve independence...we must not let our rulers load us with perpetual debt. We must make our election between economy and Liberty, or profusion and servitude. ... The fore horse of this frightful team is public debt. Taxation follow that, and in its turn wretchedness and oppression." --Thomas Jefferson

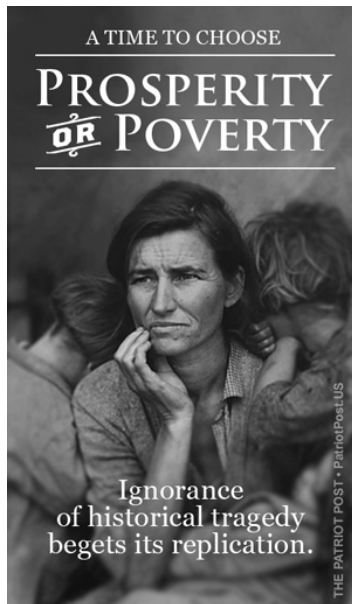
In the news this week, Barack Hussein Obama announced his [2012 re-election bid](#).

Plus...

The Treasury Department quietly mentioned that last month the government spent 8.2 times its net revenue.

Plus...

The Continuing Resolution authorizing additional borrowing for federal spending, a source of much political pretentiousness, expires on Friday. If there is no renewed CR, the result will be a [partial government shutdown](#) (read: "debt accumulation slowdown"), with dire consequences such as the suspension of IRS audits and cherry blossom festivals. (Republicans could shutter 80 percent of central government operations, and the effect on those of us who actually pay taxes would be beneficial not detrimental.) Of



course, the [shutdown showdown](#) is just the opening salvo in a war over how to fund the remaining five months of FY2011, which ends on 30 September, and, moreover, government budgets for 2012 and beyond.

Plus...

The price of oil, amid the Middle East meltdown precipitated by Obama's leadership vacuum, is on the fast track back to its record high of \$147/barrel. Indeed, it may be headed to more than \$200/barrel if the Saudi government is the next to fall. Despite what the Obama administration would have us believe, oil is the lifeblood of the U.S. and world economy, and we have a critical national interest in sustaining that supply. However, because of Leftist energy policies, we do *not* have energy hedges including domestic oil and nuclear power alternatives.

Plus...

Consequently, gold bullion -- the world's primary barometer measuring concern about inflation, national debt, securities and real estate price declines, fiat currency failures, and warfare and social unrest -- hit a nominal record high of \$1,457 per troy ounce.

However, the most significant news this week, in light of the aforementioned reports, is the big Beltway budget brawl between those who are advocating the right path to economic prosperity and Liberty, and those who would stay the course toward economic catastrophe and tyranny.

The raucous political rhetoric over the federal budget sounds much like the perennial hyperbole between Right and Left over the [constitutional authority](#) of the central government and its spending priorities. However, the outcome of the current debate is much more than a budget agreement for next year and the

next decade: It will determine whether our nation will avert systemic economic collapse or collide with it head-on, plunging us into the most significant National Security Crisis since 1860, and condemning our posterity to the inevitable institution of socialism and the abject tyranny that accompanies it.

If a majority of our countrymen are not able to distinguish between the veracity of this grave assertion and political playbook hyperbole, the consequences for the next generation of Americans will be grim as the light of Liberty fades.

The danger of public debt was of great concern to our nation's Founders.

As George Washington wrote, "No pecuniary consideration is more urgent, than the regular redemption and discharge of the public debt: on none can delay be more injurious, or an economy of time more valuable." James Madison declared, "Having never been a proselyte to the doctrine, that public debts are public benefits ... I consider them, on the contrary, as evils which ought to be removed as fast as honor and justice will permit." Thomas Jefferson warned, "To preserve independence ... we must not let our rulers load us with perpetual debt. We must make our election between economy and Liberty, or profusion and servitude. ... The fore horse of this frightful team is public debt. Taxation follow that, and in its turn wretchedness and oppression."

Regrettably, few today attach much reverence to the words of such men. Fewer still -- especially those who lived through the last Great Depression -- remain among us to attest in first person to its tragic consequences for our nation, for its people, and for our [legacy of Liberty](#).

To paraphrase philosopher George Santayana, "Ignorance of historical tragedy begets its replication."

Make no mistake: We are at a tipping point.

There is a gathering economic storm, one that will grind down the pillars of free enterprise and, ultimately, erode our Constitution's [First Principles](#) and the [Rule of Law](#) it enshrines.

This dispute between Republicans of the 112th Congress and Barack Hussein Obama's [Leftists cadres](#) is an epic contest to determine whether [Obama's agenda](#) to "fundamentally transform the United States of America" by [imploding free enterprise](#) will ultimately succeed.



On the front line of this debate is House Budget Committee Chairman Paul Ryan (R-WI) and a supporting cast of [Speaker John Boehner](#) and a Republican majority, including [87 House freshmen](#), most of whom were elected on their singular devotion to the restoration of constitutional authority over the central government. Notably and unfortunately, however, there has been scant mention of our Constitution, though any [debate with a Leftist](#) should start there.

Earlier this week, Rep. Ryan introduced his [Prosperity Project Budget](#), which slows our slide toward insolvency by cutting \$6.2 trillion in spending and \$4.4 trillion in new debt over the next 10 years. (See the full budget proposal for FY2012 and beyond [here](#).) Ryan rightly claims his budget proposal is the last opportunity to avert the looming economic crisis, and [proper analysis](#) bears him out.

"Washington," Ryan said, "has not been telling you [the truth](#)" about the consequences of unbridled government spending and debt accumulation. He's

right, of course, and the Democrats are, therefore, desperately trying to defeat the Republicans' House budget resolution in favor of Obama's [Debt Bomb](#).

"This path," said Ryan, "has left us on the brink of national bankruptcy, and continuing down it will push our nation into ... an unprecedented economic collapse."

"[Obama] ... is not the first public official to have drifted down this perilous path," he said, "and those members of his party who are defending his do-nothing approach while demagoguing our solutions -- well, they are certainly not the first, either. In recent years, both political parties have squandered the public's trust."

Ryan added that the House is calling for "fundamental reforms" that lower tax rates and broaden the base. "We don't have a tax problem," he insisted. "The problem with our deficit is not because Americans are taxed too little. So we're not going to go down the path of raising taxes on people and raising taxes on the economy."

While Ryan's plan puts the brakes on Obama's unmitigated spending proposals, it is notable that, despite all the Leftist consternation, it reduces the *growth* of government spending (not overall spending) by only 40 percent over the next decade; it increases government debt from \$14 trillion to more than \$23 trillion (almost a trillion each year); and it doesn't project a balanced budget (including interest payments) until 2040.

There's the added caveat (wildcard) that Ryan's projections don't take into account the potential for hyperinflation.

As I have noted before, however, it will likely take as long to undo this debt debacle as it took to create it, which elucidates the urgency of electing a veto-proof conservative majority in the U.S. Senate in 2012, and adding to the ranks of constitutional constructionists in the House. With Ryan's plan as a foundation, only

then can Congress begin to restore constitutional Rule of Law in defense of our Essential Liberty.

However, in the unlikely event that some significant portion of Ryan's prosperity proposal is actually implemented, without strong conservative majorities in Congress it is doubtful that legislators will stay the course. Thus, should conservatives win the Senate and White House in 2012, the first order of business must be to enact the chief components of the [Patriot Declaration](#), sections the First and Fourth: The Enumerated Powers Act and a Balanced Budget Amendment.

On his way out of town on a re-election campaign junket, Obama, who once declared he would "cut the budget deficit in half by the end of my first term," paused to insist pejoratively that Republicans should "act like grownups." He added, "I think the American people recognize we are in some pretty unsettled times right now, we don't have time for games, we don't have time for trying to score political points and maneuvering, not on this."

Of course, "trying to score political points and maneuvering" is *precisely* Obama's game.

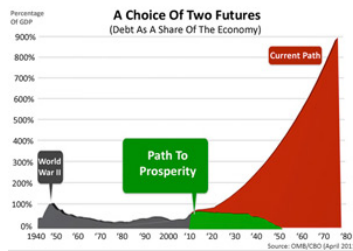
White House press secretary Jay Carney summed it up this way: "While we agree on ... Congressman Ryan's goal, we strongly disagree with his approach, because any plan to reduce our deficit substantially must reflect American values of fairness and shared sacrifice." These, of course, are metaphors for redistribution of wealth. In fact, even if Obama confiscated *all* individual income over \$250,000, the income threshold he has targeted for tax increases, that wouldn't *begin* to defuse his debt bomb. Of course, it would put tens-of-millions of people who produce goods and services supported by "the rich," out of work, and by year two, there would be few incomes over \$250,000.

Of course, Obama is banking on the assumption that the American people are just too dim-witted to understand the consequences of the debt bomb he's

preparing to drop on their heads. In the case of his [Democrat Party](#), he is undoubtedly correct.

[Democratic Socialism](#), like National Socialism, is nothing more than Marxist Socialism repackaged. Likewise, it seeks a centrally planned economy directed by a single-party state that controls economic production via regulation and income redistribution.

In 1964, [Ronald Reagan](#) issued a clarion call for Liberty in his most famous speech, "[A Time for Choosing](#)." Reagan concluded, "You and I have a rendezvous with destiny. We'll preserve for



our children this, the last best hope of man on earth, or we'll sentence them to take the last step into a thousand years of darkness."

Four decades later, and much closer to the decline that Reagan predicted, Congressman Mike Pence (R-IN) declared "[Another Time for Choosing](#)," reiterating the [Reagan model for restoration](#). He concluded, "We have promises to keep for future generations of Americans in preserving, protecting and defending the blessings of liberty for ourselves and our posterity."

Now at the precipice of the destiny Ronald Reagan foretold and Mike Pence retold, it is time *we must choose* between prosperity and poverty, between [Liberty and tyranny](#). Which will it be?