



A DAY LATE AND A TRILLION DOLLARS SHORT

"An unlimited power to tax involves, necessarily, a power to destroy; because there is a limit beyond which no institution and no property can bear taxation." --John Marshall



Waiting until after the U.S. technically plunged over the so-called fiscal cliff on Jan. 1, Congress and the White House finally reached a "deal" on taxes and some spending. Call it the [fiscal bluff](#), or perhaps the farcical cliff, but whatever its name, neither political party is happy with the terms. It also sums up what Ronald Reagan once said: "Government is like a baby. An alimentary canal with a big appetite at one end and no sense of responsibility at the other."

Bipartisan majorities in the 112th Congress held their noses to pass the bill without even knowing what was in it. Senators received it about three minutes before voting. House Minority Leader Nancy Pelosi (D-CA), who before ObamaCare passed said, "You have to pass it to find out what's in it," called it "a happy start to a new year." That tells us an awful lot. Barack Obama's autopen signed it Wednesday while he was back on vacation catching a wave in Hawaii.

The bad news -- and there's plenty -- is that the deal contains \$10 in tax increases for every \$1 in spending cuts. In fact, the deal *increases* spending by \$330 billion over 10 years while deferring sequestration cuts for two months so the 113th Congress can fight that battle again, along with raising the debt ceiling. Democrats call this a "balanced approach," but it leaves the U.S. facing yet another trillion-dollar deficit this year. Unfortunately, that pales in comparison to the looming crisis of \$48 *trillion* in unfunded liabilities for Social Security and Medicare.

Congress raised taxes for the top bracket, which includes hundreds of thousands of small businesses, during what might as well be a recession. The Left's favorite target, the "rich," consisting of "millionaires and billionaires," now officially includes individuals earning \$400,000 and couples that earn \$450,000 (that's quite a marriage penalty, if you ask us). Capital gains and dividends taxes on these same taxpayers will rise from 15 percent to 23.8 percent (including the new ObamaCare surtax of 3.8 percent), and deductions will be limited for individuals earning more than \$250,000 and couples at \$300,000. The death tax also will increase from 35 percent to 40 percent, with a \$5 million exemption. Obama wanted 45 percent, and it would have gone to 55 percent without a "deal."

Even as Democrats gouge the "rich," however, they offered numerous favors to their flush corporate friends. From a [long list](#), the starving artists in Hollywood get a \$248 million tax break, NASCAR track owners get \$78 million, rum distillers can toast to \$222 million and the wind-energy sector can blow through \$12.1 *billion*. In the end, Democrats gave away much of the new taxes they will extract from the top bracket, while further complicating an already bloated tax code. Yet Obama had the chutzpah Tuesday to call for "further reforms to our tax code so that the wealthiest corporations and individuals can't

take advantage of loopholes and deductions that aren't available to most Americans."

The deal doesn't just hit the "rich," either. Taxes will increase for [77 percent of taxpayers](#) because the temporary payroll tax cut was not extended. This undoubtedly will surprise many middle-class and poor people when they see smaller paychecks next payday. The average family earning \$50,000 will be gouged with a tax increase of about \$1,000. And it's highly unlikely that Obama is finished trying to raise taxes.

The effect on the already stagnant economy almost certainly won't be good. The 155,000 jobs added in December are barely enough to account for population growth. Headline unemployment rose to 7.8 percent (which matches November's new upward-revised number), U-6 held steady at 14.4 percent and labor-force participation stayed at 63.6 percent, just above the 31-year low of 63.5 percent.

Despite all this, there is a small silver lining. The Bush tax rates are now permanent for all but the top bracket. Their temporary status was a significant GOP failure when the cuts were first passed a decade ago. We wish rates were even lower, but their new permanence means that any tax hike in the future will be transparently just that -- a tax hike. The Alternative Minimum Tax (AMT) is now indexed to inflation, making unnecessary the annual ritual of passing a "patch" to spare the middle class the extra tax. Obama did not (yet) achieve his desired tax increase on families earning \$250,000 and had to settle for a higher threshold.

Perhaps best of all, House Speaker John Boehner (R-OH), who was narrowly re-elected as speaker Thursday, stated his intention never again to negotiate with Obama behind closed doors because the president has shown his true red colors. Republicans may find they have more leverage on spending and the debt ceiling, as well, but we're also not holding our breath for Obama to agree to real spending cuts.

On balance, settling for this steaming pile isn't as bad as it could have been, but it's hardly satisfying. That's

the consequence of losing the presidential election by running a weak candidate against a vulnerable incumbent, which is itself a consequence of failing to sell a majority of the electorate on the virtues of Liberty and constitutionally limited government.

Quote of the Week

"I appreciate all the hard work that went into avoiding the so-called 'fiscal cliff.' I especially commend Senator [Mitch] McConnell's efforts to make the best out of a bad situation. Nevertheless, I cannot support the arrangement they have arrived at. ... Thousands of small businesses, not just the wealthy, will now be forced to decide how they'll pay this new tax and, chances are, they'll do it by firing employees, cutting back their hours and benefits, or postponing the new hire they were looking to make. And to make matters worse, it does nothing to bring our dangerous debt under control." --Sen. Marco Rubio (R-FL) on why he joined [seven other senators](#) in voting "no"

On Cross-Examination

"I just wanted to thank so many on the other side after all these years for finally acknowledging publicly that 98 percent of the Bush tax cuts helped the middle class." --Rep. Louie Gohmert (R-TX)

The BIG Lies

"I just wanted to take a minute to explain to everyone what we were able to achieve this week. In the face of looming deadlines that would have taken a big chunk out of everyone's bottom line, you know my top priority has been preventing a tax hike that would have hit 98 percent of all Americans in 2013, because the last thing middle-class families could afford now would be to pay upwards of \$2,000 more in taxes this year. ... We've stopped that middle-class tax hike." --Barack Obama, who actually *did* hike taxes on most taxpayers

"[I]f you look at my track record over the last two years, I cut spending by over a trillion dollars in 2011." --Barack Obama, who presided over *increased* spending of \$147 billion in 2011

Looking Ahead

Now that Congress has dealt with the tax crisis, the debt ceiling looms as the next showdown in just a couple of months. We can hardly wait.

As one perspicacious politician said about our ever-increasing debt, "The fact that we are here today to debate raising America's debt limit is a sign of leadership failure. It is a sign that the U.S. government can't pay its own bills. It is a sign that we now depend on ongoing financial assistance from foreign countries to finance our government's reckless fiscal policies. ... Increasing America's debt weakens us domestically and internationally. Leadership means that 'the buck stops here.' Instead, Washington is shifting the burden of bad choices today onto the backs of our children and grandchildren. America has a debt problem and a failure of leadership. Americans deserve better."

That politician was Barack Obama in 2006.



Government and Politics

Second Amendment: Gun Grabbers Forge Ahead

Sen. Dianne Feinstein, using the caskets of the children [murdered in Newtown](#) as her platform, released the [details of her new "assault weapons" ban](#), and it's much worse than the 1994 version. Among the details: It bans the sale, transfer, importation or manufacture of 120 specifically named semi-automatic rifles (including the M1 Carbine), as well as some semi-automatic handguns. Contrary to media myth, of course, these are not "assault weapons."

Rifles with any *one* of a list of undesirable features would be banned. To help determine these restrictions, Feinstein said she looked at pictures of guns in 1993 and again in 2012.

The ban would extend to magazines exceeding a capacity of 10 rounds (which is lower than *standard* capacity for most rifles and handguns), and it would include guns with fixed magazines that can accept more than 10 rounds. Meanwhile, in the House, Democrats Diana DeGette (CO) and Carolyn McCarthy (NY) introduced the High Capacity Ammunition Feeding Device Act. This is a different bill from Feinstein's in that it will target only magazine capacity instead of the firearms themselves, apparently in the hope that if an outright assault weapons ban doesn't pass, one regulating magazines might.

Furthermore, Feinstein's bill requires registration of the semi-automatic rifles you *already own* with the ATF. Previously, the National Firearms Act (NFA) required this only for machine guns. ATF registration will require that you provide the gun's serial number and photographs of it; that you pass another background check and supply fingerprints; and that you obtain certification from local law enforcement of your identity and that your possession wouldn't violate state or local law. Registration also includes a \$200 fee per gun. Again, this is all for weapons you *already own*. Then, most outrageously, when you die, your "assault weapons" are forfeited to the government -- they may not be passed down to your heirs.

Never mind that year after year murders committed with hammers and clubs far outnumber the murders committed with a rifle of any type, or that twice as many people are killed by hands and fists as rifles.

Feinstein's play here is likely to ask for more than she knows she'll get, but her real goal is also an outright gun ban. In 1995, [she explained](#), "If I could have gotten 51 votes in the Senate of the United States for an outright [gun] ban, picking up every one of them -- Mr. and Mrs. America, turn 'em all in -- I would have

done it." Now that she's renewed her efforts, it's certainly no wonder that December gun sales broke records.

We encourage you to [contact your senators and representatives](#) to express your opposition to this unconstitutional gun grab. One Marine did so, and [his letter](#) is worth reading. What happened in Newtown wasn't a "gun problem," and it won't be solved by taking away the Liberty of law-abiding citizens.



Around the Nation: States Aim for Guns, Too

Dianne Feinstein and her fellow NeoComs in Congress aren't the only ones seeking to confiscate citizens' guns. Illinois state legislators are crafting a gun ban that would make Feinstein drool. The Illinois bill would ban *all* semi-automatic rifles, pistols and shotguns, as well as pump-action shotguns -- no exemptions and no grandfathering, meaning gun owners must turn their firearms in to police to avoid prosecution. Magazines holding more than 10 rounds must be registered with police. If it weren't so serious, this bill would be laughable, especially in light of the 2010 Supreme Court ruling striking down Chicago's handgun ban.

Likewise, New York's legislature is working on a bill to expand its own "assault" weapons ban. All semi-automatic rifles must be surrendered to police, as must all magazines with a capacity of more than 10 rounds. It upgrades the offense for possession to a felony.

Some years ago, a governor made a proclamation saying, "I have thought fit to issue this Proclamation to require all Persons who have yet Fire-Arms in their Possession, immediately to surrender them at the Court-House, to such Persons as shall be authorized to receive them; and hereby to declare that all Persons in whose Possession any Fire-Arms may hereafter be found, will be deemed Enemies to his Majesty's Government."

That governor was the British governor of colonial Massachusetts. As we recall, that effort in 1775 to confiscate weapons didn't turn out too well -- for the British.

From the Left: Newspaper Publishes Gun Owner Info

The Journal News, a newspaper covering the northern New York City suburbs of Westchester and Rockland counties, is doing its part to undermine and betray lawful gun owners. Last week, the paper published the names and addresses of every registered gun owner in the two counties. Some 40 percent of those are either active or retired law enforcement personnel. Not only does this egregious act put the lives of these gun owners in danger, but it also has the effect of putting a [Gun-Free Household sticker](#) on the homes of those who *don't* own firearms.

The newspaper says it's just honoring the public's right to know, but the paper obviously has an anti-gun agenda. Yet, in a stunning display of hypocrisy, after receiving a flood of complaints, the paper chose to hire armed personnel to guard its offices.

New and Notable Legislation

Barack Obama signed the \$633 billion defense bill, which renews defense funding for the year. He had threatened to veto the legislation because it limits his authority to transfer Guantanamo detainees, and he issued a signing statement opposing Section 533 for its "ill-advised" conscience protections for military chaplains in matters related to the repeal of "Don't Ask, Don't Tell." The bill also stiffens penalties on Iran and increases security at diplomatic facilities around the world in response to his administration's

calamitous and unforgivable dereliction at Benghazi, Libya.

The president also signed an extension of the 2008 amendments to the Foreign Intelligence Surveillance Act that include wiretapping of suspected terrorists. As with so many other Bush-era counter-terrorism measures, Obama sanctimoniously campaigned against the law in 2008, only to now quietly embrace it.

Playing to the crowd, members of Congress from the New York-New Jersey area hit by Hurricane Sandy expressed outrage this week that House Speaker John Boehner let the year lapse with scheduling a vote on federal storm relief. Rep. Peter King (R-NY) even implied he would switch parties. The Senate passed a pork-laden \$60.4 billion measure last Friday, while the House is scheduled to vote on a scaled back \$9 billion portion later today, and the remainder on Jan. 15.

The outraged members, however, should take a Valium. Storm victims will not go unaided even without a bill twice the size of New Jersey's entire annual budget. And House GOP leaders should be praised for balking at a bill that contains pork such as \$50 million for tree planting on private property, \$125 million for a watershed protection program, \$150 million for fisheries as far away as Alaska (which was *just* outside the storm's path) and \$336 million for Joe Biden's favorite subsidy recipient, Amtrak.

Economy **Judicial Benchmarks: ObamaCare Lawsuits Continue**

Hobby Lobby, a nationwide craft supply chain, sued the Obama administration last year for violating its First Amendment rights via ObamaCare. At issue, specifically, was the mandate that employers provide insurance that covers contraception, including abortifacients, as well as abortion procedures. The White House granted waivers for religious organizations, but argued that a private for-profit corporation has no First Amendment rights. (Leftist newspaper corporations nationwide heartily agreed, of

course, using *their* First Amendment rights to do so.) In December, the Tenth Circuit Court agreed with the administration, leaving Hobby Lobby on the hook for either compliance against conscience, or \$1.3 million in fines per day.

However, just before year-end, the Seventh Circuit Court disagreed, saying that the Obama Department of Health and Human Services mandate violates the religious liberty of the owners of K&L Contractors as guaranteed by the Religious Freedom Restoration Act. The Eighth Circuit Court likewise ruled against the administration, leaving a 2-1 split among federal appeals courts and an almost certain case before the U.S. Supreme Court.

Meanwhile, the U.S. District Court for Western Missouri also ruled against the administration and in favor of the wonderfully named American Pulverizer Company of St. Louis, issuing an injunction against the mandate.

Obama's mandate made No. 1 on the Heritage Foundation's list of [The 10 Worst Regulations of 2012](#).



Regulatory Commissars: EPA 'Transparency'
EPA Administrator Lisa Jackson is joining the ranks of Obama administration personnel leaving before a second term gets underway. Jackson's departure is especially interesting because it comes amid an odd scandal. Apparently, she used the pseudonym "Richard Windsor" (which reminded her of a family

pet) to send official messages with a government email account -- all intended to circumvent the Freedom of Information Act, or FOIA. Of course, doing so is unlawful.

The Leftmedia ignored this latest violation of Obama's pledge to be the "most open and transparent administration in history," but it's likely that Windsor-Jackson's indiscretion contributed to her departure. Still, we don't expect EPA policies like the "war on coal" to change without Windsor-Jackson at the helm, because the only thing transparent about this administration is its tyranny.

Security

Immigration Front: Changes by Executive Order

"The Obama administration eased the way Wednesday for illegal immigrants who are immediate relatives of American citizens to apply for permanent residency, a change that could affect as many as 1 million of the estimated 11 million immigrants unlawfully in the U.S.," [reports the Los Angeles Times](#). The Department of Homeland Security's new rule will take effect March 4, and it will allow illegal aliens with family in the U.S. to obtain a provisional waiver before leaving the country to get a visa, thereby circumventing the required three-year waiting period for those who overstayed a visa by six months or more.

According to Alejandro Mayorkas, director of U.S. Citizenship and Immigration Services, "The change will have a significant impact on American families by greatly reducing the time family members are separated from those they rely upon." The bottom line is that the administration is yet again changing immigration law by executive order instead of respecting the constitutional authority of that bothersome Congress. Long ago, in 2011, Barack Obama acknowledged that he needed Congress: "Now, I know some people want me to bypass Congress and change the laws on my own. That's not how our democracy functions. That's not how our Constitution is written." He was substantively right then, even though he was pandering and didn't mean a word of it.

State Department Shuffling Post-Benghazi

In December, we noted that four State Department officials had resigned or were fired over the completely mismanaged lead-up to and aftermath of the murderous jihadi attack at Benghazi. But the definition of "resigned" appears to be somewhat Clintonesque. All four remain on the payroll, and will each be back to work in the near future after some time on "administrative leave." Assistant Secretary of State Eric Boswell will switch desks, but the other three will take up the same jobs. Nothing like transparency and accountability.

Speaking of being accountable, Secretary of State Hillary Clinton hasn't yet testified on Benghazi. She's had some time off of late to recover from a fall that caused a concussion that caused a blood clot. That and a dog ate her testimony. On Thursday, she announced that she would testify after all. We'll be interested to hear her account before she steps down.

Culture

Climate Change This Week: Alaskan Cold

Alaska must have missed the memo on global warming, because the northernmost U.S. state has actually been *cooling* over the last decade. In fact, the state's temperature dropped 2.4 degrees Fahrenheit in the first decade of this millennium. As the Alaska Climate Research Center put it, that's a "large value for a decade." Over the previous century, temperatures in Alaska had generally risen a bit, feeding the global warmists' hysteria. But the new cooling, which researchers attribute to the Decadal Oscillation previously mentioned in these pages, could cause problems for the state's economy -- especially its fishing. Of course, weather doesn't prove a changing climate, but, well, that's the point.

Village Academic Curriculum File: Kid With a Hand-Gun

The week wouldn't be complete without one more absurd story about the reaction to guns after the [Sandy Hook murders in December](#). And leave it to Montgomery County, Maryland, to provide the fodder -- this time, a county elementary school suspended a student for a make-believe gunshot. The [Washington Examiner reports](#), "The 6-year-old, who attends

Roscoe R. Nix Elementary School in Silver Spring, made a gun with his hands, pointed it at another student and said 'pow,' according to Robin Ficker, the boy's attorney. He was given a one-day suspension, with a conference on the matter planned for Jan. 2, the day students return to school from winter break."

Assistant Principal Renee Garraway explained to the boy's parents that the disciplinary action was justified because he "threatened to shoot a student," a charge that will remain on his record unless sanity prevails among administrators. In this case, as in so many others, "zero tolerance" ends up meaning zero sense.

And Last...

Sometimes life defies parody. Such was the case this week when news broke that Al Jazeera, the Arab news network so dedicated to open and honest journalism, bought a little-watched cable network, Current TV, which was started a few years back by Al Gore. Let's count the ways. For starters, raise your hand if you've ever even *heard* of Current TV. The deal supposedly gives Al Jazeera access to millions of cable-subscribing American households, but if no one watches, does it still count? Time Warner Cable

announced that it will now drop the station, so there's part of the answer, and according to the Washington Examiner's Byron York, "Current TV's average 42k primetime viewers is a little less than the 2nd-place 5pm local newscast in Memphis."

Then, of course, there's the fact that Al Gore is the folk hero of the global warmist movement, but for his 20 percent stake in Current he just pocketed a reported \$100 million that came from the oil money of the Qatari royal family that backs Al Jazeera. He also tried to complete the sale in December in order to avoid the new higher tax rate, but he just missed it by two days. That's funny because back in November, he called for higher taxes: "[L]et's ask the most fortunate in our society, including me and you, to do our fair share."

For our part, we can't wait to see whether Current TV will now be more, or less anti-American. And whether it will rebrand itself as Al Gorzeera.

Semper Vigilo, Fortis, Paratus et Fidelis!

Nate Jackson for *The Patriot Post* Editorial Team