Song of the week: “It’s America” by Rodney Atkins

"It's a high school prom, it's a Springsteen song, it's a ride in a Chevrolet. It's a man on the moon and fireflies in June and kids selling lemonade. It's cities and farms, it's open arms, one nation under God. It's America!"

My new, favorite, inspiring, patriotic song. If you haven't heard it, go online and listen.

Back Here In DC, the "lame duck" session continues to trudge towards its end, likely with little resolution of much because lame ducks are rarely very productive. So, since there is nothing definitive to report on the lame duck at this point, here are some random thoughts of mine about recent developments on other topics:

Deficit Commission: I do not agree with all of the elements of the deficit commission's proposal to balance the budget. But, I applaud the work that they have done. I applaud the fact that they made some bold suggestions that touch several of the political "third rails". Any of you who regularly read these missives know that I consider the nation's debt and deficit as the greatest threat facing this country today. We are not many years away from facing a Greece or Ireland-like crisis. Unlike those nations though, there is no one to bail the U.S. government out, and the result would be a financial crisis that makes 2008 seem minor. The problem has been so deeply intensified in the last 4 years that fairly rapid and dramatic action is called for and needed. However, when anyone of either party suggests that action, they are usually demagogued by the opposition. The most familiar form of demagoguery is the commonly used "You want to wreck social security" or "You are trying to end Medicare". Expect new Minority Leader Nancy Pelosi to use these lines a lot. Since roughly 60% of all federal spending is entitlement spending, you cannot fix the problem without dealing with those entitlement programs. Of course, if you do leave them alone, Social Security and Medicare are guaranteed to disappear because they are actuarially bankrupt. So, NOT changing them will assure their demise.

But, back to the deficit commission; we must allow people to propose solutions without being excoriated for making a proposal. If I disagree with a proposal, I will disagree with it. But, I will applaud anyone who proposes the sort of bold solutions where the math confirms that the idea could solve the problem. I hope the deficit commission has made it safe to touch the third rails

and start a meaningful discussion.

General Motors: I believe that we had to rescue GM and Chrysler. Remember that it was the Bush administration that made the decision to do so in late December of 2008. Without the government support, both companies would likely have run out of cash before the end of that year and collapsed, probably into Chapter 7 bankruptcy. At that point, the economy was still very, very fragile having just been moved away from "the abyss", debt markets were still largely frozen, and jobs were disappearing in huge numbers. The precipitous collapse of those two companies would literally have evaporated over 1 million jobs almost instantly and probably caused the failure of Ford as well, which was only 6 months away from the same predicament at the time. It could have brought on a much deeper recession/depression. The car business is just too big an employer.

Since then, however, I have disagreed intensely with the Obama administration's management of the bailout. GM's bondholders and terminated dealers of both companies were largely wiped out in a very inequitable manner, while the UAW pension plans were largely kept whole. So, if your retirement was in GM bonds, you lost, but, if you had a UAW retirement, you won. I still can't believe that this blatant and unfair discrimination was legal or constitutional, but it somehow happened.

That being said, I am glad to see GM's reemergence as a publicly held company, and will be even happier when the government has completely removed itself. As the song lyrics quoted above confirm, Chevrolet (and Cadillac too for that matter) is an iconic American brand that I will be pleased to see live on and prosper in future growing economies. I only hope that GM management and the UAW leadership have learned their lessons and do not repeat their past mistakes. We should not bail them out again.

QE2: I used to think that this was only an acronym for the Cunard Ocean Liner, RMS Queen Elizabeth II. But no, now it stands for the second round of Quantitative Easing by the Federal Reserve. QE2 is basically printing money to try and help the economy and keep interest rates low. I am a fan of Ben Bernanke generally, but I don't agree with him here. The problems with the economy are fiscal and government policy driven, they are not monetary. There is plenty of money out there. But, investors won't move it or take risks because of general uncertainties and, more precisely, because of the looming uncertainties of taxes and health care and regulatory policy and government debt. It's that stuff that is holding the economy back, not the misconception that there's not enough money. I understand that the Fed doesn’t have the power to change those other things, but does have the power to print money. But, if you have a cold, it doesn't help to apply a tourniquet because that's all you have.

Earmarks: Republicans in the House and the Senate have now unanimously voted to ban earmarks for the 2 years of the 112th Congress. As one of the original earmark warriors, I am tempted to spike the ball in the end zone. But, I won't do that just yet. Earmarks are a symptom of a culture of favor-trading and spending. We need to jettison that culture along with the corrupting practice of earmarking. Organizational cultures can be stubborn. Although I am encouraged by the resolve of the 87 new Republican freshman in the House, we need to make sure they are a part of bringing about a fresh culture and that they are not co-opted by some of the "old guard" who will try to teach them how it “should” be done. I am also a little surprised that the Democrats have not joined us in either House in opposing earmarks. Do they really think it's a winning campaign issue?

Anyway, we are in the "red zone" for the end of earmarks as we knew them. But, I will hold that end zone celebration for a little bit longer.

And Finally, as I walked to vote last night, I overheard two Democratic members of Congress talking to each other. One of them exclaimed in an angry voice, "I can't believe the hypocrisy of these Republicans with these tax cuts. If your business brings home a quarter of a million dollars, we are supposed to subsidize you?" Therein lies the fundamental difference in understanding. This Democrat (who purports to be a moderate and who narrowly won reelection) clearly believes that the product of an individual's effort, talent and sweat belong to the government....and we should be thankful for what the government allows us to keep. I do not believe that allowing someone to keep half of what they have earned (after you count state taxes).....is a subsidy. You see the difference.

Until next week, I remain respectfully,

Congressman John Campbell
Member of Congress