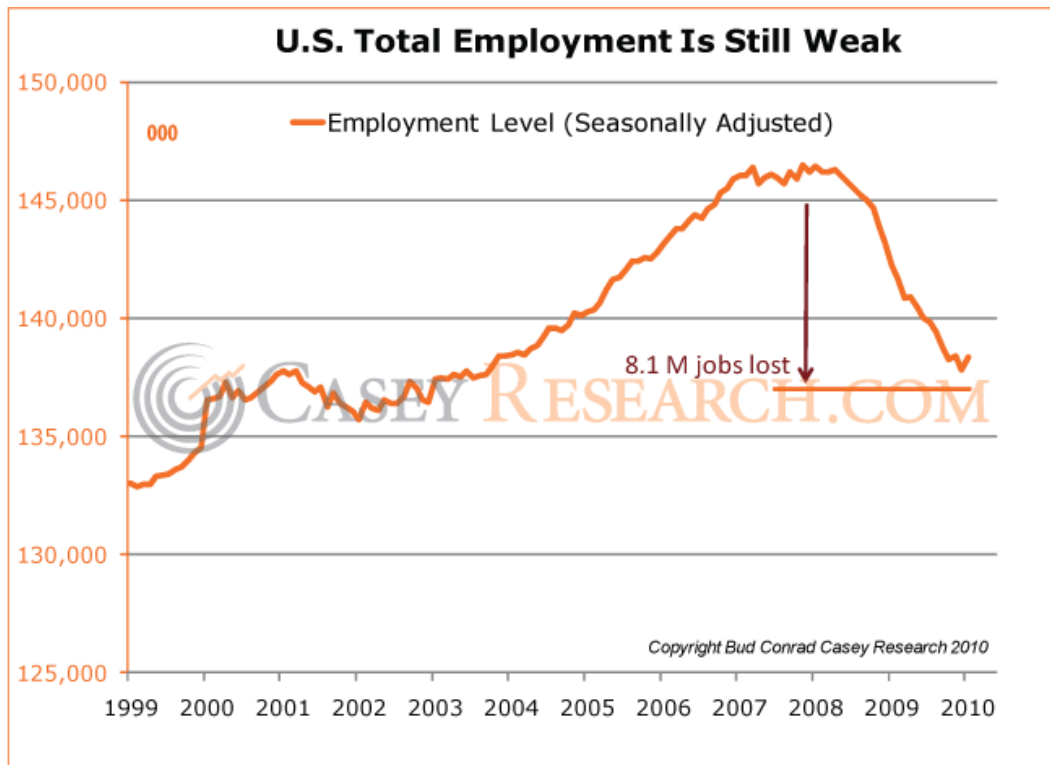


BIG GOVERNMENT TIPPING POINT?

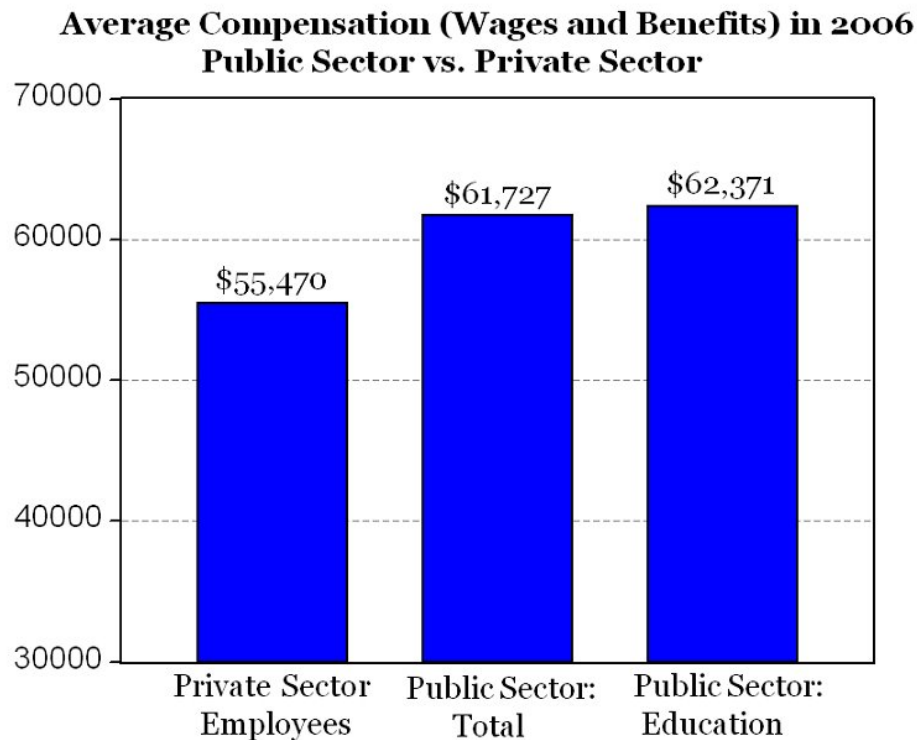
WEB BUZZ 2010.02.22

Is there some reason the U.S. economy has not created any new jobs since 2000? Is there some reason that real wages of workers in this country have not gone up since before 2000? What has happened to the great American growth machine that, until recently, has created the highest standard of living in the world? The answer, in our opinion, lies squarely in the halls of congress and with those who look to government for a way of giving them the edge in a very competitive world. It transcends political parties in varying degrees. It's much like the Budweiser ads that declares one approach too light (Republicans) and the other too heavy (Democrats). Both approaches are wrong. Both create too much government.



Adapted from Casey Research

Yes, we imagine that you have figured it out. We are coming out of the closet - we are supporters of the Tea Party movement! Through political action we have nearly destroyed a magnificent, but of course not perfect, economic system by reverting back to the European model of central planning. There must be a hidden gene somewhere that causes this to happen. You see, central planning has never worked - never! Yet, just as a moth is driven to light, we seem to believe that there is an elite out there that can make decisions better than a free market can. The crazy patchwork of regulation and bureaucracy has made government the largest employer in the country with higher wages on average than the private sector. It used to be the other way around as the risk of losing a job was greater in the private sector. We have seen some comparisons that show the wage gap even larger.



Adapted from Dr. Mark J. Perry

Now for some good news - we think. Recent events lead us to believe that the tide may be turning. The huge government debt and 10% of GDP deficits as far as the eye can see are finally changing attitudes. If this continues, the ship of state can be rectified. It will be painful, however. Nonetheless, better now than later when it might be our end game.