

# Stimulus package is a quick path to socialism

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"Middle-of-the-road policy is not an economic system that can last. It is a method for the realization of socialism by installments."-Ludwig von Mises

With the well-intentioned, yet presumably misguided follies that have come to aid the economic malaise plaguing America at the moment, Presidents Barack Obama and his enabler of a predecessor, George W. Bush, have both fostered and embraced a segue toward socialism.

As argued in his famed essay "Middle-of-the-Road Policy Leads to Socialism", renowned Austrian economist Ludwig von Mises would concur that our nation's current measures designed to ensure economic stability and promote a newfound era of prosperity eerily resemble Europe's path towards Fabian socialism and inevitably economic disaster.

Harping on hyperbole, instilling within the American public the dire certainty of a fundamental economic meltdown, September sold us a bill of goods which proved more problematic than beneficial.

McCain suspended his disaster

of a campaign; Bush, Bernanke, and Thompson quibbled with a constipated Congress over what to do; Obama regurgitated some nonsense about the inherent greed of Wall Street evildoers and then said something about change; McCain followed Obama's populist ploy; Biden was sequestered in an underground bunker somewhere; Palin went toe to toe with Gibson and Couric; and the Jonas Brothers started wearing promise rings – truly, the sky was falling.

Without any pause given to who might be the next purveyor of the free world, Congress crapped out a \$700 billion, no-strings-attached check to the Treasury Department; which, through the purchase of preferred stock, partially nationalized ailing banks like Citigroup throughout the country.

Naturally, Bush signed this colossal catastrophe into law. However, it is not the initial implications of this bailout that will prove to be catastrophic, but this unimaginable move has sown the seed for an unbridled era of government interventionism by a devout subscriber to middle-of-the-road policies, our newly elected President Barack Obama.

Preaching the dastardly greed of capitalism and masquerading our current economic woes as a direct result from laissez-faire, Bush-era

irresponsibility that empowered the rich and damned the rest of us; Obama has made it clear that he seeks to intervene whenever and wherever possible to circumvent economic hardships perpetrated on the average citizen.

First he rabble-roused the democratically subservient congress to vote for a massive stimulus package that will burden the American taxpayer with another \$1.3 trillion (after interest) in an ever-mounting national debt. This twelve hundred page guide to socialism, loaded to the brim with pet projects and adorned in ornaments synonymous with the liberal struggle (i.e. subsidies for the green movement, an expansion of subsidized medicine, and an explosion of funding for make-work, shovel-ready projects) is just the beginning.

Obama plans to tackle the housing crisis next by renegotiating the terms between lenders and sellers who are currently defaulting on their monthly mortgage payments. And Washington is now even contemplating fully nationalizing distressed banks. With Obama at the helm and Rahm Emanuel's propensity to "never waste a crisis" as the prevailing wisdom of the day, I would be flabbergasted if Washington didn't take advantage.

Ludwig von Mises contends that the good intentions consistent

with this type of interventionism perpetuate an unsustainable marketplace that constantly metastasizes into a direr situation that needs even more government intervention to pseudo-correct; one crisis begetting the next.

For example, the mortgage meltdown, what many consider the root of a financial crisis, is a direct result of government interventionism. Low interest rates set by Alan Greenspan and an expansion of credit prodded by overzealous ideologues in our bureaucracies (i.e. Fannie Mae and Freddie Mac) combined to create an artificial housing bubble that needed to pop sooner or later.

Or as Mises puts it, "The attempts to lower interest rates by credit expansion generate, it is true, a period of booming business. But the prosperity thus created is only an artificial hot-house product and must inexorably lead to the slump and to the depression. People must pay heavily for the easy-money orgy of a few years of credit expansion."

Through even more overreaching intervention America is only inhibiting the market from stabilizing itself. Housing prices were ungodly high in a marketplace that was over saturated with houses. Too much inventory, appreciating in value at an exponential rate, needs

to correct without government exasperating the situation.

Mises warns that if a particular government was to prevail in a massive nationalization of the major banks that our once great system of individualism and risk-for-reward mentality would be hampered by an "unrestricted autocracy." Although outwardly appearing capitalistic, an economy which is directed by an overbearing government as to what to produce, how much to produce, and at what price to sell is nothing more than a puppet of the state.

This is no different from the government dictating who is entitled to capital and what they can or cannot do with it through stringent state ownership of the banks. "The authorities direct the allocation of capital... To the businessmen, the former entrepreneurs, merely ancillary functions are left. All that they are free to do is to carry into effect, within a nearly circumscribed narrow field, the decisions of the government departments."

In his manifesto "Das Capitol", Karl Marx argues that socialism could not come become prevalent until capitalism reached its full maturity. Was 2007 the height of capitalism's maturity and America's prosperity? Only time will tell.

# Life means having a back up plan

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Good morning, afternoon or evening readers! This will be the second time I submitted something to the paper that wasn't a comic strip. The last time I wrote I thought about the tough questions in life, where I was, where I was going, and how far along the path I was. I put forth the challenge for all of you to do the same.

This time I write to tell you from the forefront of life experience that you need a backup plan. A backup plan in case you lose your job.

I always told myself to have one and generally followed that advice so that if something fell through in my life I had something to fall back on.

Whether that be not being able to get to the grocery store,

missing out on a chance to see a movie, or not getting my ideal class schedule; I'm sure we've all done it. One thing I can think of is colleges. I remember my guidance counselor's telling me to apply to my top three choices of colleges to try and get into.

Today's economy is bad, yesterday's was not very good, and tomorrow's economy has a chance. A chance I'm glad to see with my time in college coming to a close in May.

We as students, as people in this society, need to have a backup plan when it comes to work and finances. I'm not talking about applying to your top three jobs of choice, however. What I'm talking about is a situation that, while sad, happens.

Say a person has a job, it's not the best job, but there are no real problems. The pay isn't outstanding, but it was well

enough to live off of. Now say, after months or, low-and-behold, years on the job you are informed that your position is terminated or your time with the company is over.

That person has depended on that job and used the paychecks to pay things like rent, mortgage, bills, and buy food. Now they are left to themselves to find a way to get another job so they can afford to keep living.

No big deal, right? They can go out and give their resumes to other companies and apply for other jobs, right?

Well, they can try for other jobs, but jobs don't work in a way that one can simply stop working somewhere one day and have a job somewhere else another day. I was once told that finding a job should be a full time job. Now I'm finding that advice to be truly relevant.

One can't simply go out and expect a job in even 40 hours of searching. It just does not work that way. Employers are looking at applications and resumes from tens to hundreds of people who are in similar situations. That process could take weeks for them to find qualified applicants, and then an interview process to see which one would fit their organization the best.

I cannot think of a person who would not give the advice of planning ahead. That is also more important than one might think when they get that advice. Saving money helps out a lot. People need a bit of a buffer to get them through tough times. I would suggest to anyone who doesn't know how to save money, learn how to now. College is the last great chance to learn how to save money before being out on your own in the world.

I would go so far as to say if you couldn't pay your bills for three months off of your savings, you are not ready for the loss of a job. It may seem a bit much, but with the job market as it is - with freezes on hiring, companies shutting down, and the country moving into an economic transition process, one cannot be too careful.

I'm not trying to scare anyone out of doing what they are here to do. You are making the right moves in life by getting an education. If you believe in what you do and like it, by all means carry through with it. A dream is an important thing and it should not be laid aside. I wish you luck in what you are looking to do, and if you need some advice, look for me.

All I'm trying to say is be careful, have a backup plan, and a way to get through the tough times.