

Tuesday, August 14, 2007

## Mike Huckabee - The Only Republican You Can Vote For? NOPE!

Well, no. There are actually **FOUR**, although the second two I didn't catch right up front.

I want to lead today with a message of hope instead of one of doom and gloom.

Two words: [Mike Huckabee](#). Two more: [Tom Tancredo](#).

Mike Huckabee was a candidate that I had basically written off as a "no way in hell" odds guy for the Presidency. But his showing in Iowa was amazingly strong, and frankly, he's right about just about everything.

From an investors' perspective, he has the message you want to hear. Its spelled "[Fair Tax](#)".

I know there will be people who want to attack that, but **please be informed** before you do. The Fair Tax, should it be enacted, would lead to a boom in American competitiveness, business, **and the markets** that would outpace all other nations and perhaps even surpass what America saw in the early 1900s.

Believe this - if we end up with a Democrat in the White House - who would almost certainly be Obama or Hillary - you're going to see **major tax increases** in a raw attempt to push towards the magical 50.1% of voters paying **no federal tax**. The purpose of such a push is transparent and obvious on its face - nobody ever votes for a tax increase **on themselves!** So by reaching that magical nirvana, the Democrats believe they can cement a permanent position in power - and they may be right.

Of the Republicans, **there is only one choice I can find who will actually accomplish improving American Competitiveness and fix our tax system - and that's Mike.**

I **rarely** make political contributions. To anyone. I believe most politicians are snakes and interested in only one thing - getting re-elected - no matter who they have to screw to get there, especially if the screwie is **you**.

Mike may have this flaw. But if he does, I'll take it if it means that we wind up with an economy that prevents the implosion of America.

Tancredo is even better on the issues. His biggest problem? He's WAY, WAY behind, without material support. And that's a **damn shame**, because guys, out of everything he says, I can find exactly **one** problem with his platform - he uses the word "Democracy" to describe our system of government in one place. **We live in a Constitutional Republic.** He does, however, appear to know that, from what I can see in the rest of the platform, so I'll give him a pass on that.

**It just goes to show you that being outspoken is a HUGE fucking liability in American Politics. Now you know why I could never run or be elected - even to DOG CATCHER!**

Anyway, as they say, "do your own Due Diligence."

Posted by Karl Denninger at 10:27

Thanks for the pointer to Fair Tax - it's an interesting proposal, though I'm a little turned off by the exemption for business, it's a loophole that you can drive a truck through (literally). Fix that, though, and it may just work. As for Huckabee himself, he's said he doesn't believe in evolution. Can't bear to have another no-nothing in the whitehouse, I'd vote for a Golden Retriever before I voted for someone like that again. Again, thanks about Fair Tax. Anonymous on Aug 15 2007, 12:40

There is no "exception" for businesses. All taxes are paid by people. You cannot tax a business; if you try they simply add it to the price of the goods or services or subtract it from their employee's salaries. As for Huckabee's personal religious beliefs he's entitled to them - whatever they may be. One of the nasty realities about claiming to support Constitutional Rights is that we only find out about how serious one is in their professed support when it means allowing someone the quiet enjoyment of a right declared therein which personally bothers - or even disgusts - you. Anonymous on Aug 15 2007, 13:20

I'm a little reluctant to engage, since it's not my intention to annoy you, but what the heck - it's how one learns. Businesses are, legally, people. So not taxing their consumption is an exception, when seen in that light. And it's certainly a problem that business purchases are exempted - otherwise, it will behoove just about everyone to set up a shell corporation to purchase a car and avoid the 30% overhead. Goodness knows I will. Won't you? 30% is a lot of tax, if you can dodge it. Folks already do a variation on this when they take the "SUV exemption", right? Now multiply that by millions of folks. As for evolution, it's not a matter of religion, it's a matter of scientific fact. That you (and Huckabee) believe it to be a matter of religion shows that we're not really speaking the same language, so we should probably just leave it there. Anonymous on Aug 16 2007, 00:25

Please read The Fair Tax (HR25 from the previous session); your scenario is blocked (and with good reason.) It is unreasonable to argue with someone who has not read the actual proposal. Second, when it comes to evolution .vs. creation, I will simply observe that if we're arguing about time scales then you've lost the argument. Go ask any of the purveyors of your "scientific fact" where the matter came from that created The Big Bang. That conversation gets very uncomfortable for them very fast. (PS: There is no functional disagreement between a belief in Creation and Darwin, except among a few crazies - e.g. those who insist the world suddenly appeared 5,000 years ago - and I argue that when someone comes after an individual who has religious beliefs about how the universe came to be but cannot put forward anything with scientific validity as their thesis you have to wonder - what are they afraid of?) Anonymous on Aug 16 2007, 08:39

I love the idea of the fair tax but if I were in the Senate, I would have to vote against it. Politics (democrats) will never allow it to work - it will get bastardized (sorry for my French). They will keep some form of income tax and ultimately raise both to get more money for more failed programs and more expansion of govt into our lives. If the Republicans can get a filibuster proof Senate (w/o Rinos), then I could easily get excited about it. Sorry to be so cynical - but in today's world, I think it is realism. BTW, I agree with Jim Driscoll on the creationism/evolution argument. Of course, we should all be free to believe as we wish BUT, let's face it -- it is a lot easier to believe in cosmic dust coming together to form a Big Bang than it is for cosmic dust to form a super powerful sentient being - or have that being evolve from what? Anonymous on Aug 18 2007, 02:56

Uh, where'd the Cosmic Dust come from? Keep going, you'll get it - this is why I believe there is no actual disconnect between those who believe in creation and evolution - we are talking about who has the right time scale and details, not who has the right base theory. Anonymous on Aug 18 2007, 12:09

Creationism may be an alternative to the Big Bang theory, but the theory of evolution has nothing to do with the the creation of the universe but rather the creation of species. Even astrophysicists get a bit philosophical when discussing the origin of the universe, but genetic mutation and natural selection are pretty basic scientific concepts for someone to disbelieve. Evolution is not a theory of timescales but of process. You can believe in God and still believe in Evolution. But you cannot disbelieve in evolution and believe in science. Anonymous on Aug 19 2007, 05:33

A BIT philosophical? Those of you who have problems with the fact that there is disagreement between evolution and creation only in the fine details are quite humorous in your attempts to defend HATRED for those who have religious beliefs. Let's boil it down to brass tacks, shall we? Second Law of Thermodynamics - The Universe tends towards high entropy, that is, disorder. Now square that with the fact that the theory of evolution violates the Second Law of Thermodynamics!! I can keep going on this for weeks, but the bottom line here is that there has to be "something" that serves as an input, or we would not be here. Science has, thus far, been unable to provide the answer to these questions. Most real scientists are quite religious people. Why? Because fundamentally, the only answer to these questions, as we understand the Universe today, devolves into the action of a higher power. It would appear that those of you taking this approach would require that a candidate for office be an atheist! Good luck with selling that one to the American People. Anonymous on Aug 19 2007, 11:47

Your confusion makes more sense now. The Second Law of Thermodynamics applies to isolated systems. Any open system can reduce entropy as long as energy is being added to the system system and entropy is transferred out. If we didn't have the sun, then

we would be in trouble. Even within a closed system, entropy increases overall but portions of the system can still reduce the local entropy by transferring it to other parts of the system. Of course, entropy has nothing to do with the concepts of organization or disorder, per se. Entropy is simply the amount of energy per degree of temperature. Any basic thermodynamics text could explain this to you. And, finally, I never claimed that you needed to be an atheist to be a good President. As you yourself indicated, a religious man could read the Bible as allegory and still believe in evolution. But disbelieving of evolution is a denial of observable phenomenon. If the processes collectively described as evolution did not exist, then we wouldn't be worrying about new communicable strains of the bird flu. Anonymous on Aug 19 2007, 15:08

Leave it to the "anon-y-mouse" to conflate reality. First, "The Universe" is a closed system. It currently is trending towards disorder but at some point in the past it did not - obviously. SOMETHING produced the "order" that was the matter in the instants before The Big Bang. Current belief is that the Universe is expanding at an increasing rate - that is, it will eventually go "extinct" through entropy. That is congruent with the Second Law of Thermodynamics. What's not is what had to happen in order for The Universe to exist in the first place. BTW, I passed college-level Physics, including Thermodynamics. As for "disbelieving" evolution, as I've said repeatedly creationism and evolution are not mutually-exclusive beliefs. Don't you find it rather difficult to believe that The Universe just magically came to be in direct contravention of the Laws of Thermodynamics? The more I have studied about the physical universe and our tiny place in it, the more convinced I have become that it is not possible that a higher power was not involved. I used to be quite the believer in science as the ultimate arbitrator, entirely based on fact with no gamesmanship or bull. But the more I learned, the more I came to understand that if you ask enough questions of science you eventually run smack dab into "something we don't understand made that happen." That would be the definition of God, I suspect. You see, if you do understand "it", then as I see things, it may be many things, but one that it is not is God. Anonymous on Aug 19 2007, 15:25

There you go on the creation of the universe again. If you want to believe that God created the universe, then I've no quibble with that. Especially not if you are willing to expand the definition of God to be "something we don't understand." I certainly don't claim to know how it happened. God is as good a concept as any for what happened right before the universe came into existence. I don't even quibble with the idea that Creationism and Evolution are not mutually exclusive. Creationism is largely a question of "why" and Evolution is a question of "how." Most of the religious scientists I know have no problem with this distinction. Historically, science was often considered a semi-religious task of trying to understand God's universe. But that isn't the issue. If asked the question, given the observable facts, "Do you believe in Evolution?" and someone answers "No," then that person is likely not competent to be President. Especially if you grant the "non-mutual exclusivity", denying evolution is either a sign of an overly rigid mind or base ignorance. Finally, I suggest you stop conflating the concepts of disorder and entropy. If you need help, consider a simple experiment: a supersaturated solution of salt and warm water, perhaps with a nice seed crystal at the bottom. As time passes, crystals will form, increasing 'order' while at the same time increasing entropy in the system. Despite the ad hominem attacks, you seem like a reasonably bright guy. Conflating these two ideas, despite whatever passing grade you may have received in college, simply makes it harder for anyone who actually understands this stuff to take you seriously. Anonymous on Aug 20 2007, 01:31

Directly from Mike Huckabee's candidacy site "on the issues": The First Amendment requires that expressions of faith be neither prohibited nor preferred. We should not banish religion from the public square, but should guarantee access to all voices and views. We should share and debate our faith, but never seek to impose it. When discussing faith and politics, we should honor the "candid" in candidate - I have much more respect for an honest atheist than a disingenuous believer. My faith is my life - it defines me. My faith doesn't influence my decisions, it drives them. For example, when it comes to the environment, I believe in being a good steward of the earth. I don't separate my faith from my personal and professional lives. Real faith makes us humble and mindful, not of the faults of others, but of our own. It makes us less judgmental, as we see others with the same frailties we have. Faith gives us strength in the face of injustice and motivates us to do our best for "the least of us." Our nation was birthed in a spirit of faith - not a prescriptive one telling us whether to believe, but one acknowledging that a providence pervades our world. Now where in there can you find something that disqualifies him to be President? He seems to understand the point and purpose of the First Amendment quite well; it is you who do not. You have a "litmus test" that says that if someone has a differing set of religious beliefs from what you find acceptable, that bars him from office. He says that if you have a differing view of religious beliefs than he, that such differences must be respected and neither prohibited or preferred. Which is the bigoted perspective and which is the enlightened one? Nuff said. There are points on which I disagree with Mr. Huckabee - specifically, I do not agree with his stand on Israel, nor do I believe the Federal Government has any business being involved in marriage whatsoever - marriage should neither be recognized and preferred or prohibited at the federal level, as such is properly a matter for the people to deal with in their own private faith communities. The government's role should be limited to enforcing privately-negotiated marriage contracts entered into between individuals; nothing more or less. I have issues with ALL candidates that are seeking the Presidency. However, when I take the tally across the board,

Governor Huckabee has the fewest "disagrees" in my tally sheet, and in the areas where he and I do agree, I agree very, very strongly with him. So on balance, at present, he's the one I support. Show me someone with a better platform and I'm all ears.  
Anonymous on Aug 20 2007, 01:46

As you yourself indicated, evolution is not denied by the Bible. Barring an excessively literal and unsupportable reading of the Bible, a religious person of Judeo-Christian faith is free to believe in Evolution without violating any tenets of that faith. Why things work the way they do is a question for religion and philosophy; how they work, a question for science. Quoting Jim Driscoll above, "As for evolution, it's not a matter of religion, it's a matter of scientific fact. That you (and Huckabee) believe it to be a matter of religion shows that we're not really speaking the same language, so we should probably just leave it there." Anonymous on Aug 20 2007, 05:57

Actually, I think we are speaking the same language, and you've just gotten rather uncomfortable. See, Huckabee has outlined a position of tolerance - and understanding of the Constitution. You've unveiled the reality that your personal views and positions involve neither. Anonymous on Aug 20 2007, 08:29

Karl, What are your thoughts on Ron Paul's effect on the economy were he to become president? MCG Anonymous on Sep 9 2007, 19:13

It's a non-issue as he has a zero chance of being elected. Anonymous on Sep 9 2007, 19:25

Well, humor me...what if he were? I'm really curious what you think about his monetary policies. Anonymous on Sep 9 2007, 19:49

He'd have a hell of a problem, because he'd have to convince Congress to send him bills to undo the Fed, among other things. Fractional reserve banking is a GLOBAL institution, not just a US one. The United States would no more abrogate it solo than anyone else, and an attempt to do so would likely destroy our economy. Congress isn't that stupid. The part Ron Paul does not understand is that the growth of "money" is not driven by the Fed. It is in fact the "shadow banking" system - business interests that create credit - that has driven this expansion. Without stomping on that an attempt to force banking back onto a physical commodity standard (e.g. gold) simply destroys the banks. If you at the same time forbid the private creation of debt/credit, then you trash everyone who has leverage deployed instantaneously. This is so fanciful that it is not really worthy of actual consideration. Ron Paul talks a good game but if he actually understands what he's proposing he has to know that (1) he'd never be able to pass it, and (2) if he could declare himself "King" to do what he's proposing would flatten most large corporations, all investment banks, hedge funds, and money center institutions. The result would BE a depression that would make the 1930s look like a Girl Scout picnic. Fact is, The President really has only one form of "real power", which is the bull pulpit. Without the acquiescence (or outright active intervention) of the political parties there is not much the President, on his own, can accomplish. Yes, we have a mess in this country. But while lighting off a few hundred nukes and "sterilizing the land" may sound interesting academically, it is totally unrealistic when one is dealing with the real world. The solution to our monetary issues right now are to be found in forcing derivatives onto exchanges where price discovery is part and parcel of holding and trading them. This not only eliminates the "mark to model" stupidity, it also provides you with surveillance and enforcement of margin requirements. In the longer term (e.g. entitlements) the answer there is to force The Government to live under GAAP like private enterprise is forced to. That would immediately put a stop to the bullshit as the bond market vigilantes would make it impossible to sell debt into the market beyond the capacity to actually pay the check. This would force the government to repudiate or modify unfundable programs (like Medicare and Social Security) which is where the structural problem lies, lest the Bond Market start demanding 18% coupons to take Treasury Debt. Anonymous on Sep 9 2007, 20:07

Thanks for commenting, Karl. I'm an investing and finance newbie but I am enjoying your blogs. MCG Anonymous on Sep 9 2007, 20:47

Genesis said: show me a man with a better platform. I did. Tom Tancredo. Tom is also for the Fair Tax, btw. I've heard him speak about it. Sad when you can only become POTUS if you have the deepest pockets. That sure eliminates a lot of really great possibilities. Anonymous on Sep 16 2007, 15:51

If having a dollar begins to actually **mean** something again, people and nations will be willing to give more and do more in exchange for that dollar. And it will be worthwhile again to save dollars and less attractive to incur debt in dollars. As for the depression, we're going to get that anyway, and you've (genesis) said so yourself that it's better to take our medicine now than later. As to private entities creating "money" through debt, they can make any arrangements that they want with each other as far as I'm concerned, so

long as they make sure to honor their part of the bargain. This last requirement means that when it's time to pay out real money, they better have that real money to pay. This requirement with appropriate teeth should make them think twice about extending too much credit. A good policy would be to make a dollar redeemable by law by one one-hundredth of a barrel of sweet light crude oil, and let no dollar be in circulation except that there be a corresponding 1/100bbl in the strategic petroleum reserve to redeem it with. Anonymous on Nov 1 2007, 20:50

The problem with trying to rebase our currency to some physical item (whether it be gold or oil) is that "dollars" aren't the problem. Credit is. They're essentially interchangeable, yet the government can only control "actual dollars." This is where the real problem lies, and it's nearly impossible to deal with unless you get rid of all private extensions of credit. That's a tall order - there is no modern society that works this way.... Anonymous on Nov 1 2007, 22:16