

Thursday, June 26, 2008

HOT DAMN, The Supremes Got It Right!

HELD: [The Second Amendment confers an INDIVIDUAL right to keep and bear arms](#)

(a) The Amendment's prefatory clause announces a purpose, but does not limit or expand the scope of the second part, the operative clause. The operative clause's text and history demonstrate that it connotes an individual right to keep and bear arms.

(b) The prefatory clause comports with the Court's interpretation in *DISTRICT OF COLUMBIA v. HELLER*. The "militia" comprised all males physically capable of acting in concert for the common defense. The Antifederalists feared that the Federal Government would disarm the people in order to disable this citizens' militia, enabling a politicized standing army or a select militia to rule. The response was to deny Congress power to abridge the ancient right of individuals to keep and bear arms, so that the ideal of a citizens' militia would be preserved.

To the Gun Banners such as "The Brady" crowd: **YOU ARE WRONG.**

To those who lost loved ones at VTech, at Columbine, and elsewhere due to nutjobs showing up with guns and opening up on innocents - **you have the right to defend yourselves, and if the government had not interfered with that right prior to these events, and someone had been armed, your loved ones might still be alive.**

To those who think that "violence is not the answer" - **when someone else is hellbent on killing you, it is the ONLY answer short of your death.**

To the cities of Chicago and Morton Grove, along with many others: **fuck you.** You were wrong then and now your unconstitutional bans on firearm ownership are **void.** Oh, and [God Bless Bessie Jones](#).

To those who think that the Second Amendment is about hunting or self-defense, in the main: **FUCK YOU.** The Supreme Court just told you in blunt fucking english what I and others have said all along - **The Second Amendment exists for the express purpose of insuring that should GOVERNMENT ever become so oppressive that armed revolution is necessary, the people will have the means to prosecute it.**

Those of you who have refused to understand that the writings of our Founders found in **The Federalist** and **The Antifederalist** made this very point over 200 years ago have now had it explained to you by the Men and Women in Robes on the US Supreme Court.

The very presence of this right is the reason why we do not today need to use it for its original intended purpose, and why, so long as the Second Amendment stands, we are unlikely as Americans to ever suffer a government so oppressive as to require its use.

We have four boxes that guard our freedom in this nation:

The Soapbox

The Ballot Box

The Jury Box

And finally, **if and only if the other three fail, the ammunition box**.

In short, it is **GOOD** that a government fear its people's right and ability to overthrow it, as that is one of the prime reasons that the sort of outrageous conduct that would give rise to such an event **will not happen** so long as the right and ability do enforce that capacity exist.

Congratulations Anton Scalia and others in the majority.

You got this one right.

Posted by Karl Denninger at 11:04

Tuesday, June 24, 2008

Will The Candidate With A Clue Please Stand Up?

When it comes to energy, that is.

We hear lots of complaining about high gas prices, but is anyone really interested in **addressing the problem?**

More than two years ago I put forward a roadmap [right here in Musings](#) that would address, to a large degree, our energy problems.

No, that roadmap won't solve all the problems.Â But it sure will do a lot more to address the high price of energy than will blustering about gas tax holidays or threatening to "go after speculators."

It is a fact that if we want to grow GDP, we must grow energy supplies.Â This is reality.Â To produce 10 LCD TVs instead of 1 LCD TV you must expend more energy.Â To produce 1,000 tires instead of 500 tires, you must expend more energy.Â To build 10 houses, you must expend energy.

In fact, there is no way to grow GDP without growing energy supplies and consumption.Â This is axiomatic, and no amount of bleating will change it.

If we want a vibrant, growing economy, we must solve our energy supply problem.Â If we refuse to do so then we will be saddled with moribund growth at best or a deep and long recession at worst.

Those are our choices folks, and campaign rhetoric will not get the job done.Â We need concrete, actual proposals that can be implemented, not bluster and BS.

Posted by Karl Denninger at 09:11

Friday, June 20, 2008

Ms. Sink, CFO Florida - TIME TO RESIGN

Your appearance on CNBC this morning was outrageous.

You claim that we "can't drill off Florida" because it might endanger our tourism industry, and that we're being "snookered" by Charlie Crist's endorsement of drilling.

Ms. Sink, **BITE ME**.

I live here in Florida. In fact, I live on Choctahatchee Bay, right near Destin, **and right where one of the most promising places to drill happens to be.**

I want the rigs here, and I want them here **NOW**.

Screw the fatcats with their \$5 million condo penthouses who don't want to see lights at night from their 40th floor enclaves. **That is who you are "protecting".**

The rest of us, including people with ordinary waterfront property like me, have a different view.

We see a huge decline in tourism **right here and now**. Traffic levels this summer are **way down**. I can drive on US-98 at 5:00 PM, which for the last eight years has been impossible during the summer months. I can walk into a restaurant at 6:00 PM and get seated immediately - last year there was an hour wait. I see the boards going up on business windows, and its not due to an approaching hurricane. I see the "available" signs all over the commercial property landscape. And I see the short sale and foreclosure signs all over our residential real estate.

You cannot have tourism here without reasonable energy prices. Period!

Whether you like to admit it or not, Ms. Greenie-who-needs-a-public-spanking, **the people who come here to spend money all must burn dead dinosaurs to do it in some form or fashion.**

Your position - that we should drill somewhere else, like out West, is the same sort of NIMBY crap that Demoncrats have run for the last 30 years and it is time for you and your rhetoric to leave the goddamn stage!

Further, it is an absolute **lie** that tourism doesn't have a balance on this. Rigs are **excellent** fish habitat. I like to fish. So do a lot of people who come here on vacation and spend a **lot** of money doing so. Rigs in Florida waters will increase our **fishing** opportunities and thus those who do that for a living (I'm not one of them; I fish for fun) will both cut their fuel bills and increase tourist interest in spending money on fishing.

The claim of "environmental harm" is horsecrap. During Katrina hundreds of rigs in the Gulf off Louisiana were severely damaged or destroyed.

Not one drop of oil spilled from a deepwater rig.

There is no such thing as a free lunch. We are an oil-based economy, like it or not. You can [look back through Musings](#) for my plans to fix this problem in the intermediate (20-30 years) term, **but for right now stabilizing the energy markets and reducing our dependence on unstable foreign supplies means**

drilling here and now.

We have \$4/gallon gasoline in no small part due **directly** to the failed policies of obstruction over the last **thirty years** that Democrats - people just like you - have run all whining about development of our own home-grown energy resources in America. Â

The results of these policies are now on display and we, the people,Â most certainly "get it."Â You're prepared to sacrifice our economy on both a state and national basis to "protect" the right of fat cats to not see a few lights off on the horizon at night from their 40th floor Penthouses while the rest of us can't afford to fill up our cars!

The claims of "conservation now!" ring hollow with people like me while Kerry and Gore jet around in their private aircraft and cruise in their yachts, burning 60, 100 or more gallons per hour.Â

They don't care what it costs but we, the ordinary people of this country, do!

Yes, you were elected by Florida residents (although I didn't vote for 'ya.)Â

Guess what?Â As the tourism industry (along with the rest of our economy) crashes ***you are very likely to be shown the door.***

Hopefully, sooner rather than later.

Posted by Karl Denninger at 08:21

Monday, June 16, 2008

USSC Gitmo Ruling - A DISASTER

Time to comment on this, because there are apparently a whole host of people who have their heads firmly planted in their asses in applauding this ruling from the United States Supreme Court.

The premise is that "we should apply Habeas Corpus to everyone we capture, everywhere, irrespective of the circumstances." That's the bottom line of the ruling.

Now here's why its stupid.

The United States Constitution only applies to United States Citizens *while in the United States*.

I am free to drink here in the US. If I go to Saudi Arabia, I am not free to drink. In fact, I can be jailed for drinking.

Their land, their laws. Follow them or go to jail.

Now - on the subject matter.

It is a long-standing principle of International Law and The Rules of War that if you are shooting at troops "out of uniform" you are not entitled to Geneva Convention protections. In fact, you are subject to being shot on sight.

The reason for this is really quite simple - when you do that sort of thing *you are taking human shields in the form of the civilian population where you are*.

This is seen as a seriously undesirable thing *because it causes innocent civilians to die*, and to deter it, **The Geneva Conventions explicitly exempt people performing acts like this from its protections.**

We caught these people outside of the United States. They are being fed and clothed. They are not being given the right to Habeas Corpus, nor should they - they are not US Citizens and were not apprehended in the United States. They further were engaged in hostile acts against our troops *but were not wearing a uniform of an opposing force, and were explicitly seeking to blend in with the civilian population - effectively taking them as human shields.*

Under longstanding International Law they were subject to being *summarily shot*. I would say we are treating them considerably better than *what International Law says is both appropriate and lawful conduct on our part*.

You want these people to be treated in accordance with US law? Ok, then tell me why we should not be subject to Sharia Law from a Muslim country while we are in the United States.

Oh, the shoe sucks when its on the other foot, does it?

Well gee, funny how that works. The "peacenik" folks would have a CAT if the women among them were forced to wear burkas under penalty of being caned!

So just what sort of hypocrites do we have in the USSC? Further, its obvious that these dishonorable men in robes can't read the damn Constitution or, more likely, they just don't give a good damn what it says - they

wanted to come to a given result, so they did - and whether that was supportable by the black letter on the printed page didn't matter a bit to them.

This ruling places our nation and our people, here and abroad, in more jeopardy than they were before.Â

It also opens up other nations to being able to claim that OUR citizens, inside OUR border, should be subject to **their** laws.

Those of you who think this was a "victory for America" are smoking crack and need to put down the pipe.

And George Bush needs to grow a set of balls and tell the USSC that they have their ruling - now let's see them enforce it.

Posted by Karl Denninger at 02:47

Sunday, June 15, 2008

The Coming Fiscal Meltdown (2008 Edition)

Back in 2005 I penned an entry here called "[The Coming Fiscal Meltdown of America](#)"

You might want to go back and read it.

Why do I bring it up here again today?

Because the situation has gotten much worse.

Back then the total tab was around \$43 trillion.

Today it is **nearly \$100 trillion, or more than a doubling in the last three years.**

How?

Simple - we have done nothing to address the geometric growth of the problem, and in fact have made it worse.

[Read this from Dallas Fed President Mr. Fisher:](#)

"Add together the unfunded liabilities from Medicare and Social Security, and it comes to \$99.2 trillion over the infinite horizon. Traditional Medicare composes about 69 percent, the new drug benefit roughly 17 percent and Social Security the remaining 14 percent."

Nice eh?

Well, this all ties in with something that has been a "back of the envelope" thing for a while, which is *investable capital*.

What is that?

It is the total sum (either net in or out) that is available to invest into the economy in the form of stocks, bonds and other similar instruments *by individuals* net-on-net.

This has been a positive number ever since WWII.

However, when the boomers really start to retire en-masse, this figure will shift towards and eventually cross into negative territory.Â My original estimate for when that would happen was 2030, plus or minus five years.

Unfortunately, the housing bubble (which I did not manage to properly account for back in 2005) was far more pernicious than any could have imagined.Â We have "pulled forward" demand through this, and in addition have left behind debt.Â As such there is double trouble coming directly ahead from the impact on *investable capital* from the bubble and its popping, and my *new estimate* is that we now face the rate going negative in 2020 - plus or minus five years.

Note that this means that we could reach the "knee" in as little as seven years from now.

Why is this important?

Because when that "knee" is reached outflows from all forms of investments will exceed inflows, *and a secular top in all capital markets will have been reached.* This is not a short-term "Bear .vs. Bull" thing - it is the defining element that has led to the stock market returning over 1,000% in the last 40 years.

Now certainly I do not expect the S&P 500 to go back to 100 or any such thing. But the sort of "bull market" we have had since 1992 simply cannot be sustained without a positive *investable capital* flow.

We as a nation must address our medical cost issues. We as a nation do not want to, but we must. It is not an option. The choices are to deal with this **or it will explode in our faces.**

As you can see, the explosion has already begun.

The "bad debt meter" has doubled *in three years.*

Now on the forum there was a rather lively discussion that devolved down into one of the participants trotting out the old tired "but if you cut off free medical care and your kid gets run over by a car, he might *diiiiieeeeeee*" chestnut.

Yes, he might.

Guess what? Life isn't fair.

Let's look at the Canadian system. They have a set amount budgeted for medical care every year. They add up all the diseases and their costs, and put them on a list. When the cumulative cost of the treatments reaches the budget level, a line is drawn. If your disease is below the line, you don't get treatment. Period.

If you are in one of the "ok" categories, you still are rationed, because there is a waiting list. Money can only be spent at \$X/month on said disease, because that was the budget. Your place in queue is established and you wait your turn.

For many people this means they die first.

And in Canada, *you can't buy the treatment even if you have the money and are too far down the list (or below the line) at all!* As a consequence Canadians who **do** have money frequently come to the US (or go somewhere else) to get their maladies attended to.

How is that different than "*but your kid might diiiiieeeeeee?*"

Its not.

Guess what - unlimited demand and limited resources can't work. Ever. Period.

So now we have crazy credit overhangs, an investable capital rate that is about to go negative in the near future, and entitlement promises that can't possibly be met.

Folks, we had better get off our collective asses right here and now. We are simply running out of time in this regard; the fact that investable capital *will* go negative cannot be avoided.

We are therefore stuck with the fact that we **must** have an honest discussion and debate between and among The American People about this problem and what it means.

We must repudiate this entitlement spending **now** so that those people who **can** do something about it - the folks who are currently working - have time to make some sort of plan.

We must stop promising that which is mathematically impossible, and hold the politicians feet to the fire.

We **must** deal honestly with our children and grandchildren, and **stop holding them up at gunpoint** for what amounts to our own desire to live longer and more pleasant lives **while forcing them to pay for it**.

My daughter deserves a future. So does your son or daughter.

Whether they have that future depends on **us**, and if "we the people" refuse to deal with this in an honest and forthright manner, some of us - myself included - might resort to taking out full-page ads in national newspapers with the math displayed for all to see.

Why?

Because if this is not dealt with the system **will collapse**, and when it does, you will inevitably come banging on your kid's (now as adults) door asking for help.

Their proper response, after you have screwed them out of their future, is to slam the door in your face.

I think its critical that they know what you did to them - and why.

Something to think about.....

Posted by Karl Denninger at 15:45

Saturday, June 14, 2008

Obama or McCain?

Ok, so let's see here, which choice would you like?

[MSNBC says:](#)

"Obama promised to cut taxes for the middle class, raise taxes on the wealthy, pour money into "green energy," and require employers to set up retirement savings plans for their workers as he campaigned Saturday in Pennsylvania, a key battleground in the November election."

That's nice.Â How are you going to pay for all that?

Speaking of paying, how do you think McCain would do handling our economy?Â [Better than he does handling his own debt?](#)

"The bulk of the McCainsâ€™ obligations stemmed from a pair of American Express credit cards that are held in Cindy McCainâ€™s name. According to the disclosure reports, which present information on debts in a range rather than providing a precise figure, Mrs. McCain owed \$100,000 to \$250,000 on each card.

Another charge card, held by what was described as a "dependent child," had also accumulated debts of \$15,000 to \$50,000. In addition, a credit card held jointly by the couple was carrying \$10,000 to \$15,000 in debt, the filing indicated, at a stiff 25.99 percent interest rate. "

Why do I feel like I'm gonna get fucked from an economic perspective no matter who I vote for?

Talk about a Hobson's Choice.....

Posted by Karl Denninger at 21:30