



The

Phyllis Schlafly Report



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What's Coming Up in 2012?

Bailing out the European Union

It was bad enough when President Obama bamboozled Congress into passing a Stimulus bill that didn't produce any jobs, then increased the federal deficit in the 2012 omnibus spending bill, then raised the debt ceiling, then bailed out the big U.S. banks, then tried to bail out his pal Solyndra to try to save it from bankruptcy, and then appointed a Jobs Czar who creates jobs only in China. But it's over the top when Obama told the European Council President and the European Commission President that "the United States stands ready to do our part" to bail out Europe.

Bailing out Europe is absolutely not any "part" of "our" duty; we've already bailed out Europe more times than it deserves. Obama didn't give specifics, but he was probably referring to recent proposals to pour more U.S. cash into the International Monetary Fund (IMF) to be used to bail out Europe.

On December 16, the IMF board of governors adopted a proposal to double its resources from its current \$375 billion to \$750 billion. Of course, other IMF member states thought that was a nifty idea since it would mean that the United States would donate another \$100 billion in addition to our present \$108 billion stake in the IMF.

The U.S. is the biggest contributor to the IMF; we pay about 17 percent of its budget. A European default could make U.S. taxpayers liable for 17 percent of the IMF's liabilities.

Senator Jim DeMint (R-SC) says we should just say "no" to Europe, and has filed a bill with 26 cosponsors to defund our \$100 billion IMF contribution. Rep. Cathy McMorris Rodgers (R-WA) has introduced a bill in the House with 83 cosponsors to reclaim whatever remains of our commitment to the IMF.

There is also the danger that our Federal Reserve System will come to the rescue of the Europeans by making major bond purchases of European debt. That expensive decision may be imminent; apparently, there is no law to prevent the Fed from such extravagant folly.

We the people who end up paying for IMF donations only found out after the fact, because of our federal courts enforcing Freedom of Information Act requests and a congressionally authorized audit of the Fed, that trillions of dollars of emergency

loans have already been given to foreign banks. In addition, the Fed simply printed \$442.7 billion out of thin air to buy back flaky mortgage-backed securities from overseas institutions that were heavily invested in U.S. housing. Obama has no business using U.S. taxpayers' dollars, through the IMF or the Federal Reserve or any other secretive agency, to bail out foreign banks.

Obama's narcissism has reached the point where he thinks he can act like a king and do whatever he wants. In addition to giving away our money so recklessly, he has announced his intention to refuse to enforce laws he doesn't like, even though the U.S. Constitution makes it the prime duty of the President to "take care that the laws be faithfully executed."

For example, Obama announced that he won't obey 20 provisions in the \$1 trillion spending bill. He specifically repudiated the provision that "none of the funds made available in this title may be used, in whole or in part, to advocate or promote gun control."

Obama also said he will ignore a provision in the appropriation law that bars taxpayer funds from being spent for the "salaries and expenses" of his so-called White House czars. We are particularly annoyed by his attempt to run our government with czars instead of with Americans confirmed in the proper way by the U.S. Senate. Obama is even trying to make "recess appointments" when the Senate is not in recess.

In a sneaky Christmas Eve release, Obama overturned the U.S. law that prohibits internet gambling. He used a Justice Department legal opinion (after it had been kept secret for four months) to open the door for all U.S. states to sell lottery tickets over the internet, and to encourage varieties of online web-based gambling such as poker. This Obama Administration action undermines the U.S. Wire Act of 1961, which up to now has prohibited all wagers via telecommunications across state lines or international borders.

Obama is even refusing to enforce the Defense of Marriage Act (DOMA) and is having his Justice Department try to get supremacist judges to declare it unconstitutional. The Government Accountability Office (GAO) has identified 1,138 federal laws that depend on DOMA's traditional definition of marriage.

We Don't Like the Future We See

Americans don't need a fortune teller to predict our future. We can see the future right before our eyes: Europe; and we don't like it.

Europe, whose economy we so generously subsidized with billions of dollars given by hardworking U.S. taxpayers, and whose freedom we repeatedly defended with the blood of our young men, is now a disaster area, financially and culturally. Europe's decline is even beyond U.S. capability to save again.

Europe's financial collapse is the result of extravagant deficit spending and the increased percentage of the population dependent on government handouts, which their people have begun to believe are entitlements. Europe's cultural collapse is the result of allowing a tsunami immigration of people who will not assimilate into European civilization, will not obey the laws of their adopted country, and stubbornly retain their loyalty to and customs of their native land.

The bad effects of those tragic decisions have been magnified by the mistake of relinquishing their national sovereignty to the European Union (EU) and by replacing their own currencies with the euro. The people can't be blamed; those decisions were made by the European elite who presumed to be smarter than ordinary people.

The march toward the global economy, a.k.a. the New World Order, is fundamentally anti-democratic. The chasm between the European elites leading the march and the 300,000,000+ people who were not allowed to vote on joining the EU or adopting the euro was a scandalous offense against the democracy the elites claim to respect.

The EU paper-pushers in Brussels, with their own flag and anthem, have assumed full power over foreign relations, international agreements, the armed forces, and criminal and civil law, while the EU court in Luxembourg indulges in imaginative judicial activism to implement "the ever closer union of the peoples of Europe."

The plan originally sounded so rational, so much like helping history to unfold in an inexorable march toward what German Chancellor Helmut Kohl called the "irreversible" process of unifying Europe. On December 9, the EU countries relinquished even more of their sovereignty by agreeing to allow the European Court of Justice to strike down a member's laws if they violate fiscal discipline.

The question for Americans is, are we going down the same dead-end road? America, too, has an elite that wants to take us down the Yellow Brick Road of fake promises, such as free trade and a global economy administered by a wizard behind the curtains in Geneva called the World Trade Organization.

George W. Bush stepped onto that road just months after becoming President. On April 22, 2001 he signed the Declaration of Quebec City in which he made a "commitment to hemispheric integration," endorsing the Free Trade Area of the Americas.

That idea took a dive because Communist Hugo Chavez

was consolidating his control over Venezuela. "Hemispheric" goals were quietly halved, and replaced with the North American Union and the Security and Prosperity Partnership, endorsed by Bush, Mexican President Vicente Fox, and Canadian Prime Minister Paul Martin in Waco, Texas on March 23, 2005.

The three amigos met again in 2006 in Cancun, Mexico, and demanded that Congress pass a comprehensive immigration bill with a worker permit program. At their third meeting in Quebec in 2007, the three amigos agreed on a 44-page comprehensive Plan to set up a "Coordinating Body" of "decision-makers" during flu epidemics, based on UN and NAFTA guidelines.

All the while, we were told this was advancing us toward a North American Union modeled on the then-successful European Union. Globalism was their goal, Europe was their model, and their writings were laced with the language to grease our way: "economic integration," "harmonization," and "the free movement of goods, services and people across open borders."

The favorite business authority Peter F. Drucker wrote in his 1993 book *Post-Capitalist Society* that the European Union "triggered the attempt to create a North American economic community. . . . The economic integration of the three countries into one region is proceeding so fast that it will make little difference whether the marriage is sanctified legally or not."

But our European model is collapsing before our eyes and, worse, we now discover that the globalists have tied us into that failed model. Barack Obama welcomes our journey toward globalism even as he prepares us to pay for Europe's mistakes. This week he said: "If we see Europe tank, that obviously could have a big impact on our ability to generate the jobs that we need here in the United States."

Can we reverse course, return to the roots of our constitutional restrictions on government stupidity, and once again achieve the prosperity given us by private enterprise within protected borders?

China Celebrates Outwitting Us

Communist China is celebrating its tenth anniversary of joining the World Trade Organization (WTO). The subtitle ought to be China's tenth anniversary of cheating the United States.

The globalists talked us into supporting this cozy trade relationship with China by getting U.S. manufacturers and farmers to salivate at the prospect of gaining access to the world's biggest market. China, on the other hand, joined the WTO to implement its plan to grow into an economic superpower the same way the United States became powerful in our pre-New Deal century, *i.e.*, by protecting local industries and financing our government with tariffs on imports.

Somehow, China learned the lesson of *Animal Farm*: all are equal in the WTO but some are more equal than others. China enhanced its WTO membership with special breaks and loopholes that allow China to sell slave-manufactured

goods worldwide but protect its own industries from foreign competition.

The result? China sells microwave ovens for \$49 in the United States, but the U.S.-built Jeep Grand Cherokee sells for \$85,000 in China because the Chinese add tariffs and other fees to the U.S. price of \$27,490. Since only a few Chinese millionaires can afford such a luxury, fewer than 2,500 have been sold in China this year.

The 25 percent tariff is only one reason why the Grand Cherokee costs three times as much in China as in the U.S. China also imposes a sales tax of up to 40 percent of the price, based on the car's size, and gives generous subsidies and extraordinary regulatory favors to state-owned companies.

Should U.S. companies retaliate by building their own plants in China? China limits foreign manufacturers of auto assembly plants to only 50 percent ownership, and requires U.S. companies building plants to give China its U.S. patents and trade secrets.

China was admitted to the WTO after promising to accept its rules about free trade. But as the lawyers say when you end up disappointed by a contract, you should have read the fine print.

The fine print in China's WTO agreement was in an attached document euphemistically labeled an "accession agreement," which gave China status as a "nonmarket economy" and spelled out thousands of details about special preferences for China. China was allowed to impose higher tariffs than other countries, and ever since has protected its auto industry by a prohibitive tariff on imported cars. By contrast, South Korea's tariff on imported cars is 8 percent, and the European Union's is 10 percent.

China is flooding the global market with cheap solar panels. The U.S. has filed complaints with the WTO against Chinese tariffs on steel and subsidies for wind power equipment, but don't expect the WTO to clamp down on China.

Meanwhile, as more and more U.S. public schools are making vaccinations a requirement for admittance, China is preparing to take over the vaccine market. China's Food and Drug administration brags that China has more than 30 vaccine-producing companies with an annual production capacity of nearly one billion doses.

Are parents willing to inject their kids with Chinese vaccines? Chinese cough syrup killed 93 people in Central America in 2007. At least 81 U.S. deaths in 2008 were caused by Heparin, a Chinese-made blood thinner widely used in surgery. Tainted milk powder poisoned hundreds of thousands of Chinese babies.

An expert on Chinese health at the Council of Foreign Relations, Yanzhong Huang, pointed out the difference between Chinese and U.S. medicine safety. Unlike China, U.S. vaccines are kept safe by supporting institutions such as "the market economy, democracy, media monitoring, civil society,

as well as a well-developed business ethics code," plus inspections and regulations, severe punishments for violators, and, of course, lawsuits by trial lawyers.

U.S. globalists for decades have closed their eyes to the fact that China is a Communist dictatorship. All during the '70s and '80s, and even the '90s, the globalists predicted that as China pursued a market economy, China would *evolve* into capitalism, economic freedom, and then political freedom.

Dream on; it didn't happen. The Communist Party still runs the country, there is no democracy movement even 22 years after the Tiananmen massacre, so-called reforms don't include changing the party in power, and the internet didn't produce freedom but instead became a device to monitor and control the people.

Chinese spokesmen are bragging: "We believe that our 10-year arrangement has been successful." Indeed, it has. It's time for apologies from the U.S. free-traders who were so wrong in their predictions about China.

Good News from the UN!

After high hopes and lively discussions from November 28 to December 11 (including two days of overtime that ended only in the wee hours), the United Nations Climate Change conference in Durban, South Africa failed to achieve its two main goals: (1) producing a new treaty to replace the 1997 Kyoto Protocol limiting greenhouse gas emissions, and (2) agreeing on a global tax scheme to finance a Green Climate Fund. *Hallelujah!* Sometimes we get good news from the UN.

The Durban conferees were not able to approve a tax scheme to fill the coffers of the Green Climate Fund. However, they did create a 20-member Standing Committee to eventually expedite a flow of billions of dollars into the Green Climate Fund. The Durban delegates did resign themselves to replacing the term global warming with climate change, since there has been no warming since 1997. Three UN agencies issued reports claiming a global crisis, one claiming that all weather extremes are the result of climate change.

Americans are waking up to the facts that today's temperature changes are no different from historic climate changes, that renewable-energy industries are unaffordable luxuries that can exist only with taxpayer subsidies, and that the U.S. has a great abundance of affordable energy resources which Obama has put off-limits.

It's clear that the UN is a forum for the rest of the world to sound off about its resentment of America's economic success and high standard of living, and demand that we transfer our wealth to the poor countries so they can live higher on the hog.

Obama Gives Gambling a Christmas Present

Just before sneaking off to Hawaii where he barred news photos on the golf course, President Obama overturned longstanding U.S. policy that prohibited internet gambling. In yet another presidential shenanigan that bypasses U.S. law, Obama used the device of a secret Justice Department Office of Legal Counsel opinion, dated in September and quietly released to the public on Christmas Eve.

The Justice Department opinion opens the door for all U.S. states to sell lottery tickets over the internet, and to encourage varieties of online web-based gambling such as poker. The Justice Department opinion reverses decades of previous policy that included civil and criminal charges. It undermines the U.S. Wire Act of 1961, which up to now has prohibited all wagers via telecommunications across state lines or international borders.

Eric Holder's lawyers invented the argument that the Wire Act applies only to bets on a "sporting event or contest," but not to a state's use of the internet to sell lottery tickets to adults within its borders.

The Assistant Attorney General who wrote the opinion, Virginia Seitz, claimed that the Wire Act's legislative history shows that Congress was mainly interested in internet transmission of betting information on baseball, basketball, football, boxing, and other sports-related gambling such as off-track betting on horse races. She jumped from that assertion to write that lotteries are not included in the Wire Act's prohibitions.

Seitz ignored the Wire Act's provision that gives prosecutors the power to shut down phone lines engaged in interstate or foreign gambling. Gambling law experts say that the Justice Department's opinion would eliminate almost every federal anti-gambling law that could apply to gambling that is legal under state law.

For example, Nevada and the District of Columbia have legalized poker within their jurisdictions. Under the Seitz opinion, federal law can no longer stop similar forms of gambling from expanding to other states.

Many of our 50 states may look to varieties of online gambling, such as online lotteries, to solve their budget deficit problems. Once states become dependent on gambling dollars, they search for more and more ways to entice the weakest among us to pour more of their money down the drain of gambling.

Poker, which involves elements of skill and luck, has been illegal online for real money since a 2006 law forbade financial institutions from processing funds for online wagering. Despite the U.S. ban, one survey shows that the global online gambling industry grew to \$30 billion last year.

The gambling industry has become a major contributor to political candidates and parties. As one example among many,

the man who invented the instant scratch-off lottery ticket is funding the campaign to replace our Electoral College with his "national popular vote."

The Justice Department's opinion is part of a multifaceted, bipartisan effort to legalize internet gambling. A House subcommittee held hearings in October and November with testimony by gambling supporters such as Frank Fahrenkopf, CEO of the American Gaming [Gambling] Association and former Republican National Committee chairman, and Rep. Barney Frank (D-MA), who tried to repeal the 2006 law when Democrats controlled the House in 2010.

Fahrenkopf predicts how the Justice Department opinion will enable the gambling industry to hit the jackpot. He said, "It's now clear that not only can lotteries sell tickets online, but also games that look like slot machines and poker."

On the other hand, Rep. Frank Wolf (R-VA) said that ending the federal ban on internet gambling would enable the spreading of gambling to every computer, iPad, iPhone, Blackberry, Android and Windows phone. It would be like having a casino at everyone's fingertips, 24 hours a day, 365 days a year.

A warning also came from the world's richest casino owner, Sheldon Adelson. He announced his opposition to internet gambling because the available technology is not good enough to prevent teenagers from making wagers. A report from Loma Linda Medical School in California showed that at least one out every five young people has a serious gambling-related problem, and the rate of gambling among the young is now almost double the 1988 rate.

Some people seem to think that no harm is done by lotteries; it's just individual choice. But here is the wisdom of our forefathers in an 1879 U.S. Supreme Court decision: "Lotteries . . . are a species of gambling, and wrong in their influences. They disturb the checks and balances of a well-ordered community. Society built upon such a foundation would almost of necessity bring forth a population of speculators and gamblers, living on the expectation of what . . . might be 'awarded' to them from the accumulations of others." (*Stone v. Mississippi*)

We should not permit the Obama Administration to surreptitiously change federal law in order to vastly expand the gambling industry.

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