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QUOTE FOR THE DAY

“In a democracy a party agitates the community with ill-founded jealousies and false alarms, kindles the animosity of one part against another, foments occasionally riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channel of party passion.”

KEEP YOU GUESSING A MOMENT

First a shout out to Arthur Lubow for bringing this quote to your scribe’s attention. Obviously, must have been said by an observer of today’s political and divisive turmoil with regard to the election and its aftermath, as well as the complete split between Republicans and Democrats with regard to the

\$1.9 trillion economic aid package, and most everything else. Well, here's a clue, his statues are getting toppled all over the country. That probably makes it too easy. The speaker was none other than the father of our country, George Washington – how perceptive – Nostradamus take note.

“THERE IS NOTHING EITHER GOOD OR BAD BUT THINKING MAKES IT SO” Shakespeare.

So, what can be anything but good about a \$1.9 trillion Covid relief package? Apparently all is well, as 70% of the citizens think it is a good thing. I would argue that the overwhelming support is due to those provisions that help individuals.

Given the economic hardships encountered by so many this past year, who could object to the \$1,400 per person (\$410 billion) payment to help buy food and pay rent? Who could object to the new tax credit for families with children? Who has a problem with \$523 billion for a continuation of the Pay Check Protection Program? And, who objects to \$400 per week for continued unemployment checks through

September of 2021? Well, in the last category there are quite a number of objectors, complaining that \$400 a week plus state unemployment compensation serves as a disincentive to find work. Let's think about that for a moment. Take the example of a single person paying \$1,000 a month in rent. He is getting \$200 a week in state unemployment plus the \$400, plus the one time \$1,400. That's \$15,800 over the six month period, which, after rent, leaves \$9,800 for all other expenses, or \$1,600 a month (approximately \$52 a day). Let's assume there are health insurance payments and gas for the car, if not, payments on the car. Unless you are subsisting on peanut butter sandwiches, I would suggest this payment structure is not a disincentive to work. If, by chance, any recipients do think this is the easy life, they are on a fool's errand, which comes to an unhappy ending September 30th.

With 70% of the country liking the stimulus package (including a high percentage of Republicans) why are the Republican Senators lock step against the program? It would appear, in light of public sentiment, they are

figuratively running on their own swords – ending any hope of re-election, while considering themselves worthy of a new chapter in “Profiles in Courage.”

Yes, there were conservative objections to the size of the individual payments, but, as many of you have read or heard, \$350 billion for state and local governments was the back breaker and, not to forget the \$86 billion for failing union pension funds.

The hue and cry was that the bill was bailing out the blue states. Some liberals have pointed out that there are also some troubled red states, but the real problems and dollar issues are with California, New York and Illinois, bastions of Democratic rule for many decades.

The conservatives contend that the rest of the country will be paying for the mismanaged budgets of these blue states. How about this for an idea? Those states with serious fiscal problems can go to the bond markets to cover their shortfall. Of course that’s going to be the junk bond market, interest rates will be very high and state legislatures will have to

increase taxes on their citizens. In turn, the citizenry will be furious and vote the incompetent Democratic administrations out of office. Oops! Can't have that. Better to just cut a few billion dollar checks at Treasury.

A couple of interesting aspects of the package for state and local governments is that the stimulus money cannot be used "as fuel for tax cuts" How profound! Further, stimulus funds may not be used to support pension funds, many of which are badly underfunded.

Hey, but wait a minute. What about the \$86 billion going to bail out failing union pension funds? Well, first of all these funds have nothing to do with the pandemic. "Rather, the \$86 billion is a tax-payer bailout for about 185 union pension plans that are so close to collapse that without the rescue, more than a million truck drivers, retail clerks, builders and others could be forced to forgo retirement income." Guess we can't let that happen. An unuseful suggestion; because it will never happen, but wouldn't it be great if apolitical managers and non-union members – all

financiers and technocrats – ran the finances of state governments and unions?

Maybe those “death wish” Republican Senators aren’t as self- destructive as it appears. Maybe they are taking some lessons from history.

According to Lisa Lerer of the NY Times, “The 2009 stimulus package provides an instructive example on how quickly public opinion can change. No House Republican voted for that \$787 billion package, even as nearly two in three Americans supported the bill...” She goes on, “By January 2010, about 75% said half or more of the stimulus money had been wasted. Three months later 62% said the legislation had not created jobs, and in exit polls after the 2010 midterms, only about one third of voters said the package had actually helped. Republicans won control of the House and gained six seats in the Senate.”

As Washington Post columnist, Steven Pearlstein said, In Democrats’ progressive paradise, borrowing is free, spending pays for itself and interest rates never rise.”

As said by Ms. Yellen at Treasury and Mr. Powell at the Federal Reserve, they are not concerned about the size of the package, they know how to handle inflationary issues. OK, way above my pay grade, but I hope they're right.

MIGRANT "CHALLENGE", ER, "CRISIS"

After days of calling the migrant situation at the border a "challenge", Ms. Psaki, the president's spokeswoman now concedes it is a "crisis". From the "Daily Mail" we read, "Democrats have declared they inherited a broken system, while Republicans say the Biden administration sparked chaos by ripping up Trump hard line policies. Border patrol sources say the smuggling cartels tell the migrants Biden will let them stay, and the migrants believe it because that's the rhetoric he used on the campaign trail."

So, here's the deal. While Americans give the president good grades on the stimulus, the migration crisis is an unmitigated disaster with, "made by Biden" written all over it. He, and he alone is responsible for encouraging

these poor families to flock to the United States. As columnist Michael Barone points out, “The illegal surge in 2019 was squashed by the protocol to which president Trump got Mexican president Andres Obrador to agree to keep would-be migrants inside Mexico which reduced attempted border crossings and stifled the coyotes’ business model.” Today, with over 100,000 (9,400 being unaccompanied juveniles) having come in in the month of February alone (way over double than with Trump) president Biden is lamely proclaiming, “We are not saying, ‘don’t come now’, we are saying ‘don’t come now’, because we will be able to deliver a safe and orderly process to them as quickly as possible.”

And, the unaccompanied youngsters? – Trump was excoriated for housing them in “cages”. Biden has, at one facility, 1,000 staying in a facility made for 250. So severe is the situation that as of two days ago the press was not allowed to see for themselves and Border Patrol personnel were told not to make comments to the press. Gradually, because of the sheer numbers, detainees seeking “asylum” status are being released, many with

covid-19, to go to “relatives” or other locations in the U.S. where they will supposedly, at some later time, be called in for Asylum hearings – that is, if they can be found.

What is asylum? When interviewed, the vast majority of the migrants say they want to come to the United States for the opportunity to work and have a better life. Some complain about gangs and crime in their countries – think Chicago, New York or Los Angeles. Perhaps we should start migration programs from those cities to North Dakota. Point is, none of those reasons qualify for asylum.

There are two requirements for asylum. 1) the applicants must establish that they fear persecution in their home country. (how do you “establish” that? Perhaps, by simply saying so.) 2) Applicant must PROVE he/she would be persecuted on account of at least one of five protected rights: race, religion, nationality, political opinion or particular social group. Wanting a better life or, malaise over country-wide crime problems are not on the menu for what qualifies for asylum. In so many words, only a small percentage of those coming in will ever meet the test.

What happens in the meantime? For those who are found and who do go through the process, it can take months or even years, with lengthy appeals being a part of the process. In the meantime, can they be deported for bad acts? Not really – the trigger for such action doesn't get pulled until the applicant is charged with an aggravated felony. The whole situation – just a total mess – a “crisis” you might say.

ONE YEAR OUT

This is the first anniversary of the Hermit Herald. It started out as a diary/chronicle of what was happening with the pandemic and its affect on our lives, but all too suddenly the year became enmeshed with the awfulness of police excesses, Black Lives Matter, the inanity of cancel culture, a president – twice impeached, a Capitol overrun, millions out of work- suffering financial and mental distress and liberals and conservatives at each other's throats. With more than 500,000 dead from Covid 19 and nearly 30 million infected this has truly been the Annus Horribilis. While the

**pandemic issue looks considerably brighter,
the rest of our world does not.**

Your faithful scribe, PB