Independence Day 2014 – Let Freedom Ring

By Dr. Richard Kelley

This Friday, many Americans will have a day off from work on the Fourth of July, Independence Day. The holiday is a celebration of United States birthday, and families and friends traditionally gather for beer, hot dogs, ice cream and fireworks.

Celebrating is wonderful, but I think we should also use the occasion to think about the handful of brave men and women who, 238 years ago, risked their lives, families, businesses, farms and homes to throw off the shackles of high taxes, tyranny and oppression that had been imposed upon them by King George III and the English parliament. Under that yoke, the 13 American colonies had no representation. These men and women gave us our much-cherished freedom, but I fear that these days we are neglecting their gift and losing more of it than we realize.

The Declaration of Independence is an eloquent statement, and in today's world of computers, it is hard to believe that it was hand-written on parchment, using a quill pen dipped repeatedly into an inkwell. Thomas Jefferson, its principal author, wrote on a folding writing box he set up on a table.

More than two centuries after it was written, the Declaration still stirs emotions.

"We hold these truths to be self evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness."

The Declaration goes on to list 18 examples of tyranny imposed by King George III on the colonies and their people, including the charge that "He has erected a multitude of New Offices, and sent hither swarms of Officers to harass our people and eat out their substance."

I am sorry to report that that description sounds much like what is happening in America today.

Are we not seeing "multitude of New Offices" and "swarms of Officers" imposing punitive taxation new and often oppressive regulations that are complicating our lives and dragging down our economy?

Consider the following. There has been an immense growth in the number of federal regulations during the past six years. In 1975, the bound edition of the Code of Federal Regulations contained 71,244 pages. In 2011, it was 169,301 pages long and growing! By now, the Code probably contains 190,000 pages! Combined, they regulate nearly everything we do. But, that's not all! The U.S. Tax Code is found on 73,954 pages of bound 8 ½ by 11-inch paper. Great bedtime reading!

These rules and regulations create costs and uncertainties that are extremely costly for a large national corporation. They are near impossible for a small "mom and pop" business to read, understand and implement.

Would Outrigger Enterprises Group exist today if founders Roy and Estelle Kelley had to deal with 190,000 pages of regulations and 80,000 pages of tax code when they opened the Islander Hotel in 1947?

Regulations create costs that are incorporated into the price of products and services to every man and woman in our nation. The U.S. Chamber of Commerce estimates that each American family is spending about $15,000 per year in hidden taxes for regulations. These are after-tax dollars, which doesn't include social security and other federal taxes taken out of your paycheck. It's the kind of money you spend without

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knowing how much is attributable to the costs of regulations. Think about this as you buy hot dogs at the grocery store or fill up your automobile’s gas tank at the pump. The prices for meat products and fuel are hitting all-time highs!

In 1913, the U.S. Constitution’s 16th Amendment allowed Congress to enact an income tax. At first, less than 1 percent of the population paid only 1 percent of net income. Since then – and particularly since the 1930s – as the federal government has dramatically expanded its programs, tax rates for individuals and corporations have significantly grown.

Currently, the U.S. government collects more tax dollars from the American citizens than any nation in recorded history, yet it spends a trillion dollars more than it collects annually. That’s 7-million per minute! Yet, the government complains it does not have enough money. It is hard to believe that we have government leaders who say “the rich people” who pay more than 86 percent of all U.S. income taxes, are not paying their “fair share.”

And then we have nearly overwhelming evidence of incompetence and even fraud and corruption in many governmental agencies such as the Veterans Administration, Internal Revenue Service, Immigration and Naturalization Service, and others.

To sum it all up, have we not allowed, perhaps even encouraged, another oppressive government to take the place of the one we overthrew?

As a result, we are losing the freedom and economic prosperity our ancestors fought and died for. Reports from the Heritage Foundation document and quantitate how much our nation and its citizens are losing compared to other nations by measuring the Index of Economic Freedom. Almost from the day the first Index was published 20 years ago, the U.S. was in the top 10 of the nations of the world. This year, 2014, the U.S. has fallen to number 12!

Sadly, the U.S. score has declined almost 6 points since 2007, placing the U.S. among those countries considered to be only “mostly free.” In the 2014 Index, the U.S. recorded notable declines in Fiscal Freedom, Business Freedom, and Property Rights. The report can be found at http://www.heritage.org/index/book/executive-highlights.

Our Founding Fathers would be appalled if they could visit America today. Every time our government drains our financial resources through taxation and fees and uses the money to operate a sector of our economy we lose freedom. There are many, many specific examples, some of which might be examined in future editions of Saturday Briefing.

So as you sip a beer or bite into a hot dog this week, take a moment to reflect on where we are today. Think about those who gave us freedom. Ask yourself if we have lived up to their hopes and expectations. If not, decide what you will do to help get us back on the right track and “Let Freedom Ring.”

Graphic Courtesy of Heritage Foundation