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### **Letter from Washington**

There has been a lot written over the last several months about the "Tea Party" movement and its significance to the US political scene. We will take a brief look at the phenomenon and speculate how things may play out during the next election cycle.

First of all, the term "Tea Party" comes from American history. In 1773 the American colonists refused to pay a tax on tea that had been imposed by the British Parliament. Since the French and Indian War, the British crown had attempted to levy various taxes on the colonies to offset the cost of defending North America, all of which were met with great resistance. The colonists rejected the notion that they were subject to taxes imposed by a legislature in which they had no representation.

In a clever attempt to finesse the situation, Parliament gave the east India Company a monopoly on the tea trade but added a small tax on each pound of tea imported into the colonies. The colonials, despite seeing the price of tea go down sharply as a result, were not willing to accept the underlying principle of the tax. In December 1773, a large group of colonials disguised themselves as Indians, and unloaded the tea aboard three ships in Boston harbor directly into the water. Basically, "take this tea and shove it".

The British crown's inflexibility in regard to taxes was demonstrated in a number of heavy-handed attempts to raise revenue, which arguably lit the fuse of the American Revolution. Fast-forward now 230 years and consider the current situation.

Beginning in the last few months of the Bush administration, the average American middle class tax payer has experienced the bursting of the real estate bubble, unemployment approaching 20% in many parts of the country, the collapse of the banking system, and the bankruptcy of the auto industry. Added to each of these events was a multi-billion dollar Troubled Asset Relief Program (TARP) for the banks and real estate markets, and a trillion dollar economic stimulus package, both paid for with a combination of borrowed and printed money.

For years the Washington discussion has centered on runaway entitlement spending and the impending insolvency of the social security and Medicare systems as the number of retirees outpaces the number of workers. Now add "Obamacare", another trillion dollar medical entitlement program on top of a system that is already collapsing.

Small wonder then that a sizable portion of the population thinks that the political system has gone haywire, and that the government is not only incapable of addressing these systemic issues, but is consciously making them worse with uncontrolled spending.

That then is the origin of the "Tea Party" movement --- a grass roots reaction to both the profligate spending of the administration and the congress, as well as the gridlock that prevents seriously addressing the issues by either political party. This has spawned a genuine anger on the part of many --- partly because they have watched their personal financial situation deteriorate over the last year while the government continues to overspend their tax money. But also partly because there is the perception that forces beyond their control are shaping the common destiny in a way they find unacceptable.

From the beginning in late 2009, the movement has not been associated with either party, and has been more of a negative reaction to both. Since the core issue for the Tea Partyers is government spending, they tend to be fiscal conservatives --- the natural constituency of the Republican Party. The Republicans have tried to co-opt the movement, but have largely been unsuccessful for several reasons. First, when it comes to the growth of government and uncontrolled spending, the Republicans' track record during the eight years of the Bush administration is not that different from the Democrats, and they long ago ceded the moral high ground on fiscal issues. Second, while many of the Tea Party people may be closer to the philosophy of the Republican Party, they view both parties as causing the problems while offering no solutions. Rather than allowing themselves to be "adopted" by the Republicans, they have maintained a "plague on both your houses" attitude.

Meanwhile, the Democrats have missed the point entirely. From the outset they have belittled the movement, referring to it as the "tea baggers". This has been partly possible because the movement has also attracted an assortment of whack-jobs --- basically providing a tent for anyone with a grievance. This has ranged from the "birthers", who believe that Obama is really a Muslim intent on subverting Christian America, to the one-world black helicopter crowd. But what the Democrats have missed is the deep anger that has propelled many people into political expression for the first time. Anger that the government is not only acting irresponsibly, but specifically doing so against the wishes of a majority of the people, at least in the case of health care reform.

The Democrats have registered the anger, but instead of understanding its true cause, have blamed it on a variety of things. By portraying anyone opposed to Obama or his agenda as "racist", they have tried to characterize the entire movement by its extremes. The arrest this week of a number of Michigan militia types for plotting civil uprising plays into this strategy.

At their peril, both parties are either downplaying or failing to recognize that there is a large and growing segment of the population that is increasingly disaffected, viewing the government as no longer operating with the consent of the governed.

What seems like a natural situation for the birth and development of a third party though may not be so clear. First, the Tea Partyers are not so much for something as they are against, turned off by what they see. It's hard to develop a movement based on a negative. Second, there is no natural and acknowledged leader of the movement. Third, the Tea Partyers are not about governance, they are about anger and frustration not hope and change.

The media would like to anoint Sarah Palin as the leader of the Tea Party movement, but only to serve its own purpose. Palin and the media have a strange relationship in which each serves the other's needs.

Palin is good press, and is always good for a zinger sound bite (addressing people who voted for Obama last month she asked "how's that hopey-changey thing working out for ya"?). Keeping Palin viable as a presidential candidate, or even declaring her the front-runner at this point, makes her a legitimate and newsworthy subject. From Palin's standpoint all of the publicity keeps her current and in the public eye, and increases the value of her paid speeches and budding TV career.

The bottom line with Sarah Palin (according to the last Washington Post/ABC poll) is that she is viewed negatively by a 55-37% margin. Even worse, only one in four (26-71%) believes she is capable of handling the presidency. What is interesting is that very few people have no opinion about her, which does not give her a window to reintroduce herself as a viable contender.

In the final analysis then the Tea party movement is a large group with real anger about the direction of the country and the policies of the government, but no leader and no effective way to channel that anger into political power. That depth of negative feeling will likely manifest itself in an anti-incumbent vote against both parties, and support for new candidates who can show themselves as independent. Incumbent Democrats will suffer more than Republicans, but neither party will like the outcome. As a result, both the House and Senate are in play next November.