

August 17, 2011

There is little more important than stopping and the reversing the growth of the federal government. We have been blessed by the present administration. It is so bad, for the next 50 years we can bring out Obama to scare the kids. The question now is whether we will be able to reverse course and get the government out of our lives. All the candidates so far can only be expected to slow the growth. Paul Ryan looks to be one who can do the heavy lifting of turning it back. So, any hints he may get in the 2012 race will be well received here. [Stephen Hayes](#) writes on why he thinks Paul Ryan is going to run.

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*That's the kind of debate that would take place during a presidential race, of course. Ryan does not see anyone in the current Republican field who is making such a debate the center of his or her presidential campaign. Perhaps not surprisingly, Ryan disagrees with the conventional wisdom that the entitlement reform proposals in his budget plan are poison to Republican candidates across the country. He points to the results of the recalls in Wisconsin last week, where the battles centered on Ryan's plans for retooling Medicare as much as Scott Walker's successful and increasingly less controversial budget reforms, as “vindication” for the solutions that House Republicans have put before the American people. ...*

[Jennifer Rubin](#) on why Ryan should run.

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*A Republican think-tanker who previously worked in the White House has been among those urging Ryan to run. I asked him why he's so certain that Ryan is the right man. He replied that it is more than the conviction that Ryan would be a good president. He explained that “this is a match between the*

*man and the moment. What I mean by that is that we're in a particularly perilous situation economically. In most instances, what we hope for in a president is someone who is capable of making wise and informed decisions that lead to economic growth. Competence and good judgment are enough. But if we are in a period of unusual hardship and unusual challenges — which I believe to be the case — then we need to find someone of unusual gifts and talents.” He adds, “The one public figure who is comparable to Paul when it comes to this skill set is Governor Mitch Daniels. But his decision not to enter the race means we're now down to one. And Ryan is the one. It's true that he's young, that he has no executive experience, and that the hour is growing late. But not too late. The stars, I think, are aligning his way. And now is his time.” ...*

You can't make it up! The Buses for the Tour of The One are made in Canada. [Ed Morrissey](#) has the story.

*The legendary Casey Stengel once lamented about his hapless expansion-season New York Mets, “Can't anyone here play this game?” Two stories this week prompt the same question about Barack Obama and his political team. First, Obama spent \$2.2 million in taxpayer money to buy specially-made buses for a three-state tour about jobs — without actually having a plan to flog. At least the \$2.2 million puts some Americans to work, right? Well ... North Americans, maybe:*

*“President Obama is barnstorming the heartland to boost US jobs in a taxpayer-financed luxury bus the government had custom built — in Canada, The Post has learned.*

*The \$1.1 million vehicle, one of two that Quebec-based Prevost sold the government, has been tricked out by the Secret Service with state-of-the-art security features and creature comforts.*

*It's a VIP H3-45 model, the company's top of the line, and is used by major traveling rock bands.*

*“That's the more luxurious model,” Christine Garant of Prevost told The Post.”*

*Barack Obama — rock star. Yes, that's exactly the kind of image that wins votes in the upper Midwest. That's bad enough, but buying two buses from a Canadian company while promising to create jobs in the US is the worst kind of optics imaginable. Why not use a manufacturer based in the US? I'm certain that Complete Coach Works in California could use the work, for instance, or North American Bus Industries in Alabama. Setra USA manufactures its buses in Greensboro, North Carolina, a key state that Obama could easily lose in 2012. Wouldn't a \$2.2 million buy there have turned a few heads? For that matter, Obama could have bought them from Motor Coach Industries and picked them up in his home state of Illinois at the start of his tour. ...*

[Michael Barone](#) writes in the Journal about the Midwest economic model that would run the world.

*... The Big Three auto companies, economist John Kenneth Galbraith wrote, could create endless demand for their products through manipulative advertising and planned obsolescence. The United Auto Workers would ensure that productivity gains would be shared by workers and the assembly line would never be speeded up. In those days, 40% of Michigan voters lived in union (mostly UAW) households, the base vote of a liberal Democratic Party that pushed for ever larger governments at the local, state and federal levels. You found similar alignments in most Midwestern states.*

*Liberals assumed the Michigan model was the wave of the future, and that in time—once someone built big factories and unions organized them—backward states like Texas would catch up. Texas liberal writers Ronnie Dugger and Molly Ivins kept looking for the liberal coalition of blacks, poor whites and Latinos that political scientist V.O. Key predicted in his 1940s classic "Southern Politics."*

*History hasn't worked out that way. In 1970, Michigan had nine million people. In 2010, it had 10 million. In 1970, Texas had 11 million people. In 2010, it had 25 million. In 1970, Detroit was the nation's fifth-largest metro area. Today, metro Houston and the Dallas-Fort Worth metroplex are both pressing the San Francisco Bay area for the No. 4 spot, and Detroit is far behind. ...*

**Tony Blankley** warns about the liberals authoritarian temptation.

*... Make no mistake: If our form of government is "broken," democracy's critics would "fix" it by castration. In our case, they would castrate the "representative" bit. We have seen this argument before in our history. Put forward by authoritarians and their supporters, it disdains the messy and disorderly process whereby free people thrash out the nation's decisions.*

*The current recrudescence of this authoritarian temptation did not start with the debt-ceiling fight. It's been building for a couple of years. It comes - as it always does - at a moment when the nation faces serious economic or security dangers. New York Times columnist Thomas Friedman in September 2009 gave early voice to the current authoritarian temptation: "One-party autocracy certainly has its drawbacks. But when it is led by a reasonably enlightened group of people, as China is today, it can also have great advantages. That one party can just impose the politically difficult but critically important policies needed to move a society forward in the 21st century."*

*Abraham Lincoln could have been thinking of Thomas Friedman when he worried out loud in the Gettysburg Address whether any nation "conceived in liberty ... could long endure." Lincoln then called the nation to the "unfinished work" of maintaining a nation "of the people, by the people and for the people." That work goes on today. ...*

More proof God has a sense of humor. This time from **KOMO TV in Seattle**. Seems the 'green jobs' program there is a bust. Someone in the article sounds like a character from the movie Sixteen Candles. (Think Long Duk Dong)

*Last year, Seattle Mayor Mike McGinn announced the city had won a coveted \$20 million federal grant to invest in weatherization. The unglamorous work of insulating crawl spaces and attics had emerged as a silver bullet in a bleak economy – able to create jobs and shrink carbon footprint – and the announcement came with great fanfare.*

*McGinn had joined Vice President Joe Biden in the White House to make it. It came on the eve of Earth Day. It had heady goals: creating 2,000 living-wage jobs in Seattle and retrofitting 2,000 homes in poorer neighborhoods.*

*But more than a year later, Seattle's numbers are lackluster. As of last week, only three homes had been retrofitted and just 14 new jobs have emerged from the program. Many of the jobs are administrative, and not the entry-level pathways once dreamed of for low-income workers. Some people wonder if the original goals are now achievable. ...*

*... "People are frustrated and rightly so," Curtis said. "There's been sort of a lag time when people graduated from those programs."*

*They include Long Duong, 32, who got a certificate in sealing air leaks and insulating walls after he*

was laid off from a job handling bags at the airport. But he soon found that other men had more qualifications than him, and he took part-time gigs - installing light bulbs and canvassing doors – while waiting for work.

A year later, he's still looking. ...

Three Thousand miles away in Massachusetts, we see politicians who are just as stupid. [Boston Herald](#) has the story of the "green company" that filed for bankruptcy protection. *Evergreen Solar Inc., the Massachusetts clean-energy company that received millions in state subsidies from the Patrick administration for an ill-fated Bay State factory, has filed for bankruptcy, listing \$485.6 million in debt.*

*Evergreen, which closed its taxpayer-supported Devens factory in March and cut 800 jobs, has been trying to rework its debt for months. The cash-strapped company announced today has sought a reorganization in U.S. Bankruptcy Court in Delaware and reached a deal with certain note holders to restructure its debt and auction off assets.*

*The Massachusetts Republican Party called the Patrick administration's \$58 million financial aid package, which supported Evergreen's \$450 million factory, a "waste" of money. ...*

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## Weekly Standard [Ryan for President?](#)

***Paul Ryan is in the final stages of deciding on a presidential run.***

by Stephen F. Hayes

Wisconsin congressman Paul Ryan is strongly considering a run for president. Ryan, who has been quietly meeting with political strategists to discuss a bid over the past three months, is on vacation in Colorado discussing a prospective run with his family. Ryan's concerns about the effects of a presidential campaign – and perhaps a presidency – on his family have been his primary focus as he thinks through his political future.

"He's coming around," says a Republican source close to Ryan, who has been urging the 41-year-old to run.

"With Paul, it's more about obligation than opportunity," says another Wisconsin Republican. "He is determined to have the 2012 election be about the big things. If that means he has to run, he's open to it."

Ryan hinted at his thinking during a candid interview Friday with Charlie Sykes, an influential talk radio host in Milwaukee, telling Sykes that he was unsatisfied with the current crop of Republican candidates.

Sykes asked Ryan about state of the Republican presidential campaign. “Looking at the Republican field right now, are you confident that the candidates there are able to articulate the issues of the debt and the deficit and the need to reform entitlements in the way that you want to see done?”

Ryan laughed. “Why did you ask me that?”

“You know exactly why I asked you that question.”

“I know. We’ll see. I didn’t see it last night. I haven’t seen it to date. We’ll see. People’s campaigns evolve – they get better. So we’ll see.”

Ryan then broadened his comments. “Look, the way I see 2012 – we owe it to the country to let them choose the path they want our country to take. And I just have yet to see a strong and principled articulation of the kind of limited government, opportunity society path that we would provide as an alternative to the Obama cradle to grave welfare state.”

Sykes pressed him. “Do you think that it is absolutely essential that there be a Republican candidate who is able to articulate...”

Ryan cut him off. “I do. Because this is how we get our country back. We do it through a referendum letting the country pick the path not by having a committee of 12 people pick the path or not by having just the inertia of just letting the status quo just stumble through by winning a campaign based on dividing people.”

Sykes asked if Ryan understands why people think that person should be him.

“Well, I keep hearing that. I’m hoping that people will step up and I’m hoping that somebody – I can help them fashion this. You know my story and you know my answer – and I haven’t changed it. We’ve got a long way to go. There’s 15 months left.”

Ryan has been talking to friends and advisers about a run since last spring. Those familiar with his thinking say that he expected that Indiana governor Mitch Daniels would run. Hours before Daniels released a letter he’d sent to supporters informing them of his decision not to run, he called Ryan to give him a heads up. That phone call profoundly changed Ryan’s thinking.

One Ryan confidante used an analogy to make the point. Ryan sees running for president like taking a swan dive off a cliff. In the early stages of the race, when he started getting calls urging him to run, Ryan began walking away from the cliff at a brisk pace. Then, when Daniels announced that he was passing on a bid, Ryan stopped in place and turned around. In the weeks since, he’s slowly made his way back to the cliff and he’s now peering over the side trying to decide if he makes the leap.

There have been many hints of this in recent months. In an early June appearance on *Your World with Neil Cavuto*, the Fox host asked Ryan if he had changed his mind about a run. Ryan, who had been rather firm in his denials of interest, softened his hard line. “Look, I want to see how this field develops,” he said, surprising even those who had been urging him to run. “I was hoping Mitch Daniels would get into the race. He obviously didn’t do that. But there’s such a long way to go. Obviously, I believe Republicans need to retake the White House.”

When Cavuto asked if this meant he was taking another look, as Ryan’s comments suggested, the congressman said he wasn’t giving it “serious consideration because to do that you really have to get into this thing full throttle.”

But in private meetings with conservatives urging him to run, Ryan was more open to a bid and that serious consideration started shortly thereafter. Early this summer, Ryan met with two different Republican strategists to game out what a late-starting run would require, making clear that he was truly just asking questions and not yet planning. He continued to take calls from top Republican fundraisers, neither committing to a bid nor ruling one out. And he asked his staff to look at whether he would have to give up his seat in the House if he were to jump into the Republican primary.

Last week, Ryan's Prosperity PAC sent out a fundraising letter seeking money to run ads in Iowa to counter attack ads run against Republicans by the Democratic National Committee. "The DNC is attacking all of the candidates for their support of my Path to Prosperity budget," Ryan wrote. "We have to fight back. With your support, I'm planning on launching a counter-attack to educate Iowa voters about the Path to Prosperity and how it's the only plan currently on the table that saves Medicare."

Iowa Republican Party chairman Matt Strawn says that Ryan has an open invitation to come to visit Iowa and talk to Republicans – "whether as a presidential candidate or national conservative thought leader."

Perhaps more telling was Ryan's request not to serve on the debt supercommittee created by the recent deal on the debt ceiling. Ryan has become driver of policy in the Republican Party, with a focus on debt and deficits. And virtually everyone assumed he would have a seat on the committee. But Ryan went to House speaker John Boehner and specifically requested to be left off of the panel. In his public statements, Ryan said he needed time to work on budget reform in the House. While there's little doubt that Ryan is keen to work on reforming a badly broken budget process, a source close to the Wisconsin congressman says he asked to remain off the supercommittee in order to preserve the option of a presidential run. The same source says that Boehner encouraged Ryan to run.

In his interview Friday with Charlie Sykes, Ryan argued that the supercommittee is not the place to debate debt and deficits – the 2012 campaign is. "The reason I don't think it's going to get us another grand bargain – or should – is we should not have a system where 12 politicians cut some agreement in a back room that restructures the whole design of the federal government in three months time. This is a decision that should be brought to the American people." He added: "I think we need to have a discussion and a debate about how we're going to deal with this debt crisis because that will determine the kind of country we are going to be and the kind of country we are going to be for a long, long time."

That's the kind of debate that would take place during a presidential race, of course. Ryan does not see anyone in the current Republican field who is making such a debate the center of his or her presidential campaign. Perhaps not surprisingly, Ryan disagrees with the conventional wisdom that the entitlement reform proposals in his budget plan are poison to Republican candidates across the country. He points to the results of the recalls in Wisconsin last week, where the battles centered on Ryan's plans for retooling Medicare as much as Scott Walker's successful and increasingly less controversial budget reforms, as "vindication" for the solutions that House Republicans have put before the American people.

Ryan spokesman Conor Sweeney says his boss has nothing to declare. "While grateful for the continued support and encouragement, Chairman Ryan has not changed his mind."

That seems to be true. No one close to Ryan will say that he has made a decision to run. He is using this family vacation—almost two weeks away from Washington—to give serious thought to diving off of that cliff.

## Right Stuff

### [The worst kept secret in D.C.: Conservatives trying to get Ryan to run](#)

by Jennifer Rubin

It's ironic — or not, as I will explain later — that a few days after Texas Gov. Rick Perry announces for president the conservative buzz is all about Rep. Paul Ryan (R- Wis.). Stephen Hayes, whose boss, Bill Kristol, first floated on this blog the idea of a Ryan ticket (back then it was Ryan-Odierno), is out with a [piece detailing the efforts](#) over the summer to convince Ryan to run. He adds these tidbits:

“He’s coming around,” says a Republican source close to Ryan, who has been urging the 41-year-old to run.

“With Paul, it’s more about obligation than opportunity,” says another Wisconsin Republican. “He is determined to have the 2012 election be about the big things. If that means he has to run, he’s open to it.”

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I know of multiple conservative “envoys” who have privately met with him, urging him to run and pointing to the lack of serious debate on the issues Ryan knows best (taxes, entitlements, etc.) The latest meeting was last week when a highly regarded emissary in the conservative movement visited him to reiterate the case for his presidency. A person with knowledge of the meeting joked that he hoped Ryan would find “inspiration” on the mountain top.

[Jim Pethokoukis of Reuters](#) lays out the case for a Ryan run:

- 1) Since Democrats are determined to hang Ryan’s bold “Path to Prosperity” budget plan around the neck of every Republican running for office in 2012, why not have its author and best salesman advocate for it directly vs. President Obama?
- 2) Ryan — to borrow a favorite Simon Cowell phrase — is “current.” He’s smack in the middle of budgetary and ideological clash between Democrats and Republicans and would immediately energize conservative and Tea Party activists.
- 3) Ryan is a strong national defense conservative, as well as pro-life.
- 4) Ryan is from a battleground state, Wisconsin, and a battleground region, the upper Great Lakes.
- 5) Ryan’s youth, vigor, likability and Jimmy Stewart persona — well, a wonky version of George Bailey — would be an immediate shorthand signal to voters that he’s a different kind of Republican. He also has a compelling life story to tell.
- 6) Obama suddenly and unexpectedly to Washington insiders looks beatable — by the right candidate.

There is another reason for Ryan to run, of course. The current GOP field is, even with the addition of Texas Gov. Rick Perry, uninspiring to many. Who is the guy to go toe-to-toe with Obama and make the conservative case against him in a way that is compelling to the general electorate? The pro-Ryan contingent just doesn’t see anyone. Although the push for a Ryan run preceded by months the entry of Perry into the race, Perry’s comments on Bernanke and Perry’s Texas persona have only heightened fears that he won’t be able to win back the White House for the GOP.

A Republican think-tanker who previously worked in the White House has been among those urging Ryan to run. I asked him why he’s so certain that Ryan is the right man. He replied that it is more than the conviction that Ryan would be a good president. He explained that “this is a match between the man and the moment. What I mean by that is that we’re in a particularly perilous situation

economically. In most instances, what we hope for in a president is someone who is capable of making wise and informed decisions that lead to economic growth. Competence and good judgment are enough. But if we are in a period of unusual hardship and unusual challenges — which I believe to be the case — then we need to find someone of unusual gifts and talents.” He adds, “The one public figure who is comparable to Paul when it comes to this skill set is Governor Mitch Daniels. But his decision not to enter the race means we’re now down to one. And Ryan is the one. It’s true that he’s young, that he has no executive experience, and that the hour is growing late. But not too late. The stars, I think, are aligning his way. And now is his time.”

Provided he enters the race, of course. Karl Rove, who has warned against tardy entrants, is suggesting there are “vibrations” emanating from the Ryan and Chris Christie camps.

But what about the timing? If nothing else, Perry has at least confirmed that everything before (and maybe including) the Ames straw poll is largely irrelevant. No filing deadlines have passed. There is no consensus figure in the race as yet. The debates in the fall are the perfect forum for Ryan to make his case and outshine the competition. He’s already conducted dozens of town-hall meetings, the same setting that is most effective in Iowa and in New Hampshire.

When will he decide? In the next week or two, I am told. If he does decide to jump in, the entire GOP primary changes.

## Hot Air

### [Buy Canadian and summer at Martha’s Vineyard?](#)

by Ed Morrissey

The legendary Casey Stengel once lamented about his hapless expansion-season New York Mets, “Can’t anyone here play this game?” Two stories this week prompt the same question about Barack Obama and his political team. First, Obama spent \$2.2 million in taxpayer money to buy specially-made buses for a three-state tour about jobs — without actually having a plan to flog. At least the \$2.2 million puts some Americans to work, right? Well ... [North Americans, maybe](#):

["President Obama](#) is barnstorming the heartland to boost US jobs in a taxpayer-financed luxury bus the government had custom built — in Canada, The Post has learned.

The \$1.1 million vehicle, one of two that Quebec-based Prevost sold the government, has been tricked out by the [Secret Service](#) with state-of-the-art security features and creature comforts.

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Barack Obama — *rock star*. Yes, that’s exactly the kind of image that wins votes in the upper Midwest. That’s bad enough, but buying two buses from a Canadian company while promising to create jobs in the US is the worst kind of optics imaginable. Why not use a manufacturer based in the US? I’m certain that [Complete Coach Works](#) in California could use the work, for instance, or [North American Bus Industries](#) in Alabama. [Setra USA](#) manufactures its buses in Greensboro, North Carolina, a key state that Obama could easily lose in 2012. Wouldn’t a \$2.2 million buy there have turned a few heads? For that matter, Obama could have bought them from [Motor Coach Industries](#) and picked them up in his home state of Illinois at the start of his tour.

Next, there’s the problem of going on a jobs tour without a jobs plan. Obama has been in office for over 30 months, and the last explicit effort he put forward on jobs was Porkulus in Month 2. Obama’s



telling voters that he will come up with a plan down the road, when he should have had the plan in hand before stumping for it *on* the road. Not only that, but according to [CBS' Mark Knoller](#), the new plan is going to sound a lot like [the same old plan](#) Obama has for everything:

Senior Officials stress the September speech would contain new ideas – but their descriptions sound like Pres Obama's current proposals.

The officials says Pres Obama would use the speech to propose new measures to accelerate job growth in the short term.

Ah, yes, another series of short-term gimmicks like Porkulus and Cash for Clunkers. Remind us again how well *those* worked out. No wonder he wants to wait until he's off the road to unveil his plan.

Speaking of going off the road, Obama will end his trip today and then take a vacation. Presidential vacations are always dicey, even though a President never really goes on an actual vacation; they just change locations. George Bush took plenty of flack for his annual August retreat to Crawford, Texas, where his ranch is located, even though Bush was just as on the job as in DC and Congress was out of session during the same periods. Obama's taking flack for taking off even though Congress isn't around to send him any bills, which is unfair — to a point.

The difference between the two is that Bush just went back to his rather rustic and relatively humble home in Crawford, which could never be mistaken for a hoity-toity retreat for the Upper 400. Instead of going home to Chicago, Obama will rub elbows with the wealthy in Martha's Vineyard who use *summer* as a verb, and the optics [even have Democrats complaining](#):

With 14 million Americans out of work, a volatile stock market and a historic downgrade of the country's credit rating, President Obama is set to begin a 10-day retreat Thursday at a 28-acre Martha's Vineyard compound called Blue Heron Farm, which costs an estimated \$50,000 per week to rent. That divide — and the presumed hypocrisy of a president who has pledged not to rest “until every American looking for a job can find one,” going golfing and biking on an island playground for wealthy celebrities — has been too much for political pundits to resist.

Obama has taken heat the past [twosummers](#) for renting Blue Heron, but the difference this time is the intensity of his critics and the fact that they are on both sides of the political aisle. Republican strategist Mike Murphy [told](#) the Daily Beast that Obama is “acting like the rich guys he wants to raise taxes on,” while liberal columnist Colbert I. King [wrote](#) in The Washington Post that this is the wrong time “to dwell in splendid seclusion among the rich and famous.”

Yes, a respite at Martha's Vineyard is Obama's idea of “not resting,” which more or less undoes the common-man connection Obama wanted out of his rock-star bus tour. Why not go to the Gulf coast, as the Obamas urged last year, if they didn't want to come to Chicago in the summer? Why not Camp David, as Colbert King suggested, which is a way for Presidents and their families to take a break outside of the public eye while still giving the impression of being on the job? Camp David wouldn't have cost the taxpayers millions in additional security:

Obama has paid his family's share of the property's rental cost each summer. But as is the case each time the president travels on official duties, taxpayers are on the hook for the [millions of dollars](#) it could cost for the Secret Service to secure the island, as well as for the transportation and housing of dozens of White House staff.

It seems that no one at the White House knows how to handle optics. This August will be a festival of failure on that score.

**WSJ**

### **The Fall of the Midwest Economic Model**

***In 1970, the future seemed to belong to Michigan's example of big companies and big unions. Not anymore.***

by Michael Barone

President Obama has kicked off a three-day bus tour of Minnesota, Iowa and Illinois, where the corn is high and at least some factories are spewing smoke. He's holding town-hall meetings on the economy, putting the unemployed back to work and "growing wages for everyone." He won these Midwestern states handily in 2008, but he's not taking anything for granted these days. The Midwest is the region with the largest number of target states. The president's latest Gallup job approval there is 39%, the same as the nation as a whole.

To understand the political economy of the Midwest, it helps to put it in historic perspective. Originally the Midwest's economy was built on its farms, then later on its factories. The long farm-to-factory migration lasted from roughly 1890 to 1970. At the end of that period, when I was working on the first edition of "The Almanac of American Politics," it seemed there were two models for the U.S. future. One was the Michigan model, which prevailed in the industrial Midwest and the factory towns of the Great Plains. The other was the Texas model, which prevailed in most of the South and Southwest.

The Michigan model was based on the Progressive/New Deal assumption that, after the transition from farm to factory, the best way to secure growth was through big companies and big labor unions.

The Big Three auto companies, economist John Kenneth Galbraith wrote, could create endless demand for their products through manipulative advertising and planned obsolescence. The United Auto Workers would ensure that productivity gains would be shared by workers and the assembly line would never be speeded up. In those days, 40% of Michigan voters lived in union (mostly UAW) households, the base vote of a liberal Democratic Party that pushed for ever larger governments at the local, state and federal levels. You found similar alignments in most Midwestern states.

Liberals assumed the Michigan model was the wave of the future, and that in time—once someone built big factories and unions organized them—backward states like Texas would catch up. Texas liberal writers Ronnie Dugger and Molly Ivins kept looking for the liberal coalition of blacks, poor whites and Latinos that political scientist V.O. Key predicted in his 1940s classic "Southern Politics."

History hasn't worked out that way. In 1970, Michigan had nine million people. In 2010, it had 10 million. In 1970, Texas had 11 million people. In 2010, it had 25 million. In 1970, Detroit was the nation's fifth-largest metro area. Today, metro Houston and the Dallas-Fort Worth metroplex are both pressing the San Francisco Bay area for the No. 4 spot, and Detroit is far behind.

Adversarial unionism is one reason the Midwest slumped. It turns out that the 1970 assembly line, with union shop stewards always poised to shut it down, was not the highest stage of human economic development. When you make labor more expensive, you create incentives to invent new machines and create new jobs elsewhere. Foreign auto manufacturers built plants in a South recently freed from state-imposed racial segregation. With no adversarial unions, management and labor could collaborate and achieve quality levels the Big Three took decades to match.

One thing that those romantic about Midwestern farms and factories tend to forget is that people hated working in those unionized factories, just as the young Harry Truman hated working on his father's farm. That's why the UAW negotiated "30 and out"—retirement after 30 years—with GM in 1970. With workers retiring well before Medicare age, the next union demand was the billions in retiree health-care benefits that more than anything else bankrupted the Big Three.

Michigan is an extreme example of what has afflicted the industrial Midwest. Big corporations were replaced by big government as the leading employer, and public-employee unions replaced industrial unions as the chief financiers of the Democratic Party. In effect, public-employee unions have been a mechanism by which taxpayer money, in the form of union dues, permanently finances a lobby with a vested interest in higher spending and less accountability. It's a lobby that's benefited from the Democratic Party loyalties of black voters, of Latinos in Chicago (the only large Hispanic presence in the Midwest) and of culturally liberal suburbanites.

This Midwestern model is unraveling before our eyes. The Midwest has not been hit as hard by foreclosures or unemployment as some other places, with Michigan an exception on both counts, but you have to look hard for green shoots of growth. They may be most evident in North Dakota, where low costs and light regulation have produced booms in energy and high tech.

But amid the recession, Midwestern Obama Democrats and their public-union allies lost their hold on voters in almost every Midwestern state, losing five governorships last year, including Iowa, and winning the Illinois and Minnesota governorships by less than 1% of the vote. A region that voted 54%-45% for Barack Obama in 2008 voted 53%-43% Republican for House candidates in 2010.

The repudiation of the Midwestern model has played out most dramatically in Wisconsin, where government unions were recognized in 1959. On the streets of Madison—a small city dominated by state government and a giant state university—liberals demonstrated against Gov. Scott Walker's reforms. Ludicrously, they depicted public employees as an oppressed proletariat and they proved ready to break the law with violence in the streets and casuistry in the courts.

Despite the unions' huge financial advantages, Gov. Walker's Republicans held on to their majorities in the state Supreme Court and state Senate in hard-fought judicial and recall elections. The political balance in Wisconsin and the Midwest generally looks more like 2010 than 2008.

So what does the president have to offer the Midwest? The idea that the wave of the future is an ever-larger public sector financed by a more or less stagnant private sector looks increasingly absurd. The Midwest's public sector has, as Margaret Thatcher put it, run on "other people's money." Meanwhile, Mr. Obama's trip to the Midwest has been preceded by Texas Gov. Rick Perry's foray into Waterloo, Iowa. Mr. Perry points out that his state, with low taxes and light regulation, has been producing nearly half of America's new jobs. The Texas model may be sweeping the Midwest, not vice versa.

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**Washington Times**

**The authoritarian temptation**

***When democracy get messy, despotic types seek its overthrow***

by Tony Blankley

In the weeks during and since the debt-ceiling debate, the media, pushed by the Democratic Party, has peddled the propoganda that our government is broken - because the Republicans in the House of Representatives negotiated a better deal than the liberals wanted.

Though it was President Obama and Treasury Secretary Timothy F. Geithner who, during the debate, said they couldn't assure payment of Social Security or interest on the federal debt payments (while Republican leaders guaranteed there would be no lapse in such payments) it was the GOP that the media accused of irresponsible threats.

It is par for the course for the losing side in a congressional fight to bewail the end of democracy in America. But it is rare for the major media to push - and the broader public to bite on - such a line.

Yet the surprisingly gullible Wall Street and European opinion leaders bought into that propoganda. Indeed, Standard & Poor's downgraded U.S. Treasuries expressly on the preposterous proposition that the American governmental process was broken and unreliable. After all, a deficit bill passed without tax increases in it. Any system that doesn't raise taxes is broken, from their point of view. (For explanations of why our governance is not broken, see Charles Krauthammer's excellent column last week and my column of Feb. 24, 2010, titled "Is our government really broken?")

The immediate price of this "broken government" propoganda is several trillion dollars in lost equity value last week in the stock exchanges of the world. But the enduring danger - if not intent - of such propoganda is its potential to undermine public confidence in representative government.

Make no mistake: If our form of government is "broken," democracy's critics would "fix" it by castration. In our case, they would castrate the "representative" bit. We have seen this argument before in our history. Put forward by authoritarians and their supporters, it disdains the messy and disorderly process whereby free people thrash out the nation's decisions.

The current recrudescence of this authoritarian temptation did not start with the debt-ceiling fight. It's been building for a couple of years. It comes - as it always does - at a moment when the nation faces serious economic or security dangers. New York Times columnist Thomas Friedman in September 2009 gave early voice to the current authoritarian temptation: "One-party autocracy certainly has its drawbacks. But when it is led by a reasonably enlightened group of people, as China is today, it can also have great advantages. That one party can just impose the politically difficult but critically important policies needed to move a society forward in the 21st century."

Abraham Lincoln could have been thinking of Thomas Friedman when he worried out loud in the Gettysburg Address whether any nation "conceived in liberty ... could long endure." Lincoln then called the nation to the "unfinished work" of maintaining a nation "of the people, by the people and for the people." That work goes on today.

Mr. Friedman's concern arose out of our current economic problems. Not coincidentally, the last time we saw this urge among "respectable" people to seek an authoritarian alternative to the regular congressional process was during the Great Depression.

As Jonah Goldberg pointed out in his superb book “Liberal Fascism,” “There was an enormous bipartisan consensus that the Depression required dictatorial and fascistic policies to defeat it. Walter Lippmann, serving as an ambassador for America’s liberal elite, told FDR in a private meeting in Warm Springs, “The situation is critical, Franklin. You may have no alternative but to assume dictatorial powers.” Eleanor Roosevelt, too, thought “a benevolent dictator” might be the only answer for America.”

FDR adviser Rexford Guy Tugwell said of Italian fascism: “It’s the cleanest, neatest, most efficiently operating piece of social machinery I’ve ever seen. It makes me envious.” Even the great American humorist Will Rogers said of Benito Mussolini: “I’m pretty high on that bird. Dictator form of government is the greatest form of government, if you have the right dictator.” The road to authoritarian rule was paved then (as it is today) with disparagement of the “inefficient” congressional methods.

In Frank Capra’s iconic 1939 film homage to American democracy, “Mr. Smith Goes to Washington,” an idealistic freshman senator played by Jimmy Stewart tries to stop a corrupt bill by filibustering it. The bill he is opposing is titled the “Deficiency Act.” Hmmm?

The corrupt political boss who is fighting Mr. Smith is organizing the newspapers and radio networks he controls to slander the young senator. The message his lackey newspaper and radio reporters send out about Sen. Smith is that “to gain his own contemptible ends, this man is blocking a bill - vital to you and this entire nation. Relief will be stopped! Men will be thrown out of jobs! He will keep money out of this state. He’s going to destroy everything. Federal grants, prosperity - and now the Willet Dam. But Smith will destroy that, too!”

Well, that sounds familiar. Just substitute the Tea Party for Mr. Smith. However, because Capra, who wrote the film, understood that it was precisely in the procedures of Congress that our form of government is preserved, the battle between Mr. Smith and the corrupt political boss ends with a scene of a radio broadcast:

“This is H. V. Kaltenborn speaking: Half of official Washington is here to see democracy’s finest show - Washington’s uncontrolled filibuster. The right to talk your head off - the American privilege of free speech in its most dramatic form. The galleries are packed, and in the diplomatic gallery are the envoys of two dictator powers. They have come to see what they can’t see at home: democracy in action.”

Nothing changes. The fight for liberty remains unfinished. Tell your kids.

## **KOMO TV - Seattle**

### **[Seattle's 'green jobs' program a bust](#)**

by Vanessa Ho

Last year, Seattle Mayor Mike McGinn announced the city had won a coveted \$20 million federal grant to invest in weatherization. The unglamorous work of insulating crawl spaces and attics had emerged as a silver bullet in a bleak economy – able to create jobs and shrink carbon footprint – and the announcement came with great fanfare.

McGinn had joined Vice President Joe Biden in the White House to make it. It came on the eve of Earth Day. It had heady goals: creating 2,000 living-wage jobs in Seattle and retrofitting 2,000 homes

in poorer neighborhoods.

But more than a year later, Seattle's numbers are lackluster. As of last week, only three homes had been retrofitted and just 14 new jobs have emerged from the program. Many of the jobs are administrative, and not the entry-level pathways once dreamed of for low-income workers. Some people wonder if the original goals are now achievable.

"The jobs haven't surfaced yet," said Michael Woo, director of Got Green, a Seattle community organizing group focused on the environment and social justice.

"It's been a very slow and tedious process. It's almost painful, the number of meetings people have gone to. Those are the people who got jobs. There's been no real investment for the broader public."

'Who's got the money'

The buildings that have gotten financing so far include the Washington Athletic Club and a handful of hospitals, a trend that concerns community advocates who worry the program isn't helping lower-income homeowners.

"Who's benefitting from this program right now – it doesn't square with what the aspiration was," said Howard Greenwich, the policy director of Puget Sound Sage, an economic-justice group. He urged the city to revisit its social-equity goals.

"I think what it boils down to is who's got the money."

Organizers and policy experts blame the economy, bureaucracy and bad timing for the program's mediocre results. Called Community Power Works, the program funds low-interest loans and incentives for buildings to do energy-efficient upgrades. They include hospitals, municipal buildings, big commercial structures and homes.

Half the funds are reserved for financing and engaging homeowners in Central and Southeast Seattle, a historically underserved area. Most of the jobs are expected to come from this sector.

But the timing of the award has led to hurdles in enticing homeowners to bite on retrofits. The city had applied for the grant at a time of eco-giddiness, when former Seattle Mayor Greg Nickels was out-greening all other politicians except for Al Gore. Retrofits glowed with promise to boost the economy, reduce consumer bills and lower greenhouse gas emissions.

"A triple win," is how Biden characterized it.

By the time Seattle won the award, homeowners were battered by unemployment and foreclosures. The long-term benefits of energy upgrades lacked the tangible punch of a new countertop. And the high number of unemployed construction workers edged out new weatherization installers for the paltry number of jobs.

"Really, we couldn't have rolled out this program at a worse time," said Greenwich, who had helped write the city's grant proposal.

"The outcomes are very disappointing. I think the city has worked really hard, but no one anticipated just how bad this recession was going to be, and the effect it was going to have on this program."

City feels 'cautiously optimistic'

As of last week, 337 homeowners had applied for the program. Fourteen had gotten a loan, or were in the process of getting one.

"Yes, we're not seeing as many completed retrofits as we wanted to," said Joshua Curtis, the city's manager for Community Power Works. "While everyone would like to see more upgrades, I think we're feeling cautiously optimistic."

He said the residential portion of program didn't launch until April. He said there was a normal summertime lull in work and that he expected things to pick up in the fall. He was confident that the city's marketing campaign and loan partner held promise.

Curtis said there were factors outside the city's control, such as the economy. And he attributed frustration among job-seekers to a "mismatch" in the timing of two federal grants.

Before the city got the \$20 million, some local agencies, including Got Green, had received funds in a government push to train workers in weatherization. But the anticipation of landing career-path jobs evaporated as months went by with no work.

"People are frustrated and rightly so," Curtis said. "There's been sort of a lag time when people graduated from those programs."

They include Long Duong, 32, who got a certificate in sealing air leaks and insulating walls after he was laid off from a job handling bags at the airport. But he soon found that other men had more qualifications than him, and he took part-time gigs - installing light bulbs and canvassing doors - while waiting for work.

A year later, he's still looking.

"I haven't given up yet," said Duong, of South Seattle. "Weatherization is another opportunity for me."

Curtis said the money that financed the Washington Athletic Club and hospitals doesn't draw from funds reserved for single-family homeowners. He said the program's standards will ensure that people targeted by the program - low-income workers - will get good jobs. And he said the WAC project will create some new work in September.

"We're not where we want to be, but we have a path forward," he said.

City needs to 'step up its game'

But will the city hit its goals? Curtis was hopeful Seattle would make it by 2013, when the funding ends. Greenwich, of Puget Sound Sage, said the city needs to retrofit 100 to 200 homes a month to create 2,000 jobs. Woo, of Got Green, thinks the city needs to throw more money on incentives.

Greenwich said the energy retrofit market has turned out to be extremely complicated, with required hammering out of job standards, hiring practices, wages and how best to measure energy benefits.

"The city is really going to have to step up its game to get the 2,000 retrofits," Greenwich said.

"But if this would have been easy, it would have been done already."

## **Boston Herald**

### **Evergreen Solar files for bankruptcy, plans asset sale**

by Greg Turner And Jerry Kronenberg

Evergreen Solar Inc., the Massachusetts clean-energy company that received millions in state subsidies from the Patrick administration for an ill-fated Bay State factory, has filed for bankruptcy, listing \$485.6 million in debt.

Evergreen, which closed its taxpayer-supported Devens factory in March and cut 800 jobs, has been trying to rework its debt for months. The cash-strapped company announced today has sought a reorganization in U.S. Bankruptcy Court in Delaware and reached a deal with certain note holders to restructure its debt and auction off assets.

The Massachusetts Republican Party called the Patrick administration's \$58 million financial aid package, which supported Evergreen's \$450 million factory, a "waste" of money.

"The bankruptcy of Evergreen Solar is another sad event for the Massachusetts company and highlights the folly of the Patrick-Murray Administration which has put government subsidies into their pet projects instead of offering broad based relief to all Bay State employers," said Jennifer Nassour, head of the state GOP.

Greg Bialecki, Patrick's economic development czar, defended the administration's support for the once-promising Evergreen. The state is still trying to recoup about \$4 million in cash from the Marlboro-based company.

"Not every company is going to be successful ... but we still believe the approach of providing business incentives to create and maintain manufacturing jobs in Massachusetts is an important strategy," he said.

Evergreen — hurt by lower-cost competition in China and plummeting prices for solar panels — also said it will cut more jobs — 65 layoffs in the United States and Europe, mostly through the shutdown of its Midland, Mich., manufacturing facility. That would leave Evergreen with about 68 workers according to a head count listed in the bankruptcy filing.

To cut costs, Evergreen shifted some of its production to Wuhan, China, last year. That joint venture will remain operating subject to financing talks with Chinese investors.

In January, after Evergreen announced it would close the Devens factory, Patrick told the Herald he was disappointed in the job losses but did not regret making the investment.

"I think we did what we could have and should have," he told the Herald.

In March, during a state Senate hearing that explored the value of tax incentives for Bay State businesses, Evergreen CEO Michael El-Hillow said the company had "earned" 85 percent of the taxpayer benefits it received because of the jobs it originally created.

Evergreen warned investors back in April that it was burning through cash because of slow sales, falling solar-panel prices and weak proceeds from the sale of Devens factory assets.

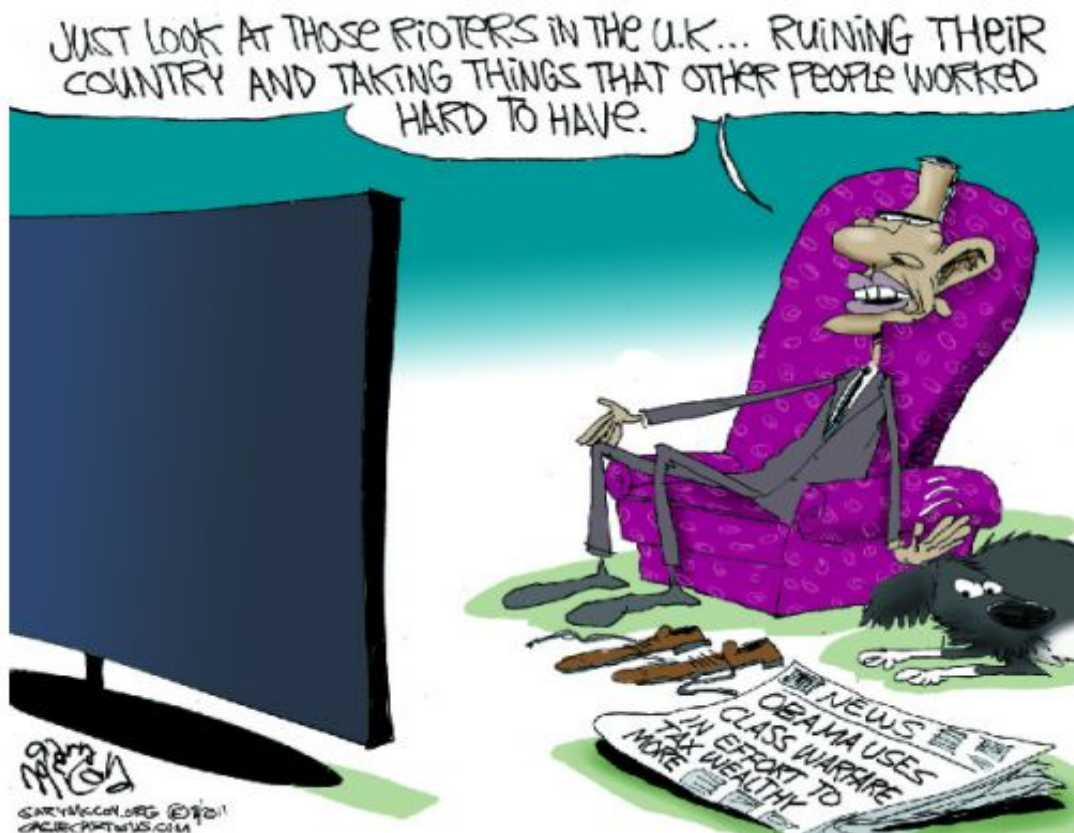


“Chapter 11 will provide Evergreen Solar with the ability to maximize returns for our stakeholders through the proposed sale process,” El-Hillow said in a statement. “Importantly, we expect to continue our technology development without interruption during Chapter 11 and the sale process.”

But Evergreen shareholders are expected to receive “no distributions” from the asset sales after creditors are repaid.

Shares of Evergreen, which are in danger of delisting from the Nasdaq Stock Market, plunged 57 percent today to 18 cents. The company launched in 1994 and went public in 2000.

The list of top creditors in today’s bankruptcy filing lists a \$1.5 million debt to MassDevelopment, the quasi-public state economic development agency.





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