

## Washington's overreach fosters economic uncertainty and imperils our recovery

By Congressman Paul Ryan  
(R-1st District)

In the last eighteen months, those running Washington have systematically extended the reach of the Federal government into more sectors of our economy and more aspects of our lives. From the failed trillion dollar stimulus to the costly government takeover of our health care system, the Administration and Democratic Congress have wasted little time advancing a slew of dangerous policies under the paternalistic philosophy of "government knows best."

Instead of working to help grow the economy, Democrats have simply opted to grow government. Since President Obama took office, the Majority has signed into law nearly \$2 trillion in new spending, pushed the debt past \$13 trillion, and continued to increase the size and scope of government. Their deeply misguided economic agenda undermines job creation and diminishes the prospects of a robust recovery.

The Majority's "solutions" stem from the false premise that only forceful and sustained government intervention in the economy can secure our nation's prosperity. Wisconsinites know you cannot take money from the productive sector of the economy, funnel it through Washington, and expect to create jobs and economic growth.

We have seen first-hand the damage this approach causes. Bucyrus International, headquartered in South Milwaukee and its ongoing developments with the U.S. Export-Import Bank provides a real-time example of the anxieties the Obama Administration's policies have wrought.

In June, the U.S. Export-Import Bank announced its intention to deny support for the Wisconsin-based manufacturer in accordance with the Obama Administration's environmental agenda. Bucyrus won an international competitive-bidding process to supply equipment for the building of an overseas power plant. The project was estimated to bring a thousand jobs to the U.S., including hundreds right here in Wisconsin.

The decision was the first considered under the Administration's new "Environmental Guidelines" for coal powered initiatives, and the statement from Fred Hochberg, the Chairman of the Export-Import bank, to deny these loans reinforces this Administration's preference for pursuing ideology at any cost: "President Obama has made clear his Administration's commitment to transition away from high-carbon investments and toward a cleaner-energy future. After careful deliberation, the Export-Import Bank voted not to proceed with this project because of the projected adverse environmental impact." And just like that,

through a political appointee and the stroke of a pen, hundreds of Wisconsin jobs were slated to be shipped overseas because they were inconsistent with the Administration's new directives.

The Administration's decision sends precisely the wrong message to American workers and employers. The prosperity of our economy and the well-being of the American people should never take a back seat to political ideology; yet the Administration made the calculation that attempting to reduce global warming by a fraction of a degree over the next century was a more pressing priority than keeping Wisconsin residents employed now. Vocal outcry from Wisconsinites appears to have pressured the Administration into reversing its decision, but the uncertainty that Bucyrus and its employees experienced is indicative of things to come should the Administration continue to pursue its deeply flawed economic agenda.

The uncertainty this Administration's policies have created for Bucyrus and other manufacturers has been evident across other sectors of our economy. Rather than continue this ineffective borrow and spend approach, we must start reining in government and put in place a plan for growth and prosperity. In order to invest in the future, businesses and entrepreneurs must trust in the future, and our economic policies must focus on instilling a sense of certainty and confidence in our economy.

The fortitude and resiliency shown by families, workers, investors, and entrepreneurs is our greatest source of strength as we work to recover. The Wisconsinites I hear from everyday reaffirm my belief that the American people are not ready to abandon the values upon which our nation was built: hard-work, self-determination, and the ability to make the most of our lives. We must advance pro-growth economic reforms that embody these timeless values—not double down on the central planning philosophy that is driving the current legislative agenda.

I have put forward one plan, a Roadmap for America's Future ([www.americanroadmap.org](http://www.americanroadmap.org)), which spurs job-creation, pays off our debt, and promotes sustained economic growth. It does so by empowering the American people as opposed to expanding the federal government and stands in direct contrast to the policies pursued by the Majority. The Roadmap puts our country in a position to lead, rather than follow, in the 21st century global economy.

We have seen the painful consequences and the resulting uncertainty of the federal government's political overreach and if we are serious about reclaiming our nation's economic prosperity, we urgently need to chart a different course.

# Wisconsin's future

Having closely watched Wisconsin's politics for over 4 decades now, I am completely befuddled by the situation we are now in. Wisconsin, who has been one of the most fiscally responsible states in the union, is now in worse shape than California, which has been a mess for years. Our structural deficit, over 2.7 billion, federal funds of 3.5 billion, shortfalls in the

Badgercare/Medicaid programs, plus future problems with Obamacare, portend a horrible financial future.

Public employees who make better salaries, pensions, benefits, sick days, vacations etc. etc., than the average taxpayer are crowding out expenditures for people and programs.

Legislators, school boards, cities, counties who have bought labor peace for decades, by adding to these programs, are now faced with damage control to remedy these messes.

Voters are faced with really clear choices for governor this fall between Tom Barrett, nice guy, but one of the architects of the messes and former Rep. Mark Neumann and Scott Walker, who have been the Paul Revere's of this state, warning everyone about the coming tsunami of deficits.

One thing for sure, we cannot tax our way out of this mess. People with large incomes are leaving the state and people that are tax eaters are coming in. This is an unsustainable path.

Raising taxes is doing exactly the opposite. We raise the cigarette tax \$1.00 per pack and have seen less income.

We raised the income taxes on the "rich," those who provide the jobs, and we are seeing them flee to places where there isn't any income tax and taking their jobs with them. People just change their residency to Florida, Texas, etc. With modern computers and travel, you can live anywhere and still run your business here.

We give special deals to big ticket companies like Mercury and ignore Joe Shmoe who has 25 employees and makes trailers in a local industrial park.

We have no choice but to change course.

The two Jims, Gov. Jim Doyle and Sen. Jim Sullivan have backed us into insolvency, no, spend us into a mess. They have raided every fund, spent every Christmas account and emptied every cookie jar. Nothing is left. No wonder Doyle abdicated, Sullivan should join him.

We, the citizens, are left with the mess.

Our simple budget plan for Wisconsin:

- 1.) Make reasonable estimates of the revenue coming in the next biennium.
- 2.) Subtract a 2% fudge factor for the future.
- 3.) Make reliable estimates of the cost of each program the state is involved with.
- 4.) Prioritize the programs.
- 5.) Cutoff every program left after the money runs out.

To develop our state, only growth will provide enough revenue to take care of everything that we need, not just want. To save more peo-

ple from leaving and to encourage growth of jobs we first must change our attitude.

People like Sen. Jim Sullivan, Sen. Russ Decker, and many in the Assembly hate businesses. They have been associated with various unions and somehow believe that they can tax and regulate the businesses to the point that their great socialist philosophies will win out. Wrong!! They just chase out the entrepreneurs like those from Kimberly Clark who left for Texas, and many others. First we must control taxes.

1.) Enact a TPA, Taxpayers Protection Amendment: We must enact a constitutional amendment that limits the growth of state spending to inflation plus growth every year. We must use legislation to limit the growth of local budget like cities, villages and counties to the same standard, with a referendum override ability. Townships are exempt as they already have yearly referendums with their town meetings.

After we commission an audit of the University system we need to exempt them from spending controls, just control the amount of money given to them.

If Sen. Herb Kohl dies and wants to give the University system \$300 million dollars for a Kohl school of business, then we need to look for things like that.

2.) We need to control property taxes. Massachusetts holds property tax increase to 2.5% per year. We need to do better. An increase of 2% after the big increase of the last few years.

3.) Change Corporate taxes to a flat tax or a net proceeds tax. This will encourage jobs to grow in this state. Real income for our governmental bodies comes from people with good jobs and salaries, not from "taxing the rich" or "making corporations pay their fair share". Corporations have the job of providing jobs, not being charities.

There are many other ideas for growing this state out of our problems and we need to debate all of them.

When Tommy Thompson came into office he worked to increase the revenue side of our state by getting good jobs for our people. He looked to energizing the people to succeed while Jim Doyle and other of his ilk just look to the government to expand the spending and welfare programs of the government. Tommy succeeded and Doyle has failed.

As former Prime Minister of England Margaret Thatcher said: "The thing wrong with socialism is that eventually you run out of other peoples money."

We have run out and in fact have driven into the ditch.

**Bob and Jean Dohnal, Publisher/Editors  
The Conservative Digest**

## Connecting the D.O.T.S. (Discipline-Order-Training-Structure)

### *Reform in corrections in Milwaukee County*

By Sheriff David A. Clarke Jr.

Beginning December 1, 2010, the County Correctional Facility, (formerly known as the House of Correction) in Franklin, Wisconsin, will undergo a change in philosophy. The current model has been ineffective and costly and is doing nothing to reduce recidivism. The inmate returns to the community the same flawed person as when he/she was sentenced. The new approach will give inmates a better chance at thriving in a community full of dysfunction, temptations and opportunities to re-offend. A foundation of discipline, order, training and a structured environment will be at the core of inmate programming. Some of these changes have already been implemented and have led to a reduction in fights among inmates. These fights have been an on-going problem in the past, and can lead to large-scale disturbances.

Our self-discipline format is modeled after numerous successful programs throughout the country. It will provide offenders with the tools to transform the way they process and respond to information so they will make more socially acceptable decisions in their lives, rather than repeating the behavior that landed them in jail in the first place.

The current failed model (one-size-fits-all) operates from the flawed premise that everyone can be reformed. It's the tired, old, coddling, handholding and excuse-making approach. I call it the great American fairytale. The truth is that not all people can be saved from themselves. Only through the sheer determination of the individual, along with a support system, can people be saved from themselves. All you have to do is to look at the recidivism rates to know this is a failed model. The status quo in corrections in Milwaukee County has become too costly to continue. To stay on this path will lead to a financial strain that Milwaukee County taxpayers cannot afford. It will lead to dangerous public policy experiments like the state of Wisconsin Department of Corrections' "early release" of prison inmates. Already struggling neighborhoods will be overwhelmed by this influx of career criminals.

We simply cannot afford to operate like this any longer. We have limited resources and they are expensive. We have to make sure that when we use resources, they are well spent and in this case that means reducing the likelihood that people will reoffend, if for no other reason than to keep others from being victimized. Just releasing inmates back into our neighborhoods unprepared to productively thrive, and "hoping" they don't re-offend, is not a solution—it's reckless.

I've taken one year to fully assess this facility since taking over on Jan. 1, 2009, and my initial observation is that it has been run like a retreat. It's a failed social engineering experiment. I will no longer allow this confinement

facility to be used as a social engineering lab by misguided social do-gooders. We don't even require that inmates get out of bed in the morning. They generally just lay around and hangout while everything is handed to them. No one has to work for or earn privileges. An entitlement mentality among inmates has permeated the facility. Basically the correction officers serve more as attendants. Bad behavior or non-compliance of institutional rules is tolerated. It's no wonder criminals don't mind coming back. Let me make this very clear: I'm running a correctional facility not a resort! They will be treated humanely, but it will not be four-star, three-star, or even two-star service. I assure the weak-kneed social do-gooders that this facility will be run in compliance with state Department of Corrections and National Institute of Corrections regulations.

This new mindset is evident by the name change. We no longer call it the "House" of Correction. It's referred to as the County Correctional Facility-South (CCF-S). Just the term "house" conjures up warm and cozy thoughts, and a come-back-again-soon attitude. That's over. The welcome mats have been removed from the entrances. When a convicted inmate finishes his or her time here they will leave with two things, life-skills to thrive in an orderly society and a sense that they never want to come back again. Unlike in business, I don't want repeat customers. Repeat customers in my business is a sign that our criminal justice philosophy is flawed.

The new quasi-military style model will focus on discipline, order, training and structure; the four most critical features in any successful law-abiding person's life. Every program we offer will be wrapped around these virtues. There seems to be an aversion in some circles to the term "boot camp." This model works for our men and women serving this country. Why is it too harsh an experience for those who have continually disregarded society's rules? Anyone who went through basic training in the military, Army Ranger or Navy SEAL school, attended one of the military service academies, police and fire recruit school, or participated in organized sports at any level and was successful, understands the importance of structure, order and discipline along with a no-excuse philosophy.

Think about it. Career criminals have never been instilled with structure, order and discipline—never. Their lives are totally chaotic and disorganized. Their dysfunctional families didn't provide it as children, and our K-12 public education system certainly doesn't offer it either. In fact the liberal orthodoxy that has a stranglehold on our public education system abhors programs designed around order, structure and discipline. They see it as stifling to human development. I see it as essential to functioning adults. Even the

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# ...connecting the D.O.T.S.

## From page 3

Milwaukee Journal Sentinel editorial board opined (July 13, 2010) that this program “deserves a chance.”

Our lenient criminal justice system certainly doesn't demand discipline, order or structure from criminals. Too many buy into “the devil made them do it” defenses, and the folly of second, third and fourth chances, instead of punishment and responsibility. I'm not talking about draconian measures; I'm talking about a model that has a better chance of deterring criminal behavior. Empirical research shows that this approach over time will help reduce recidivism.

Even the names given to the latest fads “alternatives to incarceration” and “second chance programs” make soft-on-crime advocates feel warm and fuzzy all over. They refer to offenders “being in conflict with the law” and “finding themselves on the wrong side of the law” instead of what these acts are, criminal acts that people must be held to accountable for. These same advocates think terms such as jail, prison, criminal and punishment have a “stigmatizing” effect. They are right. Committing crime should have a stigmatizing effect, especially on the perpetrator. These same advocates then wonder why our young men, and even young girls today exhibit narcissistic antisocial behavior in the form of settling disputes with firearms and other means of physical force, taking someone's property by force, getting their way by threatening and intimidating others, and selling and abusing alcohol and drugs. Add to this the self-defeating pathologies of school failure and having children out of wedlock and you have the recipe where committing crime becomes a lifestyle. Everyone currently locked-up here now fits into more than one of

these categories.

The reason we see criminal behavior repeated is because the soft, ineffective model of reform has no deterrent effect. Criminals see this soft model of reform as a minor inconvenience for their criminal behavior and they exploit it. That's if they get caught. Self discipline, respect for authority, courtesy, adherence to orders, respect for others, self-respect, persistence, determination, honesty and an ability to overcome hardship and obstacles will take them further in life than a ridiculous class on how to fill out a job application. Under my model, when we're through with them they'll have more to offer society, their families or an employer than these current programs provide.

Jail space in Milwaukee County is finite. My preference is to build additional lock-up space and keep more criminals behind bars. However, with the county's financial predicament that is not an affordable option. It is our costliest form of protecting society, and if we don't change the way we use jail bed space our confinement option will collapse under the weight of budgetary strain. We therefore have to be strategic about who we use jail beds for. Limited jail bed space has to be reserved for our most violent offenders. This stresses the need to formulate a re-entry plan that efficiently and effectively uses the public's assets and gives offenders the tools to make a cognitive decision to change their behavior through instilling self-discipline, order and structure in their lives to overcome the temptations of criminal behavior and to stay out of jail. I cannot force offenders to change, but I will provide the environment and the opportunity for offenders to develop their character and give them the chance to succeed. •

## Volunteers: give a hundred, distribute a hundred

We need your help to awaken the people of this state to the problems of liberal government. The formerly powerful newspapers in this state have withered away to a meaningless group, unable or unwilling to alert the people of the problems in D.C. and Madison.

They do not pass on the message, of too powerful of a government, sucking up all of the resources to pass out to their friends. The last budgets in Madison and in Washington have done just that.

Your property taxes going out to pay for numerous schemes of redistribution of wealth from those that work to those that spend.

If you can send us a hundred dollars and/or distribute a hundred Digests, we can all give them hell during the budgets and during elections. It does not take a lot of people, but it does take dedicated people.

The Russian revolution was started by 17 people and our revolution only had a few more. "Now is the time for all good men to come to the aid of their country".

We need your help!!

Send a contribution or call/email us to send you some digests to take out to schools, colleges, free newspaper

areas, etc. and to distribute to friends. We can do it.

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# Economic recovery from a manufacturer's point of view

By Ron Johnson

As I've spent thirty-one years in the private sector as a manufacturer, I've been watching what's been going on in Washington and shaking my head. But rather than continuing to place my faith in career politicians to manage our country, I decided to step forward and offer my private-sector experience as a manager of business—more specifically, a manufacturer of American products—to help better manage this country.

Fixing the damage that our reckless government has created is going to take experience in business, economics, and creating jobs. In a body like the U.S. Senate, which is supposed to represent the best interests of the American people, there's not a single manufacturer among them. For a state like Wisconsin which relies heavily on the manufacturing industry for jobs and economic prosperity, that is a problem.

Balancing budgets and knowing how to stimulate growth and encourage development are exactly the skills we need our elected officials to hold. As a business owner, I not only value these skills, I understand their importance.

Businesses are required to abide by the rules, regulations, and taxes imposed by the career politicians, who have no real understanding about how they will affect business. Businesses and employers across Wisconsin are being threatened by more regulation, lots of new federal spending and skyrocketing debt—all of which lead to job loss and long-term high unemployment.

For real progress to be made, the days of fiscal irresponsibility and reckless spending need to come to an end.

First and foremost, to achieve economic recovery, it is crucial that we employ a free-market driven system to encourage the growth and prosperity of our businesses. With an overabundance of new regulations

and taxes, it's no mystery as to why jobs are being cut. In many cases, it's simply no longer profitable for companies to remain in business.

Adding insult to injury, Congress is now considering allowing the 2001 and 2003 tax cuts to expire at the end of the year. What these politicians fail to recognize is this will not only affect individuals earning over \$250,000 a year; they'll also hit America's small businesses hard — these same businesses that produce approximately 75% of our country's jobs. Extending these tax cuts and taking other job-killing policies like cap-and-trade off of the table should be the first steps we take to restore our jobs and economy.

Second, the economic stimulus our President and Congress shoved down our throats has become nothing but a costly experiment, yielding few constructive results. As Wisconsin's own Congressman Paul Ryan estimates, our nation's debt will average out to be roughly \$500,000 per household by 2014; an appalling statistic.

Congress must face facts: the current stimulus plan is not working. Rather than furthering our debt, we must put the unspent stimulus and TARP funds toward deficit reduction. This alone would save our country billions in tax-payer dollars and help control our mountainous debt. Our government's wasteful spending has become unrestrained and needs to stop while we still have the chance.

The way I see things, America is currently at a tipping point. If pushed one direction, we'll fall into more financial turmoil. Coupled with unsustainable debt, I fear our country may fall deeper than we could hope to recover from. On the other hand, November could bring new opportunity for our nation—opportunity to adopt new, fiscally-conservative policies, which will result in the creation of jobs and bring economic prosperity. •

## Honoring and protecting the Second Amendment

By Ron Johnson

Honoring, protecting, and defending the Second Amendment and an individual's right to keep and bear arms should be a top priority for our next U.S. Senator, and I am committed to doing just that.

I am and will be a staunch defender of the Second Amendment. For this reason, I am heartened that after years of silence, the recent Supreme Court rulings in *Heller* and

*McDonald* recognized an individual's right to keep and bear arms and reaffirmed the Amendment applies to the states.

But these decisions were far from unanimous. It is absolutely essential that our next Senator oppose Judges that would jeopardize these rights. I will support the nominations of Supreme Court Justices who support Second Amendment rights, and I will oppose Justices who don't. •

# Obama the victim of Bush's failed policies?

By Chuck Green

Barack Obama is setting a record-setting number of records during his first year in office.

Largest budget ever. Largest deficit ever. Largest number of broken promises ever. Most self-serving speeches ever. Largest number of agenda-setting failures ever. Fastest dive in popularity ever.

Wow! Talk about change.

Just one year ago, fresh from his inauguration celebrations, President Obama was flying high. After one of the nation's most inspiring political campaigns, the election of America's first black president had captured the hopes and dreams of millions. To his devout followers, it was inconceivable that a year later his administration would be gripped in self-imposed crisis.

Of course, they don't see it as self imposed. It's all George Bush's fault.

George Bush, who doesn't have a vote in congress and who no longer occupies the White House, is to blame for it all.

He broke Obama's promise to put all bills on the White House web site for five days before signing them.

He broke Obama's promise to have the congressional health-care negotiations broadcast live on C-SPAN.

He broke Obama's promise to end earmarks.

He broke Obama's promise to keep unemployment from rising above 8 percent.

He broke Obama's promise to close the detention center at Guantanamo in the first year.

He broke Obama's promise to make peace with direct, no pre-condition talks with America's most hate-filled enemies during his first year in office, ushering in a new era of global cooperation.

He broke Obama's promise to end the hiring of former lobbyists into high White House jobs.

He broke Obama's promise to end no-compete contracts with the government.

He broke Obama's promise to disclose the names of all attendees at closed White House meetings.

He broke Obama's promise for a new era of bipartisan cooperation in all matters.

He broke Obama's promise to have chosen a home church to attend Sunday services with his family by Easter of last year.

Yes, it's all George Bush's fault. President Obama is nothing more than a puppet in the never-ending, failed Bush administration.

If only George Bush wasn't still in charge, all of President Obama's problems would be

solved. His promises would have been kept, the economy would be back on track, Iran would have stopped its work on developing a nuclear bomb and would be negotiating a peace treaty with Israel, North Korea would have ended its tyrannical regime, and integrity would have been restored to the federal government.

Oh, and did I mention what it would be like if the Democrats, under the leadership of Nancy Pelosi and Harry Reid, didn't have the heavy yoke of George Bush around their necks? There would be no ear marks, no closed-door drafting of bills, no increase in deficit spending, no special-interest influence (unions), no vote buying (Nebraska, Louisiana).

If only George Bush wasn't still in charge, we'd have real change by now.

All the broken promises, all the failed legislation and delay (health-care reform, immigration reform) is not President Obama's fault or the fault of the Democrat-controlled Congress. It's all George Bush's fault.

Take for example the decision of Eric Holder, the president's attorney general, to hold terrorists' trials in New York City. Or his decision to try the Christmas Day underpants bomber as a civilian.

Two disastrous decisions.

Certainly those were bad judgments based on poor advice from George Bush.

Need more proof?

You might recall that when Scott Brown won last month's election to the U.S. Senate from Massachusetts, capturing "the Ted Kennedy seat," President Obama said that Brown's victory was the result of the same voter anger that propelled Obama into office in 2008. People were still angry about George Bush and the policies of the past 10 years, and they wanted change.

Yes, according to the president, the voter rebellion in Massachusetts last month was George Bush's fault.

Therefore, in retaliation, they elected a Republican to the Ted Kennedy seat, ending a half-century of domination by Democrats.

It is all George Bush's fault.

Will the failed administration of George Bush ever end, and the time for hope and change ever arrive?

Will President Obama ever accept responsibility for something -- anything?

*Chuck Green, veteran Colorado journalist and former editor-in-chief of The Denver Post, syndicates a statewide column and is at [chuckgreencolorado@msn.com](mailto:chuckgreencolorado@msn.com).*

# A roadmap worth following

By Kori Schake

Advocates of a strong national defense ought to be thinking seriously about entitlement reform. Whatever one thinks of our current policies, recent reports by the Congressional Budget Office and testimony by Federal Reserve Chairman Ben Bernanke make clear our current course is unsustainable. The most frightening description to date of our problem is that if we continue as we are, "by 2058, the economy enters a free-fall, beyond which the catastrophe cannot be measured: CBO cannot model the impact because debt rises to levels the economy cannot support."

This has important effects not just for our national solvency, but also for our national security. Our current national indebtedness and its projections based on the president's budget will increase spending to \$5.1 trillion by 2019, nearly a full quarter of the nation's economic resources. As CBO points out, "deficits never fall below \$633 billion in the next 10 years, and exceed \$1 trillion by the end of the decade." With non-discretionary spending constituting an increasing proportion of federal outlays, defense, diplomacy, and foreign assistance will inevitably be squeezed.

The United States' Joint Forces Command (JFCOM) sounded the alarm earlier this year by naming federal debt and deficits as a major threat to the continued strength of our American military. JFCOM's Joint Operating Environment 2010 states that "interest payments, when combined with the growth of Social Security and health care, will crowd out spending for everything else the government does, including National Defense."

As Representative Paul D. Ryan of Wisconsin stresses in his "Roadmap for America," the threat to adequate defense spending is entirely from the price tag for domestic programs. Defense spending isn't even addressed in the roadmap, because it is not material to the debt picture. That is, before we fight about what defense spending should be (and I've argued here it should be reduced), we ought to be arguing about a long-term program for bringing our national spending into alignment with our revenue.

The "Roadmap for America" is a terrific place to start. It proposes sweeping changes to our tax code, provision of medical insurance, retirement programs, and process of budgeting for entitlements. It would raise

the age of retirement and reduce benefits for those under 55. But it would also expand our choices—and not simply by keeping entitlement programs solvent. The roadmap would allow individuals to determine for themselves what they value and want in their medical plans, retirement programs, and would even allow a choice in type of taxation.

It is often work to read, with sections on the investment and labor force participation effects of taxes, calculation of the fiscal gap, unfunded liabilities and third-party payer health care. But it is a genuine delight to see a major public policy proposal argued passionately for, with assists from Thomas Jefferson, John Locke, and Alexander Hamilton's "Federalist No. 12." The driving philosophy of Ryan's approach is empowerment of the individual. And on the whole it explains in plain language the current state of our public finances, and the choices available to us to remedy our problems.

Importantly for conservatives, Ryan's plan recaptures our proud legacy of fiscal prudence without sounding reckless about what government should and does contribute to our lives.

He makes a sound fiscal argument for acting now by demonstrating the cost of delay: "waiting just 11 years to take action increases by nearly 20 percent the amount of spending reductions or tax increases (as a percentage of GDP) needed to close the fiscal gap. Waiting until 2030 increases the amount by about 50 percent; and waiting until 2040 nearly doubles the spending cuts or tax hikes needed to close the gap."

There will be many who denounce Ryan's plan as radical. They should be rebutted by CBO data showing that under his proposals, "the standard of living for a child born today would double (i.e. per-capita output would rise from \$45,000 to more than \$90,000) by the time he or she reached middle age, just after the middle of the century." What a fantastic legacy for us to leave our children and with which to strengthen our nation. Unless we get our spending in line with our revenues, we will not only leave our children worse off than we have been, but we will be unable to afford a strong military.

*Kori Schake is a research fellow at Hoover Institution and an associate professor of international studies at the United States Military Academy.*

# The Democrats' uncertain tax plans

**By Congressman Tom Petri  
(R-6th District)**

The Democrats, with their big majorities in the U.S. House and Senate, are having furious discussions among themselves about several taxes which are scheduled to rise next year.

I assume they will not allow the lowest tax bracket to jump from 10 to 15 percent, and there's talk about dealing with the return of the marriage penalty, the 50 percent cut of the child tax credit, and the return of the estate (death) tax.

Most of the controversy, however, is over what to do about the well-to-do.

President Obama, Speaker Pelosi and their allies have long made denunciations of "tax cuts for the rich" a key applause line in their rhetorical arsenal. Supporting sharply higher taxes on high income earners fits in nicely with the President's stated desire to "spread the wealth around."

But now, with taxes set to increase dramatically on Jan. 1, some Democrats in Congress are saying, "Hey, wait a minute. Raising taxes on 'the rich' is going to pound small business. It's going to slow investments throughout the economy. Do we really want to do that when unemployment is near 10 percent?"

"You bet we do," comes the answer. "We need the money for our programs, the rich can afford to pay, and we've been telling everybody else that we're on 'their side' against the wealthy. And who says raising taxes on the rich will hurt the economy?"

Christina Romer, President Obama's chief economic advisor, for one. Reporting on her economic research she wrote, "Tax increases are highly contractionary... The large effect stems in considerable part from a powerful negative effect of tax increases on investment... [the finding is] strongly significant... highly robust."

Of course, she wrote that in 2007 when she was a professor at UC Berkeley. Her position has changed now that she works for the President.

And then there's the case of British professor and economist James Mirrlees. A

past advisor to Britain's socialist Labour Party which for decades imposed marginal tax rates of 80 percent, Mirrlees favored using the tax system to promote economic equality.

But, he wondered, how high could you boost marginal rates on high-income people without significantly reducing the incentive of the productive to be productive - ultimately damaging the economy and depressing government revenues over the long term? The answer? Mirrlees was surprised to find that the top marginal tax rate should be only about 20 percent. He had expected his research to support high tax rates but, he said, "It has not done so."

Should we take his results seriously? Somebody must, as in 1996 he won a Nobel Prize in economics for his work.

Arguments will continue on how high taxes should be and on how much different groups should pay, but the point is that we need to beware of unintended consequences. A tax imposed on someone else can end up hurting everybody. If you want a job, you need entrepreneurs and investors. If you want government revenues to be on a solid footing, you need to promote a healthy economy.

A further point on the currently scheduled tax increases: The Democrats have been suggesting for years now that they would do something to prevent the higher taxes on the middle class from going into effect. But here it is, with most of the legislative session behind us, and still nothing has been done or even announced.

Families and businesses both need to plan ahead to stay financially secure, but here as in so many other areas dealing with the economy, the President and the congressional leadership have left everyone in a chronic state of uncertainty.

American businesses currently have large cash reserves, but instead of hiring and investing, they are waiting to see what the tax and regulation climate is going to be next year and beyond. Unfortunately, that means that America's working people are waiting to see when jobs will once again become available. •

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# Tax cuts, not hikes, lead to economic recovery

**By Congressman Jim Sensenbrenner  
(R-5th District)**

The last thing Wisconsinites need right now is higher taxes. Yet, if we let the 2001 and 2003 tax cuts expire on January 1, that's exactly what we will get. Parents, workers and married couples will all see increased taxes on earned income, dividends, capital gains and estates will be taxed at a higher rate to the tune of \$200 billion. The expiration of these cuts will hit Wisconsinites especially hard, as we are one of the highest taxed states in the country. Furthermore, as President Obama and Democratic leaders in Congress seek to impose additional taxes on healthcare, energy use and even soda, costs to Wisconsinites will soar even higher on added expenses they can ill-afford.

The President's July 19 unemployment press conference, where he highlighted individuals who have been unemployed for an extended period of time, was a clear indication that his stimulus failed. The only thing it has grown in Wisconsin is the length of unemployment line. Since the stimulus passed, Wisconsin has lost 73,000 jobs and the state unemployment rate hangs around 8.2 percent.

More government spending to create more government jobs to make more "stimulus dollars at work" project signs is not the answer.

Government jobs eat tax money. Private sector jobs provide tax money.

Private sector jobs also create employment and generate wealth. This means the government can't be the center of our economy. The Government can't spend its way to a better economy- as they tried with the stimulus 16 months ago. And look what that trillion dollars got us - nationwide unemployment soared beyond the promised peak of 8 percent and continues to hover near 10 percent, the total number of jobs has decreased, and our economy is more destabilized as our level of debt skyrockets.

We tried the Democrat's method. It didn't work.

It's time for a new approach. Republicans in Congress are working hard to prevent more money being taken out of your pocket by extending the 2001 and 2003 tax cuts. We saw with President Reagan in the 1980s and later

with the Contract with America that tax cuts work.

I'm not saying tax cuts are the end-all-be-all solution to our economic woes, but they do offer a positive new start to turning this economy around and providing some certainty in a time of economic uncertainty. To you and I, tax cuts seem like common sense, but not everyone in Congress sees it that way.

While this Congress has approved billions of dollars in wasteful spending bills that have grown government, it has yet to consider any legislation to renew these essential tax provisions. With our nation hurting, Congress should not wait any longer.

This past Tax Day, I said that no company is going to invest more money on new employees when they don't know what higher taxes, added regulations and increased mandates the government will impose next. Companies that want to survive for the long run understand that they need to protect their rapidly shrinking bottom line. Consumer confidence is down and businesses are holding onto their money because they are nervous about more government policy and potential for another economic dip.

If the President and Congress really want to have a positive impact, they should motivate these companies and help restore some of their confidence by offering them tax relief immediately, and tax relief that they can count on for the next several years as they look at their books and budget.

We need to extend these tax cuts to help our economy. With all this government spending in the name of economic recovery, the International Monetary Fund projects that in the next 18 months, our debt will surpass our GDP, and according to the Congressional Budget Office, our debt-to-GDP ration will pass Greece's 113 percent in 16 years. This saddles the next generation with red ink, and will likely crash our economy before then.

These issues are too important to cast aside in favor of pushing through an agenda that has proven to be nothing but a hindrance to job creation and economic growth.

Extending these tax cuts and slowing government spending and regulating is a needed first step in offering confidence to investors. And it's a step we need to take now.

# The Wisconsin Tea Party Movement's strategy shift

**By Tim Dake**  
**Tea Party activist**

To many astute observers, there has been a subtle, yet discernible, shift in the Wisconsin Tea Party movement's activities in the last three or four months. Since the Tax Day rally in Madison last April, the number of tea party rallies has declined but not disappeared. This trend is by design. The movement has put down the signs, rolled up their sleeves and begun to work on changing government in Wisconsin.

The leaders of the now in excess of 80 groups across the state had for some time been detecting a change in the attitudes of the people both within the groups and in the public in general. People have simply grown beyond protest. After a year of waving signs and attending town halls challenging elected officials and seeking to awaken the rest of the public to the growing fiscal and constitutional crises, those who are attuned to the problems have begun to look for ways to measurably affect change.

People began coming to groups looking to get involved with the work of change and stating that they are looking for a group that will make a difference and not just protest.

Following the last two quarterly meetings, the movement's leadership has realized that the public has reached the point where they are ready in large numbers to become involved and to move past protest and engage in government. To harness this energy, the mindset of the groups has evolved to that of hardcore activism. While protest events will always have their place, they are becoming secondary to activism.

The Coalition of the Wisconsin Patriot Groups drafted a legislative agenda at the January quarterly meeting and a number of projects were launched to address the administration's progressive agenda as well as Governor Doyle's legislative initiatives. The legislative agenda and projects form an activist draw to the groups. Adding to the public's drive to fight back is the effort by the left to launch numerous groups across the state by Organizing For America. As this organization spreads across Wisconsin, the public's interest in countering OFA intensifies.

The coalition leaders mapped out the locations of the over 70 groups existing just after Tax Day and found that having a number of groups equivalent to the number of counties in the state did not guarantee coverage across the state. At the time of Tax Day, there were groups in just over half the counties and many major Wisconsin cities had no representative groups. Coupling the requests from so many people to find a group or start a group with the paucity of groups in so many counties was a natural next

step.

The coalition group leaders began the group formation project by discussing what worked and what didn't and codifying the knowledge requisite to successfully found and operate a conservative grassroots group. The state was divided into quadrants and the formation teams began to respond to the requests by scheduling organizational meetings. As the word has begun to spread that new groups are being formed, the number of requests has increased and the projections for new group growth has had to be revised upward.

The strategy behind the project is that each group will look not just to November and the election but beyond the election and taking up the role of a watchdog. The various groups are going to be aiming at the convening of the 100th Wisconsin legislature in January and focusing their combined efforts on successfully pursuing the legislative agenda. Each group will be providing their specific legislators with feedback from their respective districts.

Assemblymen and State Senators that carefully manage the people's tax dollars and work to preserve their constituents' liberty will find a guard dog in their back yard. Those that tax and spend and seek to expand the role of government ever deeper into people's lives will acquire an attack dog in their district. Legislators that cannot seem to find their way to vote responsibly on a consistent basis will get a seeing eye dog. But each legislator will indeed get a dog.

The first phase of the project is to expand to at a least one group in each county. The second phase will be to achieve a grassroots group in every one of the 99 Assembly districts. By expanding the number of groups across the state, the coalition will be able to focus political pressure on every Assembly legislator individually and each State Senator will find at least three watchdog groups monitoring their performance. Each legislator will get local feedback on performance and guidance on future voting. Every vote cast, every public utterance made, every position espoused will be carefully recorded, scrutinized and deliberated.

The roughly one dozen groups that were formed in June have already begun to meet with their representatives to discuss how they can work together and advance the coalition's legislative agenda. This project, this strategy will give teeth to the movement's mantra of fiscal responsibility, smaller government, free markets and increased liberty. Most importantly, it will encourage more of the public to become engaged in the government that we have all been protesting for the last year or more. •

# The exploding use of debt in Wisconsin

By Christian Schneider  
Wisconsin Policy Research Institute

In November of 2007, I issued a WPRI report warning of Wisconsin's growing use of debt. (It's a good read, especially if you're looking to cure your insomnia.)

This week, Moody's Investor Service issued their own nationwide report detailing the massive amount of debt states are taking on in order to bolster their lagging tax receipts. Wisconsin is no exception – and has issued debt at a much quicker rate than other states.

As I point out in my report, Wisconsin state government wasn't even allowed to issue debt until 1969, when voters amended the state's constitution to allow the legislature to issue bonds. Shortly after ratification of the constitutional amendment, Wisconsin ranked 40th in the nation in debt per capita. According to the Moody's report this week, Wisconsin is now 12th in the nation in debt per capita, barely behind notorious big-spending states like New York, California, New Jersey, and Illinois.

According to the report, Wisconsin's \$1,720 in debt per capita puts the state \$423 per capita above the national average (skewed slightly high due to the absolutely obscene per capita debt of Connecticut, Massachusetts, Hawaii, New Jersey, and New York), and \$784 more than the national median of \$936 of debt per capita.

Furthermore, the trend in Wisconsin has been to issue more debt than we can afford. As detailed in the Moody's report, Wisconsin debt has risen from 2.8% of personal income in 1998 to 4.6% in 2010. That's an increase of 64% in 12 years, and ahead of every other neighboring state (Illinois is next at 4.4%, while Michigan is at 2.1%, Minnesota 2.4%, and Iowa at 0.2%.) The national median is 2.5%

Your average citizen might then ask, "so what? What difference does a higher debt burden make to me?"

A couple things:

First, debt service is the first draw on the state's general fund. It gets paid

off before the state spends a single cent on schools, the environment, corrections, or anything else. Obviously, the more debt the state takes on, the higher these payments will be, leaving less money to fund these other programs – although the state can sometimes refinance to take advantage of better bond rates, it can't just reduce debt service. (Although sometimes they will restructure the bonds to pay more over a longer period of time in order to save money in the short term – which is terrible budgeting.)

Secondly, bonding for ongoing spending programs makes those programs more expensive. Instead of paying a teacher's salary for one year, you're paying for that teacher's salary for one year, plus interest over the course of twenty to thirty more years.

Additionally, having an excessive debt load can possibly force the bond rating agencies to mark down the state's rating, which gives its bonds a higher rate. In other words, the more debt the state has, the more it has to pay to pay them back. Too much debt is a red flag to the credit agencies—as are things like structural imbalances and low reserve funds. (Wisconsin fares extremely poorly on all three counts, which is why its credit rating has fallen within the past few years.)

Finally, it is worth pointing out that Moody's analysis is unclear as to which Wisconsin state bonds it uses in its analysis. Some bonds are funded with tax money, some are funded by user fees, some are backed by the state's moral obligation, and some are not. When added together, all these bonds in Wisconsin in 2007 added up to \$3,476 per capita – and that doesn't even count local debt, such as municipal and school construction.

So when the new governor takes office in January of 2011, he'll have the state's large debt burden to thank for much of the state's shabby fiscal condition. And the public will eventually feel the pain for all the spending that debt propped up over the past decade. •

# Medicaid: A Ponzi scheme

**Bu Robin Vos**  
(R-63rd Assembly District)

Ponzi Scheme: "A fraudulent investing scam that promises high rates of return at little risk to investors."

Jim Doyle, since his first term in office, has been running a Ponzi scheme in the Medicaid program. Much like Bernie Madoff, Doyle has spent years convincing Wisconsin's investors (tax payers) that they should continue funding a growing MA program. Their high rate of return, he would tell them, was the social benefit of more people possessing high quality healthcare at a lower cost. Each new program, he claimed, was a sure money saver in the long run.

What we are coming to find out, now that the Medical Assistance Trust fund is bankrupt, is the false promises of Doyle have just been an elaborate con job, designed to hide the fact that he's been cooking the books the whole time. The truth is there has always been a deliberate attempt by Doyle to hide the true fiscal effect of expanding these programs. The goal has always been government-run health care no matter what the cost.

Since Jim Doyle took office, total MA enrollment has increased 63.5% and there is now what could be more than a \$1.5 billion deficit in the program - \$600 million of that is still left unresolved from the most recent budget, and a new \$200 million addition just announced weeks ago after the Supreme Court ruled Doyle must pay back his 2007 raid of the state's medical malpractice fund known as the Injured Patients and Families Compensation Fund.

To figure out how we got here, we must start from the beginning.

In 2003 Doyle introduces his first budget. And with his first budget comes his first major expansion of a Medicaid program known as the Family Planning Waiver. To pay for it, he proposes an increase in the nursing home bed tax and a new HMO tax.

By 2005, Medicaid enrollment has grown by 120,000 people, or 17%. While he proposes no major expansions of programs in this budget, funding schemes are definitely employed for the previous 2003 expansion.

Doyle once again proposes to tax HMOs to the tune of \$117 million. He also champions the issuance of \$130 million in tobacco bonds, using one-time proceeds to fund ongoing MA costs. Both of these ideas, thankfully, are blocked by the Legislature.

Enter 2007. The rolls have only grown by a mere 30,000 people since 2005. So Doyle decides (even though the state is facing a

budget deficit in the billions) that this is a perfect time to propose a major expansion in the Badger Care Plus program.

This expansion, he claims, will "streamline" a few programs in MA, bringing them all under one umbrella. As a result, the Department of Health Services magically discovers 40,000 to 50,000 people who should have been enrolled in the previous programs. The department takes it upon itself to auto-enroll every single one of these people.

Next, despite serious fiscal problems, Doyle also adds another 12,000 people to the MA rolls by creating a new childless adult pilot program in Milwaukee County.

Finally, Family Care (a program that will in only two years grow to a \$1 billion a year residential care program and become the subject of a 2010 audit, requested by Democrats, because there are questions as to its sustainability) is expanded statewide. Doyle, of course, says this will save money in the long-term. The current audit will likely say different.

How does he pay for these expansions and existing Medical Assistance costs? Why, he steals \$200 million in one-time cash from the doctors, of course. Only now, as mentioned previously, the Supreme Court says he has to give that back.

Now let's fast forward to 2009. Jim Doyle introduces his final, most bloated, most troubled budget yet. Not surprisingly, the Medicaid rolls have grown by 108,967 people. The state is facing an even larger budget deficit than in 2007, and everything has to be cut to make it balance. Even education is cut to fix the state's huge fiscal mess.

Despite this fact, one program gets larger. Governor Doyle once again proposes another Medicaid expansion. This time he wants to expand the pilot Milwaukee childless adults program statewide. Why, you might ask? Well, because he says it's just another step in making sure that Wisconsin has the most insured citizens in the country. If we insure them, he says, emergency room visits will drop. Overall medical costs will drop, he claims. This time to pay for it, he uses a billions in stimulus money that will likely not be available again and he institutes not 1, but 2, new hospital taxes.

This scheme is his most clever, yet. Essentially, he tells the hospitals to give him a \$1, and he'll get them \$2 back from the Feds, but first, before they get it, he skims off a little for himself (about \$300 million) and deposits it in the state's general fund to help

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# Six months to go until largest tax hikes in history

By Ryan Ellis

In just six months, the largest tax hikes in the history of America will take effect. They will hit families and small businesses in three great waves on January 1, 2011:

**First Wave: Expiration of 2001 and 2003 Tax Relief**

In 2001 and 2003, the GOP Congress enacted several tax cuts for investors, small business owners, and families. These will all expire on January 1, 2011:

Personal income tax rates will rise. The top income tax rate will rise from 35 to 39.6 percent (this is also the rate at which two-thirds of small business profits are taxed). The lowest rate will rise from 10 to 15 percent. All the rates in between will also rise. Itemized deductions and personal exemptions will again phase out, which has the same mathematical effect as higher marginal tax rates. The full list of marginal rate hikes is below:

- The 10% bracket rises to an expanded 15%
- The 25% bracket rises to 28%
- The 28% bracket rises to 31%
- The 33% bracket rises to 36%
- The 35% bracket rises to 39.6%

Higher taxes on marriage and family. The “marriage penalty” (narrower tax brackets for married couples) will return from the first dollar of income. The child tax credit will be cut in half from \$1000 to \$500 per child. The standard deduction will no longer be doubled for married couples relative to the single level. The dependent care and adoption tax credits will be cut.

The return of the Death Tax. This year, there is no death tax. For those dying on or after January 1 2011, there is a 55 percent top death tax rate on estates over \$1 million. A person leaving behind two homes and a retirement account could easily pass along a death tax bill to their loved ones.

Higher tax rates on savers and investors. The capital gains tax will rise from 15 percent this year to 20 percent in 2011. The dividends tax will rise from 15 percent this year to 39.6 percent in 2011. These rates will rise another 3.8 percent in 2013.

**Second Wave: Obamacare**

There are over twenty new or higher taxes in Obamacare. Several will first go into effect on January 1, 2011. They include:

**The Tanning Tax.** This went into effect on July 1st of this year. It imposes a new, 10% excise tax on getting a tan at a tanning salon. There is no exemption for tanners making less than \$250,000 per year.

**The “Medicine Cabinet Tax”** Thanks to Obamacare, Americans will no longer be able to use health savings account (HSA), flexible spending account (FSA), or health reimbursement (HRA) pre-tax dollars to purchase non-prescription, over-the-counter medicines (except insulin).

**The HSA Withdrawal Tax Hike.** This provision of Obamacare increases the additional tax on non-medical early withdrawals from an HSA from 10 to 20 percent, disadvantaging them relative to IRAs

and other tax-advantaged accounts, which remain at 10 percent.

**Brand Name Drug Tax.** Starting next year, there will be a multi-billion dollar tax assessment imposed on name-brand drug manufacturers. This tax, like all excise taxes, will raise the price of medicine, hurting everyone.

**Economic Substance Doctrine.** The IRS is now empowered to disallow perfectly-legal tax deductions and maneuvers merely because it judges that the deduction or action lacks “economic substance.” This is obviously an arbitrary empowerment of IRS agents.

**Employer Reporting of Health Insurance Costs on a W-2.** This will start for W-2s in the 2011 tax year. While not a tax increase in itself, it makes it very easy for Congress to tax employer-provided health-care benefits later.

**Third Wave: The Alternative Minimum Tax and Employer Tax Hikes**

When Americans prepare to file their tax returns in January of 2011, they’ll be in for a nasty surprise—the AMT won’t be held harmless, and many tax relief provisions will have expired. These major items include:

The AMT will ensnare over 28 million families, up from 4 million last year. According to the left-leaning Tax Policy Center, Congress’ failure to index the AMT will lead to an explosion of AMT taxpaying families—rising from 4 million last year to 28.5 million. These families will have to calculate their tax burdens twice, and pay taxes at the higher level. The AMT was created in 1969 to ensnare a handful of taxpayers.

Small business expensing will be slashed and 50% expensing will disappear. Small businesses can normally expense (rather than slowly-deduct, or “depreciate”) equipment purchases up to \$250,000. This will be cut all the way down to \$25,000. Larger businesses can expense half of their purchases of equipment. In January of 2011, all of it will have to be “depreciated.”

Taxes will be raised on all types of businesses. There are literally scores of tax hikes on business that will take place. The biggest is the loss of the “research and experimentation tax credit,” but there are many, many others. Combining high marginal tax rates with the loss of this tax relief will cost jobs.

**Tax Benefits for Education and Teaching Reduced.** The deduction for tuition and fees will not be available. Tax credits for education will be limited. Teachers will no longer be able to deduct classroom expenses. Coverdell Education Savings Accounts will be cut. Employer-provided educational assistance is curtailed. The student loan interest deduction will be disallowed for hundreds of thousands of families.

**Charitable Contributions from IRAs no longer allowed.** Under current law, a retired person with an IRA can contribute up to \$100,000 per year directly to a charity from their IRA. This contribution also counts toward an annual “required minimum distribution.” This ability will no longer be there. •

# The hidden deficit

**By Kevin Petersen  
(R-40th Assembly District)**

Wisconsin's non-partisan Legislative Fiscal Bureau estimates the incoming 2011 state legislature will grapple a \$2.3 billion budget deficit. Compounding the deficit is dropping state revenues as employers continue shuttering their doors and laying off workers.

According to the Department of Workforce Development (DWD) from February 2009 to February 2010, approximately 100,000 jobs have been lost in Wisconsin. Recent numbers released indicate 44 of 72 counties in the state have double digit unemployment rates.

Because of the high numbers of unemployed trust fund (UI fund)—which pays unemployment benefit—is also running a deficit. Projected to hit \$2.4 billion in 2011, it is a hidden deficit reported separately from the state's overall structural deficit.

In 1932, Wisconsin became the first state in the nation to create an unemployment insurance program. Administered through the DWD, the program must comply with federal unemployment laws.

The DWD acts on recommendations made from an Unemployed Insurance (UI) Advisory Council. The UI Advisory Council is comprised of: five laborers (employee) representatives, five management (employer) representatives, and one non-voting chairperson.

Statutory responsibilities for the council submits to its recommended changes in the UI law to the Legislature. Consequently, next session's legislators will be addressing both a \$2.3 billion state budget deficit and a \$2.4 billion UI fund deficit.

Payroll taxes on employers finance the unemployment trust fund. A portion of employee income is taxed at a rate that fluctuates depending on the solvency of the UI fund. If the fund is low, the rate is high. If the fund is flush with cash, the rate is low. Right now, the rate is high because the fund is running a \$1.1 billion deficit.

With Wisconsin's UI fund in the red, the state must borrow money from the federal government to cover unemployment claims. This money must be paid back which adds to employers' payroll tax burdens thereby reducing capital create jobs.

In the early 1980s Wisconsin borrowed \$737 million from the federal government to pay UI benefits. The state paid back the money along with \$125 million in interest.

Of great concern is the pending payroll tax increase required in 2011 to pay back the estimated \$2.4 billion while concurrently continuing to fund ongoing benefits. The hidden UI fund deficit's looming increase in unemployment fund payments will be an additional burden that decelerates both employers and the state's economic recovery. •

## ...a Ponzi scheme

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fix the massive deficit he created in the first place.

The result of all this big-government scheming is a deficit in the Medicaid budget upwards of \$1 billion, needing attention just as Jim Doyle is about to turn out the lights in the Governor's mansion. Most of the deficit hasn't been fixed, and it will probably be left at the feet of the next governor.

But my guess is that Jim Doyle doesn't care all that much. He's gotten what he's wanted all along. ObamaCare is a done deal and because of it, it's unlikely that we'll ever be able to repeal any of the benefits offered through the Medicaid program and the rolls will just keep growing. Mission Government Run Healthcare: Accomplished.

Incidentally, since its enactment, Doyle's childless adult program has also spiraled out of control and a waiting list has been institut-

ed. The "fix" is a whole NEW program designed to insure the people on the waiting list.

When Jim Doyle took office in 2003, there were just under 700,000 people on Medical Assistance. Now there are a whopping 1.1 million. One in every five Wisconsinites receives MA coverage. Clearly, no money has been saved as a result of these new programs, and just like those who invested in Madoff's fund, the taxpayers are never going to get a return on their "investment". In fact, they're just going to have to keep paying.

The cruelest joke, however, is that though it could be considered criminal to promise unsustainable benefits to more than 1 million people and to swindle Wisconsin taxpayers out of their hard-earned money, the only ones that will be punished are those very beneficiaries and taxpayers. Governor Doyle gets off scot-free. •

# Bigger government is not better government

By Scott Walker

Did you know Wisconsin has more people working for government than working in manufacturing? And what's worse, at the same time Wisconsin lost 163,000 good paying jobs last year, Gov. Doyle raised taxes by more than \$4 billion.

It's time for a new direction.

While taxing and spending from Washington and Madison has spiraled out of control, we've shrunk the size of government in my county by finding ways to do more with less. My wife Tonette and I felt strongly that we should lead the way, so over the past eight years we have given \$370,000 of my salary back to the taxpayers.

We cut the government workforce by 20%, reduced the county debt by over 10%, and I introduced my eighth straight budget without a property tax levy increase from the year before. And when other state and local governments faced massive budget shortfalls, our county finished the year with an \$8.9 million surplus.

It's time to cut state government taxing and spending too, and to give Wisconsin employers the tools they need to create new jobs. I think we can do this if we employ a little of what I call "brown bag common sense" that follows three simple principles: don't spend more money than you have; smaller government is better government, and people create jobs, not the government.

When we follow these guidelines we can get government out of the way and implement my plan to help Wisconsin employers create 250,000 jobs by 2015.

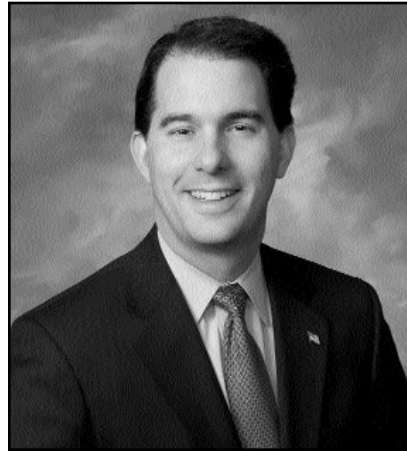
Our six point plan to bring jobs to Wisconsin will:

Lower the burden of high taxes on employers, working families and seniors. States with lower taxes have more jobs and better budgets.

Reduce excessive regulations and make state agencies more responsive to the customer. Make regulatory standards science-based and predictable, and require agencies to balance efforts to protect our natural resources with the need to protect our jobs, too.

Eliminate frivolous lawsuits, reduce the cost of litigation, and reform medical malpractice laws to help lower health care costs.

Strengthen the education of our future workforce by making Wisconsin a leader in school to work transition. Make schools more



Scott Walker

accountable and require a higher level of proficiency in the areas of science, technology, engineering and math.

Reduce health care costs through market-driven strategies and not government mandates. Eliminate the state tax on health savings accounts, require full disclosure on the cost of medical procedures, and help employers tap into larger purchasing pools to cut costs.

Build and maintain a strong infrastructure through reliable energy sources and dependable transportation links. Our employers need a reliable and clean source of power for our factories, mills and farms. We also need a dependable system of roads and highways to get products to market.

Government can't create jobs but it can partner with employers to encourage job growth. In Milwaukee County, we worked with General Electric and the city of Wauwatosa to locate GE's new \$85 million facility to the Milwaukee County Research Park, bringing more than 2,000 jobs with it. Our investment in infrastructure at Mitchell International Airport jumpstarted record growth and helped bring nearly a thousand new jobs from three major airlines.

When we reduce the size of government and the cost of doing business in Wisconsin, our employers will create more jobs here.

*Scott Walker is the Milwaukee County executive and republican candidate for governor. He lives in Wauwatosa with his wife Tonette and their two sons.*

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# Safari Club International news

By Bob Welch

The 2009-2010 Legislative Session has now ended. There were an enormous number of bills and proposals that affected hunters. SCI and the Hunters Rights Coalition (HRC) were very involved in the final outcome of these initiatives.

Let's review how we did.

Wins are as follows. Youth Mentored Hunting Law: Passed and 12,000 new hunters were in the woods last fall. Puppy Mill Bill: We fought the anti's off and got a bill to regulate so-called "puppy mills" without endangering the legitimate breeders and outdoor dog owners. Pittman Robertson (PR) Allocation: Out of the additional \$4 million in new PR funds, we got \$2 million allocated for deer population research and we got the bobcat and bear population studies fully funded. Raffle Reforms: Passed two bills to make it easier to hold multiple raffles with one license (like we do with one set of tickets for several gun boards) and to allow sales over a distance (like mailing the ticket stubs out). Stewardship Rules: Finally passed the rules to assure hunting access to lands purchased with Stewardship tax dollars. This was a huge fight with the Nature Conservancy types and DNR against us. Rules were sent back to DNR on the first round by Legislative Committees and revised to our satisfaction. Earn a Buck Suspension: The very unpopular earn-a-buck management tool was suspended indefinitely outside of CWD area. Many other hunting groups were prepared to accept some additional earn-a-buck, but SCI stayed true to the hunter point of view and got this done. Overwinter Deer Goals: SCI and HRC fought hard to increase the overwinter deer population goals. Although we did succeed in getting an increase, the change fell far short of what was needed. It seems like many in the DNR are only trying to keep enough deer to feed the wolves. Range Protection Act: Strengthened provisions that prevent a local government from shutting down or harassing a shooting range and allows the range to expand or do renovations. Bow Reforms: Now out-of-state hunters have the same crossbow rights as residents and you will no longer have to wait to get your bow license during archery season. Wolves: Our Wisconsin DNR has now petitioned the US Fish and Wildlife for formal delisting of our wolves. SCI, together with our HRC partners has also filed a petition for delisting. This will give us legal standing to advance this request. Unfortunately, this looks to be a long process, so this "win" may take a while...

Bills we opposed that died are as follows. Thrill

Kill Bill: This bill attempted to criminalize pretty much any taking of a wild animal. We fought hard and the author eventually dropped the idea. HSUS Animal Rights Bill: The so-called "Windchill" bill, named after a small horse that died while on a neighbor's farm, was the top priority of animal rights activists. Made it through Assembly, but died in the Senate. Requiring Microchip Implants in every Runaway Dog: Fortunately a lot of people thought this one was crazy. Requiring Microstamping of all Ammunition: Some Legislators seemed to think this crazy idea would actually work, but we still were able to kill this bill in committee. Mandatory Gun Registration: This was the most anti-gun legislation introduced in Madison in decades. Fortunately it died in committee. Mandatory reporting of Stolen Guns: This would have made the victim into a criminal if you failed to immediately report your stolen guns.

Proposals we supported that failed to pass are as follows. Deer Season Reform: Overwinter population goals were revised upwards, but we will continue to push for a sustainable herd size, closer to 1 million deer. We continue to work to improve the independence of the deer population studies and to push for a simplified statewide 9 day season, with tags allocated for herd management where needed. SCI continues to make deer season reform its #1 issue and continues to lead the debate for hunters. Bear Bill: This was a tough one as this bill would have expanded bear hunting opportunities. It passed both houses of the Legislature without opposition, but was vetoed by Governor Doyle. Gun Cases: Bill to allow uncased, but unloaded, long guns to be set on non-moving vehicles. The bill also allows the transport of uncased, but unloaded, long guns during the regular hunting seasons by those who have a valid hunting license. Passed Senate, but died in Assembly. It's good to realize that not a single bill or proposal that we opposed ended up becoming law. So even though we didn't go forward on all our issues, at least we didn't have to take any steps backwards.

This report is really just the highlights of the over 100 bills and proposals that we followed during the 2009-2010 Legislative Session on your behalf. The Welch Group maintains an office right across the street from the Capitol and is continuously monitoring all legislative and regulatory actions. As always, if you hear of anything, or have a great idea for the cause feel free to contact us at 608-819-0150 or [info@thewelchgroup.org](mailto:info@thewelchgroup.org). •

# 'Green jobs' bill would also hike property taxes

**By James Wigderson**  
**Special guest perspective for MacIver Institute**

Times are tough for Wisconsin homeowners. Property taxes increased on average four percent last year, and are expected to go up 4.2 percent this year. Times are so bad a Hartland couple was arrested for allegedly growing marijuana to pay their property tax bill. It's the type of organic problem solving Wisconsinites face when confronting a government who only knows one direction for property taxes –higher.

If Governor Jim Doyle has his way, we may all need to indulge to kill the financial pain. Legislation resulting from Doyle's Global Warming Task Force is working its way through the state legislature. If the bill proponents like to sell as "The Clean Energy Jobs Act" passes, Wisconsinites will likely see energy bills increased by \$18.9 billion and 40,000 jobs lost.

Wisconsinites can also expect to see their local property tax bills increase under the proposed law because of a provision allowing local governments to bypass local spending caps if the expenditures are to increase "energy efficiency" and purchase renewable energy products. Current law prohibits any city, village, town, or county from increasing its tax levy by a percentage that exceeds its "valuation factor," which is defined as either 3 percent or the percentage change in the equalized value due to new construction, whichever is greater. The proposed exception to the cap is large enough to drive an ethanol-powered bus through.

According to Tom Larson of the Wisconsin Realtors Association, "The sky is the limit" with the potential for local property tax increases because the definition of what would qualify as an exception is left to the Department of Administration to determine. There is no way to know what the potential for property tax increases could be because a city, town, village or county could do anything from a wind farm to large solar panels on every building.

Scott Manley of Wisconsin Manufacturers and Commerce agrees. "We don't really know what would qualify." Until the Department of Administration makes the rule and defines the terms, local energy efficiency projects could cost local taxpayers, according to Manley, "hundreds of thousands of dollars, or even millions," in municipalities and counties across the state.

A recent example of the type of project that could be considered as exempt from the cap

of the property tax levy is the announcement by Dane County they will be installing solar panels on the roof of the city-county building and replacing the city's hot water system. The project is expected to cost \$2.2 million.

Last year the City of Wauwatosa considered a plan to spend \$190,000 to put solar panels on the roof of city hall. However, the solar panels would only save Wauwatosa \$3,000 per year in energy costs. It would take sixty years for the cost savings to pay for that investment in renewable energy. Wauwatosa rejected the plan, accordingly.

While federal stimulus money would have paid for both projects, in the future the financial burden of such projects could fall directly on the taxpayers who would have no recourse.

Current law allows local government units to exceed the property tax levy cap by going to referendum. If an energy-saving project is worth the expenditure above and beyond the cap, local government can appeal directly to the taxpayers to approve it. Under the global warming bill, Wisconsin taxpayers would be robbed of the opportunity to vote down such projects and keep property tax increases under the current cap.

Wisconsin property taxes are already too high. Wisconsin has the fourth highest median real estate tax as a percentage of median home value and is ninth highest in the country for median real estate taxes paid. The property tax levy cap may not be the most effective tool taxpayers have, but right now it's the only tool.

Proponents of the bill like to tout the cost-effectiveness and the savings from going green, but it begs the question why it's necessary to allow local governments to raise taxes to pay for it? And if the projects would create more savings, why won't they trust local property taxpayers to judge these projects for themselves?

Taxpayers can already see how much their electric bills are going to go up by using the "Clean Energy Jobs Act Electric Bill Cost Calculator" at the Wisconsin Electric Cooperative Association's website. When they add in the likely property tax increases, they'll discover why it's called "green energy."

The cost will make them sick.

As for our couple in Hartland, perhaps they should have just waited until the bill passes. Then they could have claimed they were just growing bio-fuel. •

# Windfarm demanding 3x what utilities will pay

Quiz: What business could you succeed in, demanding three times what your customer is willing to pay? Well, that's a non-sequitur – a business can't be successful that doesn't have customers and a business doesn't have customers if the potential customers won't pay what the business is charging. End of Lecture 2, Micro-Economics 101.

Unless of course, you involve the government. Then add in a business that apparently is so accustomed to government largesse that it can't figure out when no means no.

From Monday's State Journal:

Wave Wind LLC of Sun Prairie, says it needs 8 cents per kilowatt-hour to make the project viable. MGE is only willing to pay 2.9 cents.

"That rate won't even allow us to put a shovel in the ground," said Tim Laughlin, president of Wave Wind at 4589 Highway TT. "The utilities have to recognize that (green power) will be part of the culture. It will be part of what we're dealing with on all levels, and they'll have to figure out a way to make it work."

And besides which, it will feel good for the community.

"MGE [Madison Gas and Electric] has a customer base that is deeply committed to sustainable energy," said Vickerman, execu-

tive director of RENEW Wisconsin, a Madison nonprofit that promotes clean energy. "It sends a powerful signal to component manufacturers, to the construction and building trades, to local governments and to economic development officials."

But, says MGE, we don't need what you're selling.

[MGE CEO Gary] Wolter said MGE already has "sufficient energy" from its existing sources - primarily from wind farms in Iowa, where two-thirds of its renewable energy comes from - to meet its requirements under current state law until 2018, or until 2016 if more aggressive goals for renewable energy production are approved by state lawmakers.

The pomposity of it all.

And then there's the biomass plant that will cost \$255,000,000 for a mere 50 megawatts of energy and a huge UW biomass power plant that is a "gamble for the state." And those damn ethanol subsidies that not only aren't going away – they're poised to get still richer. Unbelievable. (April 5 Washington Times editorial: Stop 'Big Corn')

Governor Doyle's "25 by '25" is bad bad policy. Wisconsin must say no to this ridiculous stuff.

Jo Egelhoff

FoxPolitics.net

# Arizona answers a mayday

By John F. Di Leo for Illinois Review, May 1, 2010

Ever since the term was coined in 1923, whenever a ship or plane is in distress, the pilot or navigator "sounds a mayday" on the airwaves. They take to the radio and repeat "mayday" three times in succession, in hopes that all in range will hear it, and that some other vessel or vehicle will come to their rescue in time.

Since Plato first referred to government as "the ship of state," we can think of the many levels of United States government - federal, state, county, local, not to mention boards of education, park district boards, township or parish boards, and bureaucracy after bureaucracy - as also being those ships, every one in a position to "sound a mayday," or perhaps, hopefully, to respond to one.

And a mayday has indeed been sounded. For forty years, various branches of govern-

ment, along with countless other players all over our country, from businesses to interest groups of every kind and size, have been sounding a mayday about the damage that our modern immigration patterns are doing to our country.

Notice the wording: it's not immigration that's doing damage, but immigration patterns. We are constantly, and rightly, reminded that almost all Americans are immigrants or the descendants of immigrants. Contrary to the "Racists! Bigots! Xenophobes!" shouts of the Left (correction, most of the shouters probably don't know that last one), the number of Americans who are really opposed to immigration in general are few and far between.

Continue reading "Arizona Answers a Mayday" at [illinoisreview.typepad.com/illinoisreview/2010/05/arizona-answers-a-mayday.html](http://illinoisreview.typepad.com/illinoisreview/2010/05/arizona-answers-a-mayday.html). •

## WEAC win=Wisconsin's loss in education funds

Madison—Wisconsin's failure in the Educational Race to the Top is tied to policy makers' reluctance to buck the will of the powerful Wisconsin teachers' union.

Christian D'Andrea, an educational policy analyst with the John K. MacIver Institute for Public Policy in Madison, says the state doomed its application when it failed to create a strong tie between teacher compensation and student performance, a position long-opposed by the Wisconsin Education Association Council.

"Many of the proposed changes lagged behind the Race to the Top standards," said D'Andrea. "Wisconsin's reluctance in adopting more strenuous and nationally-recognized student testing likely dropped the state in the rankings, and their reluctance to adopt a centralized lon-

gitudinal data system to track both students and teachers meant Wisconsin's failed to measure up to competitors."

D'Andrea said the staggering achievement gap between student groups was also likely a key player in this year's failure, as the lack of educational progress between students was no doubt a troubling figure for the application's reviewers.

"The bottom line is other states are pursuing a vigorous reform agenda that includes tying teacher compensation and discipline to student performance and Wisconsin policy makers would not be that bold," said D'Andrea. "WEAC successfully fought off attempts at more sweeping reforms aimed at increasing teacher accountability, and Wisconsin lost out on these one-time funds."

## Grothman thanks Tea Party, other groups for defending First Amendment

Sen. Glenn Grothman (R-West Bend) thanked Tea Party groups such as the Concerned Citizens for Iowa County, the Sheboygan Liberty Coalition, the Northwoods Patriot Group, Inc. and others filing lawsuits and forcing the Government Accountability Board (GAB) to withdraw its new rule, GAB 1.28, which was designed to put many administrative restrictions on political communications before an election.

"It's a sad day when people have to pay lawyer fees to be able to freely communicate about politics before an election but that is what's become of our republic. It should alarm the public that all six members of the GAB board are former judges and products of our law schools.

I am very familiar with these patriot groups, and I'm afraid they are going to

have to play a much more aggressive role in the future to protect our constitutional rights against an ever expanding government. It was particularly disappointing to see mainstream media outlets such as the Oshkosh Northwestern and the Kenosha News applauding the Government Accountability Board's effort at restricting political information prior to an election.

The average citizen in my district seems much more familiar with original intent of the First Amendment than the judges on the GAB board. For too many years, law schools have been promoting the idea that the Constitution is an outdated document that should be weaseled around rather than the greatest blueprint for government in the history of man," said Grothman. •

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# Reject and reverse Obamanomics to rebuild economy

By Sen. Mary Lazich  
(R-New Berlin)

Six minutes into a town hall speech June 30, 2010, after joking about the weather and bakery, President Obama told the crowd, "Sometimes people don't remember how bad (the economy) was and how bad it could have been. Today, it's growing again. The economy is headed in the right direction."

One of the common rules of public speaking is know your audience. President Obama's major speech problem during his rosy introduction was that his audience was Racine, Wisconsin. One week prior to his visit, the Wisconsin Department of Workforce Development announced the city of Racine's unemployment rate of 14.2 percent was the second-highest in the state.

Conservative columnist Hugh Hewitt referred to the president as Barack Magoo, and that the President's take on dire economic straits was "like a gong announcing entry into another dimension of reality."

Herein lies the Democrat strategy between now and November. Despite economic data, put on a happy face. Tell suffering Americans that without Washington's help, the recession would be another Great Depression. Since many have refused to drink the big government Kool-Aid, Democrats, possibly sensing voter backlash and huge losses this November will add a very dangerous phrase to their phony optimistic spin, the phrase, we, government, still need to do more.

Translation: Washington big spenders want to drop another exorbitant federal stimulus bomb on America. The \$787 billion spending package during 2009 served only to make economic conditions worse in states across the country. At best, the stimulus temporarily plugged most, not all, states' budget holes.

The American Legislative Exchange Council (ALEC) reports, "Every additional \$1 of state aid from Washington D.C. increases state and local budget deficits by 62 cents. The idea behind the deluge of spending was not just to repair state budgets but to create jobs, as well. But rather than holding the unemployment rate to below eight percent, the actual unemployment rate kept growing. The three million jobs 'created or saved'-that the White House so frequently touted-never materialized."

A mid-July 2010 survey by CBS News reports, "A whopping 86 percent of Americans say that they've been unaffected or hurt by the president's economic programs." And yet, liberal Democrats yearn for another stimulus. A proper course of action by Washington would be to slash federal spending and federal tax rates.

Wisconsin Democrats are also using the two-pronged Obama approach that conditions could have been worse and government can still fix our



**Mary Lazich**

problems. State Senate Majority Leader Russ Decker claimed in a May 2010 column in the Wausau Daily Herald that Democrats made cuts in the current 2009-11 state budget: "According to the Legislative Fiscal Bureau, we cut \$796.8 million in the last budget."

Decker's boast is pure fiction.

The 2009-11 state budget increased spending 9.4 percent Source: The nonpartisan Wisconsin Taxpayers Alliance (WISTAX).

The tax increases from the 2009 budget adjustment bill plus the tax increases in the 2009-11 state budget total \$3.03 billion. Source: The nonpartisan Wisconsin Taxpayers Alliance (WISTAX).

The state budget eliminated the QEO. The result? School property tax levies for 2009-10 are up 6.0 percent. Source: The nonpartisan Wisconsin Taxpayers Alliance (WISTAX).

Out of all the tax increases in the budget, the largest is in individual income taxes totaling \$529.8 million. Source: The nonpartisan Wisconsin Taxpayers Alliance (WISTAX).

Obscene spending in Madison must stop now. For too long, the state has far outspent incoming funds, leading to budget crises, including the current \$2.5 billion structural deficit.

ALEC suggests that states allow their spending to grow at the rate of population plus inflation growth, ensuring budget surpluses will ensue and possibly tax cuts.

Conservatives have the outstanding potential to restore fiscal sanity to Wisconsin post-November elections. Given that opportunity, it is imperative conservatives follow through and stick to their principles by taking immediate action to reduce spending and the size of state government. Only then can our economy truly be on the right road to recovery. •

# Good news at end of 2009-10 Wisconsin Legislative Session

By Jim Ott  
(R-23rd Assembly District)

The final two weeks of the 2009-10 session of the Wisconsin Legislature were marked by long days and nights and an overloaded calendar. The final week's calendar alone featured over 150 bills, and while the Democrat controlled Assembly passed most of them, in the end some very important and damaging legislation was left on the table.

Perhaps the most dangerous bill of all was the global warming bill (AB 649/SB 450), misnamed by the Democrats as the "Clean Energy Jobs Act." This bill was introduced in both the State Senate and Assembly in January, and received multiple public hearings in committees of both houses. Both committees, controlled by Democrats, approved the bill on partisan votes.

The global warming bill was placed on the Assembly calendar for the Tuesday, April 20th session, which dragged on to the early morning hours of April 21st. It was never brought up for a debate or vote. It was placed on the calendar again on Thursday, April 22nd, but once again was not brought up for a vote.

Another terribly bad piece of legislation suffered a similar fate. AB 895, the misnamed "voter protection act" was on the Assembly calendar for April 20th, but was never voted on. This is the bill which would have made voter fraud much easier to accomplish, and was

universally opposed by Republicans. Most Democrats seemed to think it was a great idea.

Two other bills that were on the calendar and ultimately failed were AB 282 and AB 578. AB 282 would have created a regional transit authority in southeast Wisconsin and would have imposed a mandatory 1% sales tax on Milwaukee County. AB 578 would have required all Wisconsin schools to use more expensive "environmentally sensitive" cleaning agents.

So why weren't Democrats, who controlled both houses of the Legislature and the Governor's mansion, able to pass bills that would have enacted some of their pet projects into law? I think two factors were very important.

First, Senate and Assembly Republicans recognized how damaging these bills would have been to Wisconsin, and refused to provide even one vote to any of them. Second, efforts to educate voters around the state on the true nature of these bills were successful, and many voters contacted their representatives and expressed their opinions.

In the end, what could have been a disastrous 2009-10 session of the Legislature ended on a positive note. If Republicans can regain the majority in both houses and the Governorship there will still be a lot of issues that need correcting, and a lot that needs to be accomplished. But in the future we may look back to the week of April 18th as a turning point on the road to a better Wisconsin. •

## The Pakistani Double Game

Pax Americana Institute  
July 2010

The London School of Economics released a report in late June alleging that the Pakistani intelligence agency, the Inter-Service Intelligence agency (ISI), not only funds and trains Taliban insurgents in Afghanistan but plays an active and official role in the Taliban's executive war council. If this report is accurate, the Pakistani military already possesses significant influence over Taliban military operations. Since the group's formation in 1994, Pakistan has maintained an attachment to the Afghan Taliban. However, Pakistani involvement with the organization since 2001 has been increasingly secretive and elevated.

In the report, testimony from nine Taliban commanders and Afghan security officials and government ministers demonstrate the extent to which the ISI can and does control Taliban strategy in the region, specifically Afghanistan. These interviews provide evidence that ISI operatives are active in meetings of the Taliban leadership council that is believed to meet in the Pakistani town of Quetta several times a year. The Pakistan government and army have vehemently denied the report on all accounts.

Certain aspects of the report seem more believable than others. Considering the aforementioned testimonials, known Pakistani security interests in the region, and a relatively consistent body of evidence and intelligence that has been produced over

the past sixteen years, it is virtually impossible to conclude that the Pakistani government plays no role in supporting the Taliban movement. However, the report raises as many questions as it answers. For example, some American policymakers are skeptical of the accuracy of the report because the document makes several sensational claims that U.S. intelligence has been unable to confirm.

Pakistan certainly has incentive to assert its influence in the region. With U.S. troops scheduled to begin withdrawing from Afghanistan next year, other powers in the region are looking to gain as much influence over the nation as possible.

Particularly difficult in terms of developing effective foreign policy on behalf of the United States is the complex nature of the security relationship between America and Pakistan. The Pakistani government has been a key U.S. ally since the September 11th attacks in fighting al-Qaeda, but the United States can hardly keep supporting a government that directly and officially supports the Taliban insurgency in Afghanistan.

A second concern is the monetary assistance the United States has long provided to the Pakistani government. Because Pakistan apparently maintains at least some degree of a relationship with the Taliban, fears are rising as to how American money and equipment is being utilized. Last year, Congress passed a bill proposed by Senator John Kerry to send \$7.5 billion in nonmilitary aid alone to

*Turn to page 23*

# Sales tax increase not a good solution to education crisis

**Pax Americana Institute  
June 2010**

Earlier this week, the Wisconsin Alliance for Excellent Schools kicked off a campaign to increase the state sales tax by one cent in order to provide more funding to Wisconsin's deteriorating public school system. Two other states, Arizona and Kansas, passed similar sales tax increases earlier this year and claim that their public schools are no longer strapped financially. Many Wisconsin voters are fundamentally opposed to a sales tax increase for education because school districts waste an exorbitant amount of money every year. This analysis will examine why public schools are failing, what they are spending their money on, potential solutions for reforming the public school system, and why a sales tax increase is a senseless suggestion—especially during an economic recession.

The state of Wisconsin has long been the envy of the nation when it comes to its education system and student success rates on standardized testing. In fact, Wisconsin has been lauded for its preparation of students for standardized tests, for college, and for their careers. Despite these successes, the vast majority of school districts in the state face major and repeated budget crises. It is troubling to note that the state public school system is strapped for cash because a huge portion of property taxes, state income taxes, and a substantial portion of our state sales tax already funds public schools. Furthermore, the U.S. Department of Education notes that public schools receive \$9,969 for every pupil (student), twice the amount going to parochial, private or charter schools. It is difficult to fathom that public schools across the nation are taking in nearly ten thousand dollars per child but still claim to be bankrupt.

Why are Wisconsin schools overwhelmed financially? This is the case for a myriad of reasons. First, Wisconsin's public school teachers, much like their colleagues from the other forty-nine states, are union employees. Every year, WEAC, the state teachers union, demands huge salary and benefit increases. Additionally, the state of Wisconsin is required by law to pay all retired state employees, including teachers, their state pensions. Moreover, with skyrocketing health care costs, school districts are being forced to pay more in insurance premiums and forced to purchase expensive plans approved by WEAC.

A second reason why the state's public schools are strapped is because they spend copious amounts of money every year on extracurricular activities. Wisconsin high schools spend titanic amounts of money every year on athletics, pep band, and other extracurricular activities. In fact, organized athletics have become so costly in recent years that many school districts are cutting back on the number of sports offered. As only one example, David Coyle, an educator at the Milwaukee Learning Laboratory and Institute, notes that it would cost \$50,000 for his school to establish a football program and purchase the necessary equipment.

Third, 87% of high school principals in Wisconsin contend that the state revenue caps are placing a

stranglehold on their finances. In 1993, the state legislature limited the amount of revenue schools could collect per pupil. Currently, schools districts are permitted to collect just \$211 per pupil in revenue. Many principals argue that this restriction has hampered their ability to provide for the basic needs of their students. Of the school districts surveyed by the Institute for Wisconsin's Future, 43% noted that they are unable to purchase suitable and necessary computer equipment. Furthermore, 53% of the schools surveyed stated that they had to delay the purchase of new textbooks due to the revenue cap. It is evident that the revenue cap is adversely affecting school productivity.

Lastly, Wisconsin public schools are wasting hundreds of thousands of dollars every year on standardized tests and preparation for these tests. Of the several expenses examined in this article, this is the most difficult to reduce. The passage of No Child Left Behind in 2001 mandated that all public school students in the United States take standardized tests in fourth, eighth and tenth grade. Thus, schools are required to pay for these tests, administering them and providing students with adequate preparation. But these standardized tests necessarily place great emphasis on the rote memorization of trivial facts and statistics at the expense of more cognitive thinking, such as analytical writing or problem solving. Partly as a result, standardized tests are one of the many reasons why the Wisconsin public schools are failing. Until the existing system is changed substantially—which might occur if a conservative Congress and conservative president are elected in upcoming elections—students are not going to have the skills necessary to succeed at the collegiate level or in society.

The specific problems caused by the existing structure of standardized testing are many. Numerous college professors have observed that a considerable percentage of first-year students lack the writing skills necessary to succeed in the world of academia. They contend that students' inability to write fluently is a direct result of high school educators placing a greater emphasis on teaching inconsequential facts and statistics than on analytical writing. Furthermore, they assert that No Child Left Behind has had a demonstrably negative effect on the success of Wisconsin public schools themselves. Conversely, in many rural school districts, educators find themselves forced to instruct students in subject matters in which they lack proper credentials. For example, educators with English degrees are teaching Chemistry, Biology, Physics, American History, and Civics.

Shortly after the passage of the No Child Left Behind Act, Secretary of Education Margaret Spellings increased her efforts to ensure that all school districts were hiring "highly qualified teachers." Highly qualified teachers are simply those who have degrees in the subject matters they teach. Under her auspices, educators were required to take a test in subject matters outside of the subject in which they hold their degree if they intended to teach in one of those disciplines. In so doing, Secretary of Education Spellings sought to increase the quality of

## ...sales tax increase

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the nation's public schools. There is little dispute that quality has increased since the implementation of this critical reform, but not nearly enough has been done. Wisconsin public schools need to be drastically reformed if they are going to provide students with the skills necessary to succeed later in life. Furthermore, action needs to be taken to improve the financial situation of the state's public schools.

If the state of Wisconsin is serious about improving its public schools, several important reforms must be implemented immediately. The first is to actually decrease the amount of money given to schools for each pupil. Currently, as mentioned, schools receive about \$10,000 for every student enrolled in public schools nationally. The United States Congress, not the state legislature, is responsible for making this change, but Wisconsin should be the driving force behind reform. A decrease in the funds available to school districts will force states to be more exacting in their spending and in the budgetary process. Second, if school districts are serious about improving their economic situations, they should force the teachers unions to cooperate in the reform process. Wisconsin's teachers union is one of the major reasons why many school districts are strapped financially. As aforementioned, WEAC demands high wages, the best health care policies, and a myriad of other demands that have become more problematic than useful. Furthermore, unionization effectively forces school districts to retain underproductive teachers. Third, the state should impose disciplinary action on all school districts that run a deficit or are fiscally irresponsible. No Child Left Behind imposes just such a requirement at a federal level for school districts who fail to meet expectations on a yearly basis. No Child Left Behind states that any school

that fails to meet the required levels of proficiency three consecutive years loses the majority of its funding and risks being disbanded. Wisconsin could impose a similar measure at a state level. Finally, many conservatives argue that the best solution for education reform is an increased emphasis on private and charter schools. These schools perform far better than public schools, partly because they are exempt from the misguided, existing system of federal standardized tests.

Even with the establishment of successful charter and private schools, not all students have such an opportunity, and not all parents can afford to send their children to a charter or private school. Thus, it is of paramount importance that we work to increase the number of parochial and charter schools, but at the same time exert greater energy into enhancing the quality of our public school system in these several ways.

But the proposed increase in the state sales tax would be catastrophic and counterproductive because it would lead to even more egregious spending habits by school districts. An increase in revenue for school districts will continue to lead to a steady increase in spending and, ultimately, a lessening of productivity. Even many leading liberal lawmakers, including State Senator John Lehman (D-Racine), a former high school educator, agree that an increase in the state sales tax at this point would be a colossal mistake. Lehman and many of his colleagues agree that during an economic recession a tax increase is a senseless solution for improving education. Governor Doyle, a staunch supporter of an increase in the state sales tax, claims that the increase would produce \$300 million in new revenue for education. However, conservatives are concerned about the effect this will have on family budgets at this most critical time because tax increases stifle economic

## ...Pakistani double game

### *From page 21*

Pakistan over the next five years. What was once considered to be a landmark achievement to provide this nation with funding to build roads, schools and hospitals is now something of a liability. In addition to the nonmilitary aid given, the U.S. is scheduled to deliver eighteen F-16 fighter jets to the Pakistani government by the end of this month. While tough conditions and stipulations have been outlined regarding the ways these jets can be utilized, there are concerns throughout the region as to the sincerity of the promises made. India, in particular, is wary of Pakistani interests on their shared border. Thus, in addition to the concern about the Pakistani national government and various insurgencies, India has also expressed deep reservations about providing additional funding to Pakistan because of the history of conflict between those two nations. India worries that the same U.S. aid that empowers Pakistan to contribute to U.S. security interests can also be used to empower Pakistan in that decades-old rivalry.

Pakistan does not have a particularly clean

record in implementation of its foreign aid. Last year, the Associated Press reported that between 2002 and 2008, only about \$500 million out of \$6.6 billion in U.S. military aid allotted to Pakistan was actually utilized for the tasks assigned. This repeated misuse of aid and the renewed concern about intimate Pakistani military ties to the Taliban raise a warning about the effectiveness of existing American foreign policy there and about whether the United States is really getting what it is paying for.

The United States cannot afford to undermine its own causes by providing aid to a security partner in ways that perpetuate a cycle of lies. The way we aid Pakistan in pursuit of our mutual security interests needs to be immediately reconsidered given the overwhelming evidence presented in the London School of Economics report. Specifically, we need to do a better job conditioning aid on incentives that make the Pakistani military align its actions with American interests, as opposed to the status quo in which the Pakistanis are able to welcome our aid even as they take hedging measures that negatively affect our mutual interests.

# DoJ lawsuit violates 10th Amendment

## Pax Americana Institute

Last week, Attorney General Eric Holder pronounced that the Department of Justice would file suit against Arizona over its recently-approved immigration legislation. The Department of Justice contends that the Arizona immigration legislation promotes racial profiling and impedes the federal government's ability to establish a national legislative agenda.

Since the lawsuit was filed on July 6, 2010, several states including New Mexico and Florida have fought against the lawsuit and have emphatically supported the Arizona immigration legislation. The most recent CBS News poll, conducted on July 13, 2010, shows that a sizable percentage of Americans, 57%, support the Arizona immigration legislation. This lawsuit will adversely affect President Obama and the Democratic Party in the 2010 midterm elections. The majority of Americans recognize that this legislation overextends federal authority and violates the 10th Amendment.

The Department of Justice contends that the Constitution and federal law prohibit the development of state-initiated immigration legislation. This is simply false, as the 10th Amendment explicitly provides states with powers not granted to the federal government. Despite the fact that the establishment of immigration legislation lies within the jurisdiction of the federal government, states are not prohibited from instigating policies in the absence of adequate federal law.

The Department of Justice's lawsuit is an attempt to prevent other states from initiating similar legislation. In fact, the Department of Justice, in the aforementioned brief, maintains that this lawsuit will hamstring other states from creating analogous legislation within their sovereign boundaries. President Obama, Attorney General Holder, and other leading Democratic politicians feel that if a spate of similar legislation is passed at the state level, their authority on this issue will dissipate. The lawsuit was filed merely to retain federal supremacy over lawmaking and to nullify federalism purely for liberal ideological purposes.

The Arizona immigration legislation, also known as S.B. 1070, the "Support our Law Enforcement and Safe Neighborhoods Act," is comprised of a myriad of measures which seek to diminish illegal immigration and its harmful effects on the American economy. The most contentious provisions of S.B. 1070 are as follows. State and local law enforcement officials are barred from

restricting the enforcement of federal immigration laws. Law enforcement officials, when making a lawful stop or arrest for another violation, must make a reasonable attempt to determine the citizen's immigration status where reasonable suspicion exists that the individual is not a legal resident. Employees are required to preserve employee eligibility for at least three years or for the duration of employment. Finally, the willful failure to complete or carry immigration registration documents constitutes a misdemeanor offense. None of these provisions incites racial intolerance or bigotry, as many liberal polemicists and politicians foolishly assert. Rather, S.B. 1070 merely enforces existing immigration policy while protecting the rights of every Arizona citizen. During the drafting of the legislation, lawmakers from both parties convened to forge the specific language of the legislation. In so doing, they drafted a piece of legislation whose verbiage is race-neutral.

The lawsuit is a blatant violation of the 10th Amendment of the United States Constitution. When brought before a federal court, it should be immediately struck down because it prohibits states from initiating legislation within their sovereign borders. Arizona is entitled to institute legislation that it deems essential to protecting the well-being of its citizens.

Conversely, liberal scholars and members of the Obama administration contend that the authority to enact and enforce immigration laws resides solely with the federal government. Their argument is moot and inaccurate. The Department of Justice's lawsuit violates the doctrines of federalism, states' rights, and devolution. The federal government should willingly transfer power to the state governments in this matter in order to ensure that the actions taken benefit the citizens of the specific states involved.

The state of Arizona has commenced what is rapidly becoming a nationwide movement, advancing legislation that benefits the interests of individual states in the absence of coherent federal law. The federal government's lack of enforcement has prompted Arizona to act. In the months ahead, it is likely that other states will implement legislation mirroring that of S.B. 1070. If the federal government's lawsuit is deemed unconstitutional, federalism and states' rights will be reconditioned. It is likely that immigration reform will be a focal point of the 2010 midterm elections.