

## **Crazy Choo-Choo Train**

**By Rebecca Kleefisch**

Not long ago, United States Transportation Secretary Ray LaHood convened an audience in Watertown, Wisconsin, with the intention of touting the “high speed” rail station he imagined would be built there. Along with Jim Doyle, the Secretary signed a grant agreement to use \$46.5 million of American Recovery and Reinvestment Acts funds to begin the infrastructure for a new train through Midwest.

The problem is, Wisconsin can't afford a train. When he was confronted with that fact, LaHood snapped that Wisconsin was not the one affording it.

“This is a national program,” LaHood said. “This administration is committed to high-speed inter-city rail. From the time President Eisenhower signed the interstate bill, there were a lot of changes in administration—politicians came and went, but the national program continued over a 50-year period and today, in America, we have the interstate system. So, we know elections will take place and we know that some people will get elected and others won't, but this is a national program. We are committed to it and high-speed inter-city rail is coming to America. High-speed rail is coming to Wisconsin.”

What LaHood forgets to mention is that this national program will be run with Wisconsin taxpayer dollars, and in a state that faces a \$2.7 billion budget deficit with an additional commitment to repay \$200 million plus interest to the illegally-raided Patients' Compensation Fund, plus the

promise to repay the legal fees of the groups that sued over the Government Accountability Board's recent assault on free speech, we're a little short of “walking around” money. We're even shorter on “buying the finest in 1930's era transportation” money.

Despite the fact that LaHood and Doyle seem determined to sink every dime allotted to this project into its realization immediately, I beg to differ with those guys. I don't believe “high-speed” rail is coming to Wisconsin. Doyle may pay for holes to be dug, tracks to be laid and cars to be made, but Wisconsin can't afford the \$7.5-\$8 million in yearly subsidies that the train would cost to run. And unless Doyle or LaHood is offering to personally open his checkbook to foot the bill, Wisconsin taxpayers, who've seen enough spending on pork projects, are unwilling.

Taxpayers want nothing to do with this because the subsidies would continue in perpetuity...no one even thinks it may be profitable. In fact, only one “high-speed” train line in the world turns a profit—the Tokyo/Osaka line in Japan. Even in France, where this type of rail is more commonplace, people drive 20 times more than they take trains. And at \$330 a week per commuter in the middle of the deepest recession in generations, you can't tell me that a ride on a 58 mph train will entice a lot of folks. Let's call this what it is: a crazy train. And let's assure Ray LaHood that, despite this national “gift” of a train, we want the gift receipt. It's too expensive...really...they shouldn't have!

*Rebecca Kleefisch is the GOP candidate for lieutenant governor.*

# Citizens' guide to high speed rail construction debate

By **Brian Fraley**  
**MacIver Institute**

Currently, the Wisconsin Department of Transportation is working on convincing local governments in Southeast Wisconsin to invest local property tax dollars for the construction and maintenance of train stations along the proposed Milwaukee to Madison high speed rail line.

The DOT is promising some funds toward construction of the stations, however the Department has repeatedly avoided answering simple questions regarding the project in general, and the station construction, specifically.

The MacIver Institute has compiled a short list of simple, straightforward questions that citizens can ask their local officials as they deliberate spending scarce public resources on this project.

## General Questions

- What is the ridership projection for this line?
- How much will the fares be?
- Have different ridership projections been calculated based on different fares or does the state DOT believe ridership would be constant regardless of direct passenger costs?
- How much will the state have to pay to operate the line in each of the first 10 years?
- Who is responsible for cost overruns for the construction of the entire line?
- Does the DOT foresee a time when passenger fares will pay the full cost of operating the line?

## Train Station-Related Questions

- How much would the construction of a station in this city cost?
- How much of that construction cost would be borne by local taxpayers?
- What impact would this have on the average property tax bill?
- Who would sign the contract to build the station?
- What impact would this project have on other capital projects planned by this city?
- What impact would this project have on our city's bond rating?
- Has an environmental impact study been conducted similar to what any private construction project would be subject to?
- Would the station construction project go through an open-bidding process wherein our local officials could choose the lowest bidder?
- Are there any union vendor or living wage requirements associated with this project?
- Who would be responsible for cost overruns for station construction?
- What are the projected annual maintenance costs this local municipality would have to bear?
- Would there be a need for increased police protection as the result of the estimated number of passengers getting on and off the train each year?
- Would there be a need for increased road maintenance for the access points to the station?
- What relevant evidence is there that this station will spur economic development here when the Sturtevant station has not?

# Wisconsin debt keeps growing and growing and growing

By **Sen. Mary Lazich**  
**(R-New Berlin)**

Ticking away at Times Square, New York is the National Debt Clock, spinning like a Las Vegas slot machine. Only once has the clock mercifully stopped. During October 2008, the running tally froze at \$10 trillion because the clock ran out of digits.

As of this writing, the national debt is an astounding \$13.4 trillion. That amounts to \$43,363 per citizen or \$121,092 per taxpayer.

The state Capitol at Madison does not have a Wisconsin version of the debt clock. It should because the state is not a slouch at racking up debt.

Wisconsin voters amended the state constitution during April 1969 allowing the state for the first time to issue debt directly. Before the 1969 vote, the state constitution prohibited the issuing of debt except "to repel invasion, suppress insurrection, or defend the state in time of war" and for

"defraying extraordinary expenditures" that was limited to \$100,000. Since the constitution was amended, the state has taken full advantage, placing itself in a precariously dangerous fiscal situation.

According to data from the nonpartisan Wisconsin Legislative Fiscal Bureau (LFB), during January 1, 1970 through December 2008, general obligation debt was authorized for 87 state programs. The cost of authorized debt is over \$21 billion with over \$17.2 billion issued leaving a remaining authorization of \$3.8 billion

Entering the bond market is an all-too-often utilized mechanism to support capital improvement projects. Proponents say there are advantages. Costs can be spread over the life of a project. Near-term benefits can be realized from expenditures. Higher taxes can be avoided. Costs could be lower during times of high inflation because interest paid on the debt may be less than

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## ...debt growing and growing

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increased construction costs resulting from waiting to pay for a project with cash.

Opponents say there are disadvantages. Bonding is an easy way to spend money, provide constituents with pork, and avoid up front costs. The state becomes obligated to several years of fixed costs. Costs are pushed onto younger generations. Bonding is used to fund projects with low priority that would not otherwise be approved. Too much bonding decreases the state's credit ratings.

During recent legislative sessions, the use of bonding has gone beyond funding capital improvements. The Legislature and the Governor have applied bonding to plug massive holes in the state budget. The LFB reports that between 2003 and 2007, a total of \$1.1 billion was transferred out of the transportation fund to pay for general-purpose programs. The transfers were backfilled with \$815.5 million in new bonding.

A new category of bonding could mean significant fiscal problems in the future. Appropriation obligation bonds have been developed that allow a circumvention of the state constitution's prohibition of bonding for general operating expenditures. The LFB describes appropriation obligation bonds in an informational paper as "a form of borrowing where repayment is subject to annual appropriations of funding by the Legislature." This type of borrowing poses fiscal problems because there is not a dependable steady stream of revenue that can be targeted toward repayment. In essence, the state operates under an honor system with a moral duty to proactively repay appropriation bonds. Traditional bonds carry automatic payments. Appropriation bonds require direct action by the Legislature to make payments using general purpose revenue derived from income, sales and corporate taxes.

Twice the Legislature has authorized the Department of Administration (DOA) to issue appropriation obligation bonds: during the 2003-05 state budget process, and during the 2007-09 state budget process. The Wisconsin Policy Research Institute (WPRI) reports that during 2003, Governor Jim Doyle proposed using appropriation bonds to refinance the state's unfunded pension liability and accumulated sick leave conversion programs. Bonding was structured so that debt service payments would not be made during the 2003-05 biennium. As the WPRI reports, "The creation of appropriation bonds set a potentially troublesome precedent for the use of debt for budget relief."

During the 2003-05 state budget deliberations, the WPRI reports the LFB questioned the use of appropriation bonds, writing to the Legislature's Joint Finance Committee, "Such borrowing programs that use state general fund revenues to support debt that is not constitutionally limited in its use or amount, could be statutorily expanded to support bonds that could be issued for any state

government operating function or expense." The Legislature failed to listen and Governor Doyle's appropriation bonding proposal was approved.

Indeed, a risky precedent has been set. The WPRI is correct in this analysis: "In essence, the state has now devised a way to use general fund-supported debt for general government programs, a practice that has been specifically forbidden by the constitution. When a new funding crisis exists, it would be entirely possible for the state to issue general fund-supported borrowing to plug the hole—leaving future generations to pick up the tab." The state is in denial, having fallen into the dangerous habit of using short-term fixes like appropriation bonding to support ongoing spending.

Our dependence on debt has skyrocketed. According to a report issued during May 2010 by Moody's Investor Service, Wisconsin ranks number 12 in the nation among the states in debt per capita. Our \$1,720 in debt per capita is \$423 above the national average.

After the state constitution was amended allowing borrowing, Wisconsin had the second highest credit ratings by Moody's and Standard & Poor's during 1970. During June, 1981, the state's bond rating was reduced from AAA to AA+ by Standard and Poor's and during 1982, the state's bond rating was changed from Aaa to Aa by Moody's Investors Service. The state suffered downgrades again during October 2002 and March 2004.

The LFB writes in an informational paper about the state's issuance of debt, "In general, rating agencies have cited concerns about the state's finances in their ratings of the state general obligation debt. Specifically, they have identified the state's lack of general fund surpluses, the lack of a significant reserve or 'rainy day' fund, and the use one-time revenues to fund ongoing expenditures as credit concerns. These factors have contributed to the state's ongoing accounting deficit under generally accepted accounting principles."

Wisconsin government taxes, spends and borrows more than Wisconsin taxpayer's ability to pay. The result is debt issued at a pace the state is unable to afford. Debt payments leave less money available for day to day operations, compounding borrowing problems, and increasing the cost of ongoing programs, not to mention a reduction in the state's bond rating resulting in increased bonding costs. The impact on the structural deficit could mean higher taxes, program cuts, or even more borrowing that keeps the fiscally irresponsible cycle going.

Sadly, nothing can be done about the current debt except to pay it. However, Wisconsin can put the brakes on runaway spending and borrowing and reduce debt levels.

A Wisconsin version of the National Debt Clock? How about at every entrance to the state Capitol?

# Wisconsin sportsmen deserve better

By Scott Walker

Whether it's landing your fly just right in one of our world class trout streams, hearing the first turkey of the season responding to your call, or the annual pilgrimage to the family deer shack, Wisconsin's sporting heritage is an important part of why this is a great place to live. As a sportsman, NRA member and candidate for governor, I believe three core values, along with a strong defense of our second amendment rights, will preserve and restore our sporting heritage for future generations. First, our state needs a commitment to accessibility of land for sportsmen and women of all ages to hunt, fish and trap. Second, our policy leaders must use simplicity in the drafting of hunting regulations so law abiding citizens can hunt, fish and trap without fear of breaking the law because of an obscure regulation that defies commonsense. Finally, the next Governor has to be the steward of the trust between sportsmen and the Department of Natural Resources that manages our fish and game. I am committed to expanding hunting opportunities for all citizens interested in experiencing our sporting heritage, especially for youth, through policies like the youth mentored hunting law that allows kids to experience and learn the value of taking game. My administration will promote similar policies that increase the number of license holders who fund the preservation of habitat for us to access. Access comes in different ways, which is why I support the law guaranteeing stewardship purchased lands are open to hunting, fishing and trapping. As well, we need to explore innovative ways that keep timber lands accessible while developing a program with the farming community to promote walk-in access and ensure citizens' respect of their land. If we want to keep and increase license holders, the DNR must commit to simplifying hunting and fishing regulations so a citizen only need commonsense to start hunting and fishing, not a lawyer to interpret a DNR rule book for them. My administration will order a review of all regulations with the goal of making hunting regulations a pocket-sized, how to guide to start hunting, fishing, trapping. The next governor needs to do one thing above all else to protect our sporting heritage – restore the trust between sportsmen and policy makers in Madison that manage our fish and game. Governor Doyle and the current leadership of the DNR have violated our trust and



**Scott Walker**

there is no better example of that violation than the collapse of the whitetail population. Despite the lack of deer in the woods – like you I saw fewer deer from my stand this year than ever before – the DNR is still saying we are over goal in most of the state. In fact their goals state that 1 out of 5 deer still need to be eradicated. Working directly with sportsmen to restore that trust, my administration will prioritize these five policies. 1) Reassess deer population goals to ensure a successful season and healthy deer herd for the future. 2) Bring in outside experts to revise our deer counting system. 3) Focus on a return to traditional hunts – enough with T-zones and earn-a-buck. 4) Admit that our CWD policy of killing all the deer to save them failed and look to science and innovation for better answers. 5) Aggressively pursue delisting the grey wolf. We will verify that trust through independent accountability measures like yearly audits of our fish and wildlife accounts as well as Pittman-Robertson funds provided by the federal government to ensure funds are spent on hunter-supported projects, not siphoned off into DNR overhead. The core values of accessibility, simplicity and accountability will guide the policies that I or my appointees to the DNR and Natural Resources Board implement. Wisconsin's historic tradition of hunting, fishing and trapping is about families and quality of life. I want to be a governor who is not just a supporter, but is an advocate for hunters, fishermen and trappers.

*Scott Walker is the Milwaukee County Executive and GOP candidate for governor.*

# 'Business as usual' is NOT getting it done in Wisconsin

By Frank Lasee

Imagine being given a large sum of money to invest in a business venture – with no strings attached and no accountability if your business didn't succeed. Sounds great doesn't it? Now what if it was your money on the line? Would you be willing to make that investment? That wouldn't be wise. Unfortunately that seems to be the criteria state agencies use to determine which businesses get our money in the form of economic development grants and loans.

The non-partisan Legislative Audit Bureau recently released a report (access it at [app.blast-newsletters.com](http://app.blast-newsletters.com)) on the state's economic development programs. According to the Audit Bureau, the state currently offers 152 programs (one hundred and fifty two!) through eight state agencies for economic development purposes.

From 2001-2005, these programs awarded \$180 million in grants and loans, \$56 million in tax credits, \$240 million in bonding authorizations, and \$64 million in loan guarantees. That's over \$500,000,000 in five years or roughly \$7 million for each of Wisconsin's 72 counties.

What did we get for our half-billion dollar investment? Good question. The Audit Bureau couldn't say for sure because the majority of our development programs are not tracked properly. In other words, we don't know where the money is going in many cases.

The audit did uncover several ridiculous uses of state development dollars including:

- \$29 million in tax credits to insurance companies which created 316 jobs. That means taxpayers spent nearly \$92,000 per job. Great investment considering the jobs most likely paid much less. Why are we subsidizing insurance companies anyway?

- At least two companies laid off employees within three years of receiving state grants to create jobs.

- Duplication of program goals is the norm. We have 34 programs devoted to helping businesses purchase land or buildings and 26 programs for

business planning. (I wonder which ones of these are truly effective.)

- 21% of state assistance was given to projects in eight counties with no indicators of economic need.

- 17 of the 152 programs are inactive, yet still receive some state support.

Why is this important to you?

It's our taxpayer money at work—at high costs and low value with little accountability.

Part of the reason taxes are so high is we tax all of us more to do silly things like this. All in the name of economic development, so politicians can say that they did 'something.'

Whatever happened to competition? What happened to supporting good businesses instead of propping up businesses with millions of dollars in grants and loans that may not make it anywhere else? I contend that we often prop up companies that are on their way out instead of giving good companies what they need to succeed (more sensible regulation and lower taxes).

We pay a lot of money for short term gain in the name of 'economic development and job creation' which leads to long term pain caused by a changing economy.

We need to be better stewards of the taxpayer's money. Rather than taxing all of us and good businesses more only to dole it out to businesses that may not be economically viable in the future, wouldn't it make more sense to allow profitable companies to keep more of their money to pay their employees, pay down their debt, or create more jobs?

Too often our politicians in Madison want to look good and appear as if something is getting done. Instead of being good stewards and making sure our money is spent wisely, we accept 'business as usual' and move on to the next press appearance.

We can and must do better.

*This piece is from Lasee's Notes, a weekly column written by former Rep. Frank Lasee (2nd Assembly District) covering events in the Legislature and statewide. For more, visit [laseesnotes@yahoo.com](mailto:laseesnotes@yahoo.com).*

## How to save the state

By Herb Ripka

There is a way to cut almost any state agency or department in half in about three years, with the employees cooperating enthusiastically and willingly.

Most government agencies propose their own budget for their next fiscal year, and it is almost always larger than the current budget. Most agencies make sure that the current year's budget has been spent by the end of the fiscal year. They don't want to lose their current year's funding. There is no incentive for savings under this system.

There should be a new budgeting policy for

each department. The new policy would take any unspent budgeted funds at the end of the fiscal year and split them with the people in the department. Then, the lower budget figure would be used for the next fiscal year, with, again, any unspent surplus being distributed to the employees who made the surplus possible. Personal interest would have every employee watching for any possible waste. Retiring employees would not be replaced, and the hiring of new personnel would be virtually eliminated.

No money would be saved the first year, but from then on every department would have continuously lowering budgets.

# Wisconsin Tea Party/Patriot Movement's post-Nov. 2 goals

*By Tim Dake, Tea Party Activist*

With the primary election behind us and the general election looming, it is time for the 2nd Annual Patriot Coalition Conference. The coalition is gathering in early October to begin planning for the next step. The nearly 100 groups in Wisconsin are already looking ahead to the 100th Wisconsin Legislature convening in January. With a legislative agenda that has been developing over the last year, the coalition is preparing to move from electioneering to activism.

On the list of legislative actions that the coalition wants to see passed are the amendment to the state constitution protecting Wisconsin's choice to finance health care; a bill to nullify ObamaCare in Wisconsin; a bill to reform unelected boards; a taxpayer bill of rights; comprehensive voter reform; a repeal of combined reporting; a bill for concealed carry; and many more pieces of significant legislation.

The majority of the state's groups have been working for the last year to vet candidates, host candidate forums or to hold debates. Some groups have worked to advance particular candidates or issues. One of the most important activities that the new governor and legislature could do will be to take calls from the coalition members. The current left-leaning Doyle administration has hosted dozens, if not hundreds of protest rallies and demonstrations in the Capitol. While the movement has enjoyed and welcomed the presence of the legislators at tea parties, we will be counting on their support in the next legislative session. The new administration would be prudent to view the Patriot movement as a valued ally and not just another voting block to be shelved until the next election cycle.

The number of the groups in the state has grown at an ever increasing pace and will easily exceed at least one group in each county before the year's end. Every group is looking toward their respective state senator and assemblyman to support and sponsor the coalition legislative agenda. The new legislature can count on receiving the continuous and undivided attention of the coalition groups as the legislature convenes and carries out their duties.

Balancing the state budgets without tax increases tops the list of actions that the next legislature and governor must take to maintain the support of the movement. Much of the legislative agenda of the coalition deals directly with government fiscal responsibility and the state resisting the imposition of unfunded federal mandates. The coalition expects that after the state budgets are balanced, an effort must be placed on reducing taxes and changing Wisconsin from a tax hell to a tax haven.

The coalition is insisting that the next governor refuse the burden of federally imposed programs and laws found in the socialist, statist plan which will further hinder Wisconsin's recovery. Climate change, card check, free speech limitation and health care legislation from the federal government threaten Wisconsin's quality of life and must be resisted to prevent continued erosion of our economy. The next legislature must enact legislation to interpose and protect Wisconsin from the encroaching strategy of the Obama administration.

The movement is determined to see constitutionality returned to government and will push hard to see Wisconsin adopt measures to force the federal government act constitutionally in its relations to the states. Wisconsin can and should join in the efforts of her sister states in resisting the ruinous federal agenda. The next governor should immediately order the Attorney General to join the lawsuit against Obamacare. We should take up the fight against Pass ID, the successor to REAL ID before it gets traction. Wisconsin should pass a state version of the enumerated powers bill and make an issue of forcing the federal government to act constitutionally by legislating that all federal laws, rules, regulations, executive orders, etc., identify where in the authority to undertake such action is found in the US Constitution.

The Wisconsin tea party/Patriot movement will begin working on pursuing the legislative agenda right after the conference and before the general election occurs. This effort will be the main focus of the coalition for the next 6-8 months. Wisconsin state legislators can expect to become very familiar with the numerous and growing groups in the movement. We will be dropping by often to talk.

# Lower taxes, less state spending to fix economy

**By Rep. Rich Zipperer  
(R-98th Assembly District)**

State spending is out of control, taxes are at record levels, and businesses, seniors, and families are leaving Wisconsin in search of greater opportunities elsewhere. Despite one of the worst recessions in our nation's history, state government continues to grow and pet projects like the "high speed" train are being favored over much more practical needs, like tax relief and highway maintenance. It is easy to see that the path we are on is not sustainable. Something has to change, and the opportunity to bring about that change is right around the corner.

This November, voters will have a clear choice for more of the same from state government or a different path, based on conservative values of limited government and less spending. While the change can start with the elections, by no means does it end there. This November, we have the opportunity to elect a conservative majority into both houses of the legislature and bring real leadership to the Governor's mansion. Then, come January when our new Governor and legislators take office, our top priorities must be to rein in government spending and to roll back the Doyle tax increases that have done so much damage to our economy. With the help of the voters, we will be able to accomplish just that.

Our first step must be to control spending. With a true conservative majority in Madison we can roll back the past eight years of Governor Doyle's failed policies and put Wisconsin back on a path toward prosperity. We can do that by eliminating wasteful pet projects and earmarks that we do not need and can not afford. Putting

an end to the "high speed" train boondoggle will be at the top of that list. We also need an increased effort to eliminate fraud and waste in government programs, and we need to reverse Governor Doyle's many other misguided policies, such as the costly new automobile insurance mandates. Using common sense conservative values, we can reverse these and the many other mandates and job-killing policies enacted by Governor Doyle and Madison Democrats in recent years.

Along with bringing spending in line, we also must usher in an era of tax relief. The last state budget included billions of tax increases during one of the worst recessions in our history, and the resulting job losses were all too predictable. We need to get to work undoing that damage immediately. We can start by repealing the combined reporting tax that is contributing to job losses at Wisconsin companies like Harley Davidson. We also need to bring tax relief to families and businesses to reinvigorate the private sector and make Wisconsin a job-friendly state again. Among other proposals, a real, strong property tax freeze would provide welcomed relief to many families struggling to make ends meet.

These are difficult times that require real leadership. Wisconsin is a great state full of tremendously hard-working and innovative individuals. All we need are policy makers in Madison who are going to make the right choices to control spending, lower taxes, and reduce the size of government so that the private sector can bring success back to our state. The future of Wisconsin is on the line, and it is conservative ideas that can lead us forward.

## 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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# Creating a private-sector recovery by keeping tax rates low

By Congressman Paul Ryan

The broad-based tax cuts enacted earlier this decade are scheduled to expire at the end of this year. Unless Congress takes action, a massive new tax burden will be imposed on all of us—families, workers and job creators alike.

The uncertainty that families and businesses are facing with respect to their future tax burdens is already rippling through our economy—those who would otherwise grow businesses and create jobs hold back when the tax future is unpredictable. These taxpayers need to be assured that they will not face a huge wave of tax increases in 2011 and the sooner Congress acts, the quicker we can get our economy moving in the right direction.

Echoing a growing bipartisan consensus, I believe Congress must act to prevent these tax hikes from taking effect at the end of this year. The extension of the current tax rates is a view supported by economists from across the political spectrum, as well as a number of rank-and-file Democrats in Congress. In the face of persistently high unemployment and anemic growth, the worst thing the federal government could do is impose higher costs on the engines of our economy.

At issue is whether the tax hikes should be allowed to take effect for those earning above \$200,000. Supporters of increasing taxes on these earners are not simply going after Bill Gates and Brett Favre, these misguided tax increases will hit the main engine of our job creation machine: successful small businesses.

Fifty percent of those who pay the top tax rate are small businesses that file as individual taxpayers, not corporate filers. Tens of millions of Americans have jobs that depend on these small businesses and roughly 70 percent of new jobs are estimated to come from small businesses. Right now, when our economy is performing too poorly to gener-

ate healthy business growth, tax hikes on entrepreneurs and small businesses will only slow down this "jobless recovery." Raise taxes on employers who are paying at individual rates, and you end up taxing working Americans out of jobs.

Allowing these tax cuts to expire also puts us at a competitive disadvantage relative to growing economies like China and India. When we tax our small businesses and employers more than our foreign competitors tax theirs, they get jobs we should keep at home, and we lose in global competition. At a time when the economy is struggling to recover, raising taxes on businesses and workers will only make a bad situation worse.

Advocates of these tax hikes often argue that "we" cannot afford to allow families, workers and job creators to keep more of what they earn and that keeping our existing tax rates will increase the deficit. While there is no question that Washington cannot continue to pursue such fiscally reckless economic policies, the massive budget deficit is not the result of insufficient tax receipts. Washington does not have a revenue problem; it has a spending problem. Congress cannot seek to chase ever-higher spending with ever-higher taxes. The revenue will never catch up, and if you try, you'll kill the economy.

In addition to keeping tax rates on individuals and job creators low, Congress can propel economic growth by getting government spending under control and setting our nation on a more sustainable fiscal path. Rather than increasing taxes and asking taxpayers and job creators to do more with less, we should ask this of our government. Ultimately, Washington must put the taxpayer first—not the government; and I will continue to do my part to restrain federal spending while easing the tax burden placed on hard-working Americans.

***For conservative news, visit  
WisconsinConservatives.com.***

# Battleground Wisconsin

**By Reince Priebus  
State GOP Chairman**

The Democrats' spin machine might be the only thing in the world that's recession-proof right now.

What's your favorite? We've heard 'em all:

"It's all George Bush's fault."

"When you're in a car, when you want to go forward you choose 'D' and when you want to go backward, you choose 'R.'"

"The Republicans are rooting against the economy."

"The Republicans don't have a plan."

"It's still all George Bush's fault!"

Looks like the only thing more stubborn than the unemployment rate is the Democrats pretending it's all somebody else's fault. But at some point, the Democrats have to admit that they've been 100 percent in charge for the last two years, both here in Wisconsin and out in Washington.

Let's take a look at what they've done with that control: runaway government spending, runaway debt, tens of thousands of jobs lost, and no change from the status quo of bigger government and bad ideas.

The month before the Democrats took over, Wisconsin's unemployment rate was 4.6 percent, and 4.5 percent nationally. Today, we're just below 8 percent, and just below 10 percent nationally.

The only way to change the Democrats' status quo is a change in leadership. The Democrats had their chance, and the people of Wisconsin are angry, fired up and ready to vote for conservatives in November.

The Republican Party of Wisconsin has seen an overwhelming response in our volunteer efforts across the state, our turnout in the September primary, and the fundraising numbers from the grass roots – not just the Madison special interests.

The Democrats keep talking about George Bush? Well, we'd like you to meet the next generation of new Republican leaders: Ron Johnson, Sean Duffy, and Ried Ribble, to name a few. Combine that with proven reformers like Scott Walker, J.B. Van Hollen, Tom Petri and Dan Kapanke, and the rock-solid conservatism of Wisconsin icons like Paul Ryan and Jim Sensenbrenner, and it's a recipe for the ideas and leadership the voters are craving right now.

Every day, the Democrats are taking us further and further away from the principles

and values that made our country great: values like limited government, living within our means, taking personal responsibility for our actions, and protecting our families. The Democrats like to pretend the Bill of Rights only applies in the cases they want it to, and that the Constitution is a document that can be changed and twisted at will.

But we know better. We know that the Bill of Rights isn't pick-and-choose. We know that the 2nd Amendment has as much value today as it did in 1791. And we know that the constitution meant to contain the size and scope of government and establish freedoms, not create a new tyranny to replace the old one.

The Republican message of reform and a return to conservative government is connecting with the people of Wisconsin, and the Republican Party structure is helping in a big way with organizational support. RPW's voter contact program is in the top five nationwide...and that's not even factoring in population.

Republicans are poised for a historic change in power this November. And our candidates offer a new direction from the same old mistakes of runaway government spending and misplaced priorities.

People ask me all the time: with our state in this deep of a hole and the Democrats causing such a mess, how can we possibly rebuild?

The answer is new leadership. We rebuild by electing Republicans who are dedicated to real reform and conservative principles.

And we rebuild by saying no to candidates like Tom Barrett, who's voted consistently for higher taxes and more spending throughout his career. By saying no to Russ Feingold, who represents the worst part of the last 18 years in Washington, and Julie Lassa, whose do-nothing time as the chair of the Senate Jobs Committee presided over the worst jobs climate in a generation.

But we can't do it without your help. If you haven't volunteered your time and energy yet, you're missing out on what could be a historic year for Republicans. Volunteers in every corner of the state are responding in a big way, and time is of the essence. If you already have, tell your friends, neighbors and family. Visit [www.wisgop.org](http://www.wisgop.org) today to find out how you can help create a better Wisconsin.

## Shell game continues, deficit forecast grows

### MacIver News Service

The State of Wisconsin's money management woes continue. Governor Jim Doyle's Administration secretary has announced the repeated shuffle monies in order to meet continuing obligations.

Further, the Doyle Administration's new forecast warns that during the month of December, the state's General Fund may be more than \$386 million in the red, a gap that is \$125 million more than previously forecast.

The Department of Administration released the forecast, and information regarding the fund balance transfers in memos to the Joint Committee on Finance Co-Chairs Senator Mark Miller Representative Mark Pocan.

Regarding the fund transfers:

- On July 26, 2010, the General Fund cash balance closed at a negative \$123.0 million (its intra-month low). This negative balance continued through July 31, 2010, when the fund's cash balance closed at a negative \$84.4 million. The negative balance was due to the difference in the timing of revenues and expenditures.

- On July 1, 2010, the Medical Assistance Trust Fund cash balance closed at a negative \$253.1 million. (its intra-month low) This negative balance continued through July 29, 2010, when the fund's cash

balance closed at a positive \$4.2 million. The Medical Assistance Trust Fund cash balance reached its intra-month low of a negative \$299.2 million on June 4, 2010. The negative balance was due to the difference in the timing of revenue and expenditures.

- On July 1, 2010, the Police and Fire Protection Fund cash balance closed at a negative \$5.0 million (its intra-month low). This negative balance continued through July 31, 2010, when the fund's cash balance closed at a negative \$1.0 million. The negative balance was due to the difference in the timing of revenues and expenditures.

- On July 1, 2010, the Environmental Fund cash balance closed at a negative \$10.7 million. This negative balance continued through July 31, 2010, when the fund's cash balance closed at a negative \$10.6 million. The negative balance was due to the difference in the timing of revenues and expenditures. The Environmental Fund cash balance reached its intra-month low of a negative \$13.0 million on July 22, 2010

In a separate memo from the Department to the Finance co-Chairs, DOA Secretary Dan Schooff projected the state's General Fund will face a deficit as vast as \$386.3 million during the month of December. That is up from the previously forecast deficit of \$261.6 million in December, which was issued just last month.

## Sladek: Stay focused on the spending

By Tom Sladek

The din of electioneering is ramping up and, for better or worse, this is only the beginning. Many, many citizens are angry about the direction incumbents are taking our state and nation and much, if not most, of that anger revolves around fiscal matters.

The candidates will be advancing carefully worded positions aimed at winning votes. The words will all sound good. Balanced budgets. Growing the economy. Living within our means. Making government more efficient. Tax reform. And on, and on, and on.

Many candidates who don't truly stand for smaller government will try to make the debate about "balancing budgets." Why? Because one way to balance budgets is "revenue enhancement," which of course means new and higher fees, new and higher taxes.

Then there will be the advocates of "tax reform." They seek to make the debate about "fairness," which means convincing voters that someone else is not paying enough in taxes. The solution of course is new and higher fees, new and higher taxes.

Demand that the candidates talk about spending and how they propose to reduce spending. Will

they support spending controls (caps)? Will they support spending cuts? How will they achieve a balanced budget by working on the spending side of the equation versus working on "revenue enhancement?" What programs and spending do they aim to reduce or eliminate? If they don't have targeted cuts, do they support across-the-board cuts? If an incumbent tells you they're a spending cutter, have them explain their achievements to date.

Find out if the candidate has signed the Taxpayer Protection Pledge advanced by Americans for Tax Reform. Don't let them play dumb ...they all know of the pledge, they all have the opportunity to sign it. Candidates who signed the pledge have put any tax increases off limits – meaning the only way to balance a budget is to control the spending. And candidates who have not signed the pledge? I'd be asking them to explain.

Cut through the clutter and spin. Don't let any candidate mislead you. Don't let THEM select the topic. YOU select the topic – and make that topic SPENDING.

*-Tom Sladek is the Treasurer of the Brown County Taxpayers Association.*

# Facts about 'green job' creation elusive as the wind

*From MacIver Institute News Service*

Although they are touted and promoted by policy makers and opinion leaders across the state, accurately defining and keeping track of 'green jobs' has proven nearly impossible in Wisconsin.

Take, for example, 'green jobs' associated with the wind industry. "Clean energy technology and high-end manufacturing are Wisconsin's future," Governor Jim Doyle said in his final State of the State address. "We have more than 300 companies and thousands of jobs in the wind industry."

That statistic is impossible to verify.

The State of Wisconsin does not track those companies nor the jobs within the industry. When contacted, the Office of Energy Independence (an agency created by Governor Doyle in 2007) directed MacIver News to Wisconsin Wind Works, a self-described "consortium of manufacturers representing the wind manufacturing supply chain within Wisconsin."

The advocacy group maintains an online wind energy-related supply chain database, although a routine examination of the data proved just how unreliable the figures are.

When the online, searchable database was utilized earlier this summer, it listed 340 companies in Wisconsin connected to the wind industry, a fact which, without additional investigation would appear to be in line with the Governor's statement. However, further examination showed many of those companies were not currently serving the wind industry and were only listed because they someday could serve the wind industry.

For example, the database listed 38 manufacturers, but only 24 of them have anything to actually do with the wind energy sector presently.

Of those 24 Wisconsin manufacturers, only eight were categorized as primary suppliers. Another four companies were listed as both primary and secondary suppliers. A MacIver News Service reporter contacted all eight primary suppliers and the four companies listed as primary/secondary suppliers in our initial query and what we found further eroded the credibility of Governor Doyle's claims.

When contacted, the companies listed as both primary and secondary suppliers all described themselves merely as secondary suppliers. That means they produce products that are not exclusive to the wind energy. For example, Bushman Equipment manufactures lifts that move heavy pieces of equipment, which, among many other uses, can be used to handle wind turbines.

Wisconsin Wind Works' database is not only generous with the number of companies within their supply chain it associates as being primary suppliers, there are issues with the actual job numbers listed for each company as well. Many of the figures are either inflated, the jobs are not located in Wisconsin, or they cannot be tied to wind energy.

For example, Rexnord Industries was one of the eight Wisconsin manufacturers listed in our query as directly serving the wind energy industry. The database shows the company has 6,000 employees. Yet a Rexnord official told the MacIver News Service that the company only has 1,500 employees in Wisconsin, and only five of those have jobs which are directly tied to the wind industry.

Wisconsin Wind Works' database says Orchid International has 600 employees, but a company spokesperson told MacIver it only has 150. Amsoil Inc. in Superior has 236 employees listed in the Wisconsin Wind Works database, but a company representative told the MacIver News Service that only 6 of them work on wind energy-related products.

In all, at the time of our search, the database claimed 7,632 jobs among the eight manufacturers that were current primary suppliers to the wind industry. Yet, the MacIver News Service was only able to identify 31 jobs at those companies which were specifically tied to wind energy related products.

Manufacturers told MacIver News that other employees might work on wind-related products occasionally, but it does not represent the bulk of their workload.

Another 1,077 workers are listed among the secondary suppliers and we did not investigate that claim.

VAL-FAB, one of the companies listed as both a primary and secondary supplier, explained to MacIver News that it initially had high hopes for the wind energy industry that never materialized. The company specializes in fabrication for the energy sector.

William Capelle, Director of Business Development at VAL-FAB, said "At first we thought we might be able to manufacture the actual towers, but it turns out 90 percent of those are imported from Spain."

Since the MacIver News Service first examined the Wisconsin Wind Works database, the number of companies listed has increased to 360. A reporter attempted to contact the organization for comment about the veracity of their data, but Wisconsin Wind Works, which solicits members by selling itself as the "preferred partner of wind energy professionals," did not respond.

They are, however, holding a Wind Energy Symposium in Milwaukee on October 13th.

Meanwhile the Office of Energy Independence continues to pursue the Doyle Administration's green energy policies. As Doyle said during his final State of the State address, "anyone who says there aren't jobs in the clean energy economy had better open their eyes."

There is no doubt that some jobs in the wind industry exist in Wisconsin. The accurate number of these 'green jobs' is proving to be, at best, elusive.

# Kuhner: President's socialist takeover must be stopped

By Jeffrey T. Kuhner

President Obama has engaged in numerous high crimes and misdemeanors. The Democratic majority in Congress is in peril as Americans reject his agenda. Yet more must be done: Mr. Obama should be impeached.

He is slowly - piece by painful piece - erecting a socialist dictatorship. We are not there - yet. But he is putting America on that dangerous path. He is undermining our constitutional system of checks and balances; subverting democratic procedures and the rule of law; presiding over a corrupt, gangster regime; and assaulting the very pillars of traditional capitalism. Like Venezuela's leftist strongman, Hugo Chavez, Mr. Obama is bent on imposing a revolution from above - one that is polarizing America along racial, political and ideological lines. Mr. Obama is the most divisive president since Richard Nixon. His policies are Balkanizing the country. It's time for him to go.

He has abused his office and violated his oath to uphold the Constitution. His health care overhaul was rammed through Congress. It was - and remains - opposed by a majority of the people. It could only be passed through bribery and political intimidation. The Louisiana Purchase, the Cornhusker Kickback, the \$5 billion Medicaid set-aside for Florida Sen. Bill Nelson - taxpayer money was used as a virtual slush fund to buy swing votes. Moreover, the law is blatantly unconstitutional: The federal government does not have the right to coerce every citizen to purchase a good or service. This is not in the Constitution, and it represents an unprecedented expansion of power.

Yet Obamacare's most pernicious aspect is its federal funding of abortion. Pro-lifers are now compelled to have their tax dollars used to subsidize insurance plans that allow for the murder of unborn children. This is more than state-sanctioned infanticide. It violates the conscience rights of religious citizens. Traditionalists - evangelicals, Catholics, Baptists, Muslims, Orthodox Jews - have been made complicit in an abomination that goes against their deepest religious values. As the law is implemented (as in Pennsylvania) the consequences of the abortion provisions will become increasingly apparent. The result will be a cultural civil war. Pro-lifers will become deeply alienated from society; among many, a secession of the heart is taking place.

Mr. Obama is waging a frontal assault on property rights. The BP oil spill is a case in point. BP clearly is responsible for the spill and its massive economic and environmental damage to the Gulf. There is a legal process for claims to be adjudicated, but Mr. Obama has behaved more like Mr. Chavez or Russia's Vladimir Putin: He has bullied BP into setting

up a \$20 billion compensation fund administered by an Obama appointee. In other words, the assets of a private company are to be raided to serve a political agenda. Billions will be dispensed arbitrarily in compensation to oil-spill victims - much of it to Democratic constituents. This is cronyism and creeping authoritarianism.

Mr. Obama's multicultural socialism seeks to eradicate traditional America. He has created a command-and-control health care system. He has essentially nationalized the big banks, the financial sector, the automakers and the student loan industry. He next wants to pass "cap-and-trade," which would bring industry and manufacturing under the heel of big government. The state is intervening in every aspect of American life - beyond its constitutionally delegated bounds. Under Mr. Obama, the Constitution has become a meaningless scrap of paper.

To provide the shock troops for his socialist takeover, Mr. Obama calls for "comprehensive immigration reform" - granting amnesty to 12 million to 20 million illegal aliens. This would forge a permanent Democratic electoral majority. It would sound the death knell for our national sovereignty. Amnesty rewards lawlessness and criminal behavior; it signifies the surrender of our porous southern border to a massive illegal invasion. It means the death of American nationhood. We will no longer be a country, but the colony of a global socialist empire.

Rather than defending our homeland, Mr. Obama's Justice Department has sued Arizona for its immigration law. He is siding with criminals against his fellow Americans. His actions desecrate his constitutional oath to protect U.S. citizens from enemies foreign and domestic. He is thus encouraging more illegal immigration as Washington refuses to protect our borders. Mr. Obama's decision on this case is treasonous.

As president, he is supposed to respect the rule of law. Instead, his administration has dropped charges of voter intimidation against members of the New Black Panther Party. This was done even though their menacing behavior was caught on tape: men in military garb brandishing clubs and threatening whites at a polling site. A Justice Department lawyer intimately involved in the case, J. Christian Adams, resigned in protest. Mr. Adams says that under Mr. Obama, there is a new policy: Cases involving black defendants and white victims - no matter how much they cry for justice - are not to be prosecuted. This is more than institutionalized racism. It is an abrogation of civil rights laws. The Justice Department's behavior is illegal. It poses a direct threat to the integrity of our democracy and the sanctity of our electoral process.

*Continued to next page*

# Election 2010: Your rights vs. the world

With Mexico's president calling for new U.S. gun laws, and international treaties waiting in the wings, this year's elections may be a turning point for our Right to Keep and Bear Arms.

Mexico's president, Felipe Calderón, addresses a joint session of Congress.

Wrongly claiming that Mexico's murder rate has increased since the U.S. "assault weapon" ban expired in 2004, as well as complaining about the number of firearm dealers in the southwestern United States, Calderón urged Congress to reinstate the ban.

It's hard to keep a secret in Washington, D.C.--especially on Capitol Hill. So, within a matter of hours after Mexico's president, Felipe Calderón, visited Washington in May, word began to spread that Senate Foreign Relations Committee Chairman John Kerry, D-Mass., was planning to push for Senate ratification of the dormant, but smoldering and very dangerous, Organization of American States (OAS) small arms treaty, known by its Spanish acronym CIFTA.

Separately, we heard that Sen. Dianne Feinstein, D-Calif.--who last year said she would "pick the time" to renew her push for reinstatement of the federal "assault weapon" ban--was thinking the "time" had come.

What sparked all of this was Calderón's address to a joint session of Congress after meeting with President Barack Obama, and the way anti-gun lawmakers reacted to the speech. Wrongly claiming that Mexico's murder rate has increased since the U.S. "assault weapon" ban expired in 2004, as well as complaining about the number of firearm dealers in the southwestern United States, Calderón urged Congress to reinstate the ban.

A foreign head of state lecturing Congress about American laws is out of bounds, and many members

of Congress met Calderón's statement with the silence it deserved. Besides pushing the limits of protocol, Calderón didn't have the facts on his side.

The Mexican drug cartels that are responsible for much of Mexico's violent crime problem have military-grade weapons and explosives they cannot get in the United States. That fact was dramatically demonstrated in April, when cartel thugs launched a series of coordinated attacks on Mexican Army posts using armored vehicles, machine guns and grenades. Making the same point, the Houston Chronicle reported that Mexico's Zetas drug cartel, which is "known to have stolen bulk quantities of gunpowder and dynamite," and the ranks of which include "Mexican military defectors who were trained in special forces tactics, including demolition," had plotted to blow up the Falcon Dam, located on the Texas-Mexico border, and "unleash billions of gallons of water" into a heavily populated area.

In addition, despite highly concentrated areas subject to drug violence, Mexico's overall murder rate--like the murder rate in the United States--is lower today than it was when the ban was in effect. Making a similar point, the murder rate in Juarez, Mexico, where "assault weapons" are banned, is nearly 70 times higher than the rate just across the border in El Paso, Texas, where, despite Calderón's disapproval, firearm dealers are common and no gun ban is in effect.

Finally, Calderón didn't explain how the expired "assault weapon" ban could possibly have made a difference. For 10 years, this law prohibited placing external attachments such as adjustable-length stocks, flash suppressors and bayonet mounts on

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## ...president's socialist takeover

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Corruption in the administration is rampant. Washington no longer has a government; rather, it has a gangster regime. The Chicago way has become the Washington way. Chief of Staff Rahm Emanuel is a political hit man. He is an amoral, ruthless operator. It was Mr. Emanuel who reached out to Rep. Joe Sestak, Pennsylvania Democrat, offering a high-ranking job in the hopes of persuading Mr. Sestak to pull out of the primary against Sen. Arlen Specter. It was Mr. Emanuel who offered another government position to Andrew Romanoff to do the same in the Colorado Democratic Senate primary. And it was Mr. Emanuel - as the trial of former Illinois Gov. Rod Blagojevich has revealed - who acted as the go-between to try to have Valerie Jarrett parachuted into Mr. Obama's former Senate seat. The only question was: What did Mr. Blagojevich want in exchange?

This is not simply sleazy Chicago machine politics. It is the systematic breaking of the law - bribery, attempt to interfere (and manipulate) elections using taxpayer-funded jobs, influence peddling and abuse of power.

The common misperception on the right is

that Mr. Obama is another Jimmy Carter: an incompetent liberal whose presidency is being reduced to rubble under the onslaught of repeated failures. The very opposite, however, is true. He is the most consequential president in our lifetime, transforming America into something our Founding Fathers would find not only unrecognizable, but repugnant. Like all radical revolutionaries, he is consumed by the pursuit of power - attaining it, wielding it and maximizing it. Mr. Obama's fledgling thug state must be stopped.

If Republicans win back Congress in November, they should - and likely will - launch formal investigations into this criminal, scandal-ridden administration. Rep. Darrell Issa, California Republican and ranking member of the Oversight and Government Reform Committee, has promised as much. Mr. Obama has betrayed the American people. Impeachment is the only answer. This usurper must fall.

*Jeffrey T. Kuhner is a columnist at The Washington Times and president of the Edmund Burke Institute, a Washington think tank. He is the host of "The Kuhner Show" on WTNT 570-AM (www.talk570.com) from 5 to 7 p.m.*

## ...your rights vs. the world

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semi-automatic firearms such as the AR-15-type rifles. It also prohibited the manufacture, for private individuals, of magazines that held more than 10 rounds, regardless of the firearm for which the magazines were designed.

Naturally, Calderón didn't mention that violent crime has declined significantly in the U.S. since the ban expired, or tell Congress how a ban on flash suppressors and bayonet mounts relates to drug thugs in Mexico or anywhere else. A study mandated by Congress found that "the banned weapons and magazines had never been used in more than a modest fraction of all gun murders" before or during the ban. Congress refused to renew the ban and the nation's murder rate, which began declining before the ban was imposed, continued to decline after it expired. Even the anti-gun Violence Policy Center described the ban as a "charade."

Facts like these are easily ignored when they clash with ideology, of course, so anti-gun members of Congress gave Calderón's plea for gun prohibition a standing ovation. For anyone who thought our opponents had given up on gun control due to the nation's preoccupation with other issues, the insulting spectacle put that thought to rest. Along with the rumbblings from Sens. Kerry and Feinstein, it should also remind all NRA members why we must go to the polls and vote in November.

The OAS treaty is another matter. Even when the subject turns to international efforts to destroy our right to arms, CIFTA is often overshadowed by discussions of the United Nations Programme of Action on Small Arms, UN Firearms Protocol and Arms Trade Treaty. However, while the others are still in the development stage, CIFTA inspired all of them. It was signed by President Clinton in 1997 and submitted to the Senate for ratification--so it could be pulled off the shelf and voted on at will, whenever our opponents think the time is right.

If ratified, CIFTA would create new U.S. obligations toward countries that include Hugo Chávez's dictatorship in Venezuela and would force new restrictions on U.S. gun owners. Among many other things, it would require Congress to prohibit you from making modifications or repairs to a personally owned firearm--even something as minor and commonplace as attaching a scope, bipod or sling to a rifle--without a manufacturer's license. Handloading your own ammunition would also be treated as "manufacturing."

Treaties do not supersede the U.S. Constitution, but Second Amendment protections against the treaty's requirements would be interpreted by federal courts. Those courts would often look to the State Department for guidance on how the treaty should be interpreted.

That would have frightening implications, given that CIFTA is endorsed by the senior legal adviser to Secretary of State Hillary Clinton, former Clinton administration official and law professor Harold Hongju Koh. Koh has a long record as an activist who sees U.S. sovereignty as an obstacle to a gun-free utopian world.

Koh, who once called the United States, North Korea and Saddam Hussein's Iraq an "axis of disobedience" against world opinion, is offended that America disobeys world opinion by respecting the right of free people to keep and bear arms to protect

their lives and liberty. In a 2003 Fordham Law Review article entitled, "A World Drowning in Guns," Koh proposed to right our supposed wrongs against the world.

He proposed to do this by first supporting scholarship to attack the Second Amendment itself. Koh called former U.N. Ambassador John Bolton's strong declaration of the right to arms "needlessly provocative" and backed a view of the Constitution that was--thank goodness--rejected by the Supreme Court in the 2008 case of *Heller v. District of Columbia*.

The undermining of the Second Amendment would be followed by "internalization of the emerging global norms" developed by governments and activist groups that are not answerable to the American people at the polls. Eventually, those "global norms" would lead to controls such as "perishable ammunition" ... that would degrade and become unusable over time."

Under Koh's plan, "global norms" would be largely determined by foreign governments and "non-governmental organizations" (NGOs). Most NGOs involved in this issue are social activist groups funded by foreign governments and wealthy foundations that don't have America's or American gun owners' interests at heart.

The International Action Network on Small Arms (IANSA)--the inter-national umbrella group for the world's anti-gun NGOs--is a prime example. IANSA is heavily funded by the United Nations, several foreign countries, Hungarian leftist billionaire George Soros' Open Society Institute, the left-leaning John D. and Catherine T. MacArthur Foundation and other foundations and individuals of like mind. IANSA's membership includes virtually all anti-gun groups worldwide, including most of those that are active in the United States, such as the Brady Campaign, the Million Mom March, the Legal Community Against Violence and the Coalition to Stop Gun Violence. Not coincidentally, in February 2008, IANSA's leader, Australian gun ban activist Rebecca Peters, made a major presentation to the Organization of American States in Mexico City.

In short, Koh believes that foreign governments and activist groups that are in most cases non-American, in some cases anti-American and in all cases opposed to our right to arms, should devise gun controls they consider acceptable, get countries to incorporate those controls into treaties and other transnational agreements, and finally use those agreements to get the controls incorporated into domestic law.

Most NRA members, gun owners and other Americans I've met since President Obama took office have lots of reasons to vote this November. This international threat is yet another. Between the already-signed OAS treaty and the UN Arms Trade Treaty being negotiated between now and 2012, the upcoming congressional elections will be critical to the future of our right to arms.

Will Sens. Kerry and Feinstein, and other adversaries in Congress, have enough votes to move their agenda forward next year? If we all work together and make sure that as many gun owners as possible go to the polls in November in support of pro-gun candidates, the answer to that will be a resounding "no."

*Submitted by the National Rifle Association of America, Institute for Legislative Action*

# Coming soon: The largest tax hikes in history

By Ryan Ellis

Would you like this widget on your website? Get the code here!

Today marks 100 days to go until the largest tax hikes in U.S. history begin. It's also six months since President Obama signed Obamacare into law (creating many of these tax hikes in the process). It's also 40 days until Election Day.

**Homeowner Paperwork Tax Burden.** Congress this week will send to President Obama a bill which has several tax hikes and tax breaks. One of the tax hikes requires the 10 million homeowners who rent out second homes and vacation homes to issue burdensome "1099-MISC" forms to everyone with whom they do more than a small amount of business. This will result in millions of wasted hours filling out paperwork and being chased by the IRS. 90% of people who rent out homes make less than \$200,000 per year.

**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 tax credit 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 top capital gains tax will rise from 15 percent this year to 20 percent in 2011. The top dividends tax rate 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 healthcare bene-

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*Visit [FoxPolitics.net](http://FoxPolitics.net) for the latest in conservative news.*

## ...largest tax hikes in history

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fits 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. The 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 pur-

chases 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. Until this year, a retired person with an IRA could 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.

## Advice to GOP: Stick to facts, avoid negative ads

*By Dick Morris*

There is no need, this year, to load up negative ads with adjectives painting your opponents as evil, big spenders in the thrall of the D.C. establishment. The simple facts of your opponents' voting records are enough to defeat them. Just the facts, ma'am.

Republican negative ad writers always delight in describing the stimulus package as bloated, wasteful, government-growing, and useless. The adjectives get in the way. The polling we've done indicates that the simple words “stimulus package” convey all that and more.

There is no need to call Obama's healthcare legislation “a government attempt to take over our healthcare” or a bill to “slash medical care for the elderly” or an “attempt to force rationing of care.” The simple word Obamacare conveys the same meanings.

Why describe cap and trade as “job killing” or “driving jobs overseas” when the very words say these same things to voters?

Ads are effective for the response they elicit from the viewers. The more they catalyze a response inside the mind of the voter, the more effective they are. Ads that are heavy on adjectives and have the look and feel of an attack ad

run into credibility problems with the average voter.

One rebels against a heavy-handed attack and you find yourself fighting against the ad, even if you basically believe it to be true. The more even-handed and credible the ad is, the more it will be believed.

It is the beauty of the 2010 election year that ads that are prosaic, simple, straightforward, and factual will do much better than those which are loaded up with negative adjectives and blood-dripping depictions of big spenders who believe in big government.

A simple ad along these lines will be far more effective for a Republican challenger to a Democratic incumbent than any elaborately conceived negative commercial:

“Do you support the \$850 billion stimulus package that President Obama passed last year? Joe Democrat voted yes. Harry Republican says no.

The TARP bailout? Democrat voted in favor. Republican is opposed.

Obamacare? Joe Democrat supported it. Harry Republican would have voted no.

Cap and Trade? Democrat yes, again. Republican, no.

Vote for the one who agrees with you.”

# MPS' costs for retiree health benefits threaten to overwhelm district

## MacIver News Service

The Milwaukee Public School district has nearly \$2.4 billion in long-term, non-pension obligations to retirees and their spouses, according to new figures released Tuesday night.

For the troubled Milwaukee Public School System, now recalling laid off teachers only because of a federal bailout, the projected costs for health care and life insurance benefits for retirees and their surviving spouses pose a financial time-bomb that could overwhelm the District.

Worse yet, consultants hired by MPS warn those costs could soar past \$5 billion in the next 8 years.

"The independent financial analysis paints a bleak picture for MPS and should cause every Wisconsin taxpayer to lie awake at night," said Brett Healy, President of the John K. MacIver Institute for Public Policy. "This problem will not go away and urgently requires leadership and decisive action now."

The MacIver Institute, which operates MacIver News Service, is a free market Think Tank located in Madison, Wisconsin that promotes free markets, individual freedom, personal responsibility and limited government.

The figures were revealed by, Gabriel, Roeder, Smith and Company—a firm hired by MPS—which briefed the board's Committee on Accountability, Finance and Personnel Tuesday evening. A copy of their actuarial estimate on post-employment benefits can be found here.

MPS provides lifetime health insurance benefits for retirees from age 55 who have at least 15 years of service. The District also provides retiree life insurance benefits.

As of July 1, 2009 MPS provided benefits for 6,136 retirees and surviving spouses, more than half as much of the 11,037 active employees for which they provide benefits.

"The children of Milwaukee are the true victims," said Healy. "Soon MPS will have no choice but to spend the vast majority of our precious tax dollars on retiree pension and benefits, with very little left over to spend in the actual classroom educating our children."

The Governmental Accounting

Standards Board (GASB) is the body that sets the accounting standards for state and local governments. To monitor their adherence to GASB reporting standards, MPS hired Gabriel, Roeder, Smith, and Company to provide actuarial valuations of the District's non-pension or "other post-employment benefits" (OPEB) liabilities for the 2010 fiscal year.

Their findings:

MPS accrued a nearly \$175 million liability in post-employment benefits between 2007 and 2009. A mere fraction of the \$2.4 billion the state is in the hole overall.

- The end result was a total actuarial liability of \$2.398 billion that MPS will owe its retirees and their surviving spouses for post-employment benefits, not including the costs of their actual retirement pensions.

- This cost reflects the expense of funding these programs, as well as the amortized costs of the unfunded actuarial liability – essentially the expense of covering the shortfall that the program doesn't have the funds for. It applies to over 17,000 teachers and their surviving spouses.

- This represented a 7.9% increase over a two year span –but also fell short of a predicted 12.3% increase that had been projected in 2007. Thanks to changes in demographic assumptions, lowered health care costs, and other experiences, the most recent accrual figure is actually \$99.6 million less than experts had assumed.

The findings hover over a school system beset with low graduation rates, high truancy, stagnant performance on the state's standardized test scores and the highest gap in the nation between the scores of minority students and their Caucasian peers.

If this current trend continues, this expense will overshadow MPS' annual operating budget, now at about \$1.1 billion a year.

A conservative estimate of growth in accrued liability, calculated by MPS' consultants puts the non-pension related benefit package for non current employees at \$4.911 billion in just eight years.

"If School Board does not make dramatic changes soon to stem the benefit tsunami, MPS will have no other option but to declare bankruptcy," said Healy.

# Too many bureaucrats

Recently Wisconsin Manufacturers and Commerce (WMC) pointed out what is called a "historic, dangerous trend in the Wisconsin workforce." Government employees now outnumber those working in manufacturing jobs in Wisconsin for the first time since such record-keeping began.

James Buchen, WMC vice president for government relations, noted something that ought to seem obvious but desperately needs to be said and repeated: "An economy that has more government jobs than manufacturing jobs cannot be sustained for the long term. Manufacturing is critical to success of a strong economy."

Amen.

WMC reported that Department of Workforce Development figures for November showed Wisconsin had 435,800 people employed in manufacturing and 438,200 government workers.

That's roughly one in 12 Wisconsin residents. Measured against Wisconsin's total land mass, it works out to slightly less than seven government employees per square mile.

What's really disquieting is the self-perpet-

uating nature of the problem. One cause of manufacturing jobs disappearing is government employees peering over the shoulders of manufacturers and slowly, python-like, tightening the state's grip on what they are allowed to do and how they are allowed to do it.

Controlling the Governor's Office and both houses of the Legislature and walling off the judicial branch against any risk of competitive elections, the Party of Government practically has Wisconsin on autopilot for further deterioration.

The closing paragraph from a WMC press release says it best:

"In the most recent legislative session, the Legislature and Governor approved more than \$2 billion in higher taxes. They approved increased taxes on businesses, increased tax rates, increased capital gains taxes, repealed property tax controls, approved health insurance mandates, approved expanded liability for employers and increased state spending by 6.5 percent. 'That's created government jobs and killed manufacturing jobs,' Buchen said."

## Paul Ryan: 'Roadmap' deals with reality

*By Congressman Paul Ryan*

The editorial debate on my reform plan "A Roadmap for America's Future" underscores the need for an adult conversation on tackling our nation's greatest fiscal and economic challenges.

To be clear, the Roadmap reforms make no changes to Social Security and Medicare for those 55 and older, and offer future generations the same health and retirement security options I enjoy as a member of Congress. Your editorial's concern with the plan's perceived "carnage" misses the entire premise of entitlement reform: We are already on a crash course to collapse. Our critical social insurance programs are set to implode, inflicting real "carnage" on society's most vulnerable.

I put forward a plan to avert this perilous future with gradual, sensible reforms. The retirement age increase would not reach 70 until the next century. Benefits would continue to grow for all seniors, albeit on a more sustainable path for higher-income individuals set to retire over a decade from now. If we act now, we can protect and preserve these crit-

ical programs for those in and near retirement, while strengthening health and retirement security for future generations.

Rep. Raul Grijalva, D-Ariz., argues in his opposing view that we can simply chase the explosive growth of government spending with ever-higher taxes (Grijalva: "More harm than good"). You cannot tax your way out of this problem; the revenue cannot mathematically keep pace, and if you try, you'll kill the economy.

Democratic leaders eager to demagogue solutions while exacerbating the entitlement crisis advance a heartless disservice to seniors, the poor and future generations. The social safety net is in crisis and must be reformed to strengthen America's commitment to those most reliant on it. Should Washington continue to cling to the unsustainable status quo, a truly draconian future awaits.

The Roadmap is a plan for prosperity, not austerity. It serves as an invitation for my colleagues to offer solutions of their own to restore the promise and prosperity of our exceptional nation.

*For conservative articles, visit  
www.maciverinstitute.com.*

# Overwhelm the system

By Wayne Allyn Root

Barack Obama is no fool. He is not incompetent. To the contrary he is brilliant. He knows exactly what he's doing. He is purposely overwhelming

The U.S. Economy to create systemic failure economic crisis and social chaos—thereby destroying capitalism and our country from within.

Barack Obama is my college classmate (Columbia University class of '83). As Glenn Beck correctly predicted from day one Obama is following the plan of Cloward and Piven two professors at Columbia University. They outlined a Plan to socialize America by overwhelming the system with government spending and entitlement demands. Add up the clues below. Taken individually

They're alarming. Taken as a whole it is a brilliant Machiavellian game plan to turn the United States into a socialist/Marxist state with a permanent majority that desperately needs government for survival ... And can be counted on to always vote for bigger government. Why not? They have no responsibility to pay for it.

- Universal health care. The health care bill had very little to do with health care. It had everything to do with unionizing millions of hospital and health care workers as well as adding 15000 to 20000 new IRS agents (who will join government employee unions). Obama doesn't care that giving free health care to 30 million Americans will add trillions to the national debt. What he does care about is that it cements the dependence of those 30 million voters to Democrats and big government. Who but a socialist revolutionary would pass this reckless spending bill in the middle of a depression?

- Cap and trade. Like health care legislation having nothing to do with health care cap and trade has nothing to do with global warming. It has everything to do with redistribution of income government control of the economy and a criminal payoff to Obama's biggest contributors. Those powerful and wealthy unions and contributors (like GE which owns NBC-MSNBC and CNBC) can then be counted on to support everything Obama wants. They will kick back hundreds of millions of dollars in contributions to Obama and the Democratic Party to keep them in power. The bonus is that all the new taxes on Americans with bigger cars bigger homes and businesses helps Obama "spread the wealth around."

- Make Puerto Rico a state. Why? Who's asking for a 51st state? Who's asking for millions of new welfare recipients and government entitlement addicts in the middle of a depression? Certainly not American taxpayers. But this has been Obama's plan all along. His goal is to add two new Democrat senators five Democrat congressmen and a million loyal Democratic voters who are dependent on big government.

- Legalize 12 million illegal immigrants. Just giving these 12 million Potential new citizens free health care alone could overwhelm the system and bankrupt America. But it adds 12 million reliable new Democrat voters who Can be counted on to support big government. Add another few trillion Dollars in welfare aid to dependent children food stamps free medical education tax credits for the poor and eventually Social Security.

- Stimulus and bailouts. Where did all that money go? It went to Democrat contributors organizations (ACORN)and unions—including billions of dollars to save or create jobs of government employees across the country.

It went to save GM and Chrysler so that their employees could keep paying Union dues. It went to AIG so that Goldman Sachs could be bailed out (after giving Obama almost \$1 million in contributions). A staggering \$125 billion went to teachers (thereby protecting their union dues). All those public employees will vote loyally Democrat to protect their bloated salaries and pensions that are bankrupting America. The country goes broke future generations face a bleak future but Obama the Democrat Party government and the unions grow more powerful. The ends justify the means.

- Raise taxes on small business owners high-income earners and job creators put the entire burden on only the top 20 percent of taxpayers redistribute the income punish success and reward those who did nothing to deserve it (except vote for Obama). Reagan wanted to dramatically cut taxes in order to starve the government. Obama wants to dramatically raise taxes to starve his political opposition.

With the acts outlined above Obama and his regime have created a vast and rapidly expanding constituency of voters dependent on big government a vast privileged class of public employees who work for big government and a government dedicated to destroying capitalism and installing themselves as Socialist rulers by overwhelming the system.

Add it up and you've got the perfect Marxist scheme—all devised by my Columbia University college classmate Barack Obama using the Cloward and Piven Plan.

There are people who will simply read and delete this. There are others that are so wrapped up with Obama-mania that they will never accept any criticism of him.

There are those that say, 'I'm too old to worry about this crap... it's not going to affect me.' Finally there are professional blood-suckers that live off everyone else's sweat—they want more 'Free Stuff'. And we all know where they stand. If you care about your future or maybe your children or grandchildren's future do something now. Vote the bums out of office this November. And make Obama a one-term president.

# The General and the Community Organizer

By Paul R. Hollrah

Channel-surfing from ABC, CBS, NBC, and CNN through MSNBC and Fox News, the inside-the-beltway pundits had a field day trying to get inside the heads of Barack Obama, Joe Biden, General Stanley McChrystal, and McChrystal's top aids. The one thing common to all of the analyses, by the most famous and highly-paid talking heads in the Western World, was that they are all wrong—dead wrong. What is certain is that they all owe General McChrystal and his senior aids an apology for assuming that they are lame-brained numbskulls.

The facts of the McChrystal case are not in dispute. General McChrystal and his senior officers allowed a reporter from Rolling Stone Magazine, to an excess of atmospheric ash from Iceland's Eyjafjallajökull volcano, keeping the McChrystal party grounded for days.

In an interview with CNN, Hastings reported that he had a tape recorder in his hand most of the time and that McChrystal was “very aware” that his comments would find their way into print. He said, “McChrystal and his people set no ground rules for their conversations, although they did ask that some parts of their conversations were off the record.” Hastings subsequently published a lengthy profile of General McChrystal on June 22, titled, “The Runaway General.”

As Hastings wrote in his profile, McChrystal thought that Obama looked “uncomfortable and intimidated” by the roomful of military brass during their first meeting. Of their second meeting, an advisor to McChrystal quoted the general as saying that it was “a 10-minute photo op.” He went on to say, “Obama clearly didn't know anything about (McChrystal), who he was. Here's the guy who's going to run his f---ing war, but he didn't seem very engaged. The Boss was pretty disappointed.”

As General McChrystal flew from Afghanistan to Washington to face Obama in the oval Office, the almost unanimous opinion of the talking heads was that the comments made by McChrystal and his staff were off the cuff and inadvertent. Bu to believe that is to totally ignore who these men are.

General McChrystal and his top officers are not simple-minded, knuckle-dragging brutes. To the contrary, they are intelligent, thoughtful, highly educated, patriots—graduates of West Point and other fine universities—who are dedicated to duty, honor, ad country. To think that such men would be so careless as to speak unflatteringly of Obama, Biden, and other top administration figures, in the presence of a reporter for a notoriously left wing publication, defies logic—at the very least. To think that men who are trained to be careful and deliberate in

everything they do, could do something so careless and so unguarded is simply beyond comprehension.

I would argue that McChrystal and his aides knew exactly what they were doing.

From the day that he become the handpicked “spear carrier” for Obama's unique brand of warfare—playing at being Commander in Chief while playing to his far left constituency—McChrystal's life had been one of constant frustration. After telling Obama exactly how many troops he needed to carry out his mission, Obama dithered for months before deciding to give him just half the troops he requested. McChrystal could not have been happy about that.

The Obama team insisted on new Rules of Engagement designed to reduce collateral damage (civilian casualties). Obama's ROE required that U.S. troops must be able to see the enemy with weapon in hand before they were allowed to return fire. One videotape circulated on the Internet showed a platoon of Marines pinned down by enemy sniper fire. But since the enemy was firing from some distance behind the open window of a building, the Marines could not actually see the weapon being fired. Although they were taking deadly fire, they were prohibited by the ROE from putting small arms fire or an RPG through the window opening.

Under Obama's politically correct ROE, our soldiers and Marines were required to fight with one hand tied behind their backs. McChrystal would not have been happy about that. A strict new interrogation policy, dictated by Attorney General Eric Holder, required that prisoners must be delivered to an interrogation Center within 24 hours of being captured or be released. A great deal of actionable intelligence was lost at a result and battle-hardened enemy fighters were returned to the field to kill Americans. McChrystal must have found that to be incomprehensible.

But the greatest insult to our troops in the field, and the officers who lead them, may be a new battlefield medal designed by the Obama team. It is called the Courageous Restraint Medal and is awarded to soldiers and Marines who demonstrate uncommon restraint in combat by not firing their weapons even when they fell threatened by the enemy. Would we be surprised to learn that the preponderance of these medals were awarded posthumously? McChrystal must have found that to be and insanity.

I suggest that, having his best military judgments subjected to the White House political sieve for nearly a year and a half, McChrystal decided that he'd had enough. And when he announced to his senior staff that he was pre-

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# Taxed out of state

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

You may have heard the news rumbling through Wisconsin about Harley Davidson. In an effort to fill gaps between expenses and profits, Harley Davidson Inc. must cut \$54 million in annual operating costs. To offset the difference, one of the options Harley is considering is relocating its Wisconsin factories to another state.

If Harley does indeed relocate, family supporting jobs across the state will be affected. Besides 1,400 jobs jeopardized at its plants in Tomahawk and Menomonee Falls, additional job losses could occur in companies supplying Harley Davidson. Furthermore, with Wisconsin's status as a global Mecca for Harley owners, the state could incur a substantial hit on its tourism industry.

Harley Davidson Inc. has been building motorcycles in Wisconsin since 1903. Reflective of most businesses throughout

the country, Harley has incurred losses during the economic downturn.

However, Harley's financial woes go beyond our country's economic trend. In February 2009, Gov. Doyle introduced, and the legislature's Democrat leadership pushed through a budget repair bill on a 48-hour notice with no public debate. Included in the bill was a new tax on Wisconsin business called combined reporting. (Petersen's E-Press, April 24, 2009)

Combined reporting taxes companies home based in Wisconsin on profits earned from their out of state operations. Essentially, the tax treats the home based company along with most out of state subsidiaries as one corporation. Profits earned nationally are combined. Wisconsin then taxes a share of that combined income.

Harley Davidson reported \$22.5 million in losses in its 2009 first quarter earnings alone due to "a change in tax laws" (i.e. combined reporting). Shortly following the

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## ...General and Community Organizer

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pared to retire they decided to push back— to make the most of a bad situation. It was clear that, if McChrystal were to simply take off his uniform and walk away, his retirement would be page-twenty news for a day or two before the mainstream media and the American people forgot all about him.

They had to make the most of his retirement because it provided a one-time opportunity to show the American people, as well as our enemies and our allies, that the man who claims the title of Commander in Chief of the U.S. military does not command the respect of our men and women in uniform. To make the most of that opportunity they had to choose their messenger very carefully.

They knew that, by openly showing their disrespect for Obama in front of just any newsman, they may not attract the attention they desired. Like any astute observer of the MSM, they knew that most reporters would turn on their own mothers if it meant a good story. But they could not take a chance that a mainstream media reporter might suffer a rare pang of conscience when confronted with the prospect of ruining the careers of some of the senior officers in the War on Terror. They had to fix the odds as much as possible in their favor so they use Michael Hastings and Rolling Stone Magazine.

During the long hours that General

McChrystal was in the air between Kabul and Washington, Obama knew that he had just two choices—both bad. He could declare McChrystal to be an irreplaceable asset in the war effort, give him a public reprimand, and send him back to Kabul. Or he could fire McChrystal, sending a clear message that, at least in his own mind, he was the Commander in Chief.

In the former case, he was certain to appear weak and ineffectual—a man not totally in charge. In the latter case, he might at least win a few rave reviews from the Kool-Aid drinkers in the mainstream media. He chose the latter of the two options.

But what is now lost in all of the hand-wringing and speculation is the fact that McChrystal and his people have succeeded in doing exactly what they set out to do. They wanted to plant the seed in the minds of the American people that Obama is not up to the task of being Commander in Chief and that he does not command the respect of the men and women of the uniformed services—from the newest Private E-1 up to the top four-star generals and admirals.

That seed is now firmly planted and it cannot be unplanted.

From this day forward, no one will have to tell the American people that Stanley McChrystal is a true warrior, a man's man, and that Barack Obama is nothing more than a...community organizer. Well done, General!

# Yemen: Understanding the newest front in the war on terror

*By Drew Davis, MAIA, Executive Director*

O Ye men of little faith, why reason ye among yourselves? Could it be that al Qa'ida has taken root in your mountains—north, south, east and west? Or could it be the secessionist divide among your peoples, brutally tearing at your weakened seams?

Yes, the country of Yemen certainly has reason to doubt the future of its nation and safety of its people. The poorest country in the Arab world. Extreme civil unrest. Very little national unity. These are the cold, hard truths of the newest front in the war against al Qa'ida, though I'd imagine they're not the punchy catch phrases Yemen is looking to highlight in its new tourism campaign.

Yemen has served as a safe-haven for terrorist networks since 2001—most of which have Jihad in the title—and as U.S. and Coalition Forces continue to drive insurgents out of Iraq and surge in Afghanistan, terrorists are seeking refuge in the ungoverned, mountainous swaths of northwestern and eastern Yemen: real dark corners.

For most of us, Yemen truly is a dark corner—unspoken in casual dinner debates about politics; unknown in any depth or detail. However, as U.S. Special Forces continue to work alongside Yemen's state security apparatus, we as citizens should begin to learn more about this terrorist haven that sits beneath the Kingdom of Saudi Arabia.

In 1994, civil war erupted when the Yemen Socialist Party, with ties to Bin Laden, fought for the secession of southern Yemen. The Saudis assisted the Yemeni central government defeat the socialists and have since remained active along their Kingdom's southern border to ensure these al Qa'ida offshoots do not attack Saudi villages.

Opposed to Yemen joining the West in the Global War on Terror after 9/11, the secessionists again became violent and sought to overthrow the central government and restore a theocracy—a form of government in which religion is recognized as the law of the land. Armed by Yemen's neighbor Iran, the world's strongest theocracy, attacks against Yemen's government have been peaking since 2004.

It is fair to say the Yemeni government has been engaged in a full-scale, internal war

since August of last year, displacing over 155,000 civilians; and perhaps it goes without saying that a collapse of the government would create an extraordinarily dangerous haven for regional terrorist networks. It was this reality that prompted the United States to become involved by offering military aid and training in exchange for Yemen's assured cooperation in the GWOT.

Had the problems ended there for Yemen and the U.S., it might have been a rather manageable international partnership. Alas, complications quickly arose. U.S. dollars followed more U.S. dollars with little to no sign of improvement, stability or cooperation. The U.S. provided Yemen with \$66 million in FY 2009 and President Obama had pledged to increase that support in FY 2010. Additionally, the underground arms market in Yemen began growing instead of shrinking, and it was not long before heavy artillery pieces were the norm for front yard dÉcor across the countryside.

Intelligence collection soon revealed that Iran had transferred over \$100,000 to the rebels in Yemen and was supplying them with light artillery and small arms. Its motive, of course, was to threaten Saudi Arabia's underbelly and help overthrow the Yemeni government so its theocratic Caliphate could spread.

Using shipments from Eritrea, the small African nation across the strait, as a cover, Iran has been underwriting Yemeni rebels for over a year. To protect this supply route, the Iranian navy has dispatched commandos and warships to the Gulf of Aden under the guise of combating piracy.

The manageable international partnership with Yemen has now deteriorated into a geopolitical fiasco that would give Henry Kissinger nightmares. If the scenario ended there, however, it would simply make for a nice doctoral case study. Today, the Saudi billionaire and half-brother to Osama Bin Laden, Tarek Bin Laden, is heading the construction of a new bridge that will connect the Arabian Peninsula to the African Horn; it will be the longest bridge in the world. A real terrorist crossroads.

Problems compounding, O Ye men of little faith. Stand fast, as Churchill implored. Arm yourselves, and be Ye men of Valor. This could be your finest hour.

# Afghanistan: A special assessment

The military campaign to defeat the Taliban insurgency in Afghanistan has been ongoing since the 2001 American-led invasion. In recent years, the Taliban has re-emerged as a Pashtun movement, based in southern Afghanistan but also spreading into Pakistan. Mullah Omar, the spiritual head of the Taliban in Afghanistan, has claimed that the efforts of the American-led coalition have been fruitless. Omar recently published a statement (in four different languages) calling for Western forces to withdraw, attempting to win the sympathies of the Afghan population American and ridiculously forecasting the coalition's defeat as "imminent."

President Obama's decision to be withdrawing troops in July 2011 arguably gave Taliban insurgents an extra dose of confidence. NATO and American troops, while still heavily involved in conducting combat operations, are instilling Afghan forces with the means and skills needed to secure their country from insurgency. The summer campaign in Kandahar and the Helmand region—long considered one of the Taliban's most important sources of support—is a good example of how the security mission is being transferred to Afghan soldiers and guided by American and NATO forces. This mission is proceeding, if slowly, but it cannot succeed if it is cut off prematurely by an arbitrary deadline.

The Taliban still appears to have strong financial support and a reliable supply of able-bodied men, whose open hatred for the United States is a vital national security problem. This issue is still America's top pri-

ority in Afghanistan, because the existence of such a capable force directly threatens American and Western interests everywhere.

The United States needs to continue to work with NATO in an effort to train and equip the Afghan troops. Transforming former Taliban strongholds into securely regulated areas has proven to encourage economic prosperity and political liberty for the Afghan people and discourages Taliban efforts at disruption. Afghan forces, assisted by their NATO allies, are finally beginning to see the results of their substantial investments in recruitment, intensive training, and force building (weaponry, surveillance technology, etc). For now, the United States should continue to help securing and expanding key regions of the country while simultaneously hunting and delegitimizing those Taliban insurgents who fled or went into hiding.

In addition to securing Afghanistan, the United States should continue to help rebuild the Afghan government. There is a history of distrust and a lack of good governance pertaining to the Afghan government. The United States can aid President Karzai by advising and guiding the President and fellow political leaders in policies and governance tailored to its citizens' needs. Afghanistan cannot stand on its own while utilizing the United States and NATO as its crutches, but neither can the United States prematurely leave Afghanistan friendless at this critical moment.

*This special national security assessment was authored by PAI's Intern in Middle Eastern Affairs.*

## Our debt is more than all the money in the world

*By Kevin D. Williamson*

Just a reminder: We are in trouble.

I have argued that the real national debt is about \$130 trillion. Let's say I'm being pessimistic. Forbes, in a 2008 article, came up with a lower number: \$70 trillion. Let's say the sunny optimists at Forbes got it right and I got it wrong.

For perspective: At the time that 2008 article was written, the entire supply of money in the world ("broad money," i.e., global M3, meaning cash, consumer-account deposits, checkable accounts, CDs, long-term deposits, travelers' checks, money-

market funds, the whole enchilada) was estimated to be just under \$60 trillion. Which is to say: The optimistic view is that our outstanding obligations amount to more than all of the money in the world.

Global GDP in 2008? Also about \$60 trillion. Meaning that the optimistic view is that our federal obligations outpace the entire annual economic output of human civilization.

So, John Boehner wants to roll spending back to where it was in the last year of the Bush administration. Okay, great. Nice start.

Now, what else have you got?

# ...taxed out of the state

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earning statement, Harley cut 400 jobs in Wisconsin.

Wisconsin has joined 23 states with some form of combined reporting. Since combined reporting passed on a straight Democrat party line vote, the state has lost businesses such as Gardner Denver to Louisiana. Briggs and Stratton shut down plants in Jefferson and Watertown, moving those jobs to Georgia and Alabama. Keep in mind, Georgia, Alabama, and Louisiana do not have combined reporting.

To retain jobs in Wisconsin, Republican legislators are calling for an extraordinary legislative session to repeal combined reporting. In turn, Gov. Doyle has responded that it is "ridiculous" and "untrue" to link combined reporting as a factor contributing

to Harley Davidson's ultimate decision.

The passage of this tax cannot be set aside as inconsequential to Harley Davidson's future in Wisconsin. As I have written before, every mandate, regulation, and tax increase takes money out of the hands of employers. These acts siphon away money which could have paid for expansions that create new jobs; money that could have paid for earned raises on workers' merit and money that could have paid employee benefits.

Taxes and government regulations do impact businesses' decisions about whether or not they remain and grow in Wisconsin. Repealing combined reporting is one step the state must take to keep Harley Davidson and many other employers and jobs in Wisconsin.

## Administrative Bloat Study includes UW, UWM

### *MacIver News Service*

Wisconsin's two largest public universities are highlighted in a new report that assails administrative bloat in higher education.

The study, *Administrative Bloat at American Universities: The Real Reason for High Costs in Higher Education* <[www.goldwaterinstitute.org](http://www.goldwaterinstitute.org)> was published by the Goldwater Institute, a self-described independent government watchdog located in Arizona.

Among the findings:

At the University of Wisconsin – Madison, the number of full-time administrators per 100 students increased by 32 percent between 1993 and 2007, while full-time employees engaged in instruction, research, and service increased by only 5 percent.

UW-Madison, the UW System's flagship university, employs 14.4 full-time administrators per 100 students, compared to only 7.4 teachers and researchers.

At the University of Wisconsin–Milwaukee the number of full-time administrators per 100 students grew by 2 percent between 1993 and 2007, while the number of full-time teachers, researchers, and service-providers actually declined by 3 percent.

UWM employs 3.6 full-time administrators per 100 students, compared to 3.5 teachers and researchers.

Nationally, between 1993 and 2007, the number of full-time administrators per 100 students at America's leading universities grew by 39 percent, while the number of employees engaged in teaching, research or service only grew by 18 percent.

Inflation-adjusted spending on administration per student increased by 61 percent during the same period, while instructional spending per student rose 39 percent.

The report's authors assert that a significant reason for the administrative bloat is that students pay only a small portion of administrative costs. They note that a lion's share of most universities' resources come from the federal and state governments as well as private gifts and fees for non-educational services. The large and increasing rate of government subsidy for higher education facilitates administrative bloat by insulating students from the costs, they say.

"If there are any universities realizing economies of scale to reduce their costs per student as their enrollments grow, there is no sign of it among these leading universities," the report concludes.

Reducing government subsidies would do much to make universities more efficient, the authors argue.