

**January 4, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. Fiscal Cliff Fallout.**
- 2. Bloated Goldy.**

**FISCAL CLIFF FALLOUT**

Okay, by now you've heard about what a raw deal the whole fiscal cliff resolution is for all of us. Tax hikes on small businesses and job creators, pork, additional debt, no reform of entitlements, etc.

You don't need us to give you the 411 on what is or is not in the bill. It stinks to high heaven and the GOP should have never agreed to it.

Yeah, we can listen to all the excuses out there about how this deal was necessary and that we'll get serious about fixing the tattered federal finances later.

Here's the problem.

It's ALWAYS later. It's always tax increases now and unspecified spending cuts later.

In the 1980s, President Reagan bit on tax increases with the promise that every dollar of tax increase would come with a three dollar cut in spending.

The tax increases happened and the spending cuts didn't. Reagan called it one of the biggest mistakes of his presidency.

President George H.W. Bush agreed to tax increases with the promise that every dollar of tax increase would come with a two dollar cut in spending - later. We read his lips, he reneged, and the cuts never happened.

Now, we get a whopping tax increase with a vague promise that the Congress will tackle spending cuts in March.

Uh huh.

We've been there and haven't done that.

The Watchdog predicts that there will be no spending cuts. There never are.

The simple truth is that Republicans in Washington are just as addicted to spending as Democrats or they're afraid of standing up to the hoards of public trough feeders who demand more and more and more and more and more.

The Republicans should have never agreed to a dollar of tax increase without a corresponding dollar of spending cuts. And that's a generous position.

For years, many Republicans have gotten away with talking tough about taxes and whimping out on spending. It's a major reason why we have a staggering national debt and a huge budget deficit.

They didn't want to pay, but they spent just like the Democrats.

Go ahead, Republicans. Make a stand come March.

Sorry, but right now we're with Obama on this one. We don't think you have the guts to really stand up for America's future. You haven't done so in the past 30 years.

We'll be happy to say we're wrong if and when you actually reform entitlements and discretionary federal spending.

But we doubt it. You panicked and bought yourselves a couple of months of respite.

You simply followed the playbook. Tax increases now, spending cuts later.

Come March, you will be squarely on a very, very hot seat.

And we're not at all optimistic.

Second, just what is Rep. John Kline thinking?

The Watchdog doesn't demand purity and we aren't litmus test people, but Kline has cast some really bad votes during his tenure.

He voted for the fiscal cliff. He voted for TARP. He voted for Cash for Clunkers. He voted for the Medicare Part D expansion.

Overall, Kline has a respectable 70% lifetime record from the Club for Growth. Most recently, Kline got a "B" grade from the National Taxpayers Union.

But this isn't the time for a half-hearted commitment to fiscal solvency. This isn't the time for efforts that are just above the average.

The country teeters on the edge of fiscal insolvency and debts future generations can't hope to repay.

We're counting on Republican members of Congress to do the right thing.

Speeches and past accomplishments won't cut it. The votes matter and we're watching.

The stakes are simply too high to do otherwise.

Congressman Kline, we encourage you to re-examine your voting record and come to the conclusion we have. You need to do better.

We don't join in the calls to "primary" you. We don't attack.

But we do criticize and we do encourage a stronger commitment to our nation's future.

Voting for the fiscal cliff was a bad vote. Period.

## **BLOATED GOLDY**

The Wall Street Journal this week called out the University of Minnesota as a prime example of bureaucratic bloat and waste.

But Watchdogs have known this for years, as the Watchdog called out Goldy two years ago, citing the hundreds and hundreds of employees making over \$100,000 annually.

The WSJ [article](#) reads like a fiscal horror story. A president who asks how much the university spends on administrative overhead and is told that no one knows.

Students using web sites to find free food because tuition is killing them.

Here are some excerpts from the article:

*Like many public colleges, the University of Minnesota went on a spending spree over the past decade, paid for by a steady stream of state money and rising tuition. Officials didn't keep close tabs on their payroll as it swelled beyond 19,000 employees, nearly one for every 3½ students*

*Many of the newly hired, it turns out, were doing little teaching. A Wall Street Journal analysis of University of Minnesota salary and employment records from 2001 through last spring shows that the system added more than 1,000 administrators over that period. Their ranks grew 37%, more than twice as fast as the teaching corps and nearly twice as fast as the student body*

*At Minnesota, tuition and fees for state residents have more than doubled in a decade, to \$13,524. That far exceeds the average at four-year public colleges of \$8,655, which also represents a doubling, according to the College Board.*

Every legislator should read this article before listening to the plaintive cries of the well-heeled administrators who will surely take to the microphone before the Higher Education Committee and blackmail the legislature with threats of higher tuition unless more state aid is thrown at the U.

The Watchdog recalls the bit\*\*ing of former President Bob Bruinincks about state aid cuts, all while he was allowing the bureaucracy to rage out of control on his watch.

And we also remember him steering university funds to a "leadership center" he then led after leaving the university presidency.

While a lot of good things are happening at the University of Minnesota, it's high time for an independent audit of the institution.

Instead of grand stand hearings over the NHL lockout, perhaps the legislature could spend some time looking into matters that involve taxpayer money.

What a debacle.

And what a shame that this issue hasn't received more attention.

It's a crime what the U is doing to young kids looking to get a ladder up at a land grant university.

**January 11, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. So it Begins.**
- 2. Bills of the Week.**
- 3. Lessons Not Learned.**

**SO IT BEGINS**

Howdy, Watchdogs. We're coming to you live from the satellite headquarters deep within the bowels of Cass Gilbert's masterpiece. That's the Capitol for all Saint Francis readers.

Not much action here this week, other than new Senate Majority Leader Tom Bakk taking a very partisan and a very sharp machete to the paychecks of GOP Senate staffers, cutting some pay by 40%.

None of these staffers make a whole lot of money to help out Republican Senators, so that makes them workin' folk. And trust us, they work hard and pour their heart and soul into helping the Cause.

But it looks like the Party of Working Folk only meant to help DFL Working Folk.

At least the new GOP Senators are learning a lesson about life in Saint Paul. The height of bi-partisanship is day one of the session.

There's a reason they're called Democrats and you're called a Republican.

Different world views. Fundamentally different world views.

And the struggle to implement one version over another ain't no tickle fight.

That doesn't mean there won't be opportunities to work together.

It means that the Capitol is where the great fights of the day to allocate scarce resources, define rights and obligations, and order our society happen.

Fundamentally, Democrats have one view of the world and Republicans have another. And you don't get to implement your view when you're stuck in the minority.

Freshman Republicans are about to find out that being in the majority means everything.

It's also a great opportunity to reflect on the conduct of the 2010 campaign, learn from past mistakes, and prepare for not only the 2014 election cycle, but to prepare for the special elections that will happen next month in House districts 19A and 14A.

Republicans need to use the next two years to implement a strategy for electoral success, act as the loyal and principled opposition, and circle the wagons, and learning that you may not exactly like or think exactly like the Republican next to you, but he's a whole lot better than the Democrat across the aisle.

In 2014, all GOP guns must be turned outward and not inward. We will all hang together or we will surely hang separately.

## **BILLS OF THE WEEK**

Given the new majorities in the legislature, there was and will not be any shortage of bona fide candidates for the bad bill of the week.

This week's winner was a clear cut winner, even though a raft of tax increases and big spending increases were proposed by the majority party this week.

The paternity of this week's adventure in ignoble legislating belongs to Rep. [Joe Mullery](#), an entrenched Minneapolis legislator who gets as far to the left as he can, hoping to stave off the intra-party challenges he faces as his increasingly diverse districts looks for representation that more closely resembles the changing demographics of the district.

Among his prolific authorship this week, Mullery introduced [House File 27](#), a bill dealing with residential real estate foreclosure.

As an initial matter of disclosure, we declare that this bill is a real bill and has not been altered to make it look ridiculous and inane.

As proof, we have printed the bill for your perusal right here:

### **1.8 Section 1. [582.33] FORECLOSED REAL PROPERTY; DONATION TO CITY**

#### **1.9REQUIRED.**

**1.10**At the conclusion of a foreclosure of a mortgage on residential property located in a  
**1.11**city in this state, the lender shall have four months within which to sell the property  
in

**1.12**a bona fide sale to a person or entity that is unrelated to the lender. If the lender  
fails to

**1.13**complete such a sale within that time period, the lender shall deed the property to  
the city

**1.14**in which the property is located. The city must accept the deed and may charge the

lender

1.15for costs of any demolition and repairs reasonably necessary to prepare the property for

1.16sale. The city may retain any net proceeds from the sale for general city purposes.

1.17**EFFECTIVE DATE.**This section is effective for foreclosures concluded on or

1.18after August 1, 2013.

Whoa. Read that one again.

The lender is the owner of the property. This bill says that property owner must hand over the deed to the city, no matter what, no exceptions.

There is no mechanism cited in the bill for just compensation. Although the process of turning the deed over to the city may involve compensation, that's not necessarily the case. Think we might have a constitutional issue here? We thought government couldn't seize private property without just compensation.

Moreover, who says that city will do a better job than the private market in reselling the property? At a minimum, most cities would have to incur big costs in creating a bureaucracy to repair, maintain, inventory, track, and sell the properties.

Even more importantly, what if a city doesn't want to get into the real estate business?

There are cities out there with only a few hundred residents and a small cadre of staff. They have neither the resources or the expertise to handle this issue. This is really a massive unfunded mandate on cities.

Remember all the talk on the campaign trail from the DFL about helping out the cities, which were mistreated by Republicans?

And, by the way, when the city accepts the deed, they accept the liability that comes with it. Another headache for cities.

Republicans ought to demand a vote on this bill just to see where everyone is on this issue.

Yikes.

Now for the good bill of the week.

And lo and behold, our bill of the week is really a group of bills authored by BOTH Democrats and Republicans.

This cluster of bills centers on the idea that a super-majority would be needed to pass a constitutional amendment to the ballot.

Give the DFL and GOP authors credit on this issue.

Our constitution is our founding document and should be difficult to amend. A simple majority of the legislature isn't enough of a check and balance on this important matter.

Requiring a 2/3rds or 3/5ths majority would stop junk like the "Legacy" amendment from reaching the ballot.

Passing this bill would be a good deal for the GOP. It would do the conservative thing by making it harder to monkey with our founding document.

And the historical fact, as pointed out in this publication many months ago, is that the DFL has spent more time in the majority than the GOP in the Minnesota legislature.

A bill like this would most likely act as a bulwark against bad DFL amendments more than anything else.

But you have to give some props to the DFL. They introduced many of these bills. This restraint wasn't on display so much from 2010 - 2012.

## **LESSONS NOT LEARNED**

So it appears that some GOP delegates didn't learn the hard lesson of 2010. Or 2012.

In 2010, Tom Emmer proved to be an unelectable candidate in a year in which we could have had a GOP trifecta. How nice would it be to have a Republican governor right about now?

So in 2012, the delegates went ahead and endorsed Kurt Bills, who challenged Emmer for the right to wear the "Worst GOP Candidate Post-WW II" sash.

Bills got crushed by Amy Klobuchar as the GOP faithful watched the race get called within 5 seconds of the polls closing as the GOP suffered another embarrassing defeat.

And in the bantam weight division, the faithful were treated to the spectacle of a 22 hour endorsement fight down in the First Congressional District, where Allen Quist late won the right to face Tim Walz.

Some honor. Walz went on to mop the floor with Quist.

Here we go again.

As this issue goes to press, we have learned that the GOP delegates, all 35 of them, have endorsed Allen Quist yet again. This time to run in a special election for the Minnesota House in district 19A.



Really? Collective amnesia? Quist just lost in a big way two months ago.

In fact, he lost to Walz by 26 points in this House district in that race. 26 POINTS!!!

Quist will not win this race.

In fact, Quist hasn't won an election since MTV played real music videos and Whitesnake was selling out arenas.

It's not as if there's going to be some dynamic that offers a 27 point reversal from two months ago.

Yes, we've already heard the Quist apologists apply some twisted logic to convince themselves that things are different because 60 days have passed.

Yes, we've heard about how the pasting from Walz was actually pretty good because Quist got his butt kicked just slightly less harder than what Walz did to his opponent in 2008.

The best "rationale" is that this is a special election and the turn out will be really small.

Great. This is our strategy? To field candidates who have a fighting chance to win only when the field is so small that a hard core base can win it for the candidate?

So we're admitting that this candidate has narrow appeal and will do well only in a special election?

And what if Quist did win? He still has to come back and face a bigger electorate in 2014.

Ridiculous.

Huh. Maybe, just maybe, it's a better idea to field a candidate who can appeal to a broad swath of the electorate.

Sources tell the Watchdog that Jim Goltart, a veterans service officer in Le Sueur County, will run in a January 29th primary against Quist.

The GOP should be so lucky.

Since when should we allow the 35 delegates who selected Quist choose for the entire GOP base in the district?

35 people. Heck, they could have all been Quist's relatives and Euchre buddies from Rotary.

We've never met Goltart but he certainly can't be any less appealing than Quist.

We always knew the GOP was going to have it out sooner or later over these unelectable candidates.

If this is the place to begin, so be it.

If the GOP is realize the goal of becoming a sustainable governing coalition, the march has to start now and it has to include candidates and leaders who can articulate a vision that resonates with the public, not just 35 delegates on a cold January night or the low percentage who will turn out for a special election.

We mean EVERYBODY. You know, like Ronald Reagan did it.

Let the primary parade begin. Can't wait.

**January 18, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. Sales Tax Trouble.**
- 2. The Backslide.**
- 3. The Great Gun Schism.**

**SALES TAX TROUBLE**

Greetings, loyal readers. Lots of news flowing from the Capitol in Saint Paul and news right here in Anoka County. Let's get down to business.

This week's bad bill is really a series of bills finding different ways to accomplish one really bad idea. That bad idea is to tax clothing. Yes, tax our underwear, tax our socks, tax our coats and caps.

The bills take various forms, but are designed to do one thing: make you pay tribute to the sovereign whenever you hit the local Kohl's or Old Navy to buy junior a new pair of Buster Browns.

Did you expect anything different from this crowd, which now has the keys to both the government liquor cabinet and the government car. Bad, bad combination.

While we know our readers are opposed to tax increases, it's important to understand why extending the sales tax to clothing is such a bad idea.

First, it's a regressive tax, which hits low income people the hardest. Once again, we see the party of the Workin' Man sticking it to the Workin' Man.

Rich or poor, we all wear underwear, with the exception of those who prefer to go commando. The rich man wears his grungies just like the poor man. The difference is that a nice pair of cotton briefs takes a bigger bite out of the poor guy's wallet. Thus, far the bills don't tax only the silk boxers preferred by the yacht basin crowd.

To get around this political problem, the Democrats will have to resort to complex tax schemes and other sophistry.

Some Democrats are talking about taxing clothing transactions over \$200, although it's not clear if this is any one item over \$200 or an aggregate purchase of over \$200.

Of course, some bills contain the always popular "tax credit" for poor folk. As if our tax code isn't complex and chaotic enough. Under this proposal, we would add yet more

pages to the tax code and more lines to the tax return. Yet one more goodie to determine if you get on your tax return.

Now back to this \$200 scheme. You can see the problems with this already. If it's an aggregate tax, then multiple trips to the store would be in order.

How about any one item? Seriously, you could start to see the left and right shoe sold separately. The hood sold separately from the jacket. The liner sold separate from the shell.

And let's not pretend \$200 clothing items are all luxury. Any real man will tell you that a decent cold weather waterfowl jacket can easily cost more than \$200. They're necessary for late season waterfowl and they last for years, provided you don't get fat.

Again, wasn't it all about punishing the rich guys?

Next, a sales tax on clothing would obliterate one of the very few, perhaps the only, tax advantages Minnesota provides.

Retailers from giants like Cabela's and anchor tenants at the Mall of America down to main street clothing stores in border towns attract millions of international and out of state visitors who buy clothes, food and lodging, providing a massive boost to the state's economy.

Of course, the Dems never seem to learn the lessons inherent in punishing the rich. Like any other consumer, the just buy less of whatever is taxed.

Suppose the clothing tax only applies clothing items in excess of \$500 or even \$1,000. The folks who make those items aren't rich. The folks who sell them aren't rich. The folks who drive the truck to deliver the goods to retail aren't rich. The folks who alter and tailor the items aren't rich.

Yet they are the ones to pay the price when clothing sales plunge because of unfavorable tax treatment.

Years ago, some Eastern seaboard states thought it a good idea to impose a high tax rate on yacht sales. The rich bought fewer yachts, which hurt those who sold the yachts. Then the mechanics who fix yachts were hurt. And then the folks who fuel and maintain the yachts. Then the folks who serve food and drinks to boaters on the Inland Waterways of the East Coast.

Get ready for the clothing tax, readers. Just another bad idea brought to you by your DFL majority.

## **THE BACKSLIDE**

We hate to say we told you so, but we told you so. The yellowing of the GOP belly continues.

In breaking news, House GOP budget honcho Paul Ryan is now openly discussing the idea of backing away from the debt ceiling fight.

After getting whipped like wayward dogs in the fiscal cliff fight, we were all promised that the GOP would show up for the debt ceiling fight.

Uh huh.

In an article published last night on the web site [Real Clear Politics](#), Ryan began laying the foundation for a GOP retreat on the debt ceiling fight:

*Paul Ryan said here Thursday that House Republicans are considering a short-term debt limit extension to avoid default and improve the lower chamber's standing in other pressing fiscal negotiations with the Senate and the White House...*

*Many Republicans, feeling pressure from the financial markets, appear to be coming to terms with the perils attached to failing to extend the debt ceiling...*

*In a conversation with reporters, Ryan suggested that holding the debt limit captive now might stunt progress on getting the debt itself under control...*

*The Wisconsin congressman said Republicans must recognize the reality of having a divided government, and get the conversation moving with the upper chamber and the president...*

In other words, the president has once again owned the House Republicans. One party refuses to tackle runaway spending, crushing debt, and nearly bankrupt entitlement programs. That party says raise the debt ceiling with absolutely no real reforms or spending cuts.

The other party has a strategy to pass legislation to raise the debt ceiling while implementing desperately needed spending reforms, inviting the other party to participate.

Yet the irrational and intransigent party wins. That party being the president. Don't worry, there will be some type of booby prize thrown to the GOP that will be sold to us as something meaningful, as if we're a bunch of idiots.

Just like fiscal cliff fight, when \$41 of tax increases were exchanged for \$1 of cuts and nothing in the way of entitlement reform. We locked in lower tax rates! Yeah! We're

nearly insolvent and our Asian creditors own us! We borrow millions every day just to run government but we did nothing about it! Go team!

Rep. Ryan assures us that the GOP will show up to fight Obama on the sequester of \$1.2 trillion spending.

Forgive us if we're just a bit dubious on that front.

Those cuts include defense cuts, something many Republicans can't seem to support, even though the days of America acting as the world's policeman and the protector of long-reconstituted democracies is past.

This isn't 1947. We don't need to protect Japan and Germany from the Soviet Union. They can protect themselves, in concert with our military.

Maybe we're wrong. Maybe the GOP will man up on the debt ceiling and hold fast.

We seriously doubt it. This article is ominous and very much planned. It is the first step in conditioning conservatives to accept the retreat.

That retreat has nothing to do with the "consequences" of failing to raise the debt ceiling.

It has nothing to do with the sequester being more favorable terrain on which to fight the president.

It has everything to do with Republicans running scared of the president and their own constituents.

It's a failure of leadership and a failure of courage. It's cowardice.

Obama is in GOP heads. He's got them on the run. If this was a poker game, Obama would have Boehner on [full tilt](#).

The House GOP doesn't think it can beat the president and he knows it.

It's extremely disappointing that our leadership in Washington can't convince the American people that putting the nation on a path to fiscal responsibility is the correct and imperative course.

It's discouraging that Rep. Boehner and Sen. McConnell are having such a difficult time fighting a president who is wrong, incompetent, and on the wrong side of history and economics.

But maybe we're wrong. Maybe the House GOP retreat is producing some master plan to school Obama on the debt ceiling debate.

But you've lost the benefit of the doubt Mr. Boehner. And Mr. Klein. Prove us wrong.

We doubt you're willing to stand and be counted. Serious doubt.

### **THE GREAT GUN SCHISM**

A party divided. A big issue. Infighting. Backbiting. Recrimination. The GOP? Nope. The Democrats.

The Obama gun control scheme has Democrats divided on a high profile, emotional issue.

On one side are the ultra libs who would shred and burn the Second Amendment if they could.

On the other side are Democrats, many from rural states or congressional districts, who are NRA endorsed and have a record of supporting the Second Amendment. Think Sen. Max Baucus of Montana or Sen. Joe Manchin of West Virginia.

So where is the media? Anytime Republicans are split on a big issue, the media is right there to highlight the split while painting the conservative Republicans as ogres.

Why no articles on the schism, with not so subtle praise heaped on the liberals who hate guns?

Yes, we know the media has been exposed a thousand times over.

But we will be there 1,001 times to call them on it.

Where's the article, Star Tribune?

**January 25, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. Capitol Update.**
- 2. It's Worse Than We Thought.**

**CAPITOL UPDATE**

What's up, party people? The Watchdog has been busier than a one-legged man at a butt kicking contest trying to keep up with all the nefarious goings on down here in Saint Paul.

We knew the DFL would engage in massive overreach, but we didn't think they would go all out crazy in January. Maybe there's more to come, but we don't know how much is left in the "absolutely nuts" category of public policy.

In any case, space limitations provide for only a few nuggets of information, reserving space to analyze how Governor Dayton's tax scheme will hammer you, no matter who you are. So much for getting the rich to pay their "fair share."

Minnesota Pensions.

News reports this week indicate that Minnesota's public pensions continue to be significantly underfunded, by \$16.7 BILLION. That's about \$4 BILLION more than in 2010, when legislators "fixed " the glitch.

The simple fact is that Minnesota's public pension obligations are unaffordable and unsustainable.

They don't reflect reality and certainly don't reflect the retirement plans of the people who fund those pensions - taxpayers in the private sector.

True pension reform requires true courage. Thus, look for the can to get kicked down the road until a crisis erupts, just like in many California cities.

Government workers should have retirement programs that mirror those of folks who are subject to market forces. When government lives better than those who fund government, fiscal ruin can't be far behind.

Southwest LRT.

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In this week's PT Barnum moment, hucksters for the Southwest light rail line trotted out a poll that purported to show overwhelming support for building another ultra-expensive and under-utilized rail line.

Geez, it wasn't all that long ago that all sorts of polls were trotted out in the north Metro showing everyone that Northstar commuter rail had all sorts of support.

The line got built and no one rides it, leaving Minnesota with a commuter rail line that has met none of its promised benefits of traffic relief, jobs, and economic development.

Really, it appears that the train does little more than provide one tax subsidy to the Twins and Vikings, shuttling fans to and from their taxpayer-subsidized stadiums.

Sure, it's easy to say yes to a hypothetical train that will get your neighbors off the road while not exploring how people feel about rail COMPARED to other transportation options, INCLUDING roads and bridges.

How telling that a whopping 66% in this poll said rail wasn't a convenient transit option for them. Yep. That includes people who live near rail. Unless there is a massive, European style system, it doesn't make much sense, especially when our population density is a fraction of Europe and Asia.

### The Lucky Few.

*"We do not believe that in this country freedom is reserved for the lucky or happiness for the few."*

This quote comes from our feckless chief executive in his call to socialist action, er, second inaugural address.

Note that the "freedom" to which the president refers is ECONOMIC freedom.

Like the most diehard liberals, the president believes that success is not the product of hard work, sacrifice, and an application of one's God-given talents.

Instead, success is little more than luck, with lightning striking one guy as opposed to the ten standing next to him.

Achievements and financial success is nothing more than a divine distribution of lottery tickets or e-pull tabs, with a few winning tickets and the rest losers.

This bunk narrative is essential to the liberal philosophy because liberals need one thing to make their scheme work: some other guy's money - and lots of it.

And it's far easier to justify stealing another's wealth when there is a popular belief that the wealth wasn't earned. Instead of taking from a guy who earned it and giving it to a

guy who didn't, liberals can justify confiscation by chalking it up to government sort of re-adjusting the lottery. Joe won the prize and Bill didn't. Oh well, government will make it FAIR by taking half of the "winnings" and giving it to the poor unlucky guy who didn't get a winning ticket.

Most people in America feel a sense of disgust and revulsion over the prospect of government seizing what someone has fairly and justly earned.

It's so much easier to take when the goods at issue are perceived to be the result of dumb luck.

The only problem is that such a narrative is immoral, unjust, untrue, and plainly contrary to the very core of the American Dream, which posits that every man has a chance to EARN a decent living when he works hard and engages in the self-reliance and rugged individualism that makes America distinct from the rest of the world.

Other than that, the president is right on.

## **IT'S WORSE THAN WE THOUGHT**

Ok, let's get on to this budget business. Much has been written on this important topic and there is much more to be said.

Conservatives expected a laugh of a budget. Instead, we got one to make everyone cry - in Minnesota. This is a budget only Wisconsin could love. Or Iowa. Or North Dakota. Or South Dakota.

It's worse than nearly everyone expected. A breathtaking money grab masquerading as tax reform. A shameless punch in the gut to job creators dressed up as a tax neutral "wash" for the average schmoe. Not so.

For this column, the Watchdog will explore the implications for Minnesota businesses. You know, the folks who create the jobs and create the wealth.

But before we start, we need to point out perhaps the biggest point of hypocrisy for governor.

Here's what candidate Dayton said of rival Tom Horner's plan to raise the cigarette tax:

"You raise the price of a pack of cigarettes \$1.50 as Mr. Horner proposed, that's money out of the pockets of working people and poorer people, and that means kids don't have as much to eat or don't have the same quality of food. Those are addictions, and I think you treat addictions as addictions and you don't penalize the people who are dealing with them economically."

Now, Dayton proposes to raise the cigarette tax by 59%, apparently believing that a 94 cents per pack tax is good but a buck fifty is bad.

But wait, it gets better.

Dayton has also proposed a \$500 property tax rebate, which would apply to every home in Minnesota.

So, Dayton proposes to take money out of the pockets of "working people and poorer people" and stick it in the hands of the Pohlads and his ex-wife. Apparently they need some relief on their mansions.

That's just too good.

Regarding business, Dayton has proposed a 2% increase in the top income tax bracket, from 7.85% to 9.85%, one of the highest income tax rates in the nation.

While some people may be tempted to engage in some good old fashioned class warfare, this tax doesn't hit the idle rich.

First, it applies at \$250,000 for a couple, which is just a wee bit under the millionaire mark.

More importantly, the vast majority of businesses in Minnesota, and especially small businesses, file their income taxes as individuals. This is called "pass through" taxation.

Not many businesses file as corporations under the corporate tax law. They file as individuals.

Thus, Mark Dayton is proposing a bit of an income tax hike on Minnesota job creators.

These small businesses will then have less money to hire, less money to invest in new equipment, less money for raises, and less money for benefit increases for employees.

If you work at a small business in Minnesota, Mark Dayton is set to take an axe to your place of employment.

On top of all this, Dayton is also proposing to extend the sales tax to a host of professional services that businesses provide to one another.

These so-called "B to B" taxes are a massive tax increase on business in Minnesota.

For example, when a company hires lawyers to defend against some bunk lawsuit, the company would pay the sales tax.

When a company hires an accounting firm to deal with the totally unintelligible and illogical tax code, the sales tax gets applied.

This tax would also apply to government. So when a city hires an engineering firm to design a bridge, the sales tax would apply. So, on the one hand Dayton wants to give more aid to cities and then suck it back out in the form of taxing previously untaxed services.

So how does this apply to you?

These B to B taxes are really a hidden sales tax on top of the sales tax you will pay at the register.

Right now, hair cuts aren't taxed in Minnesota. If Dayton gets his way, you will get taxed once when you pay at the register.

But the B to B taxes will also act as a hidden tax embedded in the cost of the haircut.

For example, Great Clips has a need for professional services. They need lawyers to fight suits and draft contracts. They need CPAs to do their financials. They hire consultants to help them run efficiently. They hire PR firms to do marketing research and craft catchy ads.

All these services would be subject to the sales tax. These costs would be passed along to you in the form of a higher price for a haircut, which then gets taxed again when you pay at the register.

Double taxation. One tax hidden, the other transparent. This where no tax existed before.

Again, this is more money taken out of the private economy and pumped into the public coffers. Your place of employment will also have less money for wages and benefits.

So you get hammered at work and get hammered at the cash register.

And this is making the rich pay their fair share?

Nope. This is a shocking money grab and government enrichment program that will kill jobs and drive economic activity out of Minnesota.

Enjoy your government, Minnesota. At least until 2014.

**February 1, 2013**

## **Public Policy Commentary**

### **In This Issue:**

**Editor's Note: Defeated Anoka County commissioner has been reported to be sporting a new name tag at local events. The name tag states, "retired county commissioner." Not quite. "FIRED county commissioner" would be more accurate.**

- 1. Bad Bill of the Week.**
- 2. Tax Plan Update.**
- 3. Our Gun Totin' Prez.**

### **BAD BILL OF THE WEEK**

Our bad bill of the week is authored by Coon Rapids' own state Representative Jerry Newton, a man well known to the Watchdog. We really like Jerry Newton the man and we really dislike Jerry Newton the policy maker.

Newton has authored House File 259, which authorizes state bonding money to.... Three guesses, Watchdogs. If you guessed that the bill authorizes state bonding money to repair and replace aging bridges on Highway 65 or Highway 10, you would be flat out wrong.

On the other hand, if you guessed that the bill seeks to expand Northstar commuter rail to Saint Cloud, you would win a \$5 cigar. Winner, winner, chicken dinner!

Ugh. Northstar rail? Really? We know that Newton lost re-election in 2010 and has missed a couple of years at the Capitol, but someone from the local DFL should have clued him in. Psssst, Jerry. Uh, Northstar is a bust. Ridership is way, way off. Subsidies are up. Dan Erhart was kicked out over Northstar's broken promises. No one will take ownership of Northstar anymore. It's political kryptonite. If someone doesn't help Rep. Newton gain his 2013 legislative bearings, he risks looking like the Doctor Evil of the Capitol. Frozen in time, unaware of the changes. Doesn't have the 411. Needs the info. Looks and sounds just like this [guy](#).

So, is this part of what we're buying with that \$2.1 billion in tax increases? Another 40 miles of heavily-subsidized rides down to the Twins game?

Why does the DFL seem so intent on looking backwards?

### **TAX PLAN UPDATE**

Last week, much was written regarding Governor Dayton's monstrosity of a tax plan.

We're not done with the bad news, folks. It may take weeks or even months to uncover all the zombies buried in this house of fiscal horrors.

Let's start this week with the bill's \$225 million in budget cuts. Oops, let's make that ~~\$225~~-\$167 million in budget cuts.

After Republicans smoked out this gimmick, it was admitted that \$58 million in "cuts" were really just budget reallocations to other budget areas, to be spent just the same.

And here we believed the governor when we were told that this budget was free of gimmicks and accounting tricks.

Dayton is proposing a nearly \$38 BILLION budget.

Cuts of \$167 million? That's about .4% of the budget.

And this is a "tough" budget? A "painful" budget.

Maybe for taxpayers. But certainly not for government.

With this budget, Mark Dayton has chosen the government budget over the family budget.

Those measly, miserly cuts pale in comparison to the net increase in taxes of over \$2 BILLION.

In other words, Dayton proposes \$12 in spending increases for every dollar of cuts.

If the DFL has accused Tim Pawlenty of an "all cuts" budget, this is surely an "all tax increase" budget.

And don't forget about the fees. The governor is asking for \$45 million in additional fees.

This after all the bombast and feigned outrage over Pawlenty's fee increases.

And here we believed the governor when we were told that this budget was free of gimmicks and accounting tricks.

Next, consider the windfall for cities that have their own sales tax. Some cities in Minnesota have received special authorization from the state to levy a local sales tax. Duluth and Minneapolis are two examples.

With the governor wanting to extend the sales tax to host of currently untaxed items like clothing and over the counter medications, these cities, like the state, will reap a windfall of additional sales tax revenue that would make Big Oil blush.

Those cities and counties are estimated to get an addition \$140 million in sales tax revenues under the Dayton budget.

And that's on top of an additional \$120 million in proposed aids and credits to cities and counties.

Wow. \$360 million more for cities and counties.

And what are the guarantees that these city councils and county boards won't raise property taxes?

Uh huh.

There has also been a lot of talk regarding the extension of the sales tax to professional services.

For example, lawyer services. This may seem like an inviting target at first, but what about the battered woman who hires an attorney to help get a divorce and custody of the children?

What about the family that hires an attorney to help navigate the child welfare system when they adopt a "difficult to place" child?

These folks would have to pay the sales tax.

How about those conceal/carry classes for your wife, who works nights in downtown Saint Paul? Pay up!

Swimming lessons to teach kids the necessary skills to stay alive in the water? Pay up!

Fitness classes for senior citizens to keep them healthy and reduce medical costs? Pay up, granny!

Young kids taking classes to help them get better scores on standardized admissions tests to college or grad school? Pay up!

A community education class to learn how to cook or dance? Pay up!

Think about it. The tentacles of this tax plan run very, very, deep.

Finally, we are going to revisit one aspect of the tax plan that deserves special emphasis.

The governor has touted the fact that businesses will get a tax cut while the "richest" Minnesotans will pay a higher income tax.

Folks, don't fall for this sophistry.

Most businesses in Minnesota pay their taxes as individuals, meaning that they will be subject to the income tax increase.

Very few businesses file their taxes under the corporate tax rate. Thus, most businesses wouldn't see a tax cut.

Either the governor doesn't understand this simple fact of the tax code or he is misleading the people of this state.

He needs to quit with the rhetoric of the rich paying more and job creators paying less.

Main street businesses are subject to tax increases, not cuts, under his plan. Know it.

## **OUR GUN TOTIN' PREZ**

We all know Bill Clinton was fond of telling whoppers. Like when he told reporters he remembered hearing about the Iowa Caucuses as a kid, even though he was in his 20s when they started in their current form. Or when he smoked weed but didn't inhale. Or when he didn't have...

Anyway, it seems our current president told a mighty whopper of his own when he claimed he goes skeet shooting "all the time."

Geez, we could see this whopper a mile away.

Funny, no photographs exist of Mr. Obama busting clays and zapping the orange discs.

Funny, the president has yet to take up the challenge of many Capitol Hill Republicans who have challenged him to a good old fashioned shootin' match.

Exposing the president on his BS is one thing. It's even more galling to hear the silence of the media in calling him out on this one.

Another case of protecting the president and selling out any pretense of objectivity. A shotgun wielding Obama.

Damn, that's rich!



**February 8, 2013**

## **Public Policy Commentary**

### **In This Issue:**

- 1. Gunslinger.**
- 2. Washington Spending.**
- 3. Government to Government Means You Pay.**
- 4. State of Denial.**

## **GUNSLINGER**

Aloha, Watchdogs. Things were cooking hot and heavy in Saint Paul and Washington this week.

Did you see that [photo](#) the White House released of our ~~feckless~~ fearless chief executive handling that over/under shotgun with aplomb?

Sure you did. If you shoot a shotgun with any regularity, the photo revealed that our president hardly goes shooting "all the time." Or if he does, he does it poorly all the time. Hardly the form normally displayed by an experienced shooter.

In fact, it looks rather contrived.

Sort of like when Mike Dukakis went on that joy ride in the [tank](#).

Or when John Kerry tried to convince us we wasn't some blue blood elitist by "[hunting](#)" in clothes that we later learned were borrowed from a real red blooded American hunter.

Let's run a poll this week.

What BS photo op gives you the biggest laugh?

- A. Obama the trappist.
- B. Dukakis tanks in the tank.
- C. Huntin' wabbits with John Kerry.

Send your pick to [harold@anokacountywatchdog.com](mailto:harold@anokacountywatchdog.com).

## **WASHINGTON SPENDING**

The president has taken a mighty big step in his presidency. For the current fiscal year ending in September, the federal budget deficit will be \$845 billion (projected), which

would be the first time in Obama's presidency that he has managed to bring a fiscal year budget deficit in under \$1 TRILLION. Congratulations.

And that's the good news coming out of Washington. The non-partisan Congressional Budget Office (CBO) projects that it will take \$2 trillion in cuts over the next decade to bring the nation's debt to a reasonable level.

With no changes, the nation's debt will be equal to a whopping 77% of the country's gross domestic product (GDP).

The only other time we have seen a debt to GDP ratio this high was during World War II, when America was fighting a desperate struggle against Nazism and Imperialism simultaneously.

And you want to know how we got here?

Yes, Obama is largely to blame, but you have to see the spending to truly believe it.

Take the first two years of Obama's first term, from 2008 - 2010.

Look at these spending increases by program area over that period:

Commerce: 219%  
Education: 181% (Test scores up 181%?)  
Energy: 171% (Solyndra)  
Environmental Protection Agency: 130%  
Transportation: 548%

Galling. Simply galling.

Overall, during this period of the Great Recession, government spending grew overall by 84%.

Meanwhile, family budgets shrank and jobs disappeared.

Bring on the sequester. Bring on the cuts.

But before you break out the champagne and celebrate the spending restraint you so crave, don't forget that the sequester cuts only amount to about .5% of the nation's GDP.

Nonetheless, that won't stop the president from braying on about fiscal doom. That's typical.

So ask yourself. What has all this spending brought about?

We have the weakest economic recovery of the modern era and trillions upon trillions of debt heaped on future generations.

## **GOVERNMENT TO GOVERNMENT MEANS YOU PAY**

Well, it's been two weeks and two editions of the Watchdog pointing out the folly of the Dayton Tax Plan and we're still not done.

We thought we could do it but we failed. We're going to need yet another week to explain how this Leviathan is going to ream you and your family in the name of more and bigger government.

Remember back to the promise of attacking only the "rich?" Ha ha. Ha ha. Ha ha. Ha ha.

A couple of weeks ago, we explained the "business to business" tax, whereby a company pays taxes on the professional services it purchases, such as accounting or legal fees.

Of course, those costs will get passed along to consumers or will be absorbed by the company, which will result in fewer jobs and benefits for employees.

Well, did you know that government will be subject to the same type of taxation?

That's right, when your city or county uses an engineering firm to design a road or if they hire a law firm to defend a bogus lawsuit, they will pay the sales tax.

And this same tax applies to "government to government" services.

Does your city contract with another city or county for professional services to save money? Pay up!

For example, does your city contract with the county for law enforcement services and thus avoid the need to fund a police department? Pay up.

The Watchdog has spoken to sources in city and county government who have tallied up the net effect of the Dayton Tax Plan and have determined that their city or county will lose money.

Guess what that means? It means that your property taxes will go up to pay for the state to have more \$\$\$\$.

Don't get distracted by the shiny object that is the \$500 property tax rebate for your home.

You will pay much more than that over time if Dayton succeeds in pushing what is really a tax dollar transfer from cities and counties up to the state.

If you haven't already, call your city, township or county and ask them what the Dayton tax plan will cost on net. Ask your local elected officials how they plan to deal with the increased expenses.

## **STATE OF DENIAL**

Was that a serious State of the State address the governor gave Wednesday night?

Really? What a dud.

That took some real Chutzpah to take credit for all the reforms and spending reductions the GOP legislative majority forced him to accept, putting the state on a better path to fiscal stability.

Weren't these the very same reforms Dayton and the DFL repeatedly blasted on the campaign trail?

Bragging about \$2 billion in permanent reductions just a few months after bemoaning them?

A new low.

And what about blaming tax cuts for recession? Does Dayton also believe that the rooster causes the sun to rise?

Tax cuts have been enacted around both boom times and bust times. Denying government just a bit of the cash it always craves doesn't cause economic problems.

This is because government doesn't create wealth. Giving government money only recirculates it and usually means it is spent inefficiently.

No matter how much money it sucks out of the private economy, government can never, ever, create wealth.

If you look at government spending and get impressed because you see a bureaucrat at work or see government building another office building, you are in need of some remedial economic education.

Tax cuts mean that more money stays in the private economy, where it can be deployed to create wealth and prosperity.

We were also exposed to Dayton bemoaning the "regressive" nature of the tax system.

Hypocrite.

Sales taxes on clothes? Regressive.

Taxes on tobacco? Regressive.

Increased taxes on gasoline? Regressive.

The tax system doesn't have a regressive bent because the rich are getting away with something.

It's that way because Democrats and some complicit Republicans have jacked up regressive taxes.

Want a more progressive system? Cut the regressive taxes and ask government to live with less.

We can't cut our way to prosperity? No, we can't TAX our way to prosperity.

At least the governor removed any shred of a doubt that he believes in government.

The address was nothing more than a plea for mega government. It was the most government-centric state of the state since at least Wendy Anderson.

Dayton is a believer in Big Government.

Billions in tax increases and a mere \$167 million in cuts.

Finally, we got a big laugh out of the governor's challenge for all of us to give up our selfish interests for the common good.

So, governor, what are the public unions like AFSCME giving up for the common good?

Pay raises? No.

Gold-plated benefits? No.

Vacation and holiday time? No.

Again, governor, what are your political cronies giving up as the rest of us are asked to pay for more government?

**February 15, 2013**

## **Public Policy Commentary**

### **In This Issue:**

**Editors' Note: The results are in! Last week, we conducted a most unscientific poll to find the most ridiculous Democrat presidential photo. The three finalists were Mike Dukakis in the tank, John Kerry with the borrowed hunting clothes, and Barack H. Obama daintily holding a 12 gauge over/under.**

**You, the readers, were passionate in your picks, stating that your choice HAD to be the winner. Well, the mob has spoken and Obama the trappist has won. Yes, he indeed looks like a vegan holding a Big Mac in that photo.**

### **In This Issue:**

- 1. Nick Zerwas Stands Tall.**
- 2. Dayton the Divider.**
- 3. Special Elections Define the Parties.**
- 4. Bill of the Week.**

## **NICK ZERWAS STANDS TALL**

Watchdogs in the Elk River area should give thanks to freshman state Representative Nick Zerwas, a Republican, of course.

Zerwas has authored a [bill](#) that would stop the inane practice of cities and counties paying the state sales tax, a true shell game if we've ever seen one.

(Also give kudos to Senator Dave Senjem, who has authored the Senate companion bill).

City taxes the taxpayer and then turns around and sends that money to Saint Paul.

Here's a prime example: your city engages in the core government function of building a fire station to serve a growing population. When the city builds the station, it pays all the sales taxes that normally apply to the purchase of concrete blocks, steel, glass, piping, wiring materials, etc.

What sense does that make?

Oh, and there is a strong element of political influence at work in this scheme.

First, townships and school districts have a blanket exemption from this scheme.

Second, some local units of government are powerful enough to get special exemptions through the legislature. In other words, they have lobbyists to do the deals.

Remember the fire station example? Watchdog sources at the Capitol can't remember the last time a fire station construction project got a legislative exemption from the sales tax.

But guess who did? Northstar commuter rail. Yep, the white elephant of the North was exempt from the sales tax while all the local road and bridge projects in the area paid the sales tax.

The Zerwas/Senjem bill would fix this issue.

And the issue is about to get worse. Much worse.

Governor Dayton's tax scheme seeks to apply the sales tax to all professional services cities and counties purchase (legal, accounting, engineering, human resources).

The Watchdog has covered this issue in recent weeks and it's a serious concern to local units of government, which are finding out that all the additional promised aids and credits will still net out to a cost to these cities and counties - a cost that will be passed on to taxpayers in the form of reduced services or increased taxes.

On a side note, we at Watchdog HQ are getting a huge kick out of the mainstream media finally getting on this issue way after we started talking about it.

With right hand, Dayton serves up aids/credits to cities and counties while he dangles a \$500 bill in front of property tax payers.

With the left hand, he delivers a bill for an expanded sales tax that he uses to increase government spending.

And speaking of the Dayton tax scheme, let's get right down to brass tacks. We're so sick of the media attempting to cover up this pig by spilling all sorts of ink parroting the DFL talking points about not looking at any of the ugly individual parts but instead focus on the semi-ugly whole. Or talking points about who won't get hammered by this scheme or finding the one business owner who pays some tax and is eager to see other businesses get hammered as well (any thought to parity by cutting EXISTING "unfair" taxes?).

Or the banter about the rich paying their fair share, even though they pay the vast, vast majority of income taxes (any thought to making the tax system more progressive by laying off the regressive taxes instead of increasing progressive taxes?).

This budget is nothing more than a tax plan to swell and bloat state coffers to enable more spending.

It has nothing to do with reform, cuts, stability, or fairness. It's about growing government. Period. End of story.

At a minimum, conservatives need to stop enabling this propaganda by agreeing with liberals that this is a \$2 billion tax increase. No, it's a \$2 billion NET tax increase, after expenses are netted out like the \$500 property tax check gimmick.

In reality, Dayton proposes a \$3.6 billion tax increase. Not \$2 billion. \$3.6 billion.

## **DAYTON THE DIVIDER**

The underpinning of any good DFL tax plan is a healthy dose of class warfare, the fomentation of envy towards the successful.

Moreover, that fomentation of envy must be accompanied by the insinuation that the successful got that way merely by luck and not their inherent talents coupled with hard work.

Put another way, it's much easier to countenance government confiscation of another's property if it is perceived that the other person never really EARNED it. If they only got it by luck, like finding \$1 million on the sidewalk, then it's cool if government swipes a chunk and "spreads the wealth around" so to speak.

Our governor has got quite a handle on that one. Take his income tax plan. It's only about the "top 2%" paying their "FAIR share." It's about FAIRNESS.

Don't worry, guys. Someone else will pay the tab.

Here we go again.

Much has rightly been made lately of the fact that Dayton's income tax increase will hit the 92% of Minnesota small businesses that pay their taxes as individuals.

Not to worry. Dayton the Divider is on the case again.

Watchdog CEO Harold Hamilton attended a Twin Cities North Chamber of Commerce breakfast this morning where the topic of debate was the Dayton Tax Scheme.

HH reports the following:

When this issue was raised, an official from the MN Department of Revenue told anxious small business owners in the audience to take a chill pill.



By this official's estimation, only about 6% of these small businesses are successful enough to be subject to the income tax increase.

Well, that's just swell.

Bill Blazar of the MN Chamber of Commerce was a part of the panel and noted that while statistics are hard to come by, there are anywhere between 150,000 and 400,000 business entities in the state.

That means that between 9,000 and 24,000 businesses would be subject to this massive income tax increase.

How many jobs are at stake when between 9,000 and 24,000 job creating entities are in the kill zone?

Especially when these businesses are among our healthiest and most vibrant?

A small business that makes little or no money ain't hiring, folks. You need positive cash flow and a healthy balance sheet to hire, train, pay, and cover benefits for a new employee.

It's only the top 2%. It's only 6% of job creators.

Someone else will pay the freight. Divide and conquer.

No. It's a tax scheme that will ALL of us.

## **SPECIAL ELECTIONS DEFINE THE PARTIES**

As readers know, there were two special elections for Minnesota House seats this week, one retained by the DFL and the other retained by the GOP.

The Watchdog was struck by looking at each candidate's web site and the way in which each winning candidate presented their biographies to the voters.

In many ways, these bios say much about what each party stands for and the priorities of those parties.

Read and draw your own conclusions.

[Clark Johnson](#) (DFL):

Professional Experience:

\* Minnesota State University, Mankato. Student Relations Coordinator and Social

Studies Coordinator. 1985 to present.

\* ITESM, Irapuato, Mexico. High school social studies teacher. 1996-97.

\* West High School, Mankato. Part-time social studies teacher. 1985-87 and 1992-93.

\* Minnesota Valley Action Council, Mankato. Outreach Coordinator. 1982-1984.

\* Institute for Cultural Affairs, Kenya. Volunteer in Community Development. 1981.

\* U.S. Census. District Manager for 1980 Census in eastern North Dakota. 1979-1980.

\* Former Board Member for Echo Food Shelf, Welcome Inn (1980's) and MinorsAsia.org. 2006-2012.

· Advisor to YMCA Youth in Government Program. 1985-2008.

Tama Theis (GOP):

Co-owner, CFO and Office Manager, Greg E. Theis Remodeling

Mentor to small business owners as former President of the Central Minnesota Builders Association

Past Chair & Vice Chair of Chamber Connection, St. Cloud Area Chamber of Commerce

Sales & Management Program Advisory Board, St. Cloud Technical & Community College

Good Shepherd Lutheran Foundation Board

Commissioner, City of St. Cloud Transportation Infrastructure Advisory Board

President (3rd term) of Birthline, Inc.

Quiet Oaks Hospice House Board of Directors

Helped raise funds and build a skateboard park in St. Cloud

Volunteer, Freedom Flight Inc. - Bringing awareness to POW/MIAs

## **BILL OF THE WEEK**

This week's winner is something else. It's all about giving convicted violent felons the ability to regain the right to possess a fire arm.

That's right. At the same time the DFL legislature is working to take fire arms away from the law abiding, they are simultaneously seeking to give violent cons guns.

[HF 486](#) is authored by Rep. Carolyn Laine of Columbia Heights. Rep. Connie Bernardy of Fridley is a co-author as are reps. Loeffler and Clark of Minneapolis and Moran of Saint Paul.

The Senate [companion](#) is authored by Barb Goodwin of Columbia Heights.

Apparently, those communities are so safe, convicted thugs deserve guns.

The bill essentially says that anyone who has convinced the board of pardons that they are of "good character and reputation" may get the right to own a fire arm restored.

And just who are the people who we define as a "violent felon?"

State law defines, among others, these crimes of violence:

- murder
- kidnapping
- criminal sexual conduct
- stalking
- child abuse
- arson

That's just great. The board of pardons is staffed by humans. Humans who make mistakes. Humans who may take a view of the world that is perhaps a bit too optimistic and utopian regarding the ability of people to change. Humans who may fall victim to a criminal who can fool people regarding their rehabilitated nature.

Handguns for child molesters? Sure.

Handguns for kidnappers? Sure.

Handguns for the law abiding? Nope. Not needed for hunting. Not needed for "legitimate" purposes. Not needed by you.

Wow.

**February 22, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. Where's the Budget?**
- 2. Eating Our Own.**
- 3. Good Bill of the Week.**

**WHERE'S THE BUDGET?**

What, the DFL is being hypocritical? We would have never guessed.

Remember when the Republicans were in the majority last time around?

The DFL regularly took to the microphones to complain about all the time and resources the GOP was wasting debating "divisive" social issues.

You mean like confiscating guns from the law abiding?

Hours and hours of testimony have been spent so far debating this issue.

And while there may be some minor amendments to existing law that would make for good public policy, the vast majority of these DFL proposals cross the line into the outlandish and absurd.

So where's the legislature's budget?

And what of gay marriage? Just a few months after telling the GOP that we have a law on the books regarding gay marriage and thus no need to visit the issue, we are now talking about gay marriage, at the behest of DFL law makers.

So where's the legislature's budget?

And then there's the hours and hours spent ramming through the disastrous health insurance exchange, which isn't a budget issue so much as it's an economic issue and an aiding and abetting of the nationalization of the health care sector.

Minnesota doesn't have to do this, but the DFL just can't help themselves from participating in any scheme that grows government and empowers the politicians and unelected bureaucrats.

And speaking of wasting time and resources, let's crown this week's Bad Bill, courtesy of Rep. Carolyn Laine of Columbia Heights.

House File 765 establishes a new bureaucracy in state government called the "Office of Collaboration and Dispute Resolution."

Do we need to say more?

How does this bill heal the economy and create wealth?

While the legislature has failed to produce a budget because it's spending time debating guns and health care nationalization, the governor has been busier than a one-legged man in a butt kicking contest defending his huge tax hikes and massive increase in government.

Much of the criticism of late has focused on the tax increases and rightly so.

But it's also important to focus on the lack of spending restraint, particularly spending cuts.

Don't forget that the state has a projected \$1.1 billion deficit to deal with.

Compare that and the governor's proposed \$3.6 billion in tax increases against a measly \$167 million in cuts.

That's \$3.6 billion against \$167 million.

This is an all tax budget with nothing meaningful in the way of cuts.

If the GOP isn't careful, the DFL legislative majority will enact some portion of the governor's tax increases while not adopting others, which will cause them to claim the middle ground by claiming they heard the business community and held back on the most egregious of tax increases.

And while there is nothing moderate about billions in tax increases, the argument is made all the stronger by pointing out the lack of reforms and the total unwillingness of the DFL to cut anything but less than a penny on the dollar from the budget.

Couple that fact with examples of outrageous state spending, and we have the makings of a takeover in 2014 in the House as well as a reclamation of the governor's office.

So where's the budget?

## **EATING OUR OWN**

Watchdogs, let's take a chill pill and cool out for a moment on state Senator Branden Petersen.

Unless you were a Teamster busy texting Matt Look all week, you know that Petersen publically stated that he will support a bill legalizing gay marriage if certain conditions are met.

Unfortunately, the response from some conservatives was hateful, petty, and fairly ignorant.

A prime example is the Facebook posting of one Anoka County conservative who labeled Petersen a "piece of s\*\*," and wished that Petersen and his father-in-law (who is gay) "get what they deserve."

The Watchdog isn't going to defend Petersen's stand on this issue or argue in favor of gay marriage.

We know that many of our loyal readers disagree with him on this issue and passionately so.

That's fine and it's the constitutional right of our readers to support or oppose candidates for office.

But we need to be more adult about this, folks. Overall, we're on the same team.

And while we won't be advocating gay marriage, we will be happy to defend Petersen's record thus far at the Capitol and point out that he's a true libertarian who is willing to cast his vote in favor of less government and individual freedom.

Remember last year when he took on the Teachers' Union and chief authored a bill to cut back teacher tenure and allow districts to make layoff decisions based on merit and not seniority?

Pretty bold stuff for a freshman from a swing district.

And how about that 2012 Taxpayer's League score? Perfect 100%. Lifetime score of 85.

He also sports an "A" rating from the National Rifle Association.

He is Pro Life and votes that way.

The National Federation of Independent Business (NFIB) has scored Petersen at 100% regarding his votes that affect small businesses in Minnesota.

Hence, you folks out there screaming about Petersen being a RINO and a traitor need to back off.

It's simply not true. Petersen has proven his bona fides and can call himself a conservative and a libertarian.

If you don't like his stand on gay marriage, feel free to disagree. You have the right to withdraw your support from Petersen and to work against him when next stands for re-election.

When 2016 rolls around, the Watchdog will survey Petersen's overall body of work in the Senate and pass judgment then.

In the meantime, we will be happy to thank Petersen for his commitment to free market capitalism, school choice, low taxes and limited government.

Moreover, it's a joke to see some of these anti-gay marriage groups jump on Petersen and use his name to raise money to fight what they themselves brought on with their hare brained constitutional amendment last year.

Remember their claims?

Let's put a gay marriage ban on the ballot in 2012! It will drive conservatives to the polls! It will drain money away from the DFL! People will love it!

How did that all work out?

Liberals outvoted us, we got outspent all around, and we lost our historic majorities in the legislature.

We got killed in some suburban districts because of the marriage amendment.

Frankly, the majority of conservatives in this state are sick and tired of hearing from the same group of incompetent self-described GOP "strategists" who keep giving us losing propositions.

The marriage amendment, Tom Emmer, Kurt Bills, Allen Quist.

Goodness, this crowd managed to lose photo ID! It was an 80% positive issue going into the election.

We've had enough of your bad advice and we're paying the price.

We haven't turned our back on conservative ideals. We've just grown tired of your amazing ability to turn those universal ideals into losing campaigns.

Unlike Midas, everything you people touch turns into...

Branden Petersen isn't the problem.

## **GOOD BILL OF THE WEEK**

Our bill of the week is the ironically numbered Senate File 666, which is co-authored by Senator David Hann and Senator Dave Senjem.

This bill would place a five-year moratorium on wolf hunting.

The simple fact is that Watchdog founder and CEO Harold Hamilton sees no need to trophy hunt wolves, especially when so many tax dollars have been spent protecting wolves.

Current laws that allow for depredation killings and other control measures are more than enough to control the population while protecting overall wolf population health.

Hunting is one thing. Hunting wolves merely to claim a patch of trophy fur is another.

Harold Hamilton gives kudos to Hann and Senjem.



**March 1, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. Quote of the Week.**
- 2. Freak Out.**
- 3. ObamaCare's Taxes.**
- 4. The Artificial Cost of Labor.**

**QUOTE OF THE WEEK**

"I will not sign a plan that adds one dime to our deficits -- either now or in the future."

Who said that? Yes, one Barack Hussein Obama.

Since taking office, his budgets have produced deficits in excess of \$1 trillion every fiscal year.

Our national debt stands in excess of \$16 trillion.

**FREAK OUT**

Do you have your generator fueled? Guns oiled, functions check completed? HAM radio properly tuned?

Your federal government stands on the cusp of Armageddon. The Abyss. This is worse than Terminator: Judgment Day. Calling Crystal Palace.

The president has done his level best to induce panic in the populace and convince you that Fiscal Holocaust is upon us.

When the bells tolls midnight, your humble, unobtrusive, benevolent federal government will suffer the horror of being deprived of \$85 billion from its \$3.6 TRILLION budget.

Aircraft carriers mothballed. Alien takeover. Meat inspectors furloughed. Zombies on the loose. Fewer TSA agents to grope your buttocks and strip search the elderly at airports. Mongol hordes at the gate. Who will man the drones over Coon Rapids?

A president screaming "fire!" in a crowded theater.

And with 57% believing that automatic cuts are the only way to get the federal budget under control, fewer and fewer are running towards the exits.

The Freak Out parade is a party of one, with perhaps some federal government workers straggling behind.

For beleaguered taxpayers who have seen their taxes rise dramatically while seeing incomes fall under this regime. a 2.3% cut in the budget doesn't exactly inspire panic - or sympathy.

But that these families only had to cut 2.3% from the family budget.

The federal government spends \$10.5 billion a day.

Eight days worth of spending and we're supposed to panic.

Our federal government borrows nearly \$5 billion per day.

Stop the deadbeat routine for a mere 17 days.

About 10% of the \$800 billion "stimulus."

Since taking office, Obama has grown the federal budget by 16.5%.

And we're supposed to run into the streets, tear at our clothes, pull out our hair, and don the sackcloth over \$85 billion.

Yawn...

Republicans need to stand tall and demonstrate that this de minimus cut to federal spending is both necessary and far from tragic.

Having said that, conservatives shouldn't cheer the sequester too much.

The focus on this issue distracts from a much larger issue, that of entitlement spending, the true cause of the budget crisis.

The sequester merely nicks discretionary spending, while doing nothing to address entitlements.

Moreover, these cuts need to be considered in light of Obama's tax increases he has already won.

\$1 trillion over the next 8 years for ObamaCare and the hundreds of billions in tax increases as a result of Republican capitulation on the Fiscal Cliff.

So grab your 40 watt plasma rifle and set phasers for "stun."

~~Global cooling~~ ~~Global warming~~ ~~Alar~~ ~~AIDS~~ ~~acid rain~~ ~~fiscal cliff~~ Sequestration is coming to annihilate the world.

Or not.

## **OBAMACARE'S TAXES**

There are many, many aspects of ObamaCare that trouble any freedom loving citizen.

The nationalization of 1/6th of the nation's economy will do that.

The Minnesota House will take up a bill on Monday afternoon that will implement a state-administered health insurance exchange, making the state a co-conspirator in this enterprise.

While the DFL has the votes to pass the bill, the debate will provide an opportunity for Republicans to weigh in on not only the exchange, but ObamaCare in general.

As a service to the good men and women serving in the House Republican Caucus, we republish this primer from Americans for Tax Reform laying out the biggest ObamaCare taxes.

The five major Obamacare taxes taking effect on January 1 are as follows:

**The Obamacare Medical Device Tax:** Medical device manufacturers employ 409,000 people in 12,000 plants across the country. Obamacare imposes a new 2.3 percent excise tax on gross sales - even if the company does not earn a profit in a given year. In addition to killing small business jobs and impacting research and development budgets, this will increase the cost of your health care - making everything from pacemakers to artificial hips more expensive.

**The Obamacare Flex Account Tax:** The 30-35 million Americans who use a pre-tax Flexible Spending Account (FSA) at work to pay for their family's basic medical needs will face a new government cap of \$2500. This will squeeze \$13 billion of tax money from Americans over the next ten years. (Currently, the accounts are unlimited under federal law, though employers are allowed to set a cap.)

There is one group of FSA owners for whom this new cap will be particularly cruel and onerous: parents of special needs children. There are several million families with special needs children in the United States, and many of them use FSAs to pay for special needs education. Tuition rates at one leading school that teaches special needs children in Washington, D.C. (National Child Research Center) can easily exceed \$14,000 per year. Under tax rules, FSA dollars can be used to pay for this type of special needs education. This Obamacare tax provision will limit the options available to these families.

**The Obamacare Surtax on Investment Income:** This is a new, 3.8 percentage point surtax on investment income earned in households making at least \$250,000 (\$200,000 single).

**The Obamacare "Haircut" for Medical Itemized Deductions:** Currently, those Americans facing high medical expenses are allowed a deduction to the extent that those expenses exceed 7.5 percent of adjusted gross income (AGI). This tax increase imposes a threshold of 10 percent of AGI. By limiting this deduction, Obamacare widens the net of taxable income for the sickest Americans. This tax provision will most harm near retirees and those with modest incomes but high medical bills.

**The Obamacare Medicare Payroll Tax Hike:** The Medicare payroll tax is currently 2.9 percent on all wages and self-employment profits. Under this tax hike, wages and profits exceeding \$200,000 (\$250,000 in the case of married couples) will face a 3.8 percent rate instead. This is a direct marginal income tax hike on small business owners, who are liable for self-employment tax in most cases.

## **THE ARTIFICIAL COST OF LABOR**

One of the toughest issues for people to grasp is the folly of minimum wage laws. Perhaps it's because on the surface it seems to be a benevolent and appealing issue.

Who doesn't want people to earn a decent living?

The problem is that, like many liberal ideas, the practical result is harmful to the very people who are allegedly helped.

A person's labor in the market place is like any other commodity. There is a supply and a demand. Where the two meet represents what the market is willing to pay for that labor.

That's the price that consumers are willing to pay and the price producers are willing to sell for.

Whether \$5 or \$500 an hour, that's what the market is willing to pay for that labor.

Just like the market for peanut butter or cars.

When an artificial floor is put in place, the market is disrupted.

When prices are made artificially high, the results are often harmful.

First, all those who possess labor skills below the market value won't be able to enter the marketplace and get hired.

Suppose the government passed a law that cars couldn't be sold for less than \$10,000.

What would happen to cars that were worth less than that on the market?

They wouldn't get sold because consumers would demand only cars that were actually worth \$10,000 or more.

The same is true for labor.

In other words, the most difficult to employ (young people, the disabled) are the first to be shut out of the marketplace.

The disabled greatly benefit from learning skills and knowing the dignity that comes with being a productive and taxpaying member of society.

Young people primarily benefit from entry level jobs because they learn the "soft skills" that are needed for success in any job, whether doctor, soldier, accountant, or otherwise.

Showing up on time, working as a team, being productive.

The alternative for many of these people is dependency, whether on government, family, or the non-profit sector.

Those people and society at large are decidedly not better served by them being priced out of the market place and put on the sidelines.

Moreover, minimum wages artificially raise human capital costs for job creators.

We all know that when you raise the price of something, you reduce demand. Take taxes, which artificially raise costs (ahem, tobacco taxes).

In short, there will be fewer jobs because job creators can't afford to buy less labor.

A related issue, is the effect on prices. Another way in which producers deal with higher input costs (in this case labor) is to pass the cost on to customers, to the extent that market place competition allows it.

Those higher prices are paid by consumers, many of whom don't have a lot of discretionary income to pay higher prices to satisfy the political desires of the Left.

In other words, if producers can pass along those costs, they will.

If they can't, they buy less labor, which means fewer jobs and higher unemployment (and higher unemployment costs).

If they can do neither, they go out of business, putting more people on unemployment.

Minimum wages laws reduce employment opportunities for the very people who need them the most while raising costs for both the private sector and for government.

Is it 2014 yet?

**March 8, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. Everyone is Rich.**
- 2. The Politics of Envy.**
- 3. Hero of the Week.**

**EVERYONE IS RICH**

Everyone is rich, according to Governor Dayton and the DFL majorities in the Minnesota legislature.

The Party of the Workin' Man, that always pledges to be interested strictly in confiscating from the rich, just can't keep their hands out of every man's wallet.

When it comes right down to it, the DFL always, always, picks the government budget over the family budget.

In the past, we have educated our loyal readers about the Suits Index, a system for evaluating how progressive (or regressive) a tax is.

A positive number means the tax is *progressive*, meaning that the tax burden as a share of household income generally increases with income.

A Suits Index of zero means the tax system is *proportional* -- the tax burden as a share of a household income is the same for high income households as for low income households.

A negative Suits Index means the tax system is *regressive* - the tax burden as a share of household income generally falls with income.

The Suits Index can be applied to specific tax proposals or to general tax proposals.

For example, alcohol and tobacco taxes have a highly negative Suits Index. As does a gasoline tax.

So how has our DFL majority treated the Workin' Man so far? No regressive taxes, right?

Wrong.

As mentioned above, alcohol and tobacco taxes are the most regressive, hammering the poor.

Governor Dayton proposes a \$150 million tobacco tax increase. The Suits Index is a whopping negative -.582 on the index.

And while the Index can be a complex and nerdy proposition, the point is that there is empirical, scientific data to demonstrate that Dayton and DFL cronies are doing way more than making the rich pay their "fair share."

If the governor's proposal wasn't enough, the legislature has weighed in with a tobacco tax increase of its own.

House File 91 and its Senate companion number 209.

This bill would increase the tax on tobacco products, including cigarettes and snuff, by increasing taxes on distributors as well as retailers, ultimately hammering the consumer. This gem would increase tobacco taxes by \$441 million over the two-year budget cycle.

In other words, this increase is nearly three times as big as the Dayton increase.

And don't forget about that other sin, booze.

While Governor Dayton left that tax stone turned over, the DFL legislature didn't.

Rep. Karen Clark has proposed a bill to nearly quadruple the tax on beer while also jacking up taxes on wine and hard liquor.

That Joe Six Pack. It's about that rich SOB paid his fair share.

Another extremely regressive tax is the gasoline tax and associated taxes and fees revolving around cars, that fossil fuel burning menace that keeps you from riding the trolley and other more eco-friendly modes of mass transit.

The DFL legislature has a plan for that, wanting to raise the gas tax by 9.5 cents per gallon, as well as raising tab fees and expanding the sales tax for transportation items by another half cent.

And we're not done. Bear with us as we share a couple more examples of how the DFL and Governor Dayton are sticking it to the 99%.

The Suits Index regarding the governor's tobacco tax proposal came from his own Department of Revenue (DOR).

The DOR had this to say about two other aspects of his tax plan:



*State Sales Tax.* In combination, the rate cut (down 20%) and expanded tax base yield a tax increase of nearly \$1.5 billion per year. Modeling the components as best we can at this time yields a Suits Index of -0.192. The net impact of the sales tax changes are **regressive**, as expected.

*Local Sales Taxes.* Base expansion will increase local sales tax revenue, as will the proposed 0.25% transit tax in the 7-county metro area - an increase of roughly \$300 million. The Suits Index for the increase in local sales taxes is -0.215.

All of this leads to a vicious DFL-inspired taxing circle.

They raise regressive taxes and then turn around and complain that the system overall is too regressive.

The solution, of course, is to raise progressive taxes, in much the same way a junkie tweaks on uppers and then needs some downers to balance the toxic stew.

Moreover, it points to rank hypocrisy, claiming to be all about the working man while taxing the tar out of him to feed an ever growing, ever more aggressive constituency of takers, voracious consumers of government services and treasure.

Regressive taxes? The DFL is starting to corner the market.

## **THE POLITICS OF ENVY**

Was it really news this week when the Star Tribune reported that a poll they commissioned revealed that the only taxes Minnesotans are interested in raising are those on someone else?

We think the real news there was that only 54% are okay with raising income taxes on the "rich."

Having said that, it was the only tax that got majority approval in the poll.

While the public policy and fiscal implications of tax increases are extremely important, it is just as important to explore the moral and emotional aspects of these policies.

Frankly put, the politics of class warfare is on full display with Governor Dayton's income tax proposal.

He foments and whips up a terribly ugly human emotion - envy. He demands that successful people turn over more of their resources to government, in large part because they deserve it.

Far from being celebrated as job creators and the epitome of the American Dream, successful people are held up as objects of derision and ridicule. Moreover, they are used as wedge issues and the subject of a harsh political narrative.

Look at the rich! They have more than you do! Make them pay more. And watch those Republicans defend them!

It's unseemly, vile, and one of the most abhorrent aspects of our political discourse.

It's also so very European, where the entrepreneur is reviled and as popular the local street criminal.

One of the primary reasons America boasts of remarkable prosperity is precisely because our culture celebrates the entrepreneur and encourages entrepreneurial behavior.

Dayton's rhetoric is just the opposite.

Then again, it is easy to understand why our governor has no connection to labor of love that comes with taking the risk to start your own business, be your own boss, and create a few jobs.

Conservatives want to celebrate success and encourage other to emulate the character traits that lead to success in life.

It seems the Left is more interested in making excuses for not succeeding while punishing those who do.

Envy is indeed an ugly emotion.

## **HERO OF THE WEEK**

Let's hear it for state Senator [Dave Brown](#) (R-Becker). Senator Brown offered an amendment to the disastrous health insurance exchange that was debated and passed last night in the Minnesota Senate.

Brown's amendment would force every legislator to buy health insurance from the very exchange they created.

His amendment was adopted but the victory will be short lived.

It will likely be removed in conference committee.

Nonetheless, Senator Brown is to be commended for this effort and his other actions to promote freedom and limited government.

Three cheers for Dave Brown!

**March 15, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. Let's Give Thanks.**
- 2. Pennywise and Pound Foolish.**
- 3. Budget Revised, Still Stinks.**

**LET'S GIVE THANKS**

While we focus on various issues in Saint Paul, we need to keep in mind and give high thanks and praise to our Republican legislators who are fighting the good fight at the Capitol.

Despite the knowledge that the DFL essentially has the votes to pass just about any bill it wants, our GOP legislators are putting up a great battle at every turn.

Offering amendments, speaking with passion, keeping up attendance in committees and generally doing everything in their power to make the DFL pay a price for passing bad legislation.

It would be easier to just vote "no" and head home for the day to family, friends, and private sector jobs.

Instead, these legislators devote untold hours to researching bills, plotting strategy, crafting amendments (get them in 24 hours in advance!) and speaking out against bills that grow government and restrict freedom.

While Senator David Hann and Rep. Kurt Daudt are leading the charge, there are so many other good legislators committed to doing a whole lot of heavy lifting on our behalf.

Yes, you can a vote here or there to gripe about, but the undeniable fact is that one party is for freedom and liberty and the other one isn't.

Watchdogs, be thankful that these good people are in Saint Paul giving their all to protect the principles and values we hold sacred.

Take a moment to drop your Republican legislator [a note of thanks](#). If you are behind enemy lines in DFL territory, adopt a Republican and tell them they are representing you when they vote in favor of freedom.

## **PENNYWISE AND POUND FOOLISH**

Speaking of legislators who are putting in overtime to protect our wallets, the Watchdog has a bone to pick with some members of the family.

In short, you are dead wrong in bad mouthing pay raises for legislators.

It's high time to raise the pay level. Here's why.

The background here is that a compensation council has recommended pay raises for legislators as well as other elected and appointed officials.

Currently, Minnesota legislators make \$31,140 annually, not counting other income and perks like per diem and housing (eligible only if your home is a distance from Saint Paul).

The pay has been at this level since the 1990s.

The compensation council has recommended raising the level to about \$42,000 annually.

It's worth it.

The simple fact is that Republicans not to need a government job and have other options.

Thus, many quality conservative candidates have passed on the opportunity to run for the legislature while others don't stay long, giving the DFL a comparative advantage in terms of experience.

The state has a \$38 billion budget and some want to quibble about a \$10,000 pay raise.

We want quality people managing government.

How many readers out there have a business? Do hire on the basis of lowest pay or do you seek quality and value-added people?

Exactly.

And don't get us wrong. There are some very talented and intelligent folks serving right now.

But what many of them won't tell you is that their service is a tremendous hardship on their careers and their families.

Serving in the legislature isn't like city council or county board. It's a full time job and then some for about half the year.

There aren't many jobs out there that allow you to walk away January through late May.

Hey, if you know of one of those jobs, pass it on to the Watchdog. We would be happy to pass it along to some good legislators we know.

And is it really part-time?

How many of you contact your legislator when the legislature isn't in session and expect a return call or email?

How many of you ask your legislator to attend some event during the interim period?

Sorry, they don't get to turn off the phone or the email during the summer.

That's what's up.

Yes, we wish there were term limits.

Yes, we wish the legislature would meet less often.

Yes, we wish government just didn't matter so much.

If wishes were horses, many would ride.

But the reality is that we've got good conservatives we need to retain and we have others we need to attract.

Legislators shouldn't get rich and public service shouldn't be a career.

On the other hand, it shouldn't be a vow of poverty or a barrier to talented people who simply can't afford to serve.

The case for higher pay would be stronger if per diem was scrapped. Few understand it and it's just a back door pay raise anyway.

The bottom line is that higher pay will retain the talent we have now and help the Cause recruit more.

Opposing a pay raise is pennywise and pound foolish.

A 3% pay raise or a \$1.6 billion tax increase?

Fight the real fight, people.

## **BUDGET REVISED, STILL STINKS**

So Governor Dayton got smoked on his budget and had to retreat from the dreadful ~~European Value Added Tax~~ business to business tax and his plan to tax prom dresses and winter coats.

Let's take a run through the revised and wholly unimproved budget.

### **INCOME TAX**

Yes, the governor still proposes to tax achievement and small business with a new higher income tax on small businesses and other with incomes over \$250,000 (\$150,000 for those filing as individuals).

Don't forget that wealthy Minnesotans pay the vast majority of income taxes already.

And don't forget that most small businesses in Minnesota pay their taxes as individuals.

The governor isn't taxing the idle rich. He's taxing main street job creators.

Finally, punishing successful people for being successful isn't only immoral, it's downright European. It's, well, downright [French](#).

### **DEBT SERVICE FOR MORE DEBT**

The new budget proposes to set aside about \$54.5 million to finance a \$750 million bonding bill. All this even though it's not a bonding year, he did a bonding bill last year, and putting more spending on the government credit card is what got us into this mess in the first place.

Debt service is the fastest growing area of the state budget.

More debt, governor? Really?

### **EDUCATION SHIFT BUY BACK**

Remember that whole campaign last fall about borrowing money from schools? Remember that promise to pay back that rapacious, unjust, abhorrent IOU?

Forget about it. Just kidding. It was only a cynical election ploy.

The governor has withdrawn his proposal and adds it to the "never mind" category.

### **WATER USE FEE**

The governor proposes to jack up water use fees on large consumers of water (read "job creators"). These fees will generate over \$1.5 million in profits for the state.

And here we thought that a "fee" was supposed to only cover the cost of providing the service.

## CORRECTIONS

Wow. There are numerous corrections resulting from math errors throughout the budget. How can we trust a budget that comes in with bad numbers time and again?

## GOLDY GOPHER EXTORTION

Governor Dayton buys in to the extortion proffered by the U of M. In exchange for freezing tuition for two years, Ski U Mah demands an extra \$42 million in state aid.

This just months after the U was exposed for outrageous administrative costs and pay schemes.

Any reform here? Nope. Just a payoff.

Like the whole state budget, long on government growth and short on reform.

## JUST KIDDING - PART III

The governor has proposed cutting tax rates for those businesses that pay under the corporate tax rate.

Just kidding. The governor takes back the \$300 tax cut, leaving Minnesota just as un-competitive as before.

## JUST KIDDING - PART IV

Remember the \$500 per household buy off on property taxes? The distraction by the right hand while the left picked your pocket on government to government taxes?

Just kidding. If you pay property taxes, you don't get a break.

But Goldy does. See above.

## SCREW THE RICH BUT ALSO SCREW THE POOR

Governor Dayton proposes to raise \$317 million by raising one of the most regressive taxes out there - the cigarette tax.



Notice that the tobacco tax raises more money than taking back the corporate tax cut.

In short, the governor is taxing smokers more than he is taxing Big Business.

Ah, the party of the workin' man.

**DON'T HAVE AN ACCIDENT**

The governor wants to raise the car rental tax to take in a cool \$15 million.

Need to send your car to the body shop and rent a loaner?

Pay up.

You say your insurance will cover the cost? Yes, and they will recover that cost by charging you more on your premiums.

**WE NEED MORE TRAINS**

Sales tax increases? Yep. There are more. The governor recommends a \$47 million sales tax increase (quarter cent increase) in the Metro area for what will likely go to funding more trains. Lord knows they don't pay for themselves.

**March 22, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. Spring Break is No Time to Relax.**
- 2. No Free Exchange of Ideas.**
- 3. Health and Human Services Drama.**
- 4. Heroes of the Week.**

**SPRING BREAK IS NO TIME TO RELAX**

Hey, Watchdogs. The legislature has temporarily adjourned to observe the Easter/Passover break, returning to Saint Paul on April 1st to continue the forced march on the [Road to Serfdom](#).

And yes, we can all sleep sound for the next week knowing that no new and tragic laws will be passed.

But this is no time to relax.

The break period is one of work for legislators. They will be hosting town meetings and other events back home in the district to get a sense of where their constituents stand on the multitude of bad ideas floating around the Capitol.

This is your time to weigh in directly with your legislators!

Moreover, Governor Dayton is touring the state to get "feedback" on his ever-changing and morphing quest to find just the right victims to target for tax increases.

Some of the original victims are apparently yelling too loudly. Shhhh, this won't hurt a bit.

Rest assured, there will be a lot of "Astroturf" efforts on the part of those who take from government to have their professional protesters show up and attack conservatives for not helping to pave that Road to Serfdom.

Think we're kidding?

Here's what Education Minnesota has posted on their web site:

Legislators and Gov. Dayton will hold meetings around Minnesota this spring to hear your comments and concerns. This is a great opportunity to tell them about

the education issues you face daily in your school. Please consider attending a meeting in your [community](#).

And AFSCME, the biggest public employee union:

Gov. Dayton is traveling around the state for "Meetings with Mark" to discuss his proposed [Supplemental Budget](#). It's an important opportunity for us to add our voices to the mix. [The governor is sticking to his guns on an income tax hike on top earners](#). If the richest 2 percent pay their fair share, the state can invest in middle-class priorities like education, job creation, and property tax relief. Let's stand up for investments that support our work and our communities. Meet with Mark in Duluth (March 20), Moorhead (March 25), and St. Cloud (March 26). [Read more](#) for times and locations.

And from [MAPE](#), another public employee union:

**Town Hall meetings:**

MAPE members are encouraged to attend Town Hall meetings to communicate with legislators. These meetings are a good opportunity to tell your elected officials your support for a fair budget. Please see if your legislators are planning a Town Hall meeting and make plans to attend.

Have we made the point?

You need to attend your town hall meeting to make sure the voice of the taxpayer is represented, not just the voice of special interests who are collecting handsome payback for funding the DFL in the last election.

The governor will be in Moorhead and Saint Cloud next week:

Monday, March 25 at 6:00pm  
Minnesota State Community and Technical College  
Oscar Bergos Center  
1900 28th Ave South  
Moorhead, MN

Tuesday, March 26 at 6:00pm  
Saint Cloud City Hall, Council Chambers  
400 2nd Street South  
St. Cloud, MN

Find out who [represents you](#) in the legislature and visit their legislative home page, which will tell you of upcoming town hall meetings. Make it happen, Watchdogs. Your liberty is at stake.

## **NO FREE EXCHANGE OF IDEAS**

Boy, the Democrats don't make any bones about being the party of Big Government.

The 1960s hippies who pulled the party into liberalism certainly had a strong respect for individual rights vis-a-vis government oppression.

They didn't trust government or anyone over 30.

What happened there?

In Washington, we have a president who has presided over the Rise of the Drones, waffled on the question of the use of those drones to kill Americans on American soil, refuses to answer questions on why his Homeland Security is trying to corner the market on bullets, or why he reneged on his promise to stop persecuting cancer patients using marijuana.

And here in Saint Paul, the governing DFL is doing a Mini Me act.

In this case, it isn't enough for the DFL that they have the votes to enact their agenda.

They want to make sure no one speaks against it, even if those speaking are fellow legislators, duly elected by their constituents to represent them in the legislature.

Throughout the session, the DFL has enacted rules and otherwise moved to stifle debate, criticism, and the free exchange of ideas throughout.

The latest example happened this week in the debate over HF 950, the bill that would force daycare providers and individuals who act as personal care attendants (PCAs) to join a union.

The House Government Operations Committee had the bill before it in the morning, with many hours available later in the day to continue the debate.

Despite the lack of any need to expedite the vote, the committee chairman cut off debate, cut off Republicans repeatedly and forced a vote even though Republicans were lined up to ask more questions of the author and further examine this complex, far-reaching piece of legislation.

Take a moment to click this [link](#) and listen to ten minutes of the debate.

Move down to Tuesday, March 19 and click "listen now."

Expand the window, and go to the 1 hour, 39 minute mark.

The next ten minutes will showcase what has been happening throughout the legislative session.

If we can't have unfettered debate, the full examination of ideas, and a free exchange of ideas in the Minnesota House of Representatives, where can we have that debate?

It appears as if the DFL doesn't want people to know what they're up to down at the Capitol.

### **Health and Human Services Drama**

Well, well, well. After years and years of blasting Republicans for cutting health and human services (HHS) programs, the House DFL suddenly decides that attempting to control health care costs is actually a good idea.

And we mean years and years. It has been an article of DFL faith to rip the GOP for not heaping money into HHS.

And now the House DFL budget blue print calls for \$150 million in cuts, despite a fat, billion-plus tax increase that calls for the state to have one of the highest income tax rates in the nation.

But you know there is plenty of money in that blue print for teacher pay raises, er, "the children."

When it comes to picking between the sick and the teachers union, the DFL knows where its campaign donation bread is buttered.

### **HEROES OF THE WEEK**

As the legislature moves into the break, the Watchdog recognizes two legislators who have been leading the charge in Saint Paul to fight the forced unionization of daycare workers and personal care attendants (see story above).

We recognize first Rep. [Joyce Peppin](#) (R-Rogers) for leading the fight in the House Government Operations Committee this week despite being cut off and gaveled down.

Furthermore, we recognize Rep. [Mary Franson](#) (R-Alexandria) for her steadfast opposition to this idea. Rep. Franson has been at the forefront of this fight since the start.

Let these two know you support them!

**March 29, 2013**

## **Public Policy Commentary**

### **In This Issue:**

**Editor's Note: Man, there's some bad news out there. And it's all on the heads of Democrats, who are proving once again that when you push policies contrary to rational human behavior and the laws of economics, you get a big steaming pile of crappy public policy.**

- 1. The Many Ugly Faces of ObamaCare.**
- 2. Another Ugly Face.**
- 3. The Case of the Unaccountable Chief Executive.**

### **THE MANY UGLY FACES OF OBAMACARE**

So where do you even start when it comes to perhaps the most ill conceived public policy in American history?

Of course, many of you have read many articles, essays, white papers, and other news items related to this white elephant. In fact, ObamaCare is so bad, no adjective may do it justice. "Obama Care" may in and of itself come to stand for public policy so bad and so devoid of value that in the future we could see the "Obama" prefix attached to wretched, wasteful, unjust legislation, no matter who the elected official who opposes it.

A bridge to nowhere? "ObamaBridge."

A police search and seizure that blatantly violates fundamental liberties? "ObamaStop."

Millions in pork barrel spending? "Pork." Billions in pork barrel spending? "ObamaPork."

Back to the issue at hand.

It was no surprise this week when the Obama Administration had to admit that, indeed, many millions of Americans would see their health care premiums skyrocket under this scheme.

Again, it's basic economics.

When measures to control demand (e.g. price) are artificially reduced or removed, demand goes up, and so do prices.

All resources are limited, including health care. When the doors to the store are thrown open, demand goes up.

When demand control measures are reduced, prices go up, rationing is introduced, or both.

This is what's happening right now.

Some will get free or reduced cost health care because others in the system are subsidizing them. Health care still costs money and is still delivered in many cases by private sector means, both doctors and hospitals.

Because these people and organizations don't offer their resources and talents for free, they have to be paid. Hence, a subsidy flowing from the healthy to the unhealthy.

Moreover, rationing of some type will certainly be introduced, in some cases in a harsh fashion.

Again, all resources are limited. The country can't produce all the radiologists or surgeons the citizens could see. The country can't produce all the Xrays, MRIs, or pacemakers the country could consume.

So, instead of the market acting as a brake on unfettered demand, government will.

Instead of the market place limiting and conserving scarce and valuable resources, some bureaucrat will decide who gets to have a heart transplant.

Any economist from centuries ago could get in a time machine, travel to the present, and tell Democrats this simple fact.

Sorry, Democrats. Alchemy doesn't exist, even political alchemy. You can't turn perceived health care lead into health care gold.

The illusion of health care reform will come in both a massive payment transfer from one group of Americans to another as well as a rationing of health care resources that will simply result in the more politically influential getting their share while others get less.

It is also normal human behavior to be avaricious, which means greedy for our readers from Saint Francis.

It is rational human behavior to desire things, especially when people know they are getting a good deal.

Cash bar at a wedding? Only a couple of drunks willing to pay for the buzz.

Open bar at the same wedding? Drunks galore, puke on the bathroom floor.

When it comes to health care, the same proposition holds true, with an even more important moral component.

An article in the Star Tribune about health care exchanges (note there were no quotes from opponents of the exchange) quoted an older small businessman who was interested in having someone else subsidize his insurance and that of his older employees.

He noted how "unfair" it was to have "discriminated pools" for health insurance.

Really?

And it is similarly unfair that the guy with 10 DUIs pays a higher car insurance rate than the guy who doesn't have a single speeding ticket?

And what of the deadbeat who can't hold a job and has declared bankruptcy twice? Is it unjust that he pay a higher interest rate for a loan than the guy with sterling credit?

And what of the 60 year-old who has smoked his entire life, drinks like a fish, and is 100 pounds overweight. Is it unfair that he pays a higher health insurance premium?

Of course it's not. These claims of "unfairness" and "discrimination" really mask a greedy desire of some people to get something through government coercion they otherwise could not obtain - low cost, high benefit insurance for a person at high risk for major medical problems.

It's the age old scam: politician promises something for one guy, to be paid for by another guy. The guys who get something outnumber the guys who pay for it. Theft by democracy.

A return to democratic republic is in order.

## **ANOTHER UGLY FACE**

Another aspect of ObamaCare that isn't getting enough attention is the cost to local units of government to administer this Leviathan.

We're not talking about benefit sets here or health care delivery. We're talking running the system.

Sources in Anoka County government tell the Watchdog that the county estimates that it will cost \$1.4 million each year to administer ObamaCare and its associated programs.

This is an unfunded mandate and yet another aspect of the hidden and very real costs of this "reform."



Moreover, these sources report that the county is seeking to hire 14 employees alone to beef up the Human Services Department as ObamaCare lurches towards its debut in the county on October 1.

## **THE CASE OF THE UNACCOUNTABLE CHIEF EXECUTIVE**

As the weeks and months wear on, it becomes more and more apparent that the Vikings stadium extortion is turning out to be an extortion where the important piece, the delivery of money, might not come through.

It's tough to extort someone who doesn't have money. It requires creativity and a pair of stones bigger than the average set found among the already big-stoned extortionist class.

But all this focus on the failure of electronic pull tabs and electronic bingo misses the point or the points, that is.

First, does the buck ever stop with Governor Dayton?

For how long does he apparently get a pass on being incompetent and asleep at the controls of the 747 of state government?

First, the governor was allowed to claim that he had no idea that the stadium bill he negotiated and then signed into law had a provision that allowed for personal seat licenses (PSLs).

Now, he's allowed to claim that he had no idea that estimates of revenue from these games were derived, at least in part, from the companies who hoped to manufacture and sell the games to state government.

That's like asking the car salesman if the rust-proofing package is worth the money.

Every state agency tasked to develop the stadium plan belongs to the executive branch and thus reports to the governor.

That includes the Gambling Control Board, the government agency at the center of the current controversy.

The majority of the board of directors is [appointed](#) by the governor.

The governor led the stadium parade here and now wants to claim he didn't know the parade route, the tune the marching band was playing, or even the purpose of the parade.

No doubt, there will be more examples forthcoming over the next few weeks showing the governor and his administration vouching for the accuracy of the projected revenues and the funding source itself.

The other issue at stake here has nothing to do with the funding source. That argument misses the point.

The real point is that this is just another reason why government shouldn't be involved in the stadium extortion game.

It's simply a game government, especially this government, is ill-equipped to play.

Yes, there are moral reasons for government not to subsidize pro sports. The practical argument is that it's government playing checkers while the pro leagues are playing chess.

Does anyone really think a private bank, hedge fund, or other private financier of a stadium would engage in such a lack of due diligence?

Nope. The consequences are real, unlike in politics, where people like Barack Obama get re-elected after screwing up.

Although the political courage is likely lacking, the real solution here is to repeal the Vikings stadium bill and tell Mr. Wilf that he is welcome to fund the building of his stadium all by himself.

Beyond that, perhaps the governor could help us out by publically declaring that any shortfalls from gaming will be covered in full by Mr. Wilf, with no further obligation or risk on the part of the taxpayers of this great state.

**April 5, 2013**

**Public Policy Commentary**

**In This Issue:**

**1. Zygi's Checkbook.**

**ZYGI'S CHECKBOOK**

Wow. Our column last week on the Viking stadium debacle elicited some very, very strong reader reaction.

Of course, our readers are an intelligent lot and they know the folly of taxpayer-financed sports stadiums.

But the toxic combination of a stadium deal combined with dubious and perhaps fraudulent funding has left our Watchdogs in a particularly foul mood.

We received email after email blasting the governor and legislature for not only doing a deal to give Zygi a big subsidy, they gave him one that doesn't work and was known to be a dubious funding source from the outset.

Now those chickens come home to roost.

Of late various issues have come to the fore, and legislators and other elected officials are right to raise them.

It is right to call for slowing down the process, as Senator Sean Nienow and Rep. Mary Franson have done.

It is right to ask for legislative oversight of the exactly what went wrong in the process and who should be held accountable, as Senator Nienow has also done, even when it causes Governor Dayton to go into middle school mode and accuse Nienow of "shooting his mouth off." Way to represent the state, Mr. Chief Executive.

And it is eminently correct to call out the chief executive on his befuddlement and surprise regarding very important aspects of the stadium deal, including the use of personal seat licenses and the preparation of revenue estimates by the very people with a vested interest in the devices that produce the revenues to finance the stadium.

The lack of leadership is palpable and second only to the lack of leadership exhibited by the current occupant of 1600 Pennsylvania Avenue.

But these issues aren't the real issue.

The real issue here is where Zygmunt Wilf is in this whole debacle.

The public is asking what the governor and the legislature are going to do to fix the stadium funding problem.

The answer is clear: Require Zygmunt Wilf to own this problem.

After all, it's his stadium and is being built to benefit HIS profit-seeking enterprise.

Spare us all the talk of the "People's Stadium."

Little League baseball, Monster Jam, the High School League, and all the soccer moms who roller blade around the concourse didn't come to the legislature asking for a new stadium.

They didn't note how the Dome was inadequate with respect to their insatiable desire for more revenue.

It was the Minnesota Vikings and no one else.

So, it is the Vikings who should pay up.

It shouldn't be government owning this problem.

All the speculation about new taxes, fees, more gambling (haven't we had enough of this unreliable source of income?), is misplaced.

The real revenue stream is Zygi's considerable wallet.

After all, isn't our governor the man who desperately desires that the wealthy pay their fair share?

Most assuredly, Zygi and company are not paying their fair share.

Let's take a close look at what exactly this out-of-state real estate hustler is paying when it comes to the stadium deal.

The price tag for the stadium is put at roughly \$975 million.

Of that amount, the state is obligated for \$450 million.

Separately, the City of Minneapolis is kicking in \$150 million.

Right off the bat, taxpayers are being forced to give a roughly 62% subsidy.

Must be nice to be a private business and get a 62% subsidy on a new building to house your profit-seeking enterprise.

So what of the other \$375 million.

Let's be crystal clear on this point at the outset: this amount isn't coming from Wilf. It's called "private money."

And just what does that mean?

The biggest source of private money is a \$200 million loan from the NFL.

The team has to repay the money, but it won't be done with either Wilf's private funds or even the team's revenues.

When an NFL team plays, the teams split ticket-related revenue.

The important part is this: Pursuant to NFL rules, the VISTING TEAM'S share of premium seat fees services NFL loans. So when teams visit the new stadium, it their share of premium seat fees that pays back the loan, not the home team.

So that's \$800 million that Wilf and the Vikings won't pay.

The next tranche of "private" money will likely come from stadium naming rights.

The net present value of naming rights for the new stadium is estimated by experts to be in the vicinity of \$62 million.

That puts the total at \$862 million of \$975 million, leaving a gap of \$115 million.

Put another way, the non-Wilf payment stands at 88 cents of every dollar to build the stadium.

Anyone out there wish government paid 88 cents of every dollar you needed to buy or build something?

And will the remaining money needed come from Wilf or the team?

Unlikely.

One option are the personal seat licenses (PSLs) that the governor claimed to have no knowledge of, despite the fact that PSLs are authorized in the bill he signed into law and were discussed in public at a Senate hearing and in other forums as well.

As PSL is essentially a surcharge placed on season tickets, remaining in place until the private money obligation is met.

Of course, other options such as higher concession prices, team sponsorships, and other options could also fill the gap.

The bottom line is that Mr. Wilf is not on the hook personally for one dime of a stadium built for his benefit.

The legislature needs to be asking the correct question here.

And that question is as follows: Mr. Wilf, what are YOU willing to do to build this stadium?

What skin do you have in the game?

It is a question asked better late than never at all.

This question is all the more important in light of recent developments in Atlanta, where the Falcons have concluded a deal with government to get a stadium built.

The Atlanta stadium is estimated to cost around \$1 billion, similar to the cost of the stadium here.

The difference is that the public exposure to the cost is limited to a \$200 million contribution, financed by a local hotel tax.

The remaining cost, including cost overruns, will be borne by private money.

In short, the taxpayer's share is 20% of the enterprise and is capped, making the risk to taxpayers known.

Here, taxpayers have ponied up nearly 2/3rds of the cost and have significant exposure because under the current law the general fund of the legislature will cover shortfalls from the gaming revenue stream.

This state of affairs is especially troubling because the gambling revenues were so speculative and so untried in the first place.

Backing up a new, novel funding stream with the state's general fund is legislative/gubernatorial malpractice. Goodness.

Atlanta: Taxpayers responsible for 20% of the cost only.

Minneapolis: Taxpayers on the hook for nearly 66% and the state's general fund at risk.

And Zygi Wilf is nowhere to be found in this conversation.

It's time for the DFL legislature and the governor to bring the man who benefits most from this new stadium into the conversation.

In fact, where is the media on this? No interview with Zygi or even his semi-competent chief lobbyist Lester Bagley? Talk about malpractice.

The bottom line is that Zygi Wilf would love to lay low and make this appear to be solely the legislature's problem.

Let this publication be the first to publically call for him to appear before the people of Minnesota and explain what he intends to do to not only fix this problem, but make for a more equitable balancing of the financing and risks involved here.

The better position would be for no taxpayer involvement, but getting the team to put some real skin in the game would be a good start.

**April 12, 2013**

**Public Policy Commentary**

**In This Issue:**

**Editor's Note: Is there any more abused word in government than "investment?"**

- 1. More Spending, More Debt.**
- 2. Pro-Business Isn't Pro-Capitalism.**

**MORE SPENDING, MORE DEBT**

Greetings from Saint Paul, Watchdogs. As the days tick down towards the constitutionally mandated adjournment date of May 20, the full scope of DFL rule is coming into focus.

It's a comprehensive and breathtaking plan to grow government, diminish liberty, increase government dependency, and eliminate the concept of personal responsibility.

The goal is clear: addict people to government and thereby empower government and those who run government.

How sad that we are realizing the full scope of this tragedy at the same time we celebrate and remember the life and leadership of Margaret Thatcher, the Iron Lady (not to be confused with Anoka County's own Iron Lady, Rhonda Sivarajah, who is very much alive and very much leading the county in the right direction).

This week, both the governor and the House released their capital investment bills, popularly known as "bonding bills" because they are financed by selling bonds.

In other words, the state borrows money and pays back the bonds over a number of years - with interest.

In other other words, this is a loan.

In other other other words, it's putting building projects on the taxpayer credit card. Here are five reasons that these bonding bills shouldn't pass this year:

Reason #1: It's not a bonding year. For many years, until the early 1970s, the Minnesota legislature only met every other year, not yearly.

In the post-Watergate orgy of liberalism and DFL ascendancy, the legislature went back to meeting every single year because, well, you know, government is just so dang



important that society was suffering without legislators in Saint Paul every single year to pass laws to make life easier and more rewarding.

The rationale that the DFL used was that these bonding bills were so important, the legislature needed to come in during even-number years to consider and pass a debt-financed borrowing bill.

Well, if a bill is to pass this year, let's agree first, before a vote, that pass or fail, there will be no legislative session in 2014.

If the bonding bill is considered this year, that's fine, but then live with the result and agree to come back and haunt the taxpayers in 2015 - after the next election.

Reason #2: The state has a huge backlog of capital investment projects from previous years that ARE STILL on the books.

According to Minnesota Management and Budget (MMB), the state's budget agency, the state currently has an outstanding balance of \$2,075,534,400 in AUTHORIZED BUT UNISSUED debt.

In other words, there is some \$2 BILLION in previously authorized bonding that was passed by the legislature in previous bills but has not been issued.

Legislators would be well served to ask the governor and the DFL majority why they are proposing hundreds of millions of dollars in new debt-financed spending when there is over \$2 BILLION still on the books.

Why isn't there a law that states that there shall be no new bonding until previous authorizations are expended?

Where are the cancellations of previous projects that for whatever reason haven't come to fruition?

That number is a whopper.

A massive bonding bill will generally come in at under \$1 billion.

In other words, this \$2 BILLION number is worth approximately two big bonding bills.

Reason #3: Interest payments on debt are one of the fastest growing areas of the state budget.

The state is piling up debt at a torrid pace. Of course, that debt must be repaid - with interest.

Those debt repayments represent tax money that is otherwise unavailable to fund prisons, roads, law enforcement, and other core government functions.

The liberals always love to crow about how cheap it is to rent money.

Well, what exactly does this debt cost?

According to MMB, the state in fiscal year 2012 will pay out \$301,595,000 in debt payments.

That's a lot of salami.

Even worse, MMB estimates that the state in fiscal year 2017 will shell out a whopping \$973,016,000 in debt payments!

That's more than triple the current bill in just six years.

Once again, legislators in the Grand Old Party had best be asking questions about this exponential rise in debt service payments.

Reason #4: The bonding recommendations are filled with non-essential, vote-buying, parochial pork.

As usual, the bonding bill represents more a pork barrel vote-buying exercise than an attempt to craft good public policy that meets the capital repair and renewal obligations of the state.

The envelope please:

- \$16,215,000 for bike trails around the state (about \$50,000 for every bike rider in the state);
- \$4,000,000 for a sports center in Marshall;
- \$15,000,00 for passenger rail projects;
- \$7,000,00 for a sculpture garden in Minneapolis;
- \$7,000,000 for the Chatfield Center for the Arts;
- \$4,950,000 for the NorShor Theater in Duluth;
- \$35,000,000 for the Mayo Civic Center in Rochester (aren't they already getting billions from the state?);
- \$9,000,000 to renovate the Public Television Building;

And so much more.

Reason #5: Republicans Control the Process.

Recall that the Minnesota Constitution requires a three-fifths super-majority to issue bonds. Article XI, Section 5, paragraph (a) demands this elevated level of support.

Simply put, the current DFL majority doesn't have the votes to pass a bonding bill without GOP support.

Put another way, the DFL has now power to incur this debt in the absence of Republican enabling.

Republicans can say NO to this runaway spending. If they have the courage and the will to do so.

If they don't, many taxpayers will be hard-pressed to think of a good reason to return the House to GOP control in 2014.

If the GOP aids and abets DFL debt-financed spending, how can they claim the mantle of fiscal responsibility?

Yes, some GOP legislators may have to say no to the pork dangled before their eyes.

The Watchdog knows how this goes. The DFL will write letters to the editor in the local paper. Editorial boards will chime in as well. Local elected officials and "pro-business" chambers of commerce will all parrot talking points about the jobs that will be created and the economic development that will come with upgrading the local zoo cages, building a volleyball court or adding some new pissers at the local ice rink.

BUNK.

If the GOP can't hang together on this, pack it in. We're done for the foreseeable future.

There are people out there who believe in taking on debt to grow government. There are people out there who don't comprehend that government spending doesn't create jobs or wealth. There are people out there who think that government spending can lift an economy. There are people out there who think Keynesian economics are valid.

Those people are called Democrats.

Republicans are different. The task is to show Minnesota that we think differently and have the political courage to vote that way.

If there are legislators out there who think their re-election hinges on voting for some community center or MnDOT truck station, they're listening to the wrong people back home, who are likely in the minority but are "opinion makers."

A bonding bill? No way.

**PRO-BUSINESS ISN'T PRO-CAPITALISM**

The Vikings stadium debacle is a good time to revisit a concept that often gets lost on some readers because Republicans so often feed into the problem.

In short, there is often a world of difference between what is good for a profit-seeking enterprise and what is good for a capitalist economy.

Often, Republicans and conservatives are beguiled by projects that are portrayed as "pro-business" because the project purports to create jobs or is supported by the "business community."

Government subsidies are justified as a necessary component of whatever some business wants, with the promise of economic paradise to follow.

The Minnesota Vikings have promised jobs, economic development, and Sundays filled with glory for every man who got cut from the JV football team in high school.

For years, farmers have been another group of businesses who have profited from government subsidies.

This legislative session, many business interests have gotten behind the white whale known as Southwest Light Rail, yet another train that is going to somehow generate all sorts of good things for the economy, even though Northstar rail has proven just the opposite.

This session has also been one that has seen the Mayo Clinic looking for unprecedented taxpayer involvement for their enterprise.

Hey, this is rational behavior. Rent seeking is as old as government. If government is dumb enough to hand it out, business will be smart enough to take it.

Unfortunately, all of this activity is contrary to notions of capitalism, the one true means to wealth creation, efficient allocation of resources, and success based on merit.

All too often, government risks taxpayer money on projects or financing schemes that would never happen with a private lender because the risks were way too high or the funding mechanism wasn't viable.

All too often, government appropriates money to projects that greatly distort market decisions and subsidize location choices that aren't efficient.

For example, the so-called "JOBZ" program of Governor Pawlenty led businesses to locate in areas of Minnesota that didn't make sense but for a subsidy to distort the market enough to interfere with the location decision.

Instead of job creators looking for government to get out of the way, many have instead thrown in their lot with government, looking for ways to leverage government power to enhance their own interests while squeezing out competition.

This is especially true of large corporations that have the resources and sophistication to influence government.

So often, "pro business" is simply a polite way to say "crony capitalism."

**April 19, 2013**

## **Public Policy Commentary**

### **In This Issue:**

- 1. Sugar, Sugar.**
- 2. Who's on Trial?**
- 3. Is Bachmann OK?**
- 4. Capitol Update.**

## **SUGAR, SUGAR**

*Ah, sugar, ah, honey, honey  
You are my employer girl  
And you got me wanting to work for you*

With apologies to the Archies, a version of their infectious 1960s pop hit was heard echoing throughout the Red River Valley this week as members of the Bakery, Confectionery, Tobacco Workers, and Grain Millers Union discovered a new found love for their employer, American Crystal Sugar as they approved a new contract that will put them back work processing sugar beets into that sweet, sweet refined [sugar](#). Or this [sugar](#).

Did we say new contract?

Oops, we mean the old, old, old, old, new contract as the one approved was essentially the same one they rejected four previous times.

We guess that the workers concluded that the mean, nasty, imperious employer wasn't so bad after all.

These long-suffering workers will have to suck down a 13% pay increase, and yes, they will be giving up a promotion and layoff system based on seniority.

Oh, the humanity. Workers will now be promoted and retained based on merit. What a novel idea.

Way back in August of 2011 (in the midst of a brutal recession), over 96% of union workers at the company rejected the contract they now embrace, obviously listening to union propaganda and woefully overestimating both their value to the employer in particular and their value to the market place in general.

So what changed? The workers got a big, fat, heaping dose of economic reality.

They found out that it was hard, extremely hard, to replace the job that provided great benefits and \$40,000 per year in wages.

The Watchdog spoke with a number of contacts in the area who verified this very simple yet powerful truth.

The bottom line is twofold here.

One, in the private sector, the market place doesn't let anyone engage in fantasy. When employers or employees aren't realistic about their business plan, marketing plan, or value to the market, reality will step in and impose a harsh truth.

Second, the union ate a massive dose of humble pie. No matter how it's spun, the union delivered nothing but 20 months of pain on its membership.

This episode is another example of why many American workers question the value of union membership.

## **WHO'S ON TRIAL?**

As readers know, the Watchdog tends to focus on issues of capitalism and economic liberty while steering clear of social issues.

Having said that, we always reserve the right to explore those issues, especially when they corroborate our point of view.

Over the past two weeks, a particularly egregious social issues has proven our opinion that the mainstream media (MSM) is hopelessly liberal and biased.

You wouldn't know it by watching or reading the MSM, but a man is on trial in Philadelphia, accused of running a house of horrors, where illegal abortions and outright infanticide took place under grisly and appalling conditions.

Not only is there little media coverage of this offense against humanity, the MSM seems uninterested in putting abortion advocates on trial.

There is no media scrutiny whatsoever of the National Abortion Rights Action League (NARAL) or Planned Parenthood (PP).

The leaders of these organizations aren't put under the spotlight and accused of creating and fostering an atmosphere of cheapening human life.

They aren't asked in a very accusatory way if they don't bear some responsibility for the atrocity.

They aren't asked to what their solution is to the horror that took place in that unsanitary and bloody building.

We don't see or read unflattering portraits of abortion rights leaders.

But you know what?

The MSM did that very same thing to the National Rifle Association (NRA) in the aftermath of the Sandy Hook tragedy.

The NRA, its leadership, and every member was put on trial by the MSM, accused of creating the monster who murdered so many.

The NRA was vilified, accused of creating a culture of murder and firearms anarchy simply because the organization supports and defends the Second Amendment.

NRA leadership was portrayed as bumbling dunces, incapable of understanding the politics and public policy of firearms legislation.

Gun owners who opposed draconian guns confiscation proposals were mouth breathing "nuts" unfit for participation in our democratic process.

Yet none of that happened to the abortion industry and those who lead it.

What hypocrisy.

## **IS BACHMANN OK?**

It's time the conservative family had a conversation.

Since we're in regular contact with thousands of freedom loving folks across this great state, we know what you're thinking.

And you're thinking that Michelle Bachmann may be in trouble for 2014.

You're thinking that she has taken on water and may be taking on more, instead of bailing out the boat.

There's nothing wrong with having that conversation.

In fact, now is that time to start that conversation.

Silence masquerading as party loyalty is downright disloyal and is a form aiding and abetting our political opponents.



That kind of thinking has produced the disastrous candidacies of Tom Emmer, Kurt Bills, and Allen Quist (pick any campaign since 1983).

Look, this piece isn't some diatribe against Bachmann or an opinion piece that reaches any conclusions other than that the family would be well served to think long and hard about who is the best candidate to keep the Sixth Congressional District of Minnesota in Republican hands.

Losing the district would be a severe embarrassment and would represent the third election cycle in a row in which the GOP suffered a humiliating black eye.

We say this because there will be many harsh and irrational responses demanding that conservatives all shut up and pretend nothing is wrong.

There will be responses blaming Bachmann's problems solely on the media, George Soros, and the Viet Cong.

The facts are simply that in the last election, Bachmann woefully underperformed the district, especially for an incumbent.

Legal problems continue to mount regarding her failed presidential campaign, with a former loyalist and trusted lieutenant coming forward to corroborate allegations of campaign finance law violations.

Constituent services continue to be a major problem, with many people who live in the Sixth District telling us that she and her office continue to have big issues with basic constituent services.

And it doesn't help that with a major liability being the charge that she ignores her district, she has spent to no small amount of time this week bragging about a trip to England for Margaret Thatcher's funeral.

Hey, it's a cool deal to be there to send off the Iron Lady, but the good people of England don't vote in Minnesota's Sixth District.

Moreover, there is trouble ahead with Jim Graves stepping forward for a rematch.

Make no mistake, Graves is a successful businessman who doesn't undertake any big project without excellent due diligence.

The Watchdog has spoken with a person who has knowledge of the Graves decision to run for re-election. That source tells the Watchdog that the data suggests that Graves has a strong chance of winning next year, at least as things stand today.

The bottom line is that now is the time to consider this situation and deal with it.

Let the discussion begin.

## **CAPITOL UPDATE**

Here's your Capitol update for this week:

DFL proposes \$2.6 billion in tax increases

DFL proposes \$600 million in fee increases

DFL proposes hiring hundreds of new state workers

GOP Watchdog Rep. Par Garofalo offer amendment to reduce state commitment to Vikings stadium. DFL rejects in the name of being the Party of the

Downtrodden Masses.

See you next week, Watchdogs!

**April 26, 2013**

## **Public Policy Commentary**

### **In This Issue:**

- 1. DisHonour.**
- 2. DFL War on Profits.**
- 3. KSTP Poll.**
- 4. Calling all Patriots!**

### **DISHONOUR**

So Scott Honour is the first Republican out of the chute to announce for governor against Mark Dayton. Given the governor's record, there will surely be more.

What the Watchdog finds so funny and "dishonourable" is the ultra-koo-koo liberal special interest group, Alliance for a Better Minnesota (ABM), bagging on Honour because he is a successful business leader. In short, criticizing him because he's rich, thanks to the fruit of his labor.

ABM noted on their Facebook page shortly after Honour announced: *"Surprise, surprise the first GOP candidate for MN Governor is a corporate CEO with mega-millions. He lives in a mansion on Lake Minnetonka."*

Uh, did the AMB forget that the guy they spent millions on to get into the governor's mansion is a mega-millionaire himself? That he grew up in a mansion in that very same area? That he still lives in a mansion and has a trust fund - in South Dakota?

Now, surely the ABM knows this because the person who funds this special interest group is none other than Alida Rockefeller Messinger, heir to the Rockefeller fortune AND Mark Dayton's ex-wife.

It's been even more humorous watching the DFL scramble to "clarify" their ripping on a self-made successful entrepreneur (they're just a bit sensitive right now, given their war on success), realizing that their rich guy guy didn't do a whole lot to earn his wealth. In fact, he did nothing.

DFL state Representative Ryan Winkler of Saint Louis Park took to his Twitter account to amend his party's vitriolic screed:

*The problem with Scott Honour isn't that he's rich, it's that his business didn't produce anything except capital gains.*

And so he would be a good candidate in DFL eyes if he were a member of the Idle Rich, who did nothing to earn it?

Here's the first bumper sticker of the campaign: Scott Honour: At least he earned his millions.

## **DFL WAR ON PROFITS**

If there was any doubt that the DFL is in full-on combat mode against capitalism and success, their tax plans have utterly erased all doubt.

While you could close your eyes and randomly pick a page in the DFL tax bill and hit upon some punitive and confiscatory tax, the proposed tax on alcohol demonstrates the contempt with which the DFL treats entrepreneurs and small business owners.

On paper, the massive income tax increase on small businesses and family farms looks to be the biggest middle finger the DFL could raise to success and individual merit.

But in the media, the alcohol tax takes the prize this week, because of what the DFL said in response to complaints of brewery owners regarding the confiscatory level of taxation proposed by the DFL.

These brewers and others involved in the liquor industry, in a nod to hundreds of years of observed economic behavior, noted that these massive taxes would be passed along to consumers of alcohol.

In response, key DFLers noted haughtily that if liquor producers passed along tax increases, it was their choice and that doing so meant that they were interested in making a profit.

*"If the folks involved in the liquor industry want to get a little profit off their customers because they're hiding behind a user-fee that hasn't been raised in 26 years, I think you need to ask all of them why they're choosing to go after their customers because that's not required in the law,"* said one House DFLer.

The observation must be based on their collective experience in creating jobs, starting small businesses and meeting payroll all while living under business regulations instead of making them.

Riiiiiiiiight.

The rational pursuit of profits underpin American prosperity.

Profits drive individuals to take the risk of starting a business.

Profits grow the economy and grow the economic pie.

Profits expand businesses and allow access to credit markets.

Profits create jobs.

Profits support charity.

Profits even fund government.

No profits, no jobs, no prosperity, no government revenues.

Are these Democrats really that ignorant of basic economic principles?

Let the Watchdog proudly reiterate our support of the rational pursuit of wealth and profits.

Yeah, they may not do it that way in North Korea, but we still think profits are pretty cool, no matter what Strongman [Kim Jong Un](#) and the Senate DFL say about profits.

## **KSTP POLL**

The Watchdog normally ignores polls, but the KSTP poll is usually fairly reliable and uses decent methodology.

Moreover, this recent [poll](#) touches on some hot legislative topics, and it doesn't look good for the DFL and Governor Mark Dayton.

Here are five takeaways from the poll:

Takeaway #1: Mark Dayton and the DFL legislative majorities are under water on approval ratings.

Governor Dayton has an approval rating under the critical 50% line, coming in at 49%. This number is obviously close to 50% and there is a long way until November 2014, but underwater he is.

The numbers are far worse for the DFL-led legislature, where the entire House of Representatives is up for re-election in 2014.

Only 28% approve of the job the legislature is doing. Buyer's remorse, Minnesota?

Takeaway #2: The DFL tax plan isn't real popular either.

57% oppose taxing services like haircuts and automotive repair, a key item in the Senate DFL tax scheme.

A whopping 74% oppose taxing clothing.

A bare majority of 51% support taxing ~~the rich~~ consumers of alcohol.

The only nugget of good news for the DFL is that playing the class warfare card is apparently still popular in Minnesota. Too bad we can't figure out a way to tax people's envy that someone else has achieved success.

69% stand up and cheer when asked if people making more than \$500,000 should be punished with higher taxes.

It's too bad the question wasn't "do YOU want your income tax rate increased to fund more government?" I guess we got the answer to that above. Don't tax my underwear, booze, or haircuts, but it's cool if you tax the guy who hired me and all the other guys who create the jobs.

And then we will wonder where all the jobs went.

Takeaway #3: Minnesotans are opposed to the DFL's all tax budget. A paltry 9% want the budget deficit to be resolved with tax increases only. Yes, 9%. Crap, that number is lower than the approval ratings for Washington.

Remember that the DFL budget plan increases spending by billions while making only minor "cuts," which are in most cases just a reduction in planned spending increases.

A significant 41% want cuts only.

47% demand that tax increases and cuts be equal.

So, 88% think an all tax budget is bad. That's what you're getting, Minnesota. Elections have consequences.

Takeaway #4: Everyone knows Zygi Wilf ripped us off. Given a menu of four options to make up for the stadium funding shortfall from electronic pull tabs, a strong majority of 52% demand that the Vikings pay more.

It's too bad we haven't seen the courage from the governor and the legislature to do just that. Instead, we see proposals to tax baseball cards and kid's replica jerseys (5% approval) or go back to the tired old proposal to do more gambling, the same gimmick that got us in trouble in the first place (20% approval).

Takeaway #5: You didn't earn a raise. Strong majorities are opposed to a pay raise for both legislators and the governor. Can't say we're surprised, given how this gang has managed the place.

The bottom line we take away is that when you say you're going to tax only the successful, the voters take you at your word.

Trust us, the DFL won't be able to back off their thirst for taxing many, many more than just the rich. The dirty secret is that the rich don't even have enough money for the DFL.

### **CALLING ALL PATRIOTS!**

It's time for all good patriots to come to the aid of their state by participating in the 2013 [Tax Cut Rally](#).

The 2013 rally is this Saturday on the Capitol Mall, starting at 10:00 AM.

This year's rally holds special appeal, thanks to 1) a roster of great speakers, including Grover Norquist; 2) a toxic tax and spend environment in Saint Paul and Washington; and 3) great weather!!!

Come on down and enjoy the fellowship of right thinking brothers and sisters, including the Watchdog Himself, Harold E. Hamilton.

Stop by our tent where Harold will be on hand to sign autographs, hang out, and dispense criticism of all things liberal.

The Watchdog is a proud sponsor of the rally, as usual.

**BE THERE!**

**May 3, 2013**

## **Public Policy Commentary**

### **In This Issue:**

- 1. When It Costs More, You Buy Less.**
- 2. Baxter Medical - Wrong, Wrong, Wrong.**
- 3. Hero of the Week.**
- 4. Three Cheers for Healthcare Freedom.**

### **WHEN IT COSTS MORE, YOU BUY LESS**

This simple law of economics seems to be lost on some Democrats in Saint Paul, at least in some situations.

The Minnesota House today will consider a minimum wage increase. Simply put, making labor more expensive means job providers will purchase less of it.

The most basic metric in a capitalistic economy is the supply/demand curve. The point where each curve intersects is the market price, at least in a free market.

When the price of a commodity is artificially raised, when a price floor is inserted, it can and often shifts the demand curve.

Funny, the same politicians who think that this principle doesn't apply to the commodity of labor apply this very same principle to the product of tobacco.

We constantly hear politicians support an increase in the tobacco tax to "discourage" its use.

Why do they not understand that increasing the cost of labor will "discourage" its use?

When job creators purchase less labor, fewer people are hired and that hardship falls disproportionately on a couple of demographics in desperate need of work.

For example, adults with developmental disabilities rely on minimum wage jobs not so much for subsistence but for the "soft" skills they learn and for the dignity they know by being a productive citizen, contributing to society.

Higher minimum wages mean fewer entry level jobs for people with developmental disabilities.



The same holds true for young people. They are living with mom and dad and working part-time or working full-time on a seasonal basis and don't need the job for subsistence.

But they do need the job to learn the soft skills that will be applicable no matter where they work when they reach adulthood.

Teamwork, customer service, arriving on time, showing up with right uniform and right tools are just some of those skills.

When the minimum wage is raised, young people miss out on this training.

And it's not just young people. For whatever reason, people beyond the teenage years may be in need of learning these skills in order to have a chance to climb the economic ladder.

When government adds to the cost of something, people buy less of it.

And, by the way, the Democrats know this because they conversely make commodities cheaper by subsidizing them to encourage people to buy or consume more of something.

Check out any number of aids and credits government offers, such as the tax credit for mortgage interest payments, which are designed to encourage people to buy a home.

Somehow, this basic economic principle of supply and demand is lost in the minimum wage argument.

We hope Republicans will have the courage to raise it.

## **BAXTER MEDICAL - WRONG, WRONG, WRONG**

With capitalism and individual liberty under siege in Saint Paul, it can be easy to lose sight of certain issues that fall beneath the level of unionizing daycare providers, raising taxes, raising fees, and pushing divisive social issues.

But the [story](#) of Baxter medical shouldn't be lost on readers.

Baxter medical essentially engaged in secret, non-public negotiations with the state and the City of Brooklyn Park in the pursuit of a package of tax breaks to lure the company to that city.

First, the prospect of government operating in secret with no legislative oversight is troubling.

With public dollars at stake, there should have been transparency from the start.

When you come to government to ask for money, you lose your right to operate in secret away from public scrutiny.

Taxpayers have the right to know how government intends to spend their money.

But the more troubling story here is how Minnesota is so unfriendly to job creators that the state has to engage in double secret probation-like meetings with business to offer sweeteners to get jobs into the state.

These subsidies and credits are absolutely market distorting. From a market efficiency perspective, perhaps Brooklyn Park isn't the best place for Baxter to bring jobs.

Moreover, what if Baxter isn't the best fit for Brooklyn Park and the property in question?

No other firm was apparently offered the opportunity to take advantage of this suite of government goodies.

Instead, what happened is that a well-connected firm went to government on bended knee to work out a deal unavailable to every firm, especially those who don't have the political connections and sophistication of Baxter.

So, instead of the invisible hand of capitalism allocating labor and capital, we have government deciding how to deploy those resources.

It's this perverted process whereby government creates a hostile environment for job creators and then dispenses favors to certain job creators and then throws a big party whenever government and the favored job creator help themselves to some tax code goodies.

Call it political [Munchausen by Proxy](#). Make job creators sick and then ride to the rescue and act the hero for the precious few who know how to play the game.

So when Baxter has the ribbon cutting ceremony and all the dignitaries show up to pat themselves on the back for bringing a few jobs to town, no conservative should cheer.

And when those same firms show up at the political fundraisers later on to return the favor, no taxpayer should cheer.

This game is out of control and is a serious threat to our economy.

Cut taxes, cut regulations, and make Minnesota competitive for every job creator, not just the politically connected.

**HERO OF THE WEEK**

Our hero of the week is freshman state Representative [Brian Johnson](#) (R - Cambridge). Rep. Johnson has authored a bill that would make the Vikings responsible for any shortfalls in stadium funding.

Amen, brother Johnson! Brian Johnson is doing good things in Saint Paul. Drop him a line and let him know.

### **THREE CHEERS FOR HEALTHCARE FREEDOM**

This one is for all our libertarian friends out there. The legislature yesterday introduced a bill to allow sick patients use marijuana as part of their treatment options.

This bill moves the decision to where it belongs: within the confines of the doctor-patient relationship. It gets government out of the exam room and removes politicians from the decision regarding medicine and treatment.

And we just love it when Democrats can see their way to getting out of the way of health care, given the love for Obamacare.

Government does too much. This is area where the substitution of bureaucratic judgment for professional judgment is just plain dumb. In fact, that's true everywhere.

A hearty libertarian congratulations to the following:

Sen. Branden Petersen  
Rep. Tom Hackbarth  
Rep. Andrea Kieffer

Thanks for striking a blow for health care freedom. Goodness knows the pendulum has been swinging the other way.

**May 10, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. DFL Dysfunction.**
- 2. What About the Budget?**
- 3. Recall Follies.**

**DFL DYSFUNCTION**

Man, some dysfunction is creeping into the management of the Capitol right about now.

We're sitting a mere ten days from the constitutionally mandated adjournment date for the 2013 legislative session and the DFL legislative majorities and the governor still can't agree on how much to raise taxes and thus give instructions to legislative committees on how much of your moolah they have to spend in crafting the constituent pieces of the state budget.

All that while, we seem to have found the time for gay marriage, solar power mandates, forced unionization of private businesses, and a resolution for genocides awareness. Beware genocide. It's a bad thing. Really. Glad state government is there to tell us about it.

But all is not well in the DFL camp.

We've seen the DFL tax bill fail in the Senate, only to be resurrected. Same with the forced collectivization of daycare providers. It died in the Senate Finance Committee, only to be resurrected as, once again, some Democrats had a road-to-Damascus conversion after voting "no."

Now the bill heads to the Senate floor without having been positively recommended by ANY committee. Instead, the bills passed with a the lukewarm Judas kiss of a being passed "without recommendation" as opposed to "recommended to pass," which is a committee's seal of approval.

Talk about a bad bill.

And then there was the DFL transportation bill in the Senate. The chair of the committee offered up a taxapalooza bill that was quickly countered by a DFL amendment to strip all the tax increases out. Chaos ensued, the majority leader was called in to restore discipline on the Bounty, and the stripped down bill was passed, with all mutineers reportedly thrown in the brig.

Over in the House, a bill was brought forward to have Minnesota throw its approval to making presidential elections by mob rule, er, popular vote (Watchdog opposed).

Here again, things went haywire as the bill was defeated, making for an embarrassment for the DFL author.

Warp speed, Mr. Sulu has been replaced with ice berg dead ahead!

Can the DFL get out of Saint Paul in orderly fashion?

That's an open question as we head down the home stretch.

### **WHAT ABOUT THE BUDGET?**

As readers well know, the Watchdog is dedicated to capitalism and economic issues. We simply don't address social issues, except in a tangential way.

The issue of gay marriage is one of those issues. We have loyal readers on both sides of the issue who happen to share a mutual passion for free market capitalism.

Thus, we do not take a position on that particular issue.

But we can't help but note some real hypocrisy here regarding the issue, starting with the DFL majority.

For better or worse, the House GOP majority in 2011 decided to pursue a constitutional amendment to prohibit gay marriage.

At that time, the DFL minority raised a hue and cry that Republicans were pursuing the issue at the expense of important economic issues.

The media jumped right in to parrot this talking point.

Well, excuse us. The 2013 legislative session ends on May 20 and the state's budget is still unresolved, even though the DFL owns the House, the Senate and the governor's office.

The economy hobbles along and the issue du jure is gay marriage.

How can we pursue divisive social issues when the budget, the economy and jobs deserve attention, said the DFL in 2011 as the media chimed in as well.

So what's different about 2013?

The only difference here is that it's the DFL in charge and the issue now one of approving gay marriage, which is where most of the mainstream media stands.

The other aspect of thy hypocrisy is the talk of how respectful the debate over the issue was in the House Thursday afternoon.

Rep. Karen Clark, the chief author of the gay marriage bill, marveled at the respectful debate, knowing full well the bill would pass.

The respectful and thoughtful debate was indeed a good thing.

But that tone stands in stark contrast to Rep. Clark and her filibuster of the Defense of Marriage Act in the House as well as her standing in the middle of Governor Pawlenty's State of the State Address and turning her back to the governor.

What if a Republican had filibustered this bill? What if Rep. Gruenhagen or Rep. Scott had done that?

It certainly wouldn't be portrayed as a Profile in Courage by the media.

And what if Rep. Scott had stood up in the middle of a Mark Dayton State of the State and turned her back to the governor?

We know how that would have been portrayed.

It looks like respect goes one way, and the media wouldn't have it any other way.

## **RECALL FOLLIES**

With gay marriage passing the Minnesota House and poised to pass the Senate, some are arguing for recalling legislators who voted in favor of the bill.

How about not doing that.

This viewpoint has nothing to do with the issue and everything to do with not acting stupid and thus looking stupid in the eyes of the very voters we will need in 2014.

A recall election? Really?

There are just a few hurdles to jump to recall a legislator.

Here's the thumbnail sketch of the 18 steps needed for recall, highlighting some of them:

First, petitioners must demonstrate by a preponderance of the evidence that a legislator engaged in "malfeasance" "nonfeasance" or a "serious crime." Under even the most

liberal definitions of the law, supporting a bill to recognize homosexual unions does not constitute "malfeasance" "nonfeasance" or a "serious crime."

**Malfeasance** means intentionally doing something unlawful or wrong while performing duties of the office; the act must be substantially outside of the scope of duties and substantially infringe upon another's rights.

**Nonfeasance** means intentionally and repeatedly not performing required duties of the office.

**Serious crime** means a crime that is a gross misdemeanor and involves assault, intentional injury, threat of injury, dishonesty, stalking, aggravated driving while intoxicated, coercion, obstruction of justice, or the sale or possession of controlled substances. Serious crime also means a misdemeanor crime that involves assault, intentional injury or threat of injury, dishonesty, coercion, obstruction of justice, or the sale or possession automatically removed from office, so a felony conviction is not specified as grounds for recall.

Even if the petitioner convinces the Chief Justice of the MN Supreme Court, a special master and the entire state Supreme Court that there was malfeasance, nonfeasance or a serious crime, then the petitioner must collect signatures within the district equal to 25% of the number voting for that office in the last election. Even in a House district, that's many thousands of votes.

Even after all that, you have to run a candidate and win the election, kicking out the incumbent in a special election.

Just a wee bit impractical.

And let's face facts here. The pro gay marriage forces absolutely whupped the other side in terms of money, organization, and enthusiasm in 2010.

Be careful of wishing to take on those guys in a special election.

Let's get practical here. For those who are upset with their legislator for supporting gay marriage, take it up in the proper forum, either at the endorsing convention and/or the general election.

For now, let's not give the media a story about crazy conservatives. They're only too happy to oblige.

**May 17, 2013**

## **Public Policy Commentary**

### **In This Issue:**

#### **Quote of the 2013 legislative session:**

***"Nearly all men can stand adversity, but if you want to test a man's character, give him power."***

***- Abraham Lincoln***

- 1. Tick, Tock.**
- 2. Tax Bill Bust.**
- 3. All-Nighter.**

### **TICK, TOCK**

With the legislative session concluding Monday pursuant to constitutional timelines, the DFL is working hard to contradict popular wisdom that one party rule is easy and good for society, from both an operational and moral perspective.

As this issue goes to press, Governor Dayton has yet to sign a major budget bill into law. In fact, only one budget bill has passed both the House and Senate, that being the jobs and economic development bill.

The legislature continues to be consumed with other "priorities" like forced unionization of private business, outrageous solar energy mandates, legislative pay raises, and a bonding bill that would put \$800 million on the state's credit card.

What's on tap coming up? Another debate on forced unionization of private day cares and a constitutional amendment for legislator pay raises.

Apparently, the budget will be dealt with after the DFL is done repaying the multiple constituencies that engage in the symbiotic relationship with the DFL of electing them and then having them throw open the treasury to loot it empty have been satisfied.

### **TAX BILL BUST**

The Watchdog is surprised - NOT.

The DFL announced a deal on raising taxes and growing the state budget last night.

Before getting into the details, the overall philosophy of the bill is really bad public policy.



First, the bill grows government by \$2 billion yet includes not a shred of reform, government streamlining, or implementation of systems to improve accountability, transparency, or efficiency.

This tax bill does nothing more than divert \$2 billion from the private economy over to the government economy to lard more money on top of a bloated, antiquated, sclerotic bureaucracy.

And why \$2 billion in new taxes? The state budget deficit stands at around \$600 million, which could also be dealt with by spending cuts, by the way.

Governor Dayton noted at the press conference last night that 31% of the new taxes would take care of the deficit.

Soooo, put another way, nearly 70% of the tax increase will be dedicated to growing government.

Moreover, the tax bill contains nothing new or bold regarding the tax code. Well, the only bold thing is the breathtaking scope of the tax grab, which is nothing short of punitive and confiscatory.

Remember back to the start of this legislative session? We heard all sorts of immodest boasts from the governor and DFL leadership that they were going to reform the tax code. The new code would recognize the transition to a service-based economy. The base would be broadened, the rates lowered, stability and predictability enhanced.

So what did they deliver? A predictable, stale menu of income tax increases on the "rich" and a whopping cigarette tax on all those rich people who smoke.

Way to go, guys. Way to surprise this cynical, jaded publication that finds predicting DFL political behavior as difficult as walking and chewing gum simultaneously.

We too lazy to consult the archives, but we called this tax outcome about 24 hours after the governor released his budget promising a new way of doing business.

Take a look at the whole legislative session. What was unpredictable? This is the way it always goes with the DFL.

They have no new ideas and never do anything different.

That's because the DFL doesn't want political power to effectuate change.

Politics for that party is about power for the sake of having power while repaying the constituent groups who seek favors from the treasury.

So why expect anything else from this group?

On to the details of the tax deal.

## INCOME TAX INCREASE

The deal calls for increased income taxes on the top bracket of 9.85%, making Minnesota's top rate one of the highest in the country, up there with California, Hawaii, and Oregon. Minnesota will now be #4 on the income tax list.

Readers of this publication well know that contrary to DFL claims, this tax is not one on the idle rich guy out on Lake Minnetonka (or in the governor's mansion).

Most small businesses file their income taxes as individuals. Thus, this is a major tax increase on main street business.

## TOBACCO TAXES

The other major piece of the deal is jacking up taxes on cigarettes to \$2.83 per pack, giving Minnesota the 6th highest per pack rate in the nation.

Again, readers of this publication will recall that we have long noted that tobacco taxes are particularly regressive, hitting the poor hard.

Moreover, Governor Dayton campaigned against increased tobacco taxes for precisely this reason.

## PROPERTY TAX RELIEF

One of the promised benefits of this deal is that there is \$400 plus million of property tax relief in the bill.

Not true. Not at all true.

The bill doesn't provide direct property tax reductions. Instead, the bill offers money to local units of government that may or may not result in reduced property taxes.

Undoubtedly, some cities or counties will take the money and jack up spending even more.

There is NO guarantee that these spiffs to local government will trickle down to you.

Talk about tickle down economics.

To be fair, there is a minor ray of sunshine in this F5 tornado of taxation destruction.

The bill makes two changes to tax policy that are welcome news.

First, the bill provides an "upfront" exemption to the sales tax levied on capital equipment purchases by business.

For many years, a business has been required to pay the sales tax and then file paperwork with the state to get a refund of the sales tax paid.

This puts the exemption upfront and eliminates the paperwork drill.

Second, the bill eliminates the sales tax local units of government pay to the state when they buy things.

Having one unit of government pay a tax to another unit of government makes no sense.

On the whole, this tax bill is too much taxing and too little reform.

It's nothing more than a very predictable play on the part of the DFL.

## **ALL-NIGHTER**

Conservatives everywhere have expressed outrage at the bill forcing private daycare businesses to unionize.

When the bill was presented this week, Senate Republicans did something about it.

The caucus united behind an all-night debate of the bill, engaging in 17-hour marathon that included upwards of 78 amendments, setting a modern day Senate record for debate length.

Every member of the caucus participated in this display of legislative fortitude, demonstrating what is possible when the team comes together.

And, by the way, let's have some acknowledgement from our RINO hunter friends out there that some of your favorite targets were heroes in this debate.

Instead of spending money hammering these folks, you might spend some money praising their actions.

Every reader should send a note of thanks to every GOP senator.

It would have been real easy to make a couple of speeches, vote red and go home to family.

Instead, these good people put up a hell of a fight for us and for our future.

Kudos are in order for Senate Minority Leader David Hann and his staff.

Let's hope Rep. Kurt Daudt and his team will do the same when this bad bill is presented on the House floor tomorrow.

**May 24, 2013**

## **Public Policy Commentary**

### **In This Issue:**

#### **1. 2013 Session Wrap Up.**

### **2013 SESSION WRAP UP**

We will start this edition of the Watchdog by noting that this was without a doubt the worst legislative session in memory.

Given the composition of the Legislature and Governor Mark Dayton, this was no surprise.

Republican missteps ranging from the candidacy of Tom Emmer to the "ready, fire, aim!" strategy of the gay marriage amendment campaign, led in part to this historically bad state of affairs.

Thankfully, the DFL has obliged the GOP heading into 2014 by engaging in an epic orgy of overreaching governmental intrusion that will no doubt cause more than a few DFLers to lose their seats in 2014, including perhaps one Mark Dayton (Tom Emmer, Kurt Bills, and Allen Quist need not apply).

This year's session wrap up is based upon the theme of "Biggest BS." The Watchdog will review the legislative session that was by focusing on the biggest BS the DFL told citizens compared to what they actually did, in no particular order.

### **WE DON'T DO FEES**

Remember all the way back to the Pawlenty years? Remember when DFLers used to rage on TPaw for raising fees?

These were backdoor taxes! A dishonest way to raise revenue! And a bevy of DFL candidates who got smarmy and pandered to voters by proclaiming at local debates, "I spell 'tax' F-E-E."

Well, well, well. In this year's DFL budget, overlooked by the avalanche of \$2.1 billion in taxes, is hundreds and hundreds of millions in fees.

Overall, the number of fees sits at about \$300 million.

Even some DFLers understand the hypocrisy of jacking up fees after railing against them.

Liberal Saint Paul representative Michael Paymar observed, "I think we have to ask the question, is that the way we want to fund government by increasing fees and fines? And to me, the answer is no."

At least Pawlenty didn't raise the taxes. Taxes and fees with this group. Talk about overreach.

## **WE TAX ONLY THE RICH**

You just knew the rhetoric masked what would be the final play when it came to taxes.

Not only did Democrats assure the public that only the rich would be punished to pay for their enlargement of government, they also claimed that their tax policy would also include "reform" that would stabilize and modernize the state's tax code.

So what happened? They taxed everyone. Moreover, the major taxes were a play right out the 1970s Jimmy Carter / Wendell Anderson playbook. High taxes on the successful and a boatload of tobacco "sin" taxes.

How imaginative. How reform minded. How innovative. Not. Instead, how very, very predictable.

Just like their overall budget, the DFL tax budget features nothing more than a gigantic larding of new money on top of the same old tired, stale programs.

Then again, it's not about good public policy. In essence, the DFL budget document is at core nothing more than a payoff to the constituent groups that work to elect Democrats in order to receive larger and larger transfer payments.

## **WE'RE THE PARTY OF EDUCATION**

Education is an area in which the principle of constituency payoff is best seen.

Not only did the DFL fail to improve education, they actually went the other way by reducing accountability and teacher reforms.

Instead, Democrats are running around bragging about how much money they "invested" in education, as if money ensures a better outcome.

Given that the vast majority of education dollars are spent on labor costs, that "investment" means little more than ensuring bigger pay raises and more benefits for teachers who continue to be paid on seniority and educational attainment. And not results.

In this case, the DFL didn't lard more money on a program area needing reform. Instead, they made the program less accountable while larding on more money.

Given the power of the teacher union, this outcome is no surprise. If any special interest group was going to feed well at the public trough this session, it was Education Minnesota.

## **WE DON'T STEAL FROM THE SCHOOLS**

Remember the "education shift?" Remember all the feigned outrage on the campaign trail from Democrats concerned about Governor Dayton borrowing money from the schools to pay the state's debt?

Remember the solemn and indignant promises to repay every penny? Remember how a priority the payback was going to be?

And they didn't do it. \$2.5 billion in new taxes and fees and this crew is still borrowing from the schools, not paying off the loan and meeting a central campaign promise. BS.

## **NO SHIFTS OR GIMMICKS**

Yes, this was the "honest" budget that screwed taxpayers to their faces. No sucker punch here, boy. The DFL said they were macho enough to kick some taxpayer a\$\$ face to face, man to man.

There would be no wimpy shifts or gimmicks. That yellow fee raiser Pawlenty was the 90-pound weakling who didn't have the guts to take on the brutal task of beating money out of the masses.

Mark Dayton, Tom Bakk, and Paul Thissen? These guys were enforcers. The reincarnation of Derek Boogaard. The Pugilists of Punitive Progressive Public Policy.

Oh but it's not true. Derek Boogaard? More like [Todd Bertuzzi](#).

How about that continuing school shift? Or the \$400 million shift between human services accounts to support spending in that area?

Better yet, how about the claim that the new money to support the Vikings stadium subsidy wouldn't come from the general fund? Yep, the money indeed comes from the general fund.

Remember all the manufactured hype about Governor Dayton's top secret, ultra cool plan to fill the hole in the football stadium subsidy?

Yeah, it turned out to be another raid on the general fund.

## **WE CREATE JOBS**

Uh, no. Government doesn't create jobs. Government may be able to employ people, but it doesn't create jobs because government doesn't create wealth. Government can only redistribute wealth.

All the hoopla over "job creation" programs like the Destination Medical Center, Mall of America, and Baxter Medical aren't job creators at all.

Instead, they are nothing more than subsidies to large rent seeking firms sophisticated and influential enough to push the right buttons in state government to get crony capitalism favors while masking the beating the thousands of other job creators are taking in Minnesota to pay for these wealth transfers to other private enterprises.

If there's going to be a ribbon cutting for rent seekers, will there be anti-ribbon cutting ceremonies for all the small businesses that suffered tax increases but got no benefit?

Sadly, this is one of the oldest optical tricks in government.

It's so easy for people to see the ribbon cutting and the celebrations over "job creating" subsidies.

It is so much harder to show the lost opportunities, the job not created, the capital equipment not purchased, the product development not undertaken because of tax increases.

Simply put, the ribbon cutting is concrete and easy to see.

The opportunity cost is much harder to see because it is abstract.

The bottom line to this session is that the DFL pumped billions more into state government without a shred of reform.

Nothing in state government is being done better, cheaper or more efficiently because of this budget.

It's the status quo plus \$2.5 billion.

Great job guys. Way to position Minnesota for success in a hyper-competitive global economy.

2013 will long be remembered as the Big Fat Payoff.



**May 31, 2013**

## **Public Policy Commentary**

### **In This Issue:**

- 1. The Name is McFadden.**
- 2. Fast, and Depressing, Facts.**
- 3. Bachmann.**

### **THE NAME IS MCFADDEN**

We gather this Friday to lend a hand to one Mike McFadden. If you don't know the name, that means you are other than a Minnesota-based Republican insider.

McFadden, a Republican, is running against Al Franken.

That's a good thing.

Having said that, McFadden has stumbled out of the gate. Hence, our help.

A political novice, McFadden chose to announce his candidacy on the same day Michele Bachmann sucked every molecule out of the political atmosphere with her announcement that she would not seek re-election.

When you're a political neophyte with low name recognition, you don't announce on a day where your news will take second place.

Yes, we know that McFadden planned his event weeks ago and that Bachmann's announcement was made suddenly.

So what.

Fake an upset stomach. Forgotten dental appointment. IRS audit.

Knock it back a day or two.

In any case, check him out [here](#).

### **FAST, AND DEPRESSING, FACTS**

Readers, if you haven't checked out the [Job Creators Alliance](#) (JCA), you ought to, even if you aren't a job creator.

The JCA is in the business of educating Americans about the value of free markets and the danger of an overbearing, overspending government.

Here are some fast facts, courtesy of the JCA:

The IRS code, regulation handbooks, and related publications, are some 74,000 pages long. If stacked up, the stack would reach 13 miles into the sky.

It takes an estimated 7.6 billion hours to fill out IRS forms each year. That's enough hours to fully employ 3.8 million people for a year.

In 2010, the wealthiest 1% paid as much in federal taxes as the bottom 95%. So who's not paying their "fair share?"

American regulations cost \$1.75 trillion annually - more than the entire economic output of Canada.

More than 40 percent of Americans -128.8 million people - depend on a government program to pay for rent, prescription drugs, higher education, and more.

Spending will continue to break records, reaching \$6 trillion by 2022, driven mainly by Medicare, Medicaid and Social Security. Tax revenue won't keep up, resulting in annual deficits of at least \$800 billion throughout the next decade.

Thank God Governor Dayton and President Obama are there to make sure that government budgets don't get shortchanged. So many taxpayers share their worry that government may have to tighten its fat belt.

## **BACHMANN**

Nothing short of a political earthquake shook the Sixth District of Minnesota this week when Congresswoman Michele Bachmann suddenly announced that she would not seek re-election in November 2014.

The announcement incited a flurry of speculation regarding who might step forward to seek the Republican endorsement in the reddest congressional district in Minnesota (more on that below).

Inevitably, the retirement of any high profile politician begs for a retrospective look at that person's tenure and what it mean to the body politic.

Bachmann is no different in this respect and is, in fact, a more compelling figure than nearly any other Minnesota politician to come down the pike in recent years.

To say that she was a polarizing figure would be a serious understatement. Bachmann was much like any famous rock band, loved or hated but never, ever ignored.

Few constituents of hers were undecided or found in the middle of the political road when it came to opinions regarding their member of Congress.

This publication is well aware of that dynamic, as any praise of Bachmann resulted in angry responses from her critics accusing us of having a bias that clouded any objective consideration of her words and actions.

On the other side, any criticism sparked immediate and vitriolic feedback that clearly showed us that she has loyalists who refuse to believe that this woman is anything less than infallible, her foibles being little more than Left Wing media lies and distortions designed to derail a career destined for Margaret Thatcher-esque Greatness.

In short, objectivity can be lacking in evaluating her time in the public eye.

At the outset, she did a great service to the GOP in making her announcement in a timely fashion, giving the party, delegates, and potential candidates time to conduct a fair and thorough vetting process to fully prepare the eventual standard bearer to face a well-funded and now experienced opponent in hotel magnate Jim Graves.

Why Bachmann decided to step down will remain the subject of speculation for some time.

Was it simply time to step down as politics wasn't meant to be a career?

Was it the ongoing and multiple investigations into her failed presidential campaign and events in Iowa?

Perhaps the prospect of a grueling re-election campaign that held some inherent risk of a losing effort?

We will never know for sure, but it seems a bit implausible to this publication that it was merely time to step aside and pursue other opportunities.

After all, this is a person who seemed to greatly enjoy the spotlight and very recently ran for president.

In praising her time in Congress, the Watchdog acknowledges not only Bachmann's voting record, but her adherence to principle.

She never stuck her finger in the wind and voted the polls or the focus groups. Michele Bachmann consulted her principles and values in deciding her vote.

While the Watchdog appreciates that voting record, the bigger service she rendered to us all was to remind us that some elected officials actually vote their conscience, not the polls, not the lobbyists, and not the caucus leadership.

Whether you agree with those votes or not, it was more than refreshing to see a member of Congress both vote like a true conservative and vote her conscience.

If more members of Congress voted like Bachmann, the nation would be better for it.

The problem is that the admirable voting record came with way too much drama.

Outrageous statements wholly unconnected with facts happened far too often and diminished her credibility.

Bizarre events like the hiding-in-the-bushes-at-the-gay-rights-rally and the false imprisonment tale at the town hall meeting took too many headlines and were a major distraction.

Were these stories amplified and sensationalized by the Liberal Media? You bet.

The media has an undeniable bias and engages in journalistic profiling against conservatives.

But that's not an excuse. It's simply a burden conservatives must carry. Because they are profiled and scrutinized by the mainstream media, the requirement is to give them nothing with which to sensationalize. Don't give them any fodder.

Sadly, Michele Bachmann just couldn't seem to refrain. She far too often played into their two left hands and gave them ammunition to assassinate her character.

She knew anything she said and did would be used against her in the court of the mainstream media.

The other area of concern that doesn't get much attention but is nonetheless critical is constituent services.

For whatever reason, constituent services in her congressional office were too often below par.

Whether the constant staff turnover or some other reason, many Sixth District constituents walked away disappointed.

Over time, this disappointment has a pernicious effect on the elected official. Nominal supporters or neutral voters become disenchanted. They talk to family, friends, and co-workers, propagating and multiplying the negative view.

Ask anyone who has ever staffed the office of an elected official. Constituent services are critical and serve as the primary contact mechanism between elected official and the people they represent.

Few citizens are connected to politicians via the campaign. The vast majority learn of their elected officials and form opinions of them through constituent outreach and services.

In sum, the Watchdog offers a sincere thanks to Michele Bachmann for her service. Many people don't realize the sacrifice involved in Congressional service.

Michele Bachmann was ultimately a passionate champion of conservative principles and values.

She should be remembered for that.

We wish her the best of luck, wherever life may take her next.

**June 7, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. Barack Hussein Milhous Nixon.**
- 2. Tom Emmer Announces.**

**BARACK HUSSEIN MILHOUS NIXON**

At the heart of the statist political philosophy and all its derivatives (e.g. liberalism, communism, socialism) is compulsion. That is, the government compelling the citizens it rules to act or say things with which that citizen may or may not agree.

In that sense, statist government is the antithesis of freedom and individual liberty.

No American president has taken this philosophy as far as President Obama.

Simply put, Obama has utterly no respect for individual rights.

His tenure in office has been marked by a distinct lack of respect for individual rights as well as an unseemly corresponding rise in abusive and coercive government.

That is not surprising since one begets the other. When you need a government big enough and powerful enough to compel all sorts of behavior, it's inevitable that the bureaucrats who wield that power will soon find themselves crossing the line into behavior that is abusive, unethical, and illegal.

This is a president who thinks it acceptable to force citizens into commerce to purchase insurance.

This is a president who makes recess appointment when the Congress isn't in recess.

This is a president who presides over a massive domestic surveillance infrastructure based upon the searching and seizing of citizen property without suspicion and in clear violation of the Fourth Amendment, including the massive, indiscriminate capture of voice and electronic data from citizens.

This is a president who altered the facts regarding the terrorist attack on the consulate at Benghazi.

This is a president who has fostered a culture in the White House of intimidation, truth shading, and the outright manufacture of positive stories, planted questions, and coerced image management.

It is any surprise then, that the executive branch would adopt that same contempt towards the citizens they are charged to serve and then take things another step or two beyond?

We don't know how high up the IRS scandal runs, but we do know it is indeed a scandal. It is quite clear that the IRS targeted citizens based upon their political beliefs, an egregious breach of the public trust and a criminal offense.

The problems at the Department of JUSTICE are well documented as well. In fact, it appears the DoJ has been a primary tool in chilling and undermining the freedom of the press and the function the press serve in keeping government accountable.

Ultimately, organizations adopt the characteristics and traits of their leader.

President Obama is arrogant, haughty, elitist, dismissive, overly sensitive, argumentative, combative, petty, and vindictive (we keep score, brother).

It is no wonder that his administration finds itself in the current state of affairs.

Never has a president been so dismissive and uninterested in serving the people he has sworn to support.

And let's not let our governor and other DFLers off the hook either.

To be fair, Governor Dayton's rule hasn't been nearly the individual liberty disaster of Obama, but there are troubling signs nonetheless.

The courts were forced to strike down an executive order forcing seeking to unionize private business owners, which was then done via the legislature anyway.

Moreover, the governor has engaged in a troubling pattern of name calling, attacking and belittling his opponents. Most recently, he called opponents of the aforementioned child care provider unionization bill as people "having their little fits."

Sorry, gov. Just trying to protect our rights here.

And let's not forget outgoing Secretary of State Mark Ritchie, who unsuccessfully tried to unilaterally rewrite the titles of constitutional ballot questions that were duly considered and passed by the legislative branch.

Republicans are uniquely suited to protecting your individual rights because a true conservative governing philosophy respects individual rights because coercion isn't needed or desired.

Instead, the philosophy is based upon empowering individuals and not government.

In fact, the philosophy is about restraining government and rolling back government power.

Inherently, conservatism is about putting the citizen first while liberalism is about putting government first.

## **TOM EMMER ANNOUNCES**

Editor's Note and Disclosure: Harold Hamilton has publically encouraged Anoka County Commissioner Rhonda Sivarajah to run for this office.

The race to replace Michele Bachmann in Congress officially kicked off Wednesday evening as Tom Emmer announced his candidacy.

Emmer is the first of what is expected to be many candidates on the GOP side of the ledger. On the DFL side, it appears no one wants the task of defending high taxes, government waste, Obamacare, government spying, gun confiscation, IRS tyranny, low job growth, and the exploding government debt to the good people of the Sixth Congressional District of Minnesota.

Because the Sixth leans GOP, the endorsement process promises to be a long and arduous process, as the candidates compete fiercely for the coveted GOP endorsement.

That's a good thing. GOP delegates, activists, and donors have to get this right. The MN GOP is in need of a comeback after the 2012 elections. The long endorsement process will provide for a thorough vetting process to shake out both the positives and negatives of each candidate.

This process should be a dry run for what will undoubtedly be a rough and tumble brawl for a rare open seat in Congress.

The emerging candidate should be battle hardened and battle tested by the time the liberals start carpet bombing.

This vetting should be a thorough no-holds-barred process. Why? Because we know the liberals and their wealthy benefactors will find these issues and spend millions to exploit them, spin them, and yes, even lie about them.

No issue should be "off the table" for any candidate because no issue is off the table for liberal special interest groups.

It's better that negative candidate issues, if any, get raised sooner rather than later.

And that holds true for every candidate who enters the race.



There is no doubt that Tom Emmer is a candidate who comes to the race surrounded by controversy regarding both the conduct of his 2010 campaign as well as business and personal affairs.

Perhaps this is because of who Emmer is or perhaps it's because Emmer is the only candidate in the discussion who has run for state-wide office and has experienced a higher level of scrutiny.

Only time will tell if he has more warts than other candidates or whether his warts are the ones that are known to the public.

Like our readership, the Watchdog will be asking tough questions of all the GOP candidates throughout the campaign.

We will publish the responses we receive. We will also publish any statement of candidacy that accompanies that response.

Here are our 5 questions for Tom Emmer.

1. What was learned from your unsuccessful 2010 gubernatorial campaign? What went right? What went wrong? What would you do differently this time? Specifically, what lessons were learned from the "tip credit" affair?

Waiting [Tables](#).

Tip credit [summit](#).

2. Your 2010 gubernatorial campaign experienced personal issue distractions ranging from criminal justice issues to lawsuits to financial issues. How will you keep these issues from serving as a distraction in 2013 and 2014? Moreover, are there any other issues in this regard that activists should know about?

3. According to the Minnesota Campaign Finance and Public Disclosure Board, you are a registered lobbyist. How can you be a voice to "clean up politics" when you are a registered [lobbyist](#), and one who is [affiliated](#) with DFL opinion leaders like Steve Novak and Roger Moe?

4. The GOP endorsed candidate will have a high profile role and a responsibility to help GOP candidates up and down the ballot. What is your plan to assist these candidates? What unique skills and experience helps you in fulfilling this obligation?

5. In June of 2010, you announced at a press conference that you were "[open](#)" to rail projects. Are you still open to rail projects? If so, which ones?

**June 14, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. Search and Seizure.**
- 2. Rhonda Sivarajah Enters the Race.**

**SEARCH AND SEIZURE**

One of the most profound constitutional issues we have faced in our lifetimes was thrust to the fore in recent days as the American people learned that their phone, email, and Internet activities were under surveillance by the federal government.

The surveillance is troubling on a number of fronts and demands a national debate on the subject of domestic surveillance.

The confluence of generational leaps in technological advances and the age old temptation to abuse power appear to have created a runaway train of sorts that threatens the very foundation of our Constitutional right to be from unreasonable searches and seizures under the Fourth Amendment.

The chief executive and his senior bureaucrats have displayed a shocking lack of concern for this issue and a disgusting lack of understanding of the Constitution and the system of federal governance.

To wit:

*If people can't trust not only the executive branch but also don't trust Congress, and don't trust federal judges, to make sure that we're abiding by the Constitution with due process and rule of law, then we're going to have some problems here.*

The above quote from the president is an actual quote and not a bad attempt at humor.

Mr. President, no person who understands his obligation as an American citizen would ever abandon the requirement to keep government accountable and simply "trust" that government is doing the right thing.

The Constitution of the United States was crafted precisely because the Framers didn't "trust" that government would act as a benevolent force and jealously safeguard personal freedoms.

Divided power, checks and balances, and periodic elections underpin the basic philosophy of the Framers that government cannot be trusted to protect fundamental liberties.

These men clearly understood that government was a threat to personal liberty and that citizens would need iron clad guarantees of their rights if the nation was to be free of the oppression and tyranny that has marked the course of government throughout human history.

Mr. President, we do have a problem here, but you don't see it. The problem isn't that we don't trust government. The problem is that you arrogantly and ignorantly expect that we should.

If a healthy distrust of the federal government has become a viewpoint that is outside the mainstream and is viewed as a fringe thought, then we do indeed have a problem.

Second, don't be fooled by the false argument that these domestic surveillance measures may have preempted terrorist attacks.

That may be true and if it is, that's undoubtedly a good thing.

But it's also a distraction from the real issue.

The real issue is what kind of cost we are paying through the erosion of our liberty.

Enhanced security of the flip side of this coin.

Taken to its logical extreme, it can be argued that suspending the Constitution and declaring martial law would further enhance security and potentially thwart even more attacks.

Instead, the question centers on the price we are paying in diminished liberty. What is the trade off? And is it worth it?

And before conservatives take too much pleasure in bashing a president who has presided over the largest governmental intrusion into our private lives, any principled conservative should not fail to hold Republicans accountable as well.

Many of these programs were initiated by George W. Bush. Many congressional Republicans voted for domestic surveillance programs in the usual manner, meaning that there was no serious debate because very few members of Congress read the bill or understood what was in the legislation they were supporting.

In fact, Minnesota GOP delegation members Bachmann, Kline, and Paulsen have all expressed support for these programs. They need to explain why they hold this view.

This publication recognizes that drawing the line and balancing security against liberty isn't always an easy task. In fact, it is frequently difficult and is the subject of scores of Supreme Court decisions as our society advances and we collectively debate the proper balance between liberty and security.

When it comes to sweeping collection of wireless metadata, we firmly believe that the collection of this data as described in the media violates the Fourth Amendment rights of Americans.

Any analysis of guaranteed privacy begins with a simple question. Do citizens have a reasonable expectation of privacy in a particular place or thing?

Here, the question is whether citizens have a reasonable privacy expectation in the wireless metadata.

If not, the debate is over and the government is free to inspect and collect that data without justification.

If the answer is the opposite, then rights attach to the data and government must then satisfy certain obligations in order to collect and inspect.

We come down decidedly in favor of privacy rights attaching to this data.

How would you feel if your cell phone records, including number of calls, destination number, length of calls, and potentially your location and the recipient's location during each call, were made available on a public web site each month?

We firmly believe most citizens would object to this data being available to the public, thus demonstrating that a privacy right is expected and reasonable.

Take another example. Suppose your neighbor put a file cabinet at the end of his driveway and put a "free" sign on it.

If neighbors or passersby stopped to inspect the cabinet by opening it and looking inside, your neighbor would rightly be viewed as unreasonable if he became upset or attempted to stop people from looking inside. This would be an example of a situation where an expectation of privacy would be decidedly unreasonable.

Of course, the drawing of these lines can be very subjective and it presents the fundamental dilemma in the privacy argument.

In this case, the collection of metadata is both sweeping and suspicionless.

While the law can be complex, Fourth Amendment jurisprudence generally requires a reasonable suspicion in order to allow the government to infringe legitimate expectations of privacy.

Broad, sweeping dragnets of millions of citizens who have given government no reason to believe they are engaged in criminal activity is offensive to the Constitution and therefore illegal.

These dragnets are the virtual version of random police checkpoints. Few citizens would tolerate law enforcement establishing random, suspicionless roadblocks around the Twin Cities.

Similarly, they shouldn't tolerate on the airwaves.

If federal law enforcement has reason to believe a Verizon subscriber is engaged in criminal activity, then law enforcement should make that case to a judge and obtain a search warrant for that person's cell phone data.

Moreover, a real question exists regarding the data itself. What is government doing with that data? When is it destroyed, if at all? What safeguards are in place to ensure the data isn't misused?

This issue is one of both fundamental liberty and urgency.

Government has the technology to listen to our conversations, read our email, see our license plates from satellites, keep drones aloft for hours on end, and see through walls with thermal imaging devices.

Today, the technology exists to literally wipe out our right to privacy.

Technology has taken an exponential leap forward. Our public policies to balance personal liberty interests must be updated to reflect this new reality.

Individual liberty is a cornerstone of the American way.

Without robust individual liberty guarantees, our nation will look distinctly different from the America we cherish, the one envisioned by those who sacrificed so much to establish this wondrous American Experiment.

## **RHONDA SIVARAJAH ENTERS THE RACE**

Anoka County Commissioner Rhonda Sivarajah formally entered the race for the Sixth Congressional District this week, becoming the second candidate to formally announce.

Standing in a small business in Ham Lake owned by a supporter, Sivarajah emphasized her accomplishments - and her perseverance - on the board.

She noted that she joined a county board dominated by liberals, so much so that she often couldn't get a "second" to her motions in order to discuss and debate them.

Today, that 6-1 conservative deficit is now a 5-2 conservative majority, with commissioners LeDoux and Kordiak clinging to the old tax and spend model of yesteryear under the reign of Dan Erhart.

Commissioner Sivarajah listed her major accomplishments as:

- Cutting property taxes in real terms;
- Using cash instead of borrowing to fund capital works projects;
- Repealing major portions of the county's "prevailing wage" ordinance.

As we noted when former state Representative Tom Emmer announced, we would ask all the declared candidates questions regarding their candidacies. Here are five questions for Rhonda Sivarajah:

1. In 2010, you were on a GOP ticket with state Rep. Marty Seifert that ultimately lost the endorsement to the Emmer-Meeks ticket. What lessons did you learn from that unsuccessful race that would apply to this run for major office?

2. You have not declared that you will abide by the GOP endorsement. What is your viewpoint regarding the endorsement and a possible primary?
3. One of the few things that could derail a GOP victory in this district is an embarrassing personal issue. Are there any issues in your background that could prove to be a distraction, such as criminal justice issues, personal finance issues, lawsuits, delinquent taxes, etc.?
4. Some have criticized you for voting for Bill Clinton in 1992. What is your response?
5. It appears that you and Tom Emmer share similar views regarding major issues such as taxing/spending, Second Amendment rights, and the debt. Thus, differences in approach and style will become more important. How is your approach/style different from your opponent?

**June 21, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. Not-So-Surprising Poll.**
- 2. U.S. Senate Comedy Tour.**

**NOT-SO-SURPRISING POLL**

Some conservatives are bit taken aback by a recent Star Tribune Minnesota Poll that showed Governor Dayton enjoying a 57% approval rate while his legislation to jack up income taxes on the successful was supported by 58%.

Yes, we share the angst of knowing both that the poll is always flawed yet is always believed by many readers.

We also share the angst of conservatives appalled that any majority of in any poll finds this chief executive to be a man of competence.

On the other hand, we're not so surprised.

Call it diminishing returns.

For 30 years, Minnesotans have known that Mark Dayton is a trust fund kid who has never had a real job and is, shall we say, a bit eccentric.

Pointing it out to voters seems to work less and less. They know who he is and they know of his many flaws yet they put him there every now and then, although he has never then bothered to stand for re-election.

The real interesting focus group or poll would be to find out why people vote for him, knowing all of this. Or maybe that's the point. They don't pay attention. They see a famous name and that's enough.

In any case, Dayton is beatable in 2014 but will be tough to beat, provided he stands for re-election.

As for the "soak the rich" tax policy, that's not at all surprising. In fact, the result is a bit surprising in that only 58% supported the tax. It shows that there are many thousands of



Minnesotans who can get beyond the class warfare and the class envy by opposing a tax that will not hit them but will hit their more successful neighbors.

But in the end, Governor Dayton took the liberal version of the coward's path. He picked the two most popular tax increases and jettisoned the unpopular ones, in the process rejecting his own campaign pledges and exposing him as a true politician more interested in what polls well instead of what he believes is right.

Yes, Dayton promised to soak the rich. But he really promised a reformation of the tax code. He spent no considerable amount of time on the campaign trail noting that Minnesota is more of a service-based economy that calls for expanding the sales tax base by extending the sales tax to more services.

He called for taxing clothing and opposed the regressive cigarette tax as too punitive for the low income folks who smoke in greater numbers than other quintiles on the income chart.

He did none of it. When the polls crapped on his ideas, he ran like his Senate office was under threat of attack.

He stuck his finger in the wind and socked it to the two most popular groups to exploit in politics.

Mark Dayton took his rare DFL majority and did nothing more than lard billions more on top of the status quo.

Ultimately, governors become very concerned about their legacy, about what people will remember and what the history books will say.

And while many DFL legislators are quite happy to deliver the status quo plus a few billion, governors ultimately feel differently and feel the weight of history more acutely.

By his own standards, Dayton blew it. No one will remember the guy who did nothing but inflate the status quo.

In fact, no one will remember other than the businesses that made the decision to leave Minnesota, expand elsewhere, or never come at all because of Dayton.

To be clear, his "reform" ideas were also bad and nasty.

It is simply a testament to Dayton's poor leadership skills that he was unable to accomplish little of his campaign agenda even with DFL majorities across the board.

And like Barack Obama, Dayton is likely to find the sledding even tougher, as the luster and influence of the chief executive wears off the DFL majority and the elections of 2014 likely bring in a crop of legislators old and new who don't share the governor's progressive world view.

Or, perhaps mark Dayton doesn't get any chances after the 2014 session because the people of Minnesota have decided that a toxic mix of high taxes and an unresponsive status quo government are too much to take.

Governing by the polls is a lot like eating McDonald's. It's the political equivalent to empty calories.

As things stand, the Dayton administration thus far has been unmemorable - other than for perhaps a level of taxation that hasn't been seen since the 1970s.

## **U.S. SENATE COMEDY TOUR**

We all know Senator Al Franken is a clown first, a mediocre comedian second, a man with anger management issue third, and a U.S. Senator somewhere down the line after that.

In many ways Franken personifies Washington. No substance, no understanding, no results. Vapid celebrity-speak quotes, angry tirades, and little else.

Yet even more comedy was injected into the mix this week when Anoka's very own taxing and spending Republican, Jim Abeler [declared](#) his candidacy.

We needed the cavalry and we got the carnival.

No Daniel Boone. Only Howdy Doody. No Lone Ranger. Only Woody.

Honestly, this publication had to look for some type of confirmation that Abeler would even run as a Republican.

That's not only true, but intends to actually test the delegates by asking them to endorse his candidacy, according to the Anoka County Union.

He still has not decided on whether or not he would go to primary IF unsuccessful in seeking the endorsement.

His campaign announcement was not the typical kind, to say the least.

There was no press event, endorsements from fellow Republicans, or any other evidence that this is a serious or legitimate campaign.

The Anoka County Union reported that a "formal" announcement of the Abeler for Senate campaign would come later. Maybe 2015?

Jim, if you're going to be taken seriously, you need a serious campaign.

Psssst. A Hotmail email account isn't the sign of a legitimate U.S. Senate campaign.

We're still not sure this is all legitimate.

Abeler appears to be concerned about government growth and spending:

*Government spending is out of control and unsustainable. Massive debt to foreign countries threatens our sovereignty. Our children and grandchildren are born into a future as indentured debtors of our country's careless spending. When we are dependent on the government, we are absolutely not free.*

That's great and all, but it will indeed require some remarkable verbal and political gymnastics to reconcile this statement with Abeler's voting record.

Without doing any research, delegate and activists should ask Abeler how his statement can be squared with the following votes:

- One of six House GOP members to vote to override Governor Pawlenty's veto and impose a \$6 billion transportation tax on Minnesotans;

- Voted to fund Hiawatha Light Rail Line;

- Voted against allowing school districts to opt out of the Profile of Learning;

- Not only a supporter, but a champion of the \$317 million boondoggle we call Northstar commuter rail;

- Voted for a \$400 million tobacco tax increase disguised as a "health impact fee."

- Bought into the global warming scam by voting for the "25 by 25" mandate that requires 25% of the state's energy come from renewable resources;

- Voted for a "cap and trade" system to artificially limit carbon emissions;

- Voted for numerous bonding bills filled with pork and financed with debt;

Voted to remove the requirement that school boards must put a property tax levy on the ballot;  
Voted for Vikings stadium.

Good luck with all that, Rep. Abeler.

The Watchdog believes in a Big Tent party, but we're skeptical that many Republican activists will find you to be the guy with the right stuff. Maybe Tom Snell, but not many true activists or delegates.

Needless to say, there remains a wide open door for other candidates to enter this race.

**June 28, 2013**

## **Public Policy Commentary**

### **In This Issue:**

**Editor's Note: The Anoka County Watchdog will pause next week to observe Independence Day. We hope you will celebrate by setting off copious amounts of fireworks while commemorating America's founding.**

#### **1. Three Things Liberals Better Not Say.**

### **THREE THINGS LIBERALS BETTER NOT SAY**

All Watchdogs are rightly indignant with the continued hypocrisy of the Left and their co-conspirators in the liberal media.

That hypocrisy and the accompanying double standard from the media has always been there but it has not only gotten worse - it may have hit rock bottom.

It's hard to fathom any hypothetical political dynamic that tears the mask off the DFL facade any more than the past four years have done.

When election season rolls around next year, here are 3 things that any self-respecting Democrat better not say, so as to retain a shred of legitimacy and dignity as a participant in the American political process.

### **REPUBLICANS ARE PROTECTORS OF "BIG BUSINESS"**

And its corollary that Democrats are not protectors of Big Business.

AIG, Government Motors, Solyndra, etc. Barack Obama demonstrated no compunction whatsoever about forking over billions in taxpayer dollars to rescue failed businesses with failed models.

Taxpayers became unwilling investors and debt guarantors in hokey companies with implausible business plans that no private bank, investor, or equity fund would touch.

And don't forget that the past couple of years were banner years here in the state of Minnesota for well-connected mega-companies to get them some o' dat taxpayer moolah.

Zygmunt Wilf, his well-heeled lobbyists, and that goofy pencil-neck Larry Spooner all showed up for a heapin' helpin' does of funding backed by phantom gambling revenues.

And the Mayo Clinic showed up to demand, in the apt words of House Tax Committee Chairwoman Ann Lenczewski (DFL-Bloomington) that the state "build them a city."

And don't forget about Baxter Medical, a company that not only got a spiff from the state, it was a spiff cloaked in double-secret probation-style secrecy that would have made the NSA proud.

It was only after a public outcry that the Dayton Administration came clean about the subsidy.

And then there are the hundreds of millions in special tax breaks and credits for industries that are savvy enough and spineless enough to play ball with the DFL to get those special breaks.

(How about lower rates and less regulations for all job creators and not just those willing and able to throw money at politicians?)

This all happens before we get to bonding bills, which are filled with incredible pork for business.

Let's start with \$25 million for the minor-minor league Saint Paul Saints to build them a new stadium for the 5,000 people who show up for their poorly-played games.

Oh, stop. Add another \$9 million in unforeseen soil correction issues, brining the cost of the stadium up into the neighborhood of \$60 million. Remember that when DFL legislators start sounding the alarm next legislative session about our structurally deficient highway bridges.

That \$25 million came from a larger \$47.5 million pool of lard designated only for "economic development" projects to be named later in order to protect legislators from having to explicitly vote for a palace for a third-rate baseball club that complained of the indignity of playing at their other publicly-funded stadium.

The DFL is anti-business only to those job creators unwilling or unable to show up at their fundraisers.

Editor's Note: Of course, there are Republicans who support some of these programs and bills. Nonetheless, the philosophical underpinning of these bills is liberal orthodoxy. Liberal thought empowers government. Conservative philosophy empowers individuals.

## **REPUBLICANS ARE OF THE RICH, BY THE RICH, FOR THE RICH**

The rise of DFL mega-donors has been one of the great untold stories of the past three election cycles.

Right here in Minnesota, Governor Dayton's ex-wifey is none other than Alida Messinger, who is none other than a silver spooner of the Rockefeller trust.

Talk about naming rights for stadiums? We ought to have naming rights for the state Capitol.

The Alida Messinger Capitol Dome.

Messinger's millions essentially purchased a majority.

Moreover, a look at the top donors in Minnesota politics. The top donors, by far and away, are liberals.

The old saw that Democrats are blue collar and Republicans are cigar-smoking yacht basin millionaires is dead. Not that the DFL and the media won't attempt to perpetuate the stereotype.

## **REPUBLICANS ARE IGNORANT NEANDERTHALS**

While liberals are enlightened, benevolent, and civil.

This canard starts and ends with Supreme Court Justice Clarence Thomas.

Those open-minded, diversity-seeking, enlightened liberals, like Julianne Malveux, who said of Clarence Thomas:

"The man is on the Court. You know, I hope his wife feeds him lots of eggs and butter and he dies early like many black men do, of heart disease. Well, that's how I feel. He is an absolutely reprehensible person."

Of course, the respect for the diversity of opinion that marks a civilized society only applies to liberal thought.

The same holds true for liberal action.

Recall just a few short weeks ago when Minnesota passed a gay marriage bill.

Victorious liberal DFL authors were quick to praise the respectful and civil debate, meaning they were glad no one opposed to the bill mucked up the works because lacked the votes to stop it.

Now let's head down Interstate 35 to the Lone Star State.

The Texas legislature clearly had the votes to strengthen the rights of unborn children to avail themselves of the basic civil right to life.

After passing the House, one pro-abortion state Senator threw up a filibuster to thwart the will of the majority.

Moreover, the gallery erupted into chaos, with pro-abortion radicals yelling and screaming in a successful attempt to stop legislators from carrying out their constitutional duties.

No respectful and civil debate here.

The result? The legislator and the mob are celebrated as heroes, with civics-challenged legislators and journalists defending "democracy in action."

Really? When the legislature is prevented from voting because of mob unrest, that's democracy in action?

This publication can only think of the outrage had opponents of gay marriage engaged in such tactics here in Minnesota.

And please don't note the difference in the two states. Radical thuggery doesn't respect borders.

Which brings us back to Justice Clarence Thomas.



Unless you were living under a rock or were sequestered as a Trayvon Martin trial juror, you surely read of state Representative Ryan Winkler's tweet calling Justice Thomas an "Uncle Tom," a racially loaded term of the highest order.

Winkler, for his part, did the classic tap of dance of the arrogant politician caught red handed.

He denied that the term was offensive, noting there was "some debate" on the subject.

He denied knowing it was offensive.

He offered the half-hearted apology only to those offended.

Despite this abhorrent display of arrogance and racial insensitivity, the local media was nearly silent.

Despite the story making headline news around the country, there was no follow up in the local media, no questions for Governor Dayton or Speaker Thissen asking them if they condemn the remarks and if Winkler should resign.

Nope. This guy is a liberal Democrat, so nothing to see here.

Go ahead and just imagine for a moment the sustained and media-fed outrage if a Republican had uttered the remark.

John Edwards was right. There are two Americas. One where Republicans and conservatives are slammed at every turn by the media and subjected to vile recrimination and intimidation by radical liberals.

The other America is one where the liberal orthodoxy is accepted as fact by the mainstream media and academia. The tactical goal is make liberal thought look mainstream and normal while supporting the strategic goal of making liberal thought the basis for governance and the basis of American society in general.

**July 12, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. Stadium Fraud.**
- 2. Image Problem, Real Problem.**
- 3. The Lessons of Capitalism.**

**STADIUM FRAUD**

Entire books have been written on the subject of taxpayer-subsidized sports facilities.

This publication wholeheartedly agrees with critics who argue that nearly all the alleged benefits of those stadiums are illusory and just plain bunk, especially the economic arguments.

Here in Minnesota, it's also illuminating and a bit disgusting to consider another alleged benefit of these new sports palaces: the winning product.

When the snake oil is hawked down at the legislature, one of the arguments is that a new facility will allow the benefitting team to field a better team, resulting in winning records and championships which will do nothing to fulfill government's role in our lives but will make some low-information citizens feel good and distract them from the banality of their vapid lives. Bread and circus is obviously of timeless appeal.

Yes, these new facilities will attract quality players, free agents, recruits, and other superstars who will bring glory to town. You know, makes us feel "big league" and make us better than Iowa or Omaha. Na na na na na. We have a team and you don't. Childish but true.

So how has that all worked out for you, taxpayers?

The Minnesota Twins moved into their palace at Target Field in 2010. This year, the team is on a pace to lose 95 games and finish with one of the worst win-loss records in major league baseball.

In 2010, the team finished with a record of 94-68. The team won the American League Central division, but was swept out by the New York Yankees in the playoffs.

In 2011, the team was 63-99, and was the worst team in baseball except for the Houston Astros.

In 2012, the team was 66-96, and posted the worst record in the American League.

As mentioned, the team is on pace for a similar record in futility this season, a projected 67-95 record.

You don't need to be a baseball fan to conclude that all the extra revenue isn't going to build a better team with higher payrolls to pay higher income taxes.

Instead, that money is going into the pockets of team owners, who enriched themselves at the taxpayer trough.

Do you really think things will be different with the Vikings, who may or may not actually their \$1 billion palace built because it was funded with a smoke-and-mirrors plan that is ultimately backed up by the state's general fund?

With a big election year upcoming in 2014, let's take a moment to recall those legislators who will be asking for your vote and where they stood on these issues:

Twins vote [here](#).

Vikings vote [here](#).

## **IMAGE PROBLEM, REAL PROBLEM**

In our broken public education system, the more things change, the more they stay the same. The names change, the kids change, legislators change, education budgets grow, but the test scores stay the same - flat.

But Education Minnesota, the Leviathan beast of public employee unions, has a new president.

Did we mention how things stay the same?

Denise Specht, the new president, offered more of the same old, same old we've been hearing from this union for years.

She wants fewer standardized tests, thereby reducing accountability. What a surprise.

And like any union, she's interested in keeping artificial barriers to limit market entry.

For example, she opposes Teach for America, an innovate program that puts talented young people in the classroom while they earn their teaching licenses.

Said Specht, "When you have somebody on your team that you're worried about whether they're prepared or whether they have the tools that are necessary to do well, that's a concern for everyone."

Oh, really?

If that's truly the concern, then why not support Republicans in their effort to make it easier for administrators to terminate bad teachers?

Why all the support for tenure and the grievance rules that make it virtually impossible to fire the bad ones?

Why not support policies that reward good teachers and punish the bad ones?

Yeah, that would require subjecting teachers to objective accountability standards, which is anathema to this union.

Did you know that we have teachers in the classroom who didn't pass the basic skills test to teach?

Where was Education Minnesota on that one?

Specht then went on to complain that teachers were "taking a beating in the court of public opinion" and that teacher morale is at an "all-time low."

We agree. And the reason is Education Minnesota and its leadership.

Morale is low because good teachers see the bad ones get away with incompetence and even rewards.

They see a pay system that fails to recognize merit and achievement.

Instead, teachers are paid on a Soviet-era industrial grid of "step and lane" movement that recognizes only seniority and how many on-line credits a teacher got from the Minnesota Bartending Institute.

Any organization that fails to set and enforce high standards is doomed to low morale. When no distinction is made between the high achievers and dead weight, the system will break down.

And there is a good reason why public teachers don't enjoy a good reputation in many quarters.

It's because their union spends no small amount of resources essentially telling the public that teachers have a crummy professional life, need more pay and benefits, and less accountability.

Look, most taxpayers are smart. They can smell BS. And when Education Minnesota tries to pee on our legs and call it rain, we see right through it.

This is because most taxpayers live in a far different world than most teachers.

We are held accountable at work as "at will" employees who can be terminated when we don't get the job done.

We work a standard work year and then some. We don't get summers off. We don't get two weeks for Christmas. And a week off for spring break. And days off for "staff training." And days off in October for our union meeting.

We have a defined contribution pension program. We don't get to retire at age 55 with a Cadillac defined-benefit program.

We know what teachers get paid and we know the benefit structure as well as the work environment.

So, please. Don't tell us our local schools are a North Korean gulag. We think you're doing okay.

The problem is that Education Minnesota continues to spout off about how bad teachers have it while resisting attempts to improve educational outcomes.

Until this changes, there will be low morale and a poor public image.

But don't blame the taxpayer. You brought this on yourself.

## **THE LESSONS OF CAPITALISM**

Friends, the primary purpose of this publication is to extol the virtues of free-market, laissez faire capitalism. Yes, we seek to proselytize the masses on the subject of free markets and free men.

Unfortunately, we spend most of this time showing the virtue of capitalism by way of the folly of many government programs.

Such is the case this week in Nevada.

As readers know, the Las Vegas real estate market was among the hardest hit by the recession.

The response of the Nevada legislature was to pass a harsh foreclosure bill that has essentially imposed a moratorium on foreclosures in Nevada.

Thus, deadbeats continue to live in homes for free, while many trash the homes.

Banks and credit unions suffer with non-performing loans, which harm shareholders, customers, and employees.

Buyers who would otherwise be in the market are frozen out of the short sale market and the market is deprived of the one sure mechanism to reduce the inventory of distressed homes.

Moreover, a perverse incentive is created to build new homes precisely where they aren't needed as homebuyers look to get into the market. There is demand for homes. Since foreclosures can't meet the demand, the new home market will.

The primary lesson here is market efficiency. Free markets are inherently more efficient than government in allocating scarce resources.

In this case, a government program has encouraged the overbuilding of homes and prevented the market from turning distressed assets into productive assets through the transfer of ownership of foreclosed homes.

Look for President Obama to try and use Nevada as a national model.

**July 19, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. Klobuchar for President.**
- 2. The Lobbyist Gravy Train.**
- 3. Dependency Nation.**

**KLOBUCHAR FOR PRESIDENT**

For president of the local PTA. For president of the Girl Scout Troop. For president of the Hair Club for Men.

But no fargin' way in heck for president of these United States.

Sure, Barack Obama has lowered the bar to worm's eye level and led every school board member to think that POTUS is within reach, but this is hilarious.

Newspapers reported this week that good old Anonymous Amy has "presidential buzz" about her because of speaking engagements in key states.

So what. This publication has a hard time, a really hard time, seeing Anonymous Amy as presidential timbre.

She's been in office seven years. Name a piece of legislation she authored and passed that is meaningful to the majority of Americans.

Terrorism, the economy, national debt, nuclear proliferation, North Korea, jobs, America's place in the world.

What has she done on these issues?

Nothing.

Instead, we're treated to a constant diet of issues that no one would oppose yet mean little to the average American.

Yes, it's a good thing when Russian children can get adopted into a loving family. Yes, pool safety matters to parents.

But none of these issues are of pressing importance to the American people. Frankly, her legislative accomplishments are nowhere to be found in nay poll regarding issues of national concern.

She's no leader. Instead, Anonymous Amy has made a career out of playing it safe. She's made a career of taking on the easy issues and then taking a very public victory lap.

She takes no risks and mild mannered Minnesota has rewarded her. She is the hot dish of Minnesota politics. The Scandinavian spouse of Minnesota politics. Bland, safe, non-threatening, and devoid of any spice.

President? She's not even a good senator.

What's the narrative? She will be tough on North Korea because she was tough on pool makers?

That she is qualified to be commander-in-chief because she prosecuted drunks back in the day?

If she runs for president, she will have the thinnest resume since, well, since... Barack Obama.

Ugh. Never mind. We'll elect anybody these days. Maybe she can spice things up and put Anthony Weiner on the ticket.

She has nothing to show. He shows too much. A balanced ticket.

## **THE LOBBYIST GRAVY TRAIN**

It's that time of year, Watchdogs. The time of year when the Minnesota State Auditor office releases its annual report on how much local units of government spend to lobby the state.

Like a game of 3D chess, you need to pay close attention to the different layers of lobbying.

First, note that this report is only about what our local units of government pay to lobby the state. It DOES NOT include the amounts spent to lobby the federal government.

(In 2012, local units of government in Minnesota spent approximately \$1.1 million lobbying Washington).

Now, it's important to pay attention to the different layers of lobbying that go on at the state level.



First, many local units of government have their own employee lobbyists on staff, who make a nice salary and benefits. Think former state Rep. Kathy Tingelstad, who for some reason is still employed by Anoka County.

Second, many units of local government also have "hired gun" contract lobbyists who do work for one or multiple local units.

Third, many local units also pay dues to special interests who in turn lobby at the state Capitol. The League of Minnesota Cities (LMC) is one such organization. Nearly all local units have one or more of these arrangements.

In 2012, local units of government in Minnesota spent an aggregate of \$7.8 million directly lobbying the state.

Of that amount, approximately half was spent on employee or contract lobbyists while the other half was spent on dues to local government associations which were in turn spent by them to lobby the state.

Among the many troubling aspects of the report is the big spending by governmental agencies that are not accountable to the electorate.

Out of the top 10 spenders on state lobbying, four of them are not directly accountable to voters through election and re-election of leaders.

The Metropolitan Sports Facilities Commission, which had to work hard to push the Vikings stadium across the finish line, spent more money on lobbying in 2012 (\$340,941). than any other local unit of government except the City of Minneapolis, which also lobbied for the stadium.

In fourth place is the Metropolitan Airports Commission (MAC).

After the MAC is some group called the Western Minnesota Municipal Power Agency. Anoka County Watchdogs might be interested to learn that the City of Anoka participates in this organization. Maybe it has something to do with that ugly windmill that sits on the high school property.

After that, the Counties Transit Improvement Board (CTIB) rounds out the top 10. This is an organization of the Metro counties that slapped their taxpayers with a "wheelage tax" that ironically is actually used to fund rail projects, like the failed Northstar commuter rail and the soon-to-be-failed Southwest Light Rail project, that has seen cost estimates (shock!) skyrocket. And no matter the cost estimate, know that the actual cost will be in excess of that.

It's bad enough that tax dollars are being spent on lobbyists who work to transfer tax dollars from level of government to another.

But it's really troubling when governmental bodies with no elected officials spend money on lobbying.

What's the recourse? How many voters even understand that the governor appoints MAC officials or that CTIB is comprised of certain county commissioners from the counties with a wheelage tax?

This is emblematic of the growing size and scope of government. We have unelected bodies spending hundreds of millions of dollars without the benefit of direct accountability at the polls.

These unelected bodies provide a very beneficial function to elected officials. They often shield them from being held accountable.

Who put that low income housing in my neighborhood? Um, it was the Met Council.

Who spent all that money on light rail? Not us. That was CTIB.

Who were the clowns who renamed the airport terminals "Terminal 1" and Terminal 2?" Don't look at me. It was the MAC.

## **DEPENDENCY NATION**

Under President Obama, America has accelerated the march towards a Food Stamp nation. A nation in which work, productivity, and self-sufficiency are de-emphasized in favor of dependency on government and dependency on those who fund those programs - Democrats.

Under Obama, more and more Americans ride in the wagon while fewer and fewer are left to pull it.

One of the ways in which dependency is fostered is to expand eligibility criteria.

Frankly, people who aren't impoverished are treated as if they are so.

Recently, the Watchdog gained possession of a "free and reduced" school lunch eligibility memo from the Anoka-Hennepin School District.

For a family of four, eligibility is available up to a household income level of \$43,568 annually.

According to federal 2013 poverty guidelines, the poverty level for a family of four is \$23,550 annually.

Put another way, you can get your neighbor to help you take care of your kid's lunch needs even if you are nearly 200% over the federal poverty guideline.

Put another way, you can make nearly \$21 an hour at your job and still get a subsidy for your child's meals.

Now, \$43,568 per year isn't living rich, but that isn't the point. The point is that you can well afford to feed your kids on \$3,630 per month.

One of the most immoral aspects of the liberal ideology is the intentional addicting of people to government, even when they don't really need it.

Whether Solyndra, AIG, or the guy down the street, the liberals constantly seek out ways to get people on a government program while de-stigmatizing membership in such programs, which comes at the cost of undermining critical shared values like productivity, individualism, and self-reliance.

The values liberals cherish aren't found in American principles and values. Instead, they are found in European Socialism.

**July 26, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. The Real Root of Detroit's Implosion.**
- 2. Wisconsin Unions Vote with Feet.**
- 3. William Wilkins.**

**THE REAL ROOT OF DETROIT'S IMPLOSION**

Yes, we said "implosion." Detroit, like a black hole of stellar mass, left us awe struck with an overwhelming and fearsome display of almost preternatural power as the city collapsed on itself, without a photon of light escaping (or maybe that was just the lamp posts not working).

A city of 1.5 million becomes a city of less than half that size, with 47% of its remaining residents functionally illiterate, a number associated with many Third World countries.

A city where it takes an hour for the cops to show up. Where 1/3 of ambulances are inoperable.

Corruption. Blight. A death spiral. A canary in the coal mine. A cautionary tale.

While many factors were at play in Detroit, one cause, above all others, led to this calamity.

It wasn't race relations.

It wasn't corruption.

It wasn't the auto industry getting eaten alive by legacy costs (getting warmer).

It wasn't out of control government spending (starting to sweat).

It wasn't even unsustainable pensions (getting way hot).

The root cause of Detroit's problems boils down to the public policy decision made in the 1960s and 1970s to allow public employees to form unions and collectively bargain for pay and other benefits.

It should come as no surprise that public unions are bankrupting cities, counties, states and the federal government with unsustainable pension costs.

Don't think that Detroit is the only jurisdiction with un-funded pension liabilities. Here in Minnesota, not a single public employee union is fully funded. Overall, these pensions have just 75 cents for every dollar of pension obligation. The deficit stands at nearly \$17 billion dollars.

Moody's Investor Services estimates that the nation in the aggregate faces \$2 trillion in unfunded pension obligations.

Detroit, it turns out, is just the tip of the iceberg. Other municipal bankruptcies also portend this imminent fiscal calamity.

But massive unfunded pension obligations and legacy health care costs for public sector retirees are merely symptomatic of the underlying malignancy.

Allowing public employees to bargain with politicians for these goodies is the real problem.

This is because the normal restraints and guardrails present in private sector bargaining are wholly absent in the public environment.

(This discussion is focused on public sector unions, which is not an endorsement of collective bargaining in the private sector.)

First, collective bargaining is premised on the mutual tension that normally exists between labor and management.

For example, private sector companies have a fiduciary obligation to shareholders and investors. Because labor is an input cost, management has an incentive to keep those costs as low as possible.

Unions, on the other hand, have an incentive to maximize pay and benefits.

This tension keeps most union contracts within what the market will support.

Which leads to another factor not present in the public sector: the free market.

In most labor negotiations, both labor and management realize that market forces put a governor on what can be gained in terms of pay and working conditions.

Get it wrong, and shareholders lose their investment and employees hit the bread line. The price for financial failure is severe.

Recent history at both General Motors and Hostess Brands demonstrated this fundamental principle in action.

Yes, Obama bailed out GM, but the point remains. GM management got it wrong on the economics and they bankrupted the company. Obama, in reality, shifted the losses normally borne by employees over to GM shareholders, bond holders, and the taxpayer. They all took on losses they normally wouldn't have so that union workers experienced less economic dislocation than what the market would have visited upon them.

In short, the absence of market place financial realities too often un-tether unions, and more importantly, management from reality when they bargain in the public sector.

Moreover, there is an absence of the inherent economic tension between unions and management in the public sector.

The combination of the lack of these two key restraint devices is an invitation for fiscal disaster.

In the private sector, the bargaining table is often the place where fundamental clashing interests over pay and working conditions are resolved to assure labor peace for a time.

In the public sector, the bargaining table is often the place where unions and management get together to carve up the spoils of political war.

Often, the very same unions that are on the other side of the table are responsible for electing the management team.

In other words, there is no "other side" of the table. All are sitting on one side of the table.

The concept of collective bargaining is literally turned on its head. Management is effectively colluding with the union to bilk the company so the union can turn around and use the windfall to ensure that management stays in power at the next election.

And because government has no bottom line, no profit/loss statement, and the power to tax, there are no market forces to impose cost controls.

Thus, government is left to utilize two tools to impose market discipline.

One is the ballot box (more on this below).

And the other is bankruptcy. Even government runs out of money at some point. Greece, and Detroit are two recent examples of government finally running out of money.

In sum, the public policy decision to allow government employees to unionize has been one of the most irresponsible, reckless, and detrimental actions our government has undertaken.

The normal checks and balances and swift penalties for failure found in the private sector are wholly lacking in the public sector.

Elections or bankruptcy. That's the reality, whether AFSCME and Education Minnesota like it or not.

## **WISCONSIN UNIONS VOTE WITH FEET**

Watchdogs, have you been following what's happening in Wisconsin with their government unions?

We all know Governor Scott Walker and courageous Republicans were successful in beating these ultra-powerful unions and instituting much needed reforms (see above).

But that's not nearly the end of the story.

Now that these reforms are in place, government employees are voting with their feet and leaving their unions in droves.

Two years ago, Wisconsin public employees were given the freedom to choose whether or not they wanted to belong to a union, freeing them from compulsory membership.

As Governor Walker stated, he wanted unions to demonstrate value. If they were a good deal, employees would see it and freely belong. If not, they would keep their money and their freedom from union control.

So how is it working out for the unions so far?

AFSCME Local 48 had 9,000 members and income of \$7 million when the law passed.

Today, this union local has 3,500 members and had a \$650,000 deficit.

AFSCME District Council 40 has lost 36% of its membership.

The Wisconsin Education Association has lost nearly 50% of its membership.

The Wisconsin State Employees' Union has lost 13,000 members out of the 22,000 who were on the rolls when the law passed.

When given a choice, it seems that government workers aren't so hot to belong to a union and take advantage of all the alleged benefits they offer.

It would be interesting to see some type of study done to determine why government unions have lost so many members in Wisconsin.

We can certainly think of some reasons.

Starting with government unions protecting lazy, incompetent employees. There are probably many honest, competent, hard working public servants who are sick and tired of paying for the union to protect and keep employed insufferable colleagues.

Or the fat cat union boss pay and perks. The Watchdog in the past has exposed Education Minnesota's Cadillac pay and benefits and numerous lobbyists on the payroll.

In any case, Wisconsin public servants are clearly voting with their feet and sending a message to their erstwhile union bosses: You provide no value. You're fired!

## **WILLIAM WILKINS**

William Wilkins. Ever heard of him?

He's the chief counsel for the Internal Revenue Service and a big time Democrat.

He's also becoming the focal point in the latest stage of the Congressional investigation into the Obama Administration's use of the IRS to pursue and harass groups Barack doesn't like.

Wilkins is also a long-time lobbyist, having been a lobbyist for over 20 years before coming to the IRS in early 2009, just after the Community-Organizer-in-Chief took over the White House to save humanity.

Wait a minute. Wasn't Obama going to ban lobbyists from government? Stop the revolving door?

Prior to going to IRS, in fact, Wilkins was a lobbyist on tax issues, representing groups that wanted favorable treatment by either the IRS or members of Congress who wrote tax law.

Huh. Nearly a year after Wilkins was hired, Obama said this in his 2010 State of the Union Address: "We've excluded lobbyists from policymaking jobs or seats on federal boards and commissions."

Now we learn that Wilkins was very likely making policy, indeed.

It appears that he had a hand in fashioning a policy that singled out conservative groups for special scrutiny in applying for a certain tax status.

Does anyone believe this president anymore? He has not a shred of credibility remaining.



**August 2, 2013**

**Public Policy Commentary**

**In This Issue:**

**Editor's Note:** Much has rightly been written about the moral, fiscal, economic, and social collapse of Detroit, America's "Atlas Shrugged" moment. The Watchdog encourages readers to take a moment to read this first-hand account of the [implosion](#). This is an excellent account of what happens when liberalism is taken to its logical conclusion. No amount of money will save Detroit. The only solution is to wipe away the dysfunction and establish a system that enforces some measure of accountability, transparency, and the rule of law.

- 1. Kiss That Tax Goodbye!**
- 2. Property Tax Cuts?**
- 3. Is Minneapolis Detroit?**

**KISS THAT TAX GOODBYE!**

Watchdogs, we come bearing glad tidings and good news from Anoka County, home to Watchdog HQ and global headquarters.

We wanted to share the good news of the county's decision to repeal its "wheelage" tax, a true repeal of a tax and thus as rare in Minnesota as sighting a wild giraffe or a moderate Democrat.

Our story regarding that repeal is reprinted here because there is no reason whatsoever that your county and city can't do some old fashioned tax cuts.

Moreover, do have a county board or city council dominated by liberals? You can change it. The taxpayers in Anoka County did.

Read this inspirational story, below:

Trivia: When the last time a tax was actually repealed? Answer: Just last week. Of course, Barack Obama didn't do it. Governor Mark Dayton didn't do it.

But Commissioner Rhonda Sivarajah did. So did Commissioner Look. And Commissioner West. And Commissioner Schulte. And Commissioner Braastad.

Last week, the Anoka County Board voted 5-2 to repeal the county "wheelage tax" that taxed county citizens who own a vehicle in the county.

The tax was repealed. It wasn't replaced with another tax or fee. There was no smoke and mirrors or bait and switch. Taxpayers in the county received the direct benefit of a tax cut.

This feat is noteworthy for a number of reasons, besides the simple fact that a tax cut actually happened instead of hearing elected officials just talk about it. Results, not rhetoric up here in Anoka County.

Just a few short years ago, the county was in the vice grip of a cabal of commissioners who talked a fiscally conservative game but voted a liberal one.

With hard work and some financial resources to level the political playing field, the ideological make up of the board changed from a 6-1 liberal make up to a 5-2 conservative composition.

These five public servants haven't squandered their opportunity to reform government.

In the short time that this majority has governed, Anoka County has undergone a transformation.

Budgets have been trimmed without a reduction in service quality, property taxes have been held flat, the county has reduced its borrowing and debt service, eliminated memberships in special interest groups, and the commissioners have introduced a unprecedented level of cooperation with employees to share ideas to maximize service while minimizing expenses.

In short, Anoka County has implemented a true model of lean government that is producing results.

This model should serve as a template for other jurisdictions to follow, especially when many of those same jurisdictions are living on borrowed fiscal time, heading towards an ugly day of reckoning. Just this past week, investment grading houses have downgraded a number of Minnesota local governments because of these looming fiscal issues.

Any smart county or city administrator would have Anoka County come in to share their reform successes.

But don't count on it. In fact, most counties are either implementing the wheelage tax for the first time or they are doubling it, as authorized by the DFL-dominated legislature and Governor Dayton.

In fact, this is the real danger for all 5 county commissioners.

You see, there is a very powerful status quo in government. There are powerful forces that like the status quo of simply piling more money on the same old dysfunctional system.

Entrenched bureaucrats, lobbyists, public sector labor unions, and those who gain benefits from government spending are very alarmed by this development in Anoka County.

The Fab Five of Sivarajah, Schulte, Look, Braastad and West are showing citizens that there is a better way that can really work. In other words, they are successfully challenging power interests who don't want change and reform.

Thus, don't at all be surprised when these 5 are attacked publically and privately through a whisper campaign.

They will be portrayed as "radical" and "extreme." Anoka County will be called an "outlier" and on the "fringe" of rational and reasonable government.

We've already seen the articles from a compliant and co-conspiratorial media.

Remember the hysterical articles when Anoka County took the simple step of leaving the Minnesota Inter-county Association (MICA)? You would have thought the board voted to leave the Union.

Look for more of this same propaganda in the future.

But that's okay. The media and the entrenched special interests don't vote and the Fab Five don't care about them because they don't represent them. They represent the citizens of the county.

Readers should press the issue by asking their other local and state officials what they are doing to control costs and improve quality like Anoka County. If Anoka County can do it, why can't others?

The answer is that they can if only they have the courage and energy to do so.

Reforming government is hard work. These commissioners spend untold hours on the subject.

It always makes this publication laugh when some politician says, "raising taxes is hard. It's a last resort."

Bullshit. Piling money on the status quo is easy. And it's popular among the special interests.

What Sivarajah and company are doing is hard work. And it's greatly appreciated.

And, by the way, you readers in Andover and Coon Rapids ought to contact [Commissioner Carol LeDoux](#) and ask her why she is so opposed to these common sense reforms.

This woman talks the conservative game and votes the liberal.

But that's okay. She is up for re-election in 2014 and her fate is the one experienced by one similar to her: Dan Erhart. That's coming.

And [Commissioner Jim Kordiak](#)? Cuba is instructive. Isolate and wait for regime change. Kordiak is ineffective and has no bearing on the overall politics or public policy of county government. No one listens to him anyway.

## **PROPERTY TAX CUTS?**

Speaking of local units of government and their spending, we won't hold our collective breath waiting to see if that big money windfall they got out of Mark Dayton and company will be passed along to property tax payers.

Recall that cities and counties got access to all sorts of cash this past legislative session.

For example, aid to cities to cities and counties was increased \$130 million in the recent budget that was passed.

Moreover, cities and counties no longer have to pay the state sales tax on many purchases. While this change is good public policy, it will save cities and counties \$172 million.

In addition, as described above, counties may implement a \$10 per vehicle tax as well, one that goes directly to the counties.

So, will cities and counties use the money to cut property taxes or will they simply spend the money?

History would indicate that cities and counties will simply spend the money and continue to raise your property taxes.

A report from the Office of the Legislative Auditor (OLA) showed that cities and counties have historically used 82% of the aid to increase spending and 18% to provide property tax relief.

In short, the recent windfall to local units of government was really nothing more than payback to local elected officials who support DFLers for legislative office.

Remember what we said above about a powerful group that supports the status quo?

This is part of it.

## **IS MINNEAPOLIS DETROIT?**

One of the problems faced by Detroit is a bloated public payroll and the resulting unfunded obligations to those employees.

Detroit has a ratio of one public employee for every 61 citizens.

Some major cities have a far higher ratio and some a much lower.

For example, San Francisco has one bureaucrat for every 28 citizens.

At the other end of the spectrum, Bakersfield, California has one public employee for every 246 residents.

So where is Minneapolis?

The City of Lakes is closer to Detroit than Bakersfield.

A city of 383,000, the city has an employee payroll of 5,111, or about one public employee for every 74 residents.

Chicago, notorious for unresponsive bureaucrats, has one of those guys for every 78 residents, a better ratio than Minneapolis.

Las Vegas does even better, with one public employee for every 225 residents.

So how about cities of comparable size?

Bakersfield is a good comparison, at 348,000 residents.

Arlington, VA (365,000) has one public employee for every 145 residents.

Omaha (409,000), a city many liberals in Minnesota love to denigrate (we're becoming a cold Omaha!) has one public servant for every 144 residents.

So how do cities like Arlington and Omaha get away with a municipal work force half the size of Minneapolis?

That's a great question, especially with Minneapolis getting a huge state aid windfall.

**August 9, 2013**

**Public Policy Commentary**

**In This Issue:**

**Quote of the Week: "There's Plenty of Money, It's Just The Government Doesn't Have It"**

**- Congressman Keith Ellison**

**1. Just Plain Incompetent.**

**2. Don't Mess with Texas.**

**JUST PLAIN INCOMPETENT**

So just what in the heck is going on the governor's office?

Does the state's chief executive know just what's happening on the good ship Minnesota day to day?

It certainly doesn't look like it.

At the end of the most recent legislative session, the DFL legislature and Governor Dayton teamed up to pass a \$2 billion tax increase on the people of Minnesota, including those who provide the jobs that fuel the economy, put food on the table, and provide tax revenue that funds government programs.

This tax bill was one of the most important, high profile, and hotly debated bills of the session.

And Governor Dayton was intimately involved in negotiating that bill, which underpinned the spending he and the DFL so desperately wanted.

Said the governor's own press release on May 12th:

Saint Paul, Minnesota - Governor Mark Dayton, Speaker Paul Thissen, and Senate Majority Leader Tom Bakk today announced agreement on spending and revenue targets for the FY 2014/15 state budget. These targets provide the framework for a fair and responsible budget that invests in the middle class.

On May 23rd, the governor signed the omnibus tax bill into law.

See the facts right [here](#).

Now fast forward to this week as Governor Dayton expressed utter befuddlement and bewilderment that a bill he negotiated and affixed his signature thereto contained a \$28 million tax on farm equipment.

While at the popular Minnesota Farm Fest, Governor Dayton squared danced on the head of a pin as he explained his utter ignorance.

Said Dayton, ***"I was not aware of it, my staff was not aware of it until the next morning when the tax bill was already buttoned up."***

Incredible. Mind boggling. Astounding. Remarkable.

The governor of Minnesota claims he and his staff were totally ignorant of a major new tax increase.

Remember that he has an entire state agency dedicated to doing nothing more than tracking the taxes.

It's called the Minnesota Department of Revenue and they were sitting there every day at the conference committee that negotiated these taxes.

Now, the governor wants a mulligan in an upcoming special session to repeal this tax.

The Mulligan Session.

Sadly, this isn't the first time this governor has professed ignorance of a major piece of legislation he both signed and negotiated.

Readers will recall when Dayton expressed more befuddlement and bewilderment when he discovered that the Vikings stadium contained a provision allowing the team to charge a PSL (personal seat license).

Recall that Dayton expressed outrage at the PSLs and the bill he signed into law, firing off an angry letter to the Zygmunt Wilf threatening him over the potential use of what the bill authorized him to use.

Dayton's letter has a true "what me?" quality to it:

"Now comes word the team is considering requiring season ticket holders to pay part of the "NFL Team / Private Contribution" for construction costs. I strongly oppose shifting any part of the team's responsibility for those costs onto Minnesota Vikings fans."

Well, governor, you did negotiate and sign the bill that allowed that shift.

And even if you weren't listening to your staff, you should have been reading the papers.

A year before the governor sent off his angry letter, MPR ran a [story](#) with the not-very-cryptic headline "Vikings Could Sell Seat Licenses to Fund New Stadium." Duh.

You just can't make this up.

And there's the whole issue of the funding source for the stadium completely collapsing and failing badly, bringing in just a fraction of projected revenues.

And while we're talking Vikings, did the governor undertake any due diligence regarding his partner in the stadium debacle, one Zygmunt Wilf?

Just this week, Zygi Stardust was absolutely flamed and broiled by a New Jersey judge who concluded, in effect, that Wilf is a fraudster.

Wilf and his real estate firm were involved in a lawsuit regarding the development of an apartment complex.

At core, the judge found that Wilf and his two brothers violated state racketeering laws and used fraudulent bookkeeping to defraud business partners.

The judge went on to describe Zygmunt himself as demonstrated "bad faith and evil motive" during testimony.

The judge went on to observe that "I do not believe I have seen one single financial statement that is true and accurate."

This is the man who got a few hundred million in taxpayer dollars.

Next, the governor is presiding over a dysfunctional state system for keeping our most dangerous sex offenders off the streets.

Again this week (another bad one for the governor), the state screwed up by freeing a sex offender by mistake and then simply dropping him off at a shelter.

Nonetheless, state officials claimed the man, Raymond Traylor, isn't dangerous.

Said a spokeswoman for the state, "if we thought there was a risk, if he was dangerous, we would've asked that he be recommitted."

Strangely, the Hennepin County Attorney stated that Traylor "poses a danger not only to the public but also to himself."

Traylor's criminal record reveals a laundry list of convictions for assault, trespassing, and drug and sex crimes.



So why didn't the state move Traylor over to the governor's mansion, where there is surely an extra room?

The best the governor could say about the fiasco is the he's "deeply concerned."

Wonderful.

This is the same phrase the governor used to describe Zygi Wilf's racketeering charges.

Let's just imagine for a moment if this was Tim Pawlenty.

The Star Tribune and the other mainstream media outlets would have had a field day.

It's nothing short of astounding to consider what has transpired in the governor's office the past three years.

There was a time when Democrat chief executives displayed competence and moderation in their governance.

But John F. Kennedy and Karl Rolvaag have been replaced by Barack Obama and Mark Dayton.

## **DON'T MESS WITH TEXAS**

In news that is sure to rile elitist, snobby Minnesota liberals, Forbes this week released its list of "Best Cities for Future Job Growth," which named Texas cities in seven of the ten slots.

In fact, Texas cities took four of the top five slots.

Moreover, Chief Executive magazine named the Lone Star state the Best State to do Business for the ninth year in a row.

The other three cities were Ocala, FL and Santa Cruz, CA and Salt Lake City, UT.

Nine of the ten cities are in states generally run by Republicans.

And only one city for California? The Golden State is so golden anymore.

Minneapolis nowhere to be found.

Shakopee nowhere to be found, even though the governor has been travelling to find rent seeking firms willing to come to Minnesota, provided they can get a special break.

Perhaps Governor Dayton out to call Governor Perry and ask him the secret, which really isn't a secret at all.

Texas has a policy of pro-business legislation that encourages job growth and prosperity across the board, where the invisible hand of the free market and efficiently and freely allocate resources and provide low barriers to market entry.

In Minnesota, jobs have less to do with the free market and more to do with who has the political influence to go on bended knee to DFL politicians and secure a favor for their business.

Economists call it rent seeking.

In Texas, government steps out of the way. In Minnesota, government stands in the way.

**August 16, 2013**

**Public Policy Commentary**

**In This Issue:**

**Quote of the Year 2009: "If you like your doctor, you can keep your doctor."  
- *Barack Obama August 15, 2009***

**Quote of the Year 2013: "Depending on the plan you choose in the Marketplace, you may be able to keep your current doctor."  
- *Barack Obama via Department of HHS***

- 1. Chief of Staff Conflicted.**
- 2. Doo Doo Diligence.**
- 3. Doo Doo Diligence Part II.**
- 4. Handgun Hysteria.**

## **CHIEF OF STAFF CONFLICTED**

Hey, Watchdogs. Let's start off this week with a big issue that went unquestioned and nearly unreported in the Legacy Media.

The Star Tribune reported this week that Tina Flint Smith, Governor Dayton's chief of staff, will chair the board of directors of the Destination Medical Center (DMC), the massive public-private partnership to enhance the value of the Mayo Clinic.

According to the report, Smith will "divide" her time between her duties in Saint Paul and Rochester.

This arrangement immediately struck this publication as a bit odd and certainly offering the appearance of impropriety if not an outright conflict of interest.

First, will Smith be taking less pay from the state if she isn't going to work full time for state government? And, by the way, her governor needs all the staff help he can get. It's not as if you can leave the guy alone for 5 minutes. I signed what? It's in the bill? Oh, s\*\*t!

Moreover, will she be paid for her work on behalf of Rochester and Mayo Clinic?

Second, and most importantly, the citizens of this state will now have a situation where the governor's chief of staff will be working on behalf of two organizations with frequent and often significant legislation before the legislature and governor.

In fact, the Mayo Clinic and the City of Rochester are two of the more sophisticated entities lobbying the state.

In fact, campaign finance records show that the Mayo Clinic has eight registered lobbyists on staff.

The City of Rochester has five registered lobbyists working for it.

Both Rochester and the Mayo Clinic have legislation before the legislature and the governor every legislative session.

The fact that they have an insider in the governor's office will at the very least create the appearance of favoritism and an unfair advantage for them.

When Rochester is looking for millions for a new civic center, will Tina Smith give them an advantage?

When the Mayo Clinic needs a state exemption from some DFL-imposed mandate, they will certainly know how to reach the governor's office.

This situation is really unprecedented and unwelcome.

Key staff in the governor's office should not sit on the board of any organization with regular business before state government.

Staff should be independent and be seen by citizens and lobbyists alike as impartial and fair.

If Mankato is competing with Rochester for a state contract, what will the narrative be if Rochester wins?

That undermining of faith in our governing institutions doesn't need any more "help" from Mark Dayton.

And yet the media says nothing.

Suppose one Pawlenty's chiefs of staff had accepted an invitation to sit on the board of directors for 3M or the National Rifle Association?

This situation is made all the more problematic because the very board on which Smith sits was created by a bill Dayton signed.

How many more board invitations will she accept? Where does it end? What other staff members are free to join organizations with business before the governor's office?

It also isn't lost on most Minnesotans that this governor needs a full-time chief of staff.

Governor Dayton has amply demonstrated over the course of the past three years that he needs a great deal of staff help to assist him doing things like understanding the bills he signs into law.

## **DOO DOO DILIGENCE**

We learned this week that the Stadium Authority, charged with negotiating the details of the new football stadium with the Wilf cabal, is going to delay signing any paperwork until outside counsel conducts some double secret due diligence on their negotiating partners.

Only in government does the due diligence come after the deal is signed. Once again Governor Dayton raises the rifle, sets it to his shoulder, puts his finger on the trigger and commands: Ready! Fire! Aim!

What Dayton hasn't told us is what he intends to do if this high priced investigation tells us what we already know from a lengthy trial in New Jersey. Namely, that the Wilfs are scam artists, racketeers, and all around sleaze bags.

What then, Guv? What's the plan from the chief executive?

Another aspect of this issue that has gone unreported is Tim Pawlenty. Pawlenty was no stranger to stadium politics. He signed bills building both Target Field and a football stadium for Gopher football.

The Vikings were pushing for a stadium as well but didn't get one.

The popular mythology was that the Twins were first in line and Pawlenty would only build one of the two.

Sources with knowledge of the situation tell the Watchdog a different story. They maintain that Pawlenty was willing to consider a stadium for the Vikings but the team and representatives were so incompetent and so demanding that they were laughed out the door.

## **DOO DOO DILIGENCE PART II**

All too often, the public sector is home to people who are too incompetent to work in the private sector, where standards are set and enforced because people will be in the bread line otherwise.

And all too often, public employees are grossly overcompensated for the value they provide.

Such is the case with Bernadeia Johnson, the superintendent of the failed Minneapolis public schools.

In addition to the regular embarrassment of low test scores and high drop-out rates, Johnson suffered the embarrassment of acknowledging that she and her staff failed to execute the most basic of human resources functions in hiring a high school principal.

Johnson was forced this week to put the newly hired principal on paid administrative leave when it was learned that he was embroiled in a controversy regarding his last job.

The controversy wasn't uncovered during the interview process because no one from the Minneapolis schools bothered to call his old boss and make a reference check.

She makes \$190,000 per year and can't conduct a reference check.

You just can't make it up.

Only in the public sector could this happen.

Don't hold your breath waiting for some measure of accountability.

We'll hear some talk about everyone being "deeply concerned" and then there will be a pronouncement that the glitch has been fixed and everyone will go back to doing nothing real productive.

## **HANDGUN HYSTERIA**

We were reminded this week that the legislature is still interested in quashing our Second Amendment rights when a hearing was held regarding guns at the Capitol.

With the DFL in charge for another legislative session in 2014, be ready for another battle royal over your right to keep and bear arms.

In fact, did you know that powerful, wealthy outside special interest groups are attempting to influence our legislators?

That's right. Uber rich New York Mayor Michael Bloomberg's special interest [group](#), Mayor's against Illegal Guns, is operating here in Minnesota.

Campaign Finance records show that this group hired lobbyists back in February to influence the legislature.

In fact, these [lobbyists](#) look to be the same ones who pushed the gay marriage issue that put gay marriage on the same legal footing as traditional marriage.

Watchdogs need to redouble their efforts to safeguard our firearms rights.

New York billionaires shouldn't be allowed to influence our legislative process.

The good news is that there is no way Republicans will fall for this tripe.

We just hope enough DFLers don't fall for this rich bully and his lobbyists.

**August 23, 2013**

**Public Policy Commentary**

**In This Issue:**

**Who is John Galt?**

**1. Capitalism Rising.**

## **CAPITALISM RISING**

How about some good news? With the Obama and Dayton administrations driving the state and nation to ruin, there is actually a measure of good news out there concerning the one system that can save America and the world - Capitalism. Capitalism is indeed the worst economic system ever devised - except for all the rest.

Here in America and across the globe, capitalism is leading an economic revival even as the Left continues to bash capitalism while living off its fruits - much like a parasite lives off a host body.

The Housing Market

Let's face it, Obama's "mortgage modification" program didn't do a darn thing to repair the real estate market.

In fact, many of these mortgage modification programs delayed the much needed market deleveraging and shake out to allow for a recovery.

In fact, some of these programs were so foolhardy, they outright prevented the needed shake out and froze the distressed real estate market and thus encouraged new home building in markets that needed more single family homes like they needed a hole in the head.

Read this [article](#) about Nevada's experience with these dopey government feel good programs.

Back to capitalism.

One of the fundamental mechanisms of capitalism is price. Price functions as a signal, telling the market that more or less of a product or service is needed by the market.

Salaries for petroleum engineers are rising, telling the market we need more.

Conversely, salaries for lawyers are plunging, telling the market (and law schools) we need fewer lawyers, which is also a moral good.



When the housing market crashed and prices fell, it was a signal for real estate investors to enter the market, buy and repair distressed properties, and sell them at a profit.

Yes, we said PROFIT. The profit motive is another fundamental mechanism in a capitalist economy.

It is rational and right for human beings to pursue their natural self-interest in seeking prosperity. Seeking a better life is natural and timeless. The desire to seek wealth through profits drives innovation, productivity, and efficiency.

And while human beings also have a great capacity for altruism, it is the rational self-interest and not altruism, that drives prosperity and a higher standard of living for all.

The lack of a profit motive, found in governments everywhere, results in waste, inefficiency, and a tendency towards inertia.

This is because the flip side of profit seeking is failure. In a capitalist system, failure comes to those who inefficiently deploy resources. The penalty for a faulty business plan is bankruptcy.

In government, the penalty for failure is, well, there is no penalty. You just keep on keeping on.

What real estate investors learned through this massive real estate crash is that if many homes were to be returned to being productive (and better) assets, the entire neighborhood needed to come along as well.

Home buyers didn't want to buy a repaired home if the neighbor's house was in disrepair.

In fact, real estate investors found that they could amplify profits if entire neighborhoods were perceived as "upgraded," creating even more demand at higher prices.

Thus, these investors started offering to make repairs to homes near their own in order to boost values.

Elderly and poor residents who didn't have the physical or financial means to upgrade their homes found themselves the beneficiaries of free upgrades that enhanced the appearance and functionality of their own homes.

This was done without government mandates or force or fraud.

It was real estate investors pursuing their own rational self-interest in making a profit and it was the rational self-interest of these home owners desiring a more attractive and more functional homestead.

Think about the billions the federal government has spent since the Great Society on "urban renewal" programs. And we still have ghettos and barrios across America.

## AUTO MANUFACTURING

Today, the Big Three auto makers are running their manufacturing plants in the U.S. at full capacity, a tremendous turnaround from 5 years ago.

Before we move on, yes, Obama threw bailout money at two of the three. This bailout money distorted some of the needed reforms but in the main did not alter what the three did in response to the recession.

This is especially true of Ford, which did not take bailout money.

Essentially, the auto makers cut inefficiencies out of their operations by shedding unproductive assets, including plants, dealerships, parts vendors, and the more onerous aspects of union contracts that spineless management should have rejected in the first place.

And while this dislocation was certainly painful for many, it was a necessary short-term pain that has already resulted in gains.

Moreover, this short-term pain is preferable to the long term, dull ache of chronic unemployment, shortages, and rationing found in economies that are unwilling to undertake what is another fundamental component of capitalism - the reallocation of resources, also known as "creative destruction."

All resources are limited. There is only so much gold, paper clips, and health care in the world.

Therefore, "allocative efficiency" is paramount. That is, the necessity of seeing that limited goods and services are allocated to an efficient purpose.

Bankruptcy and other legal mechanisms allow the re-allocation of scarce resources to a higher and better purpose.

Take Hostess Twinkies for example. The business model used by Hostess was inefficient, weighted down by union contracts that sent prices for Twinkies higher than what prices in the market would bear, even though there was clearly a market for Twinkies.

Bankruptcy allowed for the re-allocation of productive Hostess assets to a more efficient user while less productive assets went away, either to go away permanently or to be purchased and made efficient by other market participants.

In short, creative destruction makes productive assets more productive and makes unproductive assets productive by either reforming them or by completely repurposing them.

American history is replete with stories of floundering companies purchased by entrepreneurs and made better.

That history also shows that obsolete and inefficient resources have been completely repurposed.

A few years ago, resources were devoted to making Blackberry mobile devices. Those resources are now making iPhones and Droids as Blackbeery's market share dwindles.

This creative destruction is critical to ensuring that limited resources are allocated to activities that are needed and wanted by the marketplace, making for better lives.

Why ride a train across the country when you can fly there in three hours?

Why put a loved one in an iron lung when medicine can transplant a new lung?

Why have a Betamax player when you can stream video through the Internet?

All resources are limited. The market, which operates on merit, free of discrimination and bias, can allocate resources best.

Or the government can do it, with inefficiency and the bias that comes against those without political influence.

That is the great lie about single payer health care. It's not as if government has uncovered some secret formula to make more health care out of thin air.

Like the private market, single payer health care allocates scarce health care resources. The allocation is just done in a different manner, primarily through rationing and dispensing the resources through political power and influence.

Truly, the vice of capitalism is the sometimes unequal allocation of prosperity. Having said that, the virtue of socialism is the equal sharing of the misery.

## OIL AND RICE

Two big news events of late have also demonstrated that government-directed markets are inherently inefficient and thus inferior to the many private, independent hands that guide private markets.

In the same week, it was announced that Mexico is opening up its state-owned oil firm to private investment in order to revive and extend the life of underperforming oil fields.

In Venezuela, socialist economic policy has turned the country's rice industry from a global exporting powerhouse to a shell of its former self, even requiring the importation of rice for domestic consumption, something thought impossible just a few short years ago.

Is there any indictment of socialism more damning than the inability to harness domestic resources for the betterment of one's own citizens?

Think of Iran. That nation is perched atop a mountain of oil yet has to import gasoline.

Both Mexico and Venezuela are turning to capitalist countries, including America, to provide needed resources and know how.

Rice farmers in the southern U.S. are experiencing record profits because of Venezuelan demand.

U.S. oil firms stand to gain (more than likely) big profits by showing the Mexican government how to efficiently recover oil.

Funny, no one is calling North Korea for advice on growing crops.

No one is calling Iran for expertise regarding the petroleum industry.

There was a reason all the refugee traffic at the Berlin wall went one direction, just as there is refugee traffic moving in one direction out of North Korea.

The whole of human history amply demonstrates that capitalism, underpinned by the rational human desire for a better life, has outperformed socialism and other collectivist economic models, without a doubt.

While capitalism isn't perfect, it is the best economic model ever conceived, including all the rest.

**August 30, 2013**

**Public Policy Commentary**

**In This Issue:**

**Quote of the Week: "Underlying most arguments against the free market is a lack of belief in freedom itself." - *Milton Friedman***

- 1. Liberalism - It's Good For Others.**
- 2. Doo Doo Diligence - Part II.**

**LIBERALISM - IT'S GOOD FOR OTHERS**

"All animals are equal, but some are more equal than others."  
- George Orwell

This timeless quote from Orwell's epic allegorical novel, *Animal Farm*, well sums up the attitude of the liberal, collectivist elites who seek to govern the rest of us through brute government force.

These elites profess a strict egalitarianism but their words, couched in soaring rhetoric and moral righteousness, belie actions that are anything but equal and just.

The liberal collectivist governing class inevitably becomes little more than a syndicate, pilfering the treasury and bestowing special treatment upon themselves, all the while exhorting the masses to sacrifice just a little more in order to create a government-inspired utopia.

The history of Leftist governance is quite similar to that of the regime of Napoleon the Pig, the tyrannical leader of Orwell's famed *Animal Farm*.

Despite the commandment that "all animals are equal," and the propaganda that humans are vile, the ruling class pigs in *Animal Farm* soon justified special food for themselves, began walking on two legs, and eventually became so similar to the humans they labeled as mortal enemies that the two became indistinguishable.

*"The creatures outside looked from pig to man, and from man to pig, and from pig to man again; but already it was impossible to say which was which."*

The ruling elites of the Soviet Union lent credence to this observation by helping themselves to dachas on the Black Sea, fine cars, Western booze and blue jeans while their people starved.

Today, North Korea provides the example, although we can be sure that Kim Jong Un isn't helping [himself](#) to Western fashions.

Here in the Good Old US of A, things haven't quite reached the totalitarian stage, but that doesn't mean that our liberal governing elites aren't doing their part to uphold the philosophy that their ideas are for other people and not themselves.

Witness Obama Care. The president and democrats have told citizens time and again that government-directed health care is a good thing. Hell, it's a GREAT thing, according to Obama, Pelosi, Reid, et al.

*"Four legs good, two legs bad."*

Yet the president recently exempted the Congress and its employees from Obama Care.

You see, Obama Care is really good for someone else, in keeping with the Leftist tradition of forcing the masses to live under laws that don't apply to the governing elites.

*"Four legs good, two legs better! Four legs good, two legs better! Four legs good, two legs better!"*

In fact, the provision of Obama Care that forced the Congress to live under that ill-conceived law was *intentionally* put there.

The author of the amendment wanted to make sure that if Obama Care was good enough for the average American, it was good enough for the Congress.

And right here in Minnesota, we have our own situation where some of the animals are declaring themselves just wee bit more "equal" than the others.

For years, the liberal elites of the North Star State have been touting the miracle of rail, both of the "light" and "commuter" variety, as a transportation tonic to alleviate congestion, unemployment, and economic malaise.

This was especially true of the suburbs, a place liberals despise for the freedoms offered. You see, suburbs are anathema to the Left because these areas offer citizens a great deal of freedom, a freedom manifested in large plots of private property, private

automobiles, and a distinct, intentional public policy of staying away from the social engineering so prevalent in the urban core.

Thus, the Left is forever attempting to subjugate the suburbs and exurbs through centralized mass transit and land use policies, of which trains are a critical component.

What a good thing that Ramsey and Fridley have commuter rail! goes the conversation at tony, upscale south Minneapolis DFL fundraisers.

*"No one believes more firmly than Comrade Napoleon that all animals are equal. He would be only too happy to let you make your decisions for yourselves. But sometimes you might make the wrong decisions, comrades, and then where should we be?"*

Now, there is a proposed light rail route that would cross the Kenilworth neighborhood of Minneapolis and impact Saint Louis Park.

Not surprisingly, the proposal is now embroiled in controversy and hostility as the liberals who populate these jurisdictions demand that the proposal be altered so as to not impact THEM.

For example, some Kenilworth residents demand that a \$300 million tunnel be dug to "hide" the train from their view as they sip espresso and munch croissants on their decks as they complain about the greenhouse gasses suburbanites generate as they drive their SUVs to sporting events that glorify violence and place an emphasis on winning, like youth hockey or football.

Literally across the tracks, Saint Louis Park elites refuse to take on displaced freight rail traffic from the Kenilworth corridor, fearing a degradation of the wonderful quality of life enjoyed in that liberal enclave.

Funny, none of these folks were to be heard from when the good people of Anoka dealt with Northstar rail or the economically disadvantaged people of Frogtown in Saint Paul dealt with ill effects of the Central Corridor light rail.

Frankly, this publication is getting a really, really big laugh watching these people twist, turn, churn, and battle to get out from under the very public policy they have for so long proclaimed as good and proper for the rest of us.

Good luck with all that.

Liberal policies - they're good for others.



## **DOO DOO DILIGENCE - PART II**

Apparently, we're supposed to be simultaneously comforted and impressed that the Metropolitan Sports Facilities Authority (MSFA) is demanding documents from the Brothers Wilf that will prove up their ability to pay for their meager share of the new stadium that will greatly boost the value of their private investment, AKA the Minnesota Vikings.

The impetus for all this belated doo diligence was a rather nasty verdict against the Brothers Wilf stemming from a civil suit filed in New Jersey.

The judge in that case didn't just rule against the Wilfs. She also found that they conducted themselves in a fraudulent and dishonest manner.

All this unpleasantness apparently escaped the eagle eyes of our chief executive and his administration, none of whom apparently know how to conduct a Google search.

So now the MSFA is left to conduct an after-the-fact audit while also finding a way to wipe some ostrich egg off their faces and that of the governor and the legislature who passed the bill.

Unfortunately, that doesn't cut it. The MSFA may conduct an audit, but that in no way relieves the legislature from their duty to revisit this fiasco.

The legislature passed this bill and also controls the purse strings in our form of government.

It is therefore the duty of the legislature to ensure that funds it authorized to be spent, in this case on a stadium, are spent in a manner that minimizes risk and follows the law.

Passing the buck to some unelected body called the MSFA is wholly insufficient.

This is serious business. The Wilfs didn't just lose a lawsuit. The judge found them to be acting like fraudsters and racketeers. She found the Wilfs to be lacking in integrity and truthfulness.

These men are the state's partner in a \$1 billion deal that in large part will be backed by the state's general fund, meaning taxpayers are on the hook.

The legislature will meet in special session on September 9th. The legislature at that time should repeal the stadium bill, giving the legislature time to conduct legitimate due diligence on the Wilfs and craft a workable stadium bill (time to revisit those e-pull tabs as well) that can pass in the 2014 legislative session.

So what if the vaunted time table is pushed back?

Better to pass a workable and legitimate bill than to "verify" the Wilf's ability to perform on this bad bill.

Or, better yet, just repeal the bill and tell the Wilfs "good luck" in building a stadium.

Of course, it's not a legitimate function of government to build stadiums like this.

But the lesson learned here is more particular.

The government simply isn't a sophisticated player in these issues. The NFL and the Wilfs took Governor Dayton to school but it's the taxpayers who learned the hard lesson about government getting in bed with big business.

The NFL flew in on private jets, parked their Lincoln Town Cars in front of the Capitol and shook down Mark Dayton and legislature in a manner befitting another native New Jersey son - Tony Soprano.

Now we're left with a funding mechanism that is short by 95%, a stadium partner deemed to be a fraudster, and a governor left to helplessly protest that personal seat licenses were "snuck" into a bill he and his staff obviously didn't read and/or understand.

If you're not angry, you're not paying attention.

**September 6, 2013**

## **Public Policy Commentary**

### **In This Issue:**

**Quote of the Week:** "Commerce is real. Foreign aid is just a stopgap. *Commerce and entrepreneurial capitalism take more people out of poverty than foreign aid*, of course we know that." - U2's Bono

**1. Rent Seekers Not Welcome.**

**2. The Scorecard is Here.**

### **RENT SEEKERS NOT WELCOME**

A recent New York Times article asks rather innocently,

"how did Corporate America lose control of the Republican Party?"

It isn't that Corporate America lost control so much as it was simply a matter of a new breed of principled, constitution-centered elected officials (almost all of them aligned with the Tea Party) taking office, pledging loyalty only to the Constitution of the United States and swearing off the influence peddlers and special interests that have so infected our body politic.

It's quite amusing to watch outsiders like the New York Times wonder aloud how any group of legislators can refuse to accept the largess of some special interest and all the campaign cash that comes with it.

It's not that complex, really.

For many years, Corporate America has only wrapped itself in the mantle of capitalism and free markets.

Increasingly, Big Business has embraced Big Government, using political influence to persuade government to stifle their competitors, grant special tax breaks, and enhance shareholder value through political machinations and not increased value, profits, or productivity.

Increasingly, Big Business has whored itself on both sides of the aisle to gain favors that otherwise would be unavailable in a competitive market under the rule of law, free from particularized political influence.

There is a term for this whoring. It's called "rent seeking." Rent seeking is basically when a person or organization seeks an economic benefit from the government.

One example is ethanol subsidies.

Another would be a protective tariff against imported sugar.

Sadly, there are literally thousands of examples of rent seeking, all of it damaging to capitalism and free markets.

Let's look at some examples of rent seeking right here in Minnesota.

Zygi Wilf's stadium is rent seeking behavior.

So is Mayo Clinic's "Destination Medical Center."

And so is Baxter Medical's campus, located in Brooklyn Park.

It is increasingly apparent that what is frequently labeled "pro business" is "anti-capitalist."

Moreover, it is apparent that many companies are adopting a "if you can't beat them, join them" mentality and looking for ways to appease Big Government in hopes both avoiding punishment and gaining a government-conferred benefit.

How ironic it is that it's only the mega corporations who can afford to buy political influence, while main street mom and pop businesses suffer the increased taxes and regulations while the rich and powerful buy exemptions and otherwise seek some economic rent.

This is especially true when watching Democrats engage in this dance with Big Business.

A regressive sales tax to fund a stadium for the Pohlada family.

A regressive tobacco tax to backfill funding for Zygi Wilf's stadium.

Again, who's for the Little Guy?

The reality is that there is only one group of people truly interested in a capitalist system in which a color-blind, just system allocates resources instead of a corrupt and compromised government: Republicans who see capitalism as a core value.

With more and more of them being elected, it is no surprise that these patriots place principle above party and above re-election.

The only true system for the Little Guy is the one that that is also best for the Big Guy and every other Guy: truly limited government that emphasizes individual liberty and free markets.

Look for more Republicans to take office in the future who understand that pro-capitalism isn't the same as pro-business.

## **THE SCORECARD IS HERE**

Well, loyal readers, another State Fair has come and gone and another Taxpayer's League of Minnesota (TLM) scorecard has been distributed to interested citizens across the North Star State.

The gold standard in legislative score keeping, the TLM card tells voters who is truly for economic liberty and who ain't.

Without further ado, here are you 2013 Best Friends of the Taxpayer (100% score):

MN House:

Mark Anderson (Lake Shore)  
Sarah Anderson (Plymouth)  
David FitzSimmons (Albertville)  
Pat Garofalo (Farmington)  
Tom Hackbarth (Oak Grove)  
Andrea Kieffer (Woodbury)  
Jim Newberger (Becker)  
Nick Zerwas (Elk River)

MN Senate:

Michelle Benson (Ham Lake)  
David Hann (Eden Prairie) (minority leader)  
Warren Limmer (Maple Grove)  
David Osmek (Mound)  
Dave Thompson (Lakeville)

Of course, these are all Republican office holders.

The 2013 Thanks For Not Much Award for the Republican with the lowest score is this year shared by two legislators who scored 54% approval ratings:

Sen. John Pederson (Saint Cloud)  
Rep. Jim Abeler (Anoka)

Finally, the 2013 Tallest Political Midget Award for the DFLer with the highest score is this year shared by three legislators who each mustered an anemic 15% score in favor of the taxpayers:

Sen. Terri Bonoff (Minnetonka)  
Sen. Melissa Franzen (Edina)  
Rep. Tina Liebling (Rochester)

Thanks for the effort, ladies.

September 13, 2013

## Public Policy Commentary

### In This Issue:

**Quote of the Week: Quote of the Week:** *"I think business is a wonderful institution, provided it has to face competition in the marketplace and can't get away with something except by producing a better something at a lower cost, and that's why I don't want government to step in and help the business community."*  
- Milton Friedman

Right, Zygi Wilf? Shutterfly? Baxter Medical? Mayo Clinic? Solyndra? GM? Chrysler? AIG? Morgan Stanley?

- 1. The Pursuit of Happiness - for Rapists and Child Molesters.**
- 2. Obama's America.**
- 3. The Eagle hasn't Landed.**

## THE PURSUIT OF HAPPINESS - FOR RAPISTS AND CHILD MOLESTERS

What's up, readers? Welcome to another week of Governor Dayton and the Democrats engaging in a fierce competition to see you can be the most incompetent elected official in state history.

While much of our attention has been focused on the president doing his best to make Syria worse than Libya, we have been focused on another outrage perpetrated on the people of this great state by Governor Dayton.

No, it's not the refusal of the Governor and Democrats to repeal their foolish taxes.

And, no, it's not the debacle we all know as the Vikings stadium.

We are instead focused on the outrageous and downright stupid decision to allow inmates at the Minnesota Sex Offender Program (MSOP) to marry each other.

That's right, MSOP inmates can walk the aisle and spend their honeymoon locked up behind barbed wire, regaling each other with stories of their predatory sexual exploits.

Three homosexual couples, all inmates in the program have sought permission to marry one another.

Mark Dayton's Department of Human Services, which administers the facility stated, "We don't intend to interfere with their right to marry one another."

Folks, you need to understand exactly who these people are in the MSOP.

People committed to the [MSOP](#) program are the worst of the worst when it comes to sexual predators.

These are people deemed so dangerous, they are committed to MSOP after they have served their criminal sentences.

In other words, they are so dangerous, a court has determined to let them out on the streets would constitute a clear and present public danger.

When a court determines that a person is a "sexual psychopathic personality" or a "sexually dangerous person," that person can join the elite ranks of sex offenders and be shipped off to the MSOP program.

Folks, understand exactly what this means. State law defines a "sexual psychopathic personality" as:

the existence in any person of such conditions of emotional instability, or impulsiveness of behavior, or lack of customary standards of good judgment, or failure to appreciate the consequences of personal acts, or a combination of any of these conditions, which render the person irresponsible for personal conduct with respect to sexual matters, if the person has evidenced, by a habitual course of misconduct in sexual matters, an utter lack of power to control the person's sexual impulses and, as a result, is dangerous to other persons.

State law defines as "sexually dangerous person" as:

a person who:

- (1) has engaged in a course of harmful sexual conduct as defined in subdivision 7a;
- (2) has manifested a sexual, personality, or other mental disorder or dysfunction; and
- (3) as a result, is likely to engage in acts of harmful sexual conduct as defined in subdivision 7a

Bear with us for one more moment as we explain further "harmful sexual conduct": means sexual conduct that creates a substantial likelihood of serious physical or emotional harm to another.

So, Mark Dayton thinks it's a good idea for people who are either a "sexual psychopathic personality" or a "sexually dangerous person" to marry one another.



No word on whether RT Rybak has offered to officiate these marriages.

What could possibly go wrong?

What's next? Will these couples get to share a cell?

So who are these six predators who want to get married?

One [article](#) has done a great job exposing this travesty.

One of them is Allen Pyron.

Pyron raped a 15 year-old boy. He confessed to sexually abusing his young cousins on at least 40 occasions. He also sexually abused roughly 25 boys between the ages of 8 and 16.

What an upstanding citizen. His parents must be proud.

Nicholas Luhmann is another inmate who wants to marry another inmate in a same-sex ceremony.

Luhmann is a life-long offender who committed his first sexual assault at age 10. His victim? His 4 year-old brother.

So there you have it. Mark Dayton and the DFL working hard to uphold the "rights" of child molesters and rapists.

We can't help but wonder where the GOP is on this issue.

Where are law and order Republicans like Rep. Tony Cornish and Sen. Bill Ingebrigtsen?

Where is Rep. Kurt Zellers, who has done so much work to put these clowns behind bars and keep them off the streets?

This outrage needs to be exposed.

How Mark Dayton can be given a pass on this issue is defies explanation.

This is, without a doubt, one of the worst decisions Governor Dayton has made in his governorship.

## **OBAMA'S AMERICA**

"The rich get richer and poor get poorer." "The Democrats are for the little guy." "Yacht basin Republicans."

Yadda, yadda, yadda.

The next you hear this tripe out of the mouths of the neighborhood liberal or water cooler liberal at work, share with him these neat little facts about Barack Obama's America.

One-sixth of the nation is now on the food stamp program.

95% of all income gains between 2009 and 2012 went to the wealthiest 1% of Americans.

During that period, the top 1% saw their inflation-adjusted income climb 31.4%, while the bottom 99% saw growth of 0.4%.

The labor participation rate is now 63.2%, the lowest rate since 1978, when another bumbling Democrat was in the White House.

Yeah, Democrat presidents are sure good for the Workin' Man. Frankly, the liberals can take their Rich Guy rhetoric and cram it. They don't know how to handle the economy because they don't know capitalism.

They could kindly get out of the way, but that's not in the nature of politicians who are control freaks and believe that government is the answer.

Republicans are making the rich richer? Democrats are for the poor and middle class?

Better check those pesky facts, Lefties.

## **THE EAGLE HASN'T LANDED**

The eagle hasn't landed because the wind turbines are shredding them.

According to a recent study, wind turbines have killed 67 eagles in the past five years.

And, by the way, the number is likely very higher, since the numbers are self-reported.

In Barack Obama's America, the favored class is above the law.

Wind farms can kill eagles with impunity.

And the rest of us?

The Bald and Golden Eagle Protection Act of 1940 specifies strong penalties for killing, shooting at, or even harassing our nation's symbol.

According to the Federal Fish and Wildlife Service:

The 1972 amendments increased civil penalties for violating provisions of the Act to a maximum fine of \$5,000 or one year imprisonment with \$10,000 or not more than two years in prison for a second conviction. Felony convictions carry a maximum fine of \$250,000 or two years of imprisonment. The fine doubles for an organization.

This is what tyranny and lawlessness look like.

**September 20, 2013**

**Public Policy Commentary**

**In This Issue:**

**Factoid: The United States has now experienced over 1,000 consecutive days of average gas prices over \$3 for a gallon. This is the longest streak in U.S. history. We wonder where the media is on the this story. Then again, we don't.**

- 1. The \$28 million "oops" Tax Comes Home to Roost.**
- 2. Dayton/Boomhauer 2014?**
- 3. The Poor Miss Ronald Reagan.**
- 4. Taxpayer's League Has New Leader.**

**THE \$28 MILLION "OOPS" TAX COMES HOME TO ROOST**

Remember the \$28 million tax the governor claimed he didn't know was in his tax bill? You remember, the farm equipment repair tax.

That tax is coming home to roost in spades. The Watchdog spoke to one state Senator this week who reported that one farmer in his district was surprised to pay a \$640 tax on a repair to his combine.

Another famer in that same district reported a whopping \$800 equipment repair tax.

No word on whether these farmers were in the "2%" Governor Dayton promised to limit his taxation damage to during his campaign for governor.

Another legislator reported to the Watchdog this week that Iowa farm implement repair firms are aggressively advertising in his district.

When there is a chance to save thousands on taxes, shipping a tractor or cutting head south makes economic sense.

Have you ever noticed the liberal double speak?

When it comes to tobacco and beer, the liberals say we need higher taxes to encourage people to stop using those products.

Yet they don't seem to realize the same principle applies to every tax and government imposed cost.

Slap a tax on farm equipment repair? You're going to get less of it as farmers move the repair work across the border, do it themselves, go without, or take the business underground.

By the way, the Watchdog spoke with another legislator this week who represents a rural district.

She made the observation that younger, poorer farmers are going to get hit hard by the tax because they can least afford it yet are the ones most likely to need repairs, because they can only afford older, used equipment that is more prone to break down.

This governor is a disaster, plain and simple.

### **DAYTON/BOOMHAUER 2014?**

With Governor Dayton suffering a falling out with his lieutenant governor, Capitol insiders are wondering who might occupy the ticket in 2014 as Mark Dayton's running mate.

In a Watchdog exclusive, the Watchdog has learned the identity of the man who is number one on Dayton's short list.

Sources close to the Dayton campaign tell us that the governor is looking for a running mate who can relate to the masses. A "common man" who can address the argument that Dayton is a spoiled trust fund kid who doesn't understand the plight of the average tax payer.

Moreover, these sources say that the governor is looking for someone who won't overshadow the governor on the campaign trail with the kind of soaring rhetoric and "vision thing" Dayton lacks.

Frankly, he's looking for some who is just a bit less articulate and clear speaking than our governor.

The Watchdog has obtained the video tape that convinced the governor that this man is his pick for the #2 slot on the ticket.

Ladies and gentlemen, [Boomhauer](#).

Can't you see this guy explaining the e-pull tab fiasco or the farm equipment repair tax?  
The warehouse tax?

## **THE POOR MISS RONALD REAGAN**

The facts don't lie. The media, however, lies all the time.

Those of us who well remember the 1980s recall the meme that Reagan was an enemy of the poor.

A man who practiced "trickle down" economics. A man who allowed the homeless crisis to mushroom while he wasted time on mundane tasks like defeating the Soviet Empire.

So what do the facts say?

How have America's poor fared under Barack Obama, the media darling and the first true presidential purveyor of socialism in American history.

Under Obama:

The income of black heads-of-households dropped by 10.9 percent from June 2009 to June 2013.

Real incomes of those under age 25 fell by 9.6 percent over the same period.

The income of Hispanic heads-of-households fell by 4.5 percent, slightly more than the national decline, while the income of workers with a high school diploma or less dropped by 6.9 percent.

In short, those most likely to vote for Obama are the ones getting the hammer laid to them economically.

A recent Congressional Budget Office (CBO) report showed that during the Reagan years, indeed, all income quintiles saw an increase in household income.

The CBO report shows that after-tax household income, adjusted for inflation, **increased** overall by 13.73 percent from 1983 to 1993 and by **12 percent** in the lowest income quintile.

As they say, a man is entitled to his own opinion but not his own set of facts.

The "Me" Generation is far preferable to the "None of Us" Generation, when it comes to economic opportunity and prosperity.

The vice of capitalism is the unequal sharing of wealth. The virtue of socialism is the equally sharing of the misery.

(Editor's Note: this piece is based upon an [essay](#) by Ralph Reiland.)

## **TAXPAYER'S LEAGUE HAS NEW LEADER**

The Taxpayer's League of Minnesota (TLM) has announced that long-time president Phil Krinkie has resigned his post to pursue his bid for Congress.

The League has also announced that former state Senator Ted Lillie has been appointed to succeed Krinkie.

The Watchdog hails this hire and congratulates Lillie on his new role.

Ted Lillie is smart, aggressive, talented, and a man of integrity.

Moreover, Lillie has spent his professional life creating jobs. He knows what it's like to meet payroll and sign the front side of a pay check.

This is a great hire for the League.

Congratulations, Ted! We look forward to your leadership.

Here's Lillie's biography:

Ted Lillie is a business leader and former member of the Minnesota Senate (2010-2012) who represented District 56, which included portions of Washington County in the eastern Twin Cities metropolitan area. He and his cousin are the co-publishers of Lillie Suburban Newspapers.

In the Minnesota Senate, he was elected to serve as the first freshman Republican Majority Whip in state history. He also served as assistant majority leader, and was a Vice Chair of the Legislative Commission on Local Governments and the Jobs and Economic Growth Committee. He also served on the Transportation, State Government Innovation and Veterans committees.

Lillie graduated from Gustavus Adolphus College in St. Peter. Active in the eastern Twin Cities community through the years, he serves on the board of directors of the Oakdale Business and Professional Association, Platinum Bank, and the Co-Action Academic Resources Foundation, an organization providing scholarship opportunities for post-secondary education. He has also served as Chair of the Saint Paul Area Chamber of Commerce, and on the board of directors of the Health East Foundation, the School District 622 Education Foundation, the Thrive Youth Asset Building Initiative, the Boy Scouts Gateway District, and the School to Careers Local Council.

Lillie was awarded the 2011 Leaders in Public Policy "One to Watch" award by Politics in Minnesota, and has been recognized as "East Metro Business Leader of the Year" in 2009 by the Regional Business Organization Conference.

Lillie's wife Dr. Lynne Lillie is a family physician serving the Red Wing area. They live in Woodbury, have 2 children and are expecting a second grandchild.



**September 27, 2013**

**Public Policy Commentary**

**In This Issue:**

**SPECIAL OBAMACARE EDITION**

- 1. Zero Hour Approaches.**
- 2. Milton Friedman Destroys Nationalized Healthcare in One Paragraph.**
- 3. There is no Health Care Alchemy.**
- 4. Unions Not Spared.**

**ZERO HOUR APPROACHES**

Well, friends. Here we are. Just days away from Obamacare formally kicking off, although the administration is trying hard to tamp down expectations since there will no doubt be a number of "glitches" to be overcome.

Imagine that. Government nationalizing health care. What could go wrong?

Of course, the hope from the president is that he can implement this massive transfer payment program and anchor it in American society before the people truly understand Obamacare for what it is.

In a blinding flash of the obvious, a recent Congressional Budget Office (CBO) update noted that health care costs would increase for younger and healthier people while costs would probably go down for sicker and older people.

Duh. That's the best we can say about that.

Of course, Obamacare is little more than a massive transfer program, designed to subsidize health care for some, to be paid for by others in the form of higher health care costs, either directly in the form of higher premiums and co-pays or indirectly in the form of taxes and fees levied on third parties that will be passed on to individuals.

As this publication has noted many times, Obamacare isn't some sort of political alchemy concocted by Doctor Obama that has unlocked a massive store of untapped health care.

It's not as if Obama has unlocked the formula to turn health care lead into health care gold.

Health care, like any resource, is limited. There's only so much to go around. And any expansion of the resource costs money to produce. Covering more people, covering more procedures costs money. Lots of it.

While many, many essays, columns, and white papers have been written regarding the impending doom of nationalized health care, we chosen this week to focus on some of the most relevant things being said about Obamacare recently and how those items affect you both practically and philosophically.

Make no mistake, Obamacare is one of the most significant expansions and intrusions by government into our private lives in generations.

And that's saying something, given that this president alone has put domestic spying, drone use, environmental overregulation, and deficit spending on steroids that would make Jose Canseco and Barry Bonds blush.

Here's what you need to know about Obamacare right now.

## **MILTON FRIEDMAN DESTROYS NATIONALIZED HEALTHCARE IN ONE PARAGRAPH**

What's wrong with our health care system and why does more government make it worse? Milton Friedman wrote back in 2001:

"Third-party payment has required the bureaucratization of medical care. ... A medical transaction is not simply between a caregiver and a patient; it has to be approved as 'covered' by a bureaucrat. ... The patient has little ... incentive to be concerned about the cost since it's somebody else's money. The caregiver has become, in effect, an employee of the insurance company or, in the case of Medicare and Medicaid, of the government. ... An inescapable result is that the interest of the patient is often in direct conflict with the interest of the caregiver's ultimate employer."

Obamacare, of course, empowers all except the health care consumer. Individuals have fewer choices and less freedom under Obamacare, which is a great outcome for politicians who believe that government makes better choices for citizens than the citizens themselves.

## **THERE IS NO HEALTH CARE ALCHEMY**

Producing more health care costs money. So how does Barack Obama get the money?

At least he has now admitted to the tax increases for nationalized health care:

*"So what we did - it's paid for by a combination of things. **We did raise taxes on some things.**"*

Here are those things, based upon an analysis from Americans for Tax Reform (ATR):

### **Starting in tax year 2013:**

**Obamacare Medical Device Tax:** Medical device manufacturers employ 409,000 people in 12,000 plants across the country. Obamacare imposes a new 2.3 percent excise tax on gross sales - even if the company does not earn a profit in a given year. In addition to killing small business jobs and impacting research and development budgets, this will make everything from pacemakers to artificial hips more expensive.

**Obamacare High Medical Bills Tax:** Before Obamacare, Americans facing high medical expenses were allowed a deduction to the extent that those expenses exceeded 7.5 percent of adjusted gross income (AGI). Obamacare now imposes a threshold of 10 percent of AGI. Therefore, Obamacare not only makes it more difficult to claim this deduction, it widens the net of taxable income.

According to the [IRS](#), 10 million families took advantage of this tax deduction in 2009, the latest year of available data. Almost all are middle class. The average taxpayer claiming this deduction earned just over \$53,000 annually. ATR estimates that the average income tax increase for the average family claiming this tax benefit will be \$200 - \$400 per year. To learn more about this tax, click [here](#).

**Obamacare Flexible Spending Account Tax:** The 30 - 35 million Americans who use a pre-tax Flexible Spending Account (FSA) at work to pay for their family's basic medical needs face a new Obamacare cap of \$2,500. This will squeeze \$13 billion of tax money from Americans over the next ten years. (Before Obamacare, the accounts were unlimited under federal law, though employers were allowed to set a cap.) Now, a parent looking to sock away extra money to pay for braces will find themselves quickly hitting this new cap, meaning they would have to pony up some or all of the cost with after-tax dollars.

Needless to say, this tax will especially impact middle class families.

There is one group of FSA owners for whom this new cap will be particularly cruel and onerous: parents of special needs children. Nationwide there are several million families with special needs children and many of them use FSAs to pay for special needs education. Tuition rates at one leading school that teaches special needs children in Washington, D.C. (National Child Research Center) can easily exceed \$14,000 per year. Under tax rules, FSA dollars can be used to pay for this type of special needs education. This Obamacare tax provision will limit the options available to these families.

**Obamacare Super Saver Surtax: A new, 3.8 percent surtax on investment income** earned in households making at least \$250,000 (\$200,000 single). This tax hike results in the following top tax rates on investment income:

	<b>Capital Gains</b>	<b>Dividends</b>	<b>Other*</b>
2013+	23.8%	23.8%	43.4%

*\*Other unearned income includes (for surtax purposes) gross income from interest, annuities, royalties, net rents, and passive income in partnerships and Subchapter-S corporations. It does not include municipal bond interest or life insurance proceeds, since those do not add to gross income. It does not include active trade or business income, fair market value sales of ownership in pass-through entities, or distributions from retirement plans.*

**Obamacare Medicare Payroll Tax Increase:**

	First \$200,000 (\$250,000 Married) Employer/Employee	All Remaining Wages Employer/Employee
<b>Pre-Obamacare</b>	1.45%/1.45%	1.45%/1.45%
	2.9% self-employed	2.9% self-employed
<b>Obamacare</b>	1.45%/1.45%	1.45%/2.35%
	2.9% self-employed	3.8% self-employed

**Starting in tax year 2014:**

**Obamacare Individual Mandate Non-Compliance Tax:** Starting in 2014, anyone not buying "qualifying" health insurance - as defined by President Obama's Department of Health and Human Services -- must pay an income surtax to the IRS. The Congressional Budget Office recently estimated that [six million](#) American families will be liable for the tax, and as pointed out by the Associated Press: ["Most would be in the middle class."](#)

In addition, 100 percent of Americans filing a tax return (140 million filers) will be [forced to submit paperwork](#) to the IRS showing they either had "qualifying" health insurance for every month of the tax year or they obtained an exemption to the mandate.

Americans liable for the surtax will pay according to the following schedule:

	1 Adult	2 Adults	3+ Adults
2014	1% AGI/\$95	1% AGI/\$190	1% AGI/\$285
2015	2% AGI/\$325	2% AGI/\$650	2% AGI/\$975
2016	+2.5% AGI/\$695	2.5% AGI/\$1390	2.5% AGI/\$2085

**(Delayed by Obama to 2015) Obamacare Employer Mandate Tax:** If an employer does not offer health coverage, and at least one employee qualifies for a health tax

credit, the employer must pay an additional non-deductible tax of \$2,000 for all full-time employees. This provision applies to all employers with 50 or more employees. If any employee actually receives coverage through the exchange, the penalty on the employer for that employee rises to \$3,000. If the employer requires a waiting period to enroll in coverage of 30-60 days, there is a \$400 tax per employee (\$600 if the period is 60 days or longer).

**Obamacare Tax on Health Insurers:** Annual tax on the industry imposed relative to health insurance premiums collected that year. The tax phases in gradually until 2018. Fully imposed on firms with \$50 million in profits.

### **Starting in tax year 2018:**

#### **Obamacare Tax on Union Member and Early Retiree Health Insurance**

**Plans:** Obamacare imposes

a new 40 percent excise tax on high cost or "Cadillac" health insurance plans, effective in 2018. This tax increase will most directly affect union families and early retirees, who are likely to be covered by such plans. This Obamacare tax will be levied on insurance policies whose premiums exceed \$10,200 for an individual and \$27,500 for a family. Middle class union members tend to be covered by such plans in states like Ohio, Pennsylvania, Wisconsin, and Michigan. Higher threshold (\$11,500 single/\$29,450 family) for early retirees and high-risk professions. CPI +1 percentage point indexed.

### **UNIONS NOT SPARED**

In one of Obamacare's most ironic twists, many of the labor unions that so enthusiastically supported Obama for president are seeing their guy eviscerate their health care trust funds.

Basically, Obamacare imposes a significant excise tax on multi-employer health care funds allowed under the Taft-Hartley Act. As the previous item on Obamacare taxes states, there is a new 40 percent excise tax on high cost or "Cadillac" health insurance plans, effective in 2018. This tax increase will most directly affect union families and early retirees, who are likely to be covered by such plans. This Obamacare tax will be levied on insurance policies whose premiums exceed \$10,200 for an individual and \$27,500 for a family. Middle class union members tend to be covered by such plans in states like Ohio, Pennsylvania, Wisconsin, and Michigan.

Here's what one union, the International Union of Operating Engineers had to say in a letter to Obama, in part:

On behalf of 500,000 "covered lives" of members of the International Union of Operating Engineers (IUOE) and their families who participate in multi-employer health and

welfare trusts organized under the Taft-Hartley Act, I write to you with serious concerns about the implementation of the Patient Protection and Affordable Care Act (PPACA).

Labor and Management trustees of Operating Engineers' plans are puzzled, disappointed, and, in some cases, outraged, especially in light of the political commitment you made in August, 2009, in Grand Junction, Colorado, and elsewhere when you said that, *"If you like your health plan, you can keep your health plan."* Unless significant changes are made to the regulations and guidance implementing the Act, that political commitment is in jeopardy.

The International Union of Operating Engineers respectfully requests that you and your Administration reconsider regulations and guidance developed by the three federal agencies (HHS, Treasury and Labor) charged with implementing ACA that will have deleterious effects on the delivery of health care to thousands of participants in multi-employer health plans.

Until next week, readers, when the disaster that is Obamacare comes into focus for the sheeple who haven't been paying attention.

October 4, 2013

## Public Policy Commentary

### In This Issue:

Quote of the Week: "Why would we want to do that?"

- Senate Majority Leader "Dirty" Harry Reid, in response to a question asking why he wouldn't agree to fund federal pediatric cancer programs during the government slimdown.

Uh, maybe to save some lives? Are there any slimdown hostages you're willing to spare, Senator?

### 1. Scenes From a Government "Shutdown."

#### SCENES FROM A GOVERNMENT "SHUTDOWN"

Greetings, Watchdogs. The staff of this publication sincerely hopes this edition finds you alive and well. We hope you're not barricaded in your home, using automatic weapons to fight off zombies, space aliens, and the hordes of desperate Americans who have resorted to anarchy and cannibalism as we all struggle to cope with the temporary loss of non-essential federal bureaucrats.

First, let's take a dispassionate look at what it is that the White House and their unindicted co-conspirators in the Legacy Media are calling a "shutdown."

Despite what the media and Democrats are saying, know this very simple yet very powerful fact:

At most, the federal slimdown affects only about 10% of government spending.

Let us repeat: **The federal slimdown affects only about 10% of government spending.**

- The Obama Administration's Fiscal Year 2014 budget, commencing October 1, proposes to spend \$3.8 trillion.

\$2.5 trillion of this money is spent on entitlement transfer payments like Social Security and Medicare.

It is important to recall that entitlement spending does NOT require annual Congressional authorization. It's money that automatically goes out the door slimdown or not. Only entitlement reform can reduce entitlement spending.

Thus, \$2.5 trillion is off the table from the get go.

That leaves \$1.3 trillion in discretionary spending.

Of that amount, \$.6 trillion is for defense spending. It is highly unlikely that even the White House would shut down defense spending.

That leaves \$.7 trillion in discretionary spending subject to the shut down.

Of that amount, \$.2 trillion is net interest on the considerable debt the nation has racked up.

The Treasury Department has more than enough revenue coming in the door to cover these payments and certainly wouldn't default on interest payments.

We are now down to \$.5 trillion in non-defense discretionary spending.

But don't forget that the Obama Administration has deemed many agencies and job positions as "essential" and exempt from furlough or funding suspension.

Homeland Security, National Nuclear Security, and air traffic controllers fall under this rubric.

Washington observers, like Paul Gregory of Forbes, estimate \$150 billion of the remaining amount would cover these costs to the treasury.

That leaves a measly \$350 billion or so subject to shutdown.

Because these numbers aren't precise, you can fairly argue that about 10% of government spending is subject to shutdown. Or should we say "slimdown."

The point here is not to nail down to the last penny federal spending and differentiate between entitlement spending, discretionary spending, non-defense discretionary spending, and "essential" non-defense discretionary spending.

The point is that there is rhetoric being thrown about that doesn't at all reflect reality.



The reality is that only about 10 cents of every federal dollar of spending is subject to the shutdown.

Please let's have the Republicans point this out!

(Editor's note: many of the figures used here were taken from an article by Paul Gregory that recently appeared in Forbes magazine. Credit for these figures belongs to Mr. Gregory.)

This leads to the second major point to be taken away from the slimdown.

It is now easier to understand why the Legacy Media and the White House have worked so hard to create and then exploit slimdown victims.

When 90% of the government is going to remain open, it becomes mandatory to put Barricades around national monuments and then show the victims.

Poor Johnny stands teary eyed at the Washington Monument because Republicans won't let him in. Film at 11.

Want to know why the president ordered the World War II monument closed? He gambled that he could create sympathetic victims and blame the GOP.

This risky strategy becomes mandatory when the vast majority of Americans aren't directly affected by the slimdown.

Obama and company are hoping to create vicarious victims. In other words, they want Americans to become outraged by slimdown FOR others and not themselves.

But the strategy carries inherent risk.

The first is that the creator of victims will be found out and then blamed for a callous act of creating needless pain.

This is what happened in the case of the WW II Monument. The Barricades around the memorial were discovered to be needless and brazen act to create victims by design and malicious intent.

The other risk for the Left is that the American public will not be moved by the scenes of Barrycaded public venues.

Much like the sequester, it may turn out that the public will not rise to pitchforks and swords simply because Yellowstone is temporarily closed.

Hence, the vitriolic and vicious rhetoric from Democrats. If the hysterical rantings aren't resonating, turn up the volume. If the public begins to understand that they can live with a smaller federal government, all is lost for the Left.

It is important the Republicans don't get intimidated by the rhetoric and cave in. The odds are that the public will realize, like the sequester, that the Democrats have an emperor with no clothes. That guy is stark naked, in fact.

The third point to take away from the slimdown is that it has once again been confirmed that the president of the United States is the most unqualified man to hold the office - ever.

This president is devoid, utterly devoid, of leadership and crisis management skills.

This is no surprise, considering a resume that essentially says "community organizer and ivory tower academic guy."

It's a resume that says "present" during his years in the Illinois legislature.

We have witnessed the ascension to the highest office in the land of a man with nothing more than remarkable oratorical skills.

In other words, he's nothing more than a carnival barker.

Thus, when the situation calls for leadership, the American people instead get carnival barking.

The president defaults to running to a microphone to give a speech because he knows nothing else.

He's never exercised the art of leadership and crisis management. He doesn't grasp that he's the one man in Washington elected by the entire country. Like it or not, he carries the biggest burden and biggest obligation to find solutions, to find an end, a resolution to the issues.

He only calls for meetings and "negotiations" because someone told him to do that. It's a charade. It's an exercise in going through the motions.

This is why this president can't close the deal. It's why Obamacare is the only significant piece of legislation to pass in generations without bi-partisan support.

The American people literally elected a man who is only good at looking *like* a president and talking *like* a president.

Ronald Reagan understood that he needed Tip O'Neil to make Washington work on his watch.

LBJ understood that he needed GOP Senate Majority Leader Everett Dirksen to make Washington work on his watch.

Of course, the Legacy Media likes to portray the situation as just the opposite, a strong president beset by irrational Republicans who, like the Terminator, just can't be reasoned with.

But that's the nature of propaganda. Up is down. Wrong is right. Black is white. The moon is just the sun at night.

Sadly, this is fate of these United States until January 2017. We are stuck with a chief executive who isn't up to the job. Even worse, his defense mechanism is to inflame the situation by heaping vitriolic rhetoric on every sensitive situation.

Godspeed to Speaker Boehner and House GOP leadership.

October 11, 2013

## Public Policy Commentary

### In This Issue:

**Quote of the Week:** *"The strongest argument for free enterprise is that it prevents anybody from having too much power. Whether that person is a government official, a trade union official, or a business executive. If forces them to put up or shut up. They either have to deliver the goods, produce something that people are willing to pay for, are willing to buy, or else they have to go into a different business."* - Milton Friedman

### 1. More From the Kabuki Theater.

#### MORE FROM THE KABUKI THEATER

More from Washington, DC, that is.

With another week of government slimdown and debt ceiling drama behind us, there's plenty to talk about, especially when it comes to holding one Barack Hussein Obama accountable for both his trouble with the truth and his trouble faithfully executing the laws of this great nation.

Let's start with the debt ceiling fight, since it appears as this issues goes to press that there will be some sort of short-term raising of the ceiling and thus a bit of pressure relief, which is a relief to Wall Street more than anyone else, if the Dow Jones is any indication.

By the way, remember the good old days of this Republic when the stock market was lifted by positive economic news such as corporate earnings reports or employment numbers? Today, the market is driven almost exclusively by political news, such the raising of the debt ceiling or news that the Federal Reserve will continue its bond buying program, massively inflating the fed's balance sheet and pumping money into the economy to give the appearance of an economic recovery. Kabuki Theater runs in the economy as well.

The president, who is always given to hyperbole and hysteria when it comes to describing the consequences of reducing federal spending by one penny (sequester, anyone?), was no different in describing the consequences of failing to raise the ceiling on the amount of money our government can borrow from foreign creditors.

In fact, our president raised the horrifying specter of defaulting on current debt obligations, should those extremist Republicans in Congress be so audacious as to demand a measure of spending reform in exchange to putting us deeper in hock to Beijing.

Listen to the rhetoric:

*"A decision to actually go through with it, to actually permit default - according to many CEOs and economists - would be, and I'm quoting here, 'Insane, catastrophic, chaos.' These are some of the more polite words,"*

*"Warren Buffet likened default to a nuclear bomb, a weapon too horrible to use."*

*"And there would be a significant risk of a very deep recession at a time when we're still climbing our way out of the worst recession in our lifetimes"*

Of course, the words of this president never match reality, which is no surprise since his entire presidency is fantasy based on a candidacy of fantasy, which has begotten all sorts of fantasy and the denial of reality.

Here's what Moody's Investor Services had to say in a recent memorandum:

*"We believe the government would continue to pay interest and principal on its debt even in the event that the debt limit is not raised, leaving its creditworthiness intact," the memo says. "The debt limit restricts government expenditures to the amount of its incoming revenues; it does not prohibit the government from servicing its debt. There is no direct connection between the debt limit (actually the exhaustion of the Treasury's extraordinary measures to raise funds) and a default."*

Maybe the Spite House could find a few hundred million to pay interest on the debt, even if the ceiling isn't raised, just like the \$300 million they found in the couch cushions for Detroit, the banana republic on the prairie.

And speaking of banana republics, the slimdown has given our feckless chief executive yet more occasion to act like "El Presidente" and "El Jefe" instead of "Mr. President."

Readers are quite familiar with the crass and mean-spirited closing of the World War II Memorial, forcing veterans to storm once again a piece of real estate and liberate it.

Yet the Obama Administration approved an immigration "reform" rally on the closed National Mall. The "Camino Americano" rally took place this week, giving the presidents

allies in La Raza and other groups a benefit he denied to citizens bound by no ties other than the bond of brotherhood forged in World War II.

El Jefe, indeed.

The federal "shutdown" continues to become a movie sequel entitled "Honey, I Shrunk the Shutdown."

With each passing day, El Jefe orders more and more bureaucrats to work, pushing us closer to seeing fully 90% of the federal government open for business.

At what point does it become an utter and complete joke to call this a "shutdown" when 90% of the government is open?

Only in the duplicitous world of Washington do words have so little meaning.

As a matter of Constitutional principle, it is downright frightening to see that the legislative branch, solely responsible for appropriating money, apparently can't control 9 out of every 10 dollars Washington spends.

This week, 400,000 Department of Defense bureaucrats were put back on the job. 8,800 Social Security Administration workers are back on the job. The CIA is recalling some secret number of employees. FEMA is recalling employees. The FAA recalled 800 while the Centers for Disease control recalled employees to deal with a salmonella outbreak.

Estimates are that fully 75% of all government employees are at work during this "shutdown."

No wonder Americans are rolling their eyes at the president and his minions in the media whenever we hear all about the dire consequences of this situation.

In other words, Americans are calling BS on the president's storytelling.

Newt Gingrich had an interesting take on the difference between this shutdown and the shutdowns of 1995 and 1996, when he was House Speaker.

For example, during the 1995 shutdown, Americans blamed the Republicans over Bill Clinton by a 2 to 1 margin.

During this shutdown, the GOP takes the blame over the president by only a 10 point margin, with poll respondents blaming the GOP over Congressional Democrats by only a 5 point margin.

Among Independents, the blame is spread equally among all three parties.

And there is a good reason for the GOP to hold firm.

By demonstrating to the president and Democrats in Congress that they're serious about reform, the GOP can strengthen its negotiating hand.

The conventional wisdom is that Gingrich and the GOP "lost" the shutdown battles of 1995 and 1996.

Not true.

The shutdowns paved the way for historic welfare reform, tax cuts, and balanced budgets thereafter.

Oh, by the way. The GOP retained control of the House in 1996, the first GOP majority to be re-elected since 1928.

Hold firm, Republicans!

**October 18, 2013**

**Public Policy Commentary**

**In This Issue:**

**Quote of the Week: "It's a moral problem that government is making into criminals, people who may be doing something you and I disapprove of, but which hurts no one."**

**- Milton Friedman**

- 1. Shutdown Over, Democracy Saved.**
- 2. Another Joins the Race.**
- 3. Exurban Moochers?**

**SHUTDOWN OVER, DEMOCRACY SAVED**

So the federal government "shutdown" ended this week and all the world rejoiced as 17% of the non-essential bureaucracy got back to work (with retroactive pay) harassing citizens while Wall Street rejoiced that the Congress has authorized Barack Obama to drive us yet deeper into debt, all without any meaningful reforms or victories.

GOP Senate Majority Leader Mitch McConnell sounded like a Twins executive hosting press conference to announce the signing of some second rate free agent as he told the Republican base that we should all celebrate extending Sequester level spending in exchange for both bringing back the federal Leviathan as well as enabling a hopelessly debt-addicted government to score some fiscal smack from our Chinese pushers for another few months.

Yippee.

The problem was most certainly not the Republicans pushing things to shutdown or the brink of our debt ceiling. The real sin here is that Republicans pushed the issue so far to get so little.

Nothing on Obamacare. Nothing. And the debt limit has been extended yet again. In essence, Republicans risked much merely to extend the status quo a few more months. The logic of this strategy fails us. What was gained could have easily been won with a much smaller expenditure of political capital.



It's not that the fight wasn't worth fighting. An epic was in order because an epic battle for the soul of this nation is raging. The real sin here is that Republicans waged an epic battle but settled for a very small "victory."

If the fight is worth fighting, go for it. Don't rush up the mountain and then plant your colors on the mole hill,

Republicans seem at a loss when it comes to beating our feckless president on the debt ceiling issue.

Somehow, in our through the looking glass presidency, it is the responsible thing to do to run the nation's future into the ground but reckless to furlough 17% of the bureaucracy or hold the line at a mere \$17 trillion of debt.

The president says it's embarrassing to shut down the government? No, it's embarrassing to watch our president act as the cheerleader-in-chief for yet more debt and more spending for a government that has no money left.

The federal government is headed for fiscal calamity, that's a fact. Yet, a president who has no plans to do a damn thing about it is hailed as a leader for driving the nation over the fiscal cliff at warp speed.

For all of you keeping score at home, the federal government goes to market each and every day to borrow \$1.8 billion dollars to feed the beast. Every single day.

Each American owes our creditors about \$53,000. Of course, many will die without paying their bill, passing that bill to the next generation.

History will note that the Baby Boom generation was without question the most selfish generation in American history.

The self-absorbed arrogance of the 1960s has led to the self-absorbed entitlements of today.

It will be interesting to see how the Republican family handles this situation in a political sense.

Will politicians like Mitch McConnell survive or will they be replaced with more conservative alternatives?

The situation is indeed dire. If Republicans can't lead on meaningful reforms with respect to entitlements, they stand to be replaced with candidates who promise to stand for the principles and values the "refounders" of the GOP embrace.

## **ANOTHER JOINS THE RACE**

The Watchdog has learned that a major candidate has decided to join the GOP race for governor.

Watchdog staff was personally briefed on the candidate's near term campaign plans and strategic goals to win the office in 2014.

The Watchdog will respect the candidate's desire to unveil the campaign on an internal timeframe and will reveal no further details at this time.

This development adds another quality name to an already star-studded cast on the GOP side to take on Mark Dayton.

Republicans should feel great about the slate of candidates running for governor.

The strength of the field is a strong indicator of what we already know. Namely, that Governor Dayton has been a miserable chief executive with a record of bumbling and stumbling through his term in office.

## **EXURBAN MOOCHERS?**

With the economy on the mend, the Twin Cities exurbs are once again seeing home construction on rise, a development that clearly drives liberals nuts.

There's nothing that drives a liberal up a tree more than the inability to tell someone where to live, especially when that location choice frustrates the public policy goals of killing cars, making everyone ride transit, raising population density, and otherwise forcing us all to engage in some "sustainable" urban living.

For those readers who have the stomach to read the Star Tribune, reading the "comments" section of a recent article on this subject was simultaneously hilarious and horrifying.

Apparently, exurban living causes concern amongst the urban arts and croissant crowd such that many of them feel the need to pop off under the anonymity of the Strib comments section.

Of course, many express fear of what living in the exurbs does to Mother Earth, what with all the car driving and bonfires on Friday nights.

Even funnier are the comments from urban dwellers that they are sick and tired of paying for exurban roads and bridges.

Really? Okay, here's the deal.

We exurban dwellers will pay for our roads provided we no longer have to pay for your local government aid programs, your social welfare programs, your failing public schools, your bike paths, and your police misconduct lawsuits.

Deal?

Funny, you people normally tell us that "we're in this together," especially when you need our money for your tax increases.

So who are the moochers?

October 25, 2013

## Public Policy Commentary

### In This Issue:

**Quote of the Week:** *"So that the record of history is absolutely crystal clear. That there is no alternative way, so far discovered, of improving the lot of the ordinary people that can hold a candle to the productive activities that are unleashed by a free enterprise system."*

- Milton Friedman

1. Healthcare.gov - He Built That.
2. Obama's Debt Limit Argument.
3. The Business Climate is Bad.

## HEALTHCARE.GOV - HE BUILT THAT

It's been a heck of a week for our feckless chief executive. The man with the community organizing background who regularly voted "present" in the Illinois Senate has been discovering just how hard it can be to control the bureaucracy he and his liberal predecessors have created.

In a supreme twist of irony, the man who yelled at job creators "you didn't build [that!](#)" has been forced to take ownership of a monumental pile of crap his administration has built.

That pile of crap that goes by the name [healthcare.gov](http://healthcare.gov), the Internet portal to government-controlled health care.

Yes, this publication admits to a high degree of Schadenfreude as we watch the federal government spend nearly \$400 million (three times the original estimate) to build a web site where people are supposed to be able to comparison shop for health insurance and buy it.

Hilarious! The private sector long ago perfected the technique of building a web site where consumers can comparison shop and then purchase a product or service. Travelocity, anyone? Amazon? Ebay? cars.com?

Only government could screw up something like this.

Way to go, Mr. President. You own this white elephant.

Still no word on whether the president and Jay Carney have yet blamed George Bush, the Tea Party, or the Recession for this debacle.

It is also ironic to learn that the primary contractor for this monstrosity is GCI Federal, a firm that is wholly owned by CGI Group, a foreign company headquartered in Montreal.

CGI stands for "Conseillers en Gestion et Informatique," which, translated, means "we charged those American pigs \$400 million for a broken web site!"

Hey, Barack, isn't that called outsourcing, something you have deemed most heinous?

Or is outsourcing bad only when Mitt Romney or your other villains engage in the practice?

Kind of like saying the national debt was "unpatriotic" only when George Bush was president?

That was \$9 trillion ago, Mr. President.

And did you know that CGI has a poor track record of building health care-related web sites?

The Washington Examiner reports that the company botched a web site for the Province of Ontario that had to be ditched after three years of missed deadlines.

Let's wait for the next news story that tells that the owners of this company are somehow connected to the Obama campaign. That's about the speed of this administration, which is more suited to running a Central American economy or a Culver's franchise than the greatest nation in history.

Banana Republic, and not the clothing store.

And wouldn't you know it, opensecrets.org reports the company has spent over \$800,000 lobbying the federal government.

No wonder the government is keeping enrollment numbers a secret.

Obamacare has been one of the most epic failures of government of our generation.

And the Democrats complained when George Bush didn't do enough to bail out the governor of Louisiana and the mayor of New Orleans after Katrina.

Oh, by the way, have you noticed that the media hasn't uttered a peep regarding the abysmal failure to assist the victims of Superstorm Sandy? If it would have been Mitt Romney, the media would have been all over the story.

Healthcare.gov - you built that, Barack.

## **OBAMA'S DEBT LIMIT ARGUMENT**

As many conservatives know, the president's argument for jacking up our national debt and diminishing our sovereignty is utterly ridiculous, to say nothing of extremely [hypocritical](#), even for a politician.

Although this video isn't new, it does a great of showing just how ludicrous the president's argument really is. What's ironic is that the video was shot way back when Obama had run up only a \$14 trillion debt, which is now close to \$17 trillion.

This [video](#) is a must see!

A silly man who is a silly president running a silly administration, with disastrous results.

## **THE BUSINESS CLIMATE IS BAD**

It's always a bit amusing to hear a variety of people spout off regarding the state of jobs and the economy, when the real barometer of economic health is those who create the jobs.

So what are they saying about the economy and the business climate here in Minnesota?

Glad you asked, because the Minnesota Chamber of Commerce a couple of weeks ago released their business climate survey, and the news isn't real good.

In fact, the survey respondents' attitude towards the state's business climate registered a record low.

In a typical survey, somewhere between 45 and 55% say that the state has a good business climate while 10% say it's bad.

This year, only 37% stated that there is a good business climate while a record 26% said the business climate was bad.

The results are really no surprise, given that Governor Dayton-[Boomhower](#) and his DFL cronies absolutely pummeled job creators this past legislative session with a raft of tax increases, including a new top marginal income tax rate that directly hits those businesses that are "pass through" and file their taxes as individuals.

In fact, 55% of respondents said the new income tax will negatively impact their ability to add jobs.

This number absolutely confounded the [Boomhower](#) administration, which double checked their figures and confirmed that they think "only" 6% of job creators will be sacrificed on the altar of more government.

Still no word on whether the governor actually knew he signed an income tax increase into law.

Did you ever think, governor, that businesses project into the future? Every smart business owner understands that anticipating the future is a key to success. No job creator was ever successful by being reactive.

The 55% number reflects job creators looking into the future, including the optimism that defines job creators, with them thinking that in the near future, perhaps they will be in that top income tax bracket. It's that kind of ambition and self-assurance that one needs to be an entrepreneur.

In another blow for the Party of Big Government, 25% said a lack of trained workers was a major obstacle to job creation.

Paging Education Minnesota and our public schools.

When you have a school system run by the teachers' union for the benefit of the teachers' union, it's no surprise that the system is unresponsive, slow, and lacking in results.

Look up "monopoly" in the dictionary.

Finally, only 67% of respondents thought Governor Boomhower and the legislature were clueless regarding how to run a business.

So who are the 33% who think the governor knows a damn thing about running a business?

Well, more than 33% of businesses fail within the first five years. Now we know why.

If you believe the governor knows how to run a business, you probably also can't read a balance sheet or construct a cash flow analysis.

The bottom line is that business owners are like the animals in the forest. They can sense the coming storm long before others.

These folks aren't necessarily concerned about the business climate at this moment.

They can see the havoc that will be visited upon tomorrow's economy by today's political actions.

And the liberals won't care because they have never cared about or understood basic economics.



**November 1, 2013**

**Public Policy Commentary**

**In This Issue:**

**Quotes of the Year:** *"If you like your doctor, you will be able to keep your doctor, period. If you like your health care plan, you'll be able to keep your health care plan, period. No one will take it away, no matter what."*

- President Barack Obama, 2009

*"So if you're getting one of these letters, just shop around in the new marketplace."*

- President Barack Obama, 2013

Underscoring the president's challenge, the HealthCare.gov website was down, because of technical difficulties, during his remarks.

1. Election Day.
2. Liberalism's True Nature.
3. Speaking of Tyranny.

**ELECTION DAY**

Aloha, Watchdogs. This is the last edition of the Commentary before Election Day next Tuesday, November 5th.

Although this is an "off year" election, there are nonetheless important elections on the ballot, including school board, some municipal elections, and tax levy questions.

Historically, turn out is quite low for these off-cycle races and thus every vote becomes even more important.

Get educated on the issues and the candidates and get out and vote!

You can find voting and polling information [here](#).

Vote! It matters!

**LIBERALISM'S TRUE NATURE**

The expected implosion of Obamacare may become of those historical teaching moments for society.

These kinds of moments come along rarely, perhaps once or twice in a generation, and they shape attitudes and view points across the entire society for generations to come.

The failure of Obamacare will likely be one of those generational events for a couple of reasons.

First, it will show citizens that are limits to what government can, and should, do on behalf of the citizenry.

Obamacare's promises will never be realized because government is incapable of delivering on them.

As many commentators have observed, the web site is a disaster, and that's the easy part of implementing the national takeover of health care.

But more importantly, Obamacare has exposed the true nature of liberalism. And that nature is one of tyranny.

Essentially, tyranny is underpinned by three actions: coercion (control), dishonesty, and irrational thought.

The most obvious example of Obamacare coercion is the individual mandate, forcing citizens to engage in commerce, an action which has no precedent or authority under the federal Commerce Clause.

More coercion was brought to the fore recently when millions of Americans were kicked off their existing plans, an outcome known to the president despite what he said regarding the ability to keep your plan.

Of course, this was by design. Coercion is an aspect of control. Control is synonymous with tyranny. Obamacare in large part is about government controlling the health care decisions of Americans.

President Obama is happy to let you choose your health care, just as long as you choose a plan he has approved.

Obama and others like him believe that government can do a better job selecting health care plans for you than you can do for yourself.

In short, you're too stupid to pick your health care plan.

Which should be no surprise. These are people who think you're too dumb to raise your kids, choose your doctor, or even choose your own garbage hauler.

Second, dishonesty abounds with Obamacare.

If the truth were told, this scheme would have never gotten off the ground.

Hence, numerous promises that if you like your health care, you can keep your health care.

If you like your doctor, you can keep your doctor.

Let us be clear: A lie. An absolute lie.

The record shows that the president knew millions would lose their plans and he went ahead and told the lie time after time.

Just this week, a flunky from Health and Human Services testified that there was no reason to believe that the web site portal would fail.

And just this week, bureaucrats from that agency who were involved in beta testing of the web site have gone public in stating that the web site failed in beta tests.

Also notice the subtle and sly dishonesty.

On Wednesday of this week, the president modified his promise, noting that "For the vast majority of people who have health insurance that **works**, you can keep it."

Any plan approved by Obama is one that "works," while all the others don't "work."

See, citizens are once again too stupid to make these decisions. They don't know what works.

For example, government now dictates that 60 year-old men pay for plans that offer prenatal care and people who don't drink or use drugs have addiction treatment coverage.

The third element is a reliance on the irrational. Put another way, tyranny relies on convincing people that their powers to reason cannot be trusted. In short, that you really can't believe what you see.

The web site has never crashed. Just some occasional "glitches."

People aren't being kicked off their existing plans, they're being "transitioned" to a different plan.

The president didn't promise you could keep your health plan if you liked it. He said that if you have a plan that "works," you can keep it.

Every freedom loving citizen in this country should root for the failure of this tyrannical monstrosity. Obamacare is Big Government at its worst.

There is no making tyranny "better." There is no "fixing" tyranny. An outright repeal is the only course of action acceptable to those who believe in the Constitution. It's that simple and it's that dire.

## **SPEAKING OF TYRANNY**

Did you see this week that Governor Dayton got smacked down again regarding his tyrannical executive order calling for an election to unionize in-home child care providers.

A judge struck down the order, saying it exceeded the governor's authority.

This week, the state agreed to pony up \$60,000 in attorney's fees, payable to the attorneys for the plaintiffs.

In classic Dayton irrational logic, his spokesmen blamed the plaintiffs for exercising their constitutional rights and "driving up the cost" of litigation.

Yes, and the governor had no idea he signed a \$28 million tax increase into law. He had no idea he signed a stadium bill allowing for personal seat licenses.

Don't believe your eyes, don't use common sense. Suspend disbelief.

It's no wonder that both Dayton and Obama are underwater in recent Minnesota polling.

Less than 50% of respondents approve of the job both Obama and Dayton are doing.

Among independents, the numbers are even worse.

A whopping 58% disapprove of the job Obama is doing.

A full 50% disapprove of Dayton's handling of things (at least those things he admits to knowing he did).

It's November. Sadly, it's not November 2014 - yet.

**November 8, 2013**

## **Public Policy Commentary**

### **In This Issue:**

**Quote of the Week: "I think it's very important for Latin America and other countries to end the situation in which the government can simply print money to pay for its debts, which leads to inflation and disaster."**

**- Milton Friedman**

### **Paging Barack Obama...**

#### **In This Issue:**

- 1. A Fond Farewell.**
- 2. Minneapolis Sends a Message.**
- 3. Pay Attention - Perverts on the Loose.**
- 4. Four for Delaware.**

## **A FOND FAREWELL**

State Representative Andrea Kieffer (R-Woodbury) this week announced that she will not seek re-election in 2014.

Rep. Kieffer will be sorely missed at the Capitol, especially within the House Republican Caucus, where she was a voice for libertarian principles and ideals.

As a libertarian publication, the Minnesota Watchdog frequently applauded Kieffer's efforts to do one thing: limit the size and scope of government.

After two terms, she said that it was time to leave office, since elective office shouldn't be a career choice.

That's true, but Andrea Kieffer will be sorely missed and we hope that her exit from the legislature is not an exit from public life.

May another libertarian succeed her in this seat.

## **MINNEAPOLIS SENDS A MESSAGE**

It was big news this week when Betsy Hodges defeated (pending the tedious rank choice voting process) Mark Andrew in the race for Minneapolis mayor.

Now, in a very real sense, the race doesn't matter because it is like every other election in Minneapolis. It's merely a contest to see which liberal will win.

Having said that, the race was remarkable in that the establishment candidate was so soundly rejected.

Mark Andrew had the endorsement of a broad coalition of influential liberal groups and raised far more money than the other candidates.

Third party groups also spent significant dollars on independent expenditures.

Hodges still won.

There is no doubt that a major factor in her victory was a repudiation of the establishment's support of a Vikings stadium.

The stadium is subsidized, in part, by a \$150 million contribution by Minneapolis.

Many voters in the City of Lakes were miffed that the stadium deal overrode a city charter provision requiring a citizen referendum before city funds may be spent on professional sports facilities.

City officials copped a legalistic arrogant attitude about the city's funding, claiming among other things that it was really state money.

Well, ha, ha, ha. Voters had the last laugh, putting Hodges, who voted against the stadium while on the city council, in the mayor's office.

Moreover, of the seven council members who voted for the stadium, six ran for re-election.

Of those six, three were defeated.

That's a re-election rate of 50%.

In other words, the Vikings stadium was a potent issue this election.

Will it be an issue for candidates in 2014? It will be interesting to see. In many races, the stadium will no doubt be a factor.

That stadium vote may well come back to haunt many candidates.

## **PAY ATTENTION - PERVERTS ON THE LOOSE**

Hey, Watchdogs, be on the look out.

We warned you weeks ago that the Dayton Administration was intent on releasing perverts and sexual predators into the populace.

That program has continued apace, with embarrassing incidents in which the aforementioned perverts were released in a haphazard manner in violation of state protocols.

Well, it's happening again.

The latest contestant on "who wants to live to near a predator" is Thomas Duvall, a convicted serial rapist linked to dozens of attacks on women.

Governor Dayton thinks this guy is suitable to be released from behind barbed wire.

No word on whether the convicted rapist will be released near the governor's mansion.

This is such a boneheaded move that DFL attorney general Lori Swanson is opposing the release and seeking to intervene legally in the release process.

And that's not all.

Dayton has plans to move upwards of dozens of perverts to a halfway house in Cambridge.

No word on whether Dayton is willing to open the governor's mansion to these "cured" predators.

The Watchdog looks forward to Dayton explaining himself on the campaign trail next year.

## **FOUR FOR DELAWARE**

Guess how many people have signed up for health care in Delaware's health insurance exchange?



If you said 1,000, you would be wrong.

The actual number is 4. Yes, 4.

No word on whether the last name of those four is "Biden."

But then again, they probably all have an exemption.

**November 15, 2013**

**Public Policy Commentary**

**In This Issue:**

**Quote of the Week:**

***"The voters' intent is not undone simply because the statutory mechanism for collecting and directing the sales tax revenue funding the stadium precludes the city from using that revenue for any other purpose."***

**Judge Philip Bush, ruling that the Vikings stadium should have triggered a voter referendum in Minneapolis, contrary to what Mayor Rybak claimed.**

- 1. Skinflint.**
- 2. The Ringmaster.**
- 3. The Collapse Begins.**

**SKINFLINT**

Did you read the news this week that Governor Dayton donated all of \$1,000 to charity in 2012, despite income of \$343,234?

Hilarious.

Apparently, Dayton thinks it just and moral to put a gun to your head and confiscate resources in the name of the "greater good," while he miserly counts his money from behind the imposing walls and gates of the Governor's stately mansion on Summit Avenue.

Really? \$1,000?

For comparison, the average U.S. household donates over \$2,000 per year to charity, despite having median household incomes that are a fraction of what Dayton reported.

Note that we will not say that Dayton "earned" the money.

2/3rds of it came from either his silver spoon South Dakota -based trust fund or capital gains.

The other 1/3rd came from his salary as governor and it's subject to debate whether or not he "earned" that money.

I signed a farm repair equipment tax?

There are personal seat licenses in the stadium bill I negotiated?

I'm not opposed to releasing a serial rapist who beat a girl with a hammer as he raped her?

Who am I? Why am I here?

Out to lunch. And breakfast. And dinner. And brunch.

Who knew that there was a Democrat out there who could make Joe Biden look downright generous?

Last year, Biden kicked in about \$7,000 to charity on income similar to Dayton's, \$379,000.

Thank God we've got Republicans and conservatives out there to pick up the slack when it comes to helping the less fortunate.

Gubernatorial candidate Dave Thompson gave \$20,000 to charity, more than double Biden and Dayton.

Dick Cheney has donated hundreds of thousands to charity, including when he was vice president.

Back when he was running for president, John McCain contributed over \$200,000 each year to charity.

And then there's Mitt Romney. The corporate raider. The evil man who pursued a life of making distressed businesses profitable businesses.

Forbes estimates that the Romneys, personally and through charitable organizations they run, contribute approximately \$6 million each year to charity.

Those darn uncaring Republicans.

Seriously, can Mark Dayton embarrass himself any worse?

Every time we turn around, the guy has his britches around his ankles, standing there with a goofy look on his face, mumbling crap no one can understand.

\$1,000 to charity. That's roughly .3% of his income.

What a stand up guy.

Just like that guy who looked at the camera and said if you liked your health plan, you could keep it.

Or that guy who wagged his finger at us and said he didn't have sexual relations with that woman (only his cigar did).

What a collection.

\$1,000.

## **THE RINGMASTER**

The mainstream media is finally catching up with the Watchdog in reporting on Governor Dayton's actions regarding the potential release of sexual predators into society.

For a few weeks, Dayton's abdication of his fundamental duty to protect the citizenry went unnoticed but has now exploded into full view.

The impetus for media scrutiny came in the form of Thomas Duvall, a serial rapist that Dayton's administration has deemed "safe" to release.

Never mind that the guys lists over 100 victims to his name.

Never mind that he was deemed "high risk" as recently as 2012.

Never mind that he raped a girl while beating her with a hammer.

Our courageous governor finally backed down after a firestorm of justifiable outrage.

In typical Dayton fashion, he blamed the issue on "partisan" politics.

Funny, it appears that there was BI-PARTISAN opposition to this dangerous and profoundly stupid move.

Democrats and Republicans opposed the release.

Dayton stood alone as the one guy with an election certificate who thought Mr. hammer rapist should be turned loose on society.

Here's a simple question for the governor: What in the hell is wrong with you?

The governor has amply demonstrated a lack of good judgment, temperament, thoughtfulness and wisdom, but this is downright nuts.

Getting grifted by Zygmunt Wilf and the Soprano Crew is one thing.

Letting a violent serial rapist out of the cage is another.

Can the people of this state really give this guy another four years of this buffoonery?

The incompetence is nothing short of stunning.

Stevie Wonder is a better pilot than Dayton a Governor.

What a fiasco.

Run, Mark, run.

## **THE COLLAPSE BEGINS**

We are finally beginning to witness the outright collapse of the Obama presidency.

The continued debacle called Obamacare is merely the straw that broke the camel's back.

More importantly, the disastrous roll out of Obamacare is merely a symptom of the real disease.

No, the disease is not incompetence or arrogance.

The root of Obama's problems is nothing less than a lack of integrity and honesty on the part of Obama himself.

Indeed, the president has shown himself to have serious issues with the truth.

Throughout his presidency, the president has misled the American people and demonstrated an arrogant contempt for the people he is charged to lead that allows him to continue to mislead.

You can keep your health plan.

The web site has no issues.

Benghazi was a spontaneous demonstration gone awry.

We didn't target Tea Party groups.

Running up the national debt is unpatriotic.

The stimulus will knock unemployment below 8%.

Operation Fast and Furious.

Solyndra.

Spying on reporters.

Leaders know that the organizations they lead adopt the characteristics of the leader himself.

When the leader demonstrates a lack of integrity and character, subordinates won't be far behind.

A recent poll showed that Americans no longer see President Obama as trustworthy and honest.

It's the first time in the poll's history that a president was upside down on this measure.

How utterly justifiable.

Republicans had Tricky Dick.

Democrats now get to live with BS Barry.

**November 22, 2013**

**Public Policy Commentary**

**In This Issue:**

**SPECIAL EDITION: Liberal Freak Out Edition! Obamacare implodes, Democrats Flee, Harry Reid Declares Marshal Law, Mark Dayton Tries to Comprehend, Polls Show Voters are Seething, Liberalism's Logical Conclusion.**

**1. The Liberal Freak Out.**

**THE LIBERAL FREAK OUT**

It's been an incredible week, loyal readers. Historic, in fact. With Obamacare in ruins, Mark Dayton continuing to dither while Saint Paul burns, and polls showing the Democrats are in deep, deep trouble, it truly looks like a full-on Liberal freak out, crack up, and retreat worse than the French off the Maginot Line.

The news of the last few weeks has shown our president, our governor, and the Democrats in general, to be untrustworthy, dishonest and incompetent.

Dean Wormer [famously](#) counseled Kent "Flounder" Dorfman that "fat, drunk and stupid is no way to go through life, son."

If Obama, Dayton, Harry Reid and company were members of Delta Chi House, Dean Wormer might advise them that "smug, dishonest and stupid is no way to govern, son."

Where to begin?

Keeping up with the latest holes springing out of the S.S. Obamacare may be a place to start.

Witnesses before Congressional committees this week admitted that some 40% of the healthcare.gov web site remains to be built. That's right. Not to be fixed, but to be constructed.

Obama lackeys have confidently predicted that the web site will be up and running by the end of the month. "Up and running" to this administration means that 20% of users will fail to successfully navigate the system.



Can you imagine aiming for 20% in other lines of work?

The restaurant that aims to serve edible food to 4 out of 5 customers.

The airline that aims to land safely 4 out of 5 passengers.

The smart phone manufacturer that aims to sell functional phones to 4 out of 5 customers.

It's not too hard to imagine that other web sites like Travelocity, Amazon, and cars.com have much higher success rates than 80%. We bet close to 100% find exactly what they seek when they log on and have no problem purchasing what it is they seek.

No word on whether anyone logging on to Amazon.com has been forced into Medicare while searching for a new Teflon sauce pan.

The state of Oregon has registered exactly ZERO citizens through its health insurance exchange.

Maybe that's because Oregon hasn't offered the kind of elite, special, gold-plated navigation services that the U.S. Congress has granted itself for Obamacare.

That's right, members of Congress and staff have further ensconced themselves Inside the Beltway by granting themselves perks unavailable to the Great Unwashed Masses they are burdened to represent.

How about "in-person support sessions" to answer questions directly?

Or what about a special web site or phone number dedicated exclusively to assisting Congress, called the "dedicated congressional health insurance plan assistance line?"

Insurance companies have set up offices near the Capitol exclusively to service members of Congress and staff.

In many parts of the country, including southern Minnesota, there is a distinct lack of health care plans from which to choose.

Not a problem for Washington, DC, where the "gold" tier of the DC insurance exchange offers 112 different plans from which to choose.

Remember when Obama and company said Americans should have the same insurance options as Congress?

It's time to start calling the Democrats who represent you, like Al Franken, and ask him where your 112 plan options are or when you can expect an "in-person support session" to help you navigate the exchange.

Same with Rick Nolan and Tim Walz.

A primary feature of collectivist philosophy, or which liberalism is one strain, is the belief of political leaders that they are superior to the masses they represent and thus entitled to special treatment.

Whether it's a dacha on the Black Sea, special health care treatment, or a \$90 office building with a reflecting pool, Democrats believe they are above the regular folks they claim to represent.

When you believe government makes better decisions than citizens, it can be no surprise that those who ARE government therefore see themselves as superior and above the citizenry.

No wonder a raft of polls shows the approval ratings for both the president and his health care takeover burning in like a Kamikaze plane over the Pacific Fleet.

Funny, Senator Ted Cruz was labeled "extreme" and "out of touch" for suggesting that Obama and friends agree to a one year delay in the individual mandate in exchange to raising the debt ceiling and re-opening the only partially closed federal government.

That deal looks more than fair in light of what the president will be forced to swallow in the coming days, weeks, and months.

An outright repeal is a real possibility.

Here in Minnesota, the Mark Dayton-led freak out continues apace.

Remember that \$28 million farm equipment repair tax that the governor claimed he didn't know about even though the bill had his signature at the bottom and his Department of Revenue negotiated it?

Farmers certainly haven't forgotten.

With the harvest nearly complete, many farmers experienced a very nasty surprise this fall when they brought their combines and tractors into the shop for emergency repairs to keep the harvest on pace in Man's perennial race against Nature to get the crops out of the field and the dirt prepared for next year's planting.

Watchdogs and legislators from Greater Minnesota have inundated the Dog with tales of tax bills running into the thousands of dollars from the repair of farm equipment.

All for a tax that Mark Dayton claimed he didn't know existed until he got to Farm Fest and got his butt kicked by angry farmers.

And guess who will pay that \$28 million? Not the farmers. Like any other business, they simply pass along tax increases.

Farmers grow food and we all have to eat. Higher crop prices thanks to Dayton? Citizens will pay it. What economists call "elasticity" isn't high with food. Put another way, there aren't many substitutes for corn or wheat. If the price of bread increases, there isn't much choice but to pay it.

Meanwhile, another aspect of the now infamous Dayton Tax Bill has started to take shape.

The new government office building for Senators has revealed some of the features of this \$90 project.

A reflecting pool, a gymnasium, and floor to ceiling windows will all provide a more "suitable" home for the state's 67 senators.

Never mind that the legislature is a part-time gig and legislators are in session from 3-5 months in a year.

Never mind that there are private health clubs throughout Saint Paul.

Never mind that the historic Capitol building worked just fine ever since Cass Gilbert designed and built the darn thing.

Never mind that both Saint Paul and the state government already have millions of square feet of vacant office space.

Republicans would be well served to remind the public next November that Democrats blew \$90 million on a new palace for themselves while raising everyone's taxes.

The next time some Democrat wants to raise taxes because we need to "invest" in something, tell them you know where to find \$90 million they can use.

What an outrage.

And speaking of looking for more money, the governor this week renewed a call for more state-sponsored gambling, this time out at the airport.

Republicans who support gambling need to get off this kick.

Not because gambling is immoral.

Not because gambling preys on the most vulnerable (it does).

Not because government needs to control our behavior.

This needs to be resisted because IT GROWS GOVERNMENT.

There has never been a gambling proposal that seeks to cut taxes on productivity or wealth dollar for dollar with revenue from gambling.

Whether the bill is sponsored by a Republican or Democrat, the gambling expansion always, always, grows government.

If any Republicans out there get on this kick again next session, be forewarned that the Watchdog will call you out unless your bill is revenue neutral by cutting taxes on wealth and productivity (the capital gains tax would be a great place to start).

We've had enough of growing government. There are people who work hard to ensure a robust and growing government. They're called Democrats. Don't be like them.

Cut taxes, cut spending, cut government.

But the governor and his co-conspirators at the Star Tribune all gave us some comic relief this week when a story broke about the governor's 2014 legislative agenda focusing on government reform, making government more efficient and responsive to taxpayers.

Really? Mark Dayton pushing reform?

Lest you get even a small sensation of hope, know that the governor kicked off the recent "reform summit" by proclaiming that no bureaucrats would lose their jobs in the process.

Apparently Dayton's reform idea centers on having government do things quicker and more efficiently with exactly the same number of employees or more, depending upon what the government union bosses want out of Dayton.

Moreover, Dayton just jacked up government spending by a couple of billion dollars.

Wasn't that the time to insist upon greater efficiencies from government?

Wasn't that the time to establish some performance metrics regarding new monies being spent?

What a joke.

No wonder a recent poll showed Dayton with numbers that were right down there in the gutter with Barack Obama.

Our friends over at the MN Jobs Coalition released a poll showing that just 45% of respondents believe Dayton deserves re-election.

Dayton is underwater and taking on more every day.

**November 29, 2013**

**Public Policy Commentary**

**In This Issue:**

**Editor's Note: Per tradition, the Watchdog publishes a limited issue Thanksgiving week as we pause to offer thanks for our loyal readers, those elected officials who fight for capitalism and limited government, and a Nation founded upon the principle of individual liberty - if we can keep it.**

**Happy Thanksgiving, Readers!**

**1. The True Story of Thanksgiving.**

## **THE TRUE STORY OF THANKSGIVING**

Did you know that the story of Thanksgiving is truly a tale of the triumph of capitalism over collectivism?

The true story of Thanksgiving has been retold many times. The following version is excellent and was authored by Dr. Milton Wolf, originally published in the Washington Times:

The Plymouth colonists were socialists before socialism was cool. They entered into a contract with one another and a finance company called Merchant Adventurers to create an egalitarian commune in which their wealth, food in particular, would be collectively stored and redistributed equally among members. This was the forebear of the modern-day American counterculture collectivist commune or even Israel's more mainstream kibbutz, which survive on government subsidies. Equality is put before freedom or even productivity.

To his dismay, Bradford quickly discovered the fundamental flaw of collectivism: its perverse incentive to be less productive. The strong, young men of their commune, he noted, should have been their most productive members, but they resented being assigned extra work that benefited another man's family, so they refused. The less productive members, believing someone else would provide for them, had little incentive to improve their ways, so they didn't. And who can blame any of them?

At this point, the statist would seek government intervention.

When, for example, in the 20th century Joseph Stalin collectivized the Soviet Union's farms under the guise of freeing the peasant farmer, it required a small army of overseers to force the farmers to actually farm the collectivized "kolkhozy." With little

incentive to be productive, farmers were known to cut every corner they could. They'd leave rotting vegetables among the good, which hastened the entire crop's spoilage. They'd plow their fields only deep enough to fool inspectors, but not enough to be suitable for optimal crop production. Stalin's answer was to unleash even more overseers, but it was never enough, and each inspector represented a man who otherwise might be farming. The result: On some of the most fertile land on Earth, a man-made famine contributed to about 11 million deaths.

Back to our Pilgrims. Bradford had a much simpler and effective solution: free-market capitalism. Instead of guaranteeing equal results to each family, he guaranteed equal protection under the law. He carved up the land and gave plots not to the collective, but instead to each individual family. Private property is, of course, the basis of capitalism, and with it, the profit motive is the oxygen that ignites a firestorm of productivity.

In short order, the colonists not only escaped the threat of starvation, but, as their newly incentivized creativity and industry were unleashed, began a new era of prosperity. Instead of being dependent on others, they produced more food than they could possibly consume and soon began trading with American Indians and other colonists, which itself unleashed a second wave of prosperity.

This turnaround was monumental. When they first arrived, Bradford was hardly some right-wing ideologue. He initially believed, as liberals do today, that their collective colony "would make them happy and flourishing - as if they were wiser than God" but he soon learned the reality that collectivism "was found to breed much confusion and discontent, and retard much employment that would have been to their benefit and comfort." The same holds true today.

The fundamental flaws of collectivism may be easier to mask within a group of 310 million than a group of 100 - at least temporarily - but ultimately, its harsh reality is every bit as inescapable. Still today, some of our misguided contemporaries agitate for collectivized health care, higher education or anything else that would destine us to repeat those early tragedies at Plymouth, the more recent ones of Stalin or even the Israeli kibbutz. Instead, let's take this time to relearn the complete lesson of the first Thanksgiving: Charity is noble, and capitalism works. Let's teach it to our children. And let's give our thanks for the prosperous United States of America.

**December 6, 2013**

**Public Policy Commentary**

**In This Issue:**

- 1. The Not-So-Great Budget Forecast.**
- 2. Another Whopper.**
- 3. Don't Blame the Genius, Blame His Machine.**

**THE NOT-SO-GREAT BUDGET FORECAST**

Hey, Watchdogs. We never like to rain on the government parade, but let's refrain from busting out the Champagne and streamers over the state's budget forecast, one which predicts a \$1 billion surplus over the remainder of the two-year budget cycle that ends in June of 2015.

First, a budget surplus simply says that the government expects to over-collect taxes. Keeping more money than what is needed to cover expenditures isn't a good thing. It's a bad thing and it means that tax cuts are in order.

Second, while the DFL is taking victory laps, their budget has only been in effect since July. As if 5 months of tax increases caused prosperity and low unemployment. Since government can only spend money it diverts from the private economy, it's hard to see how government creates wealth and prosperity. It doesn't.

Third, the state budget documents note that 95% of the surplus is created by higher tax receipts from individuals and corporations. In other words, it's the fact that the private sector is doing well that government has more money. Recall that many Minnesota businesses are "pass through," meaning they file as individuals. These small businesses and others are doing better, generating more revenue, and therefore more tax dollars.

We will see how well these businesses are faring when the DFL tax increases start to really be felt and take hold over the next few months.

Fourth, if any state budget had an impact on the budget forecast, it was the 2012-2013 budget that was passed by a Republican majority in the legislature and signed into law by Gov. Dayton, as he loudly protested the lack of tax increases.

Well, well, well. Minnesota's economy is doing well, state government managed to survive and so did our schools.

The claims of doom and gloom never appeared and we all lived - even government.



It looks like Republicans are owed an apology that will surely never come.

Fifth, another forecast is coming out in February. Forecasts have historically fluctuated, sometimes greatly. Let's hold off on making plans to grow government, please.

The bottom line here is that government and the greater economy have done just fine in the absence of tax increases.

The Republican budget philosophy worked and gets some credit, although we should be loathe to ascribe too much power to government.

Despite the best efforts of Democrats, our economy continues to be driven by the private decisions of millions of market participants who act in their rational self-interest and some BS notion of the "public good," whatever that is.

### **ANOTHER WHOPPER**

No, not, "if you like your health plan, you can keep your health plan."

This whopper comes from Governor Dayton, who said that his massive, \$2 billion tax increase would result in every homeowner seeing their property taxes go down.

Riiiiight.

A recent Star Tribune article noted: *"The early numbers show Minnesota cities' property taxes increasing 2.1 percent, counties' up 1.5 percent and townships' up 2.1 percent."*

The Dayton tax policy is almost as much of a disaster as Obamacare. A farm equipment repair tax the governor doesn't remember signing into law, phantom property tax cuts, tobacco taxes that hammer the lower income people Dayton pledged he would protect, and a stadium financing scheme that missed projections by about 95%.

Would hire Dayton to do your taxes? Then why hire him to be your governor?

### **DON'T BLAME THE GENIUS, BLAME HIS MACHINE**

The epic fail known by its namesake, "Obamacare," is nearly impossible to track through a weekly publication like the Watchdog.

With the S.S. Obamacare hitting technical ice burgs on a daily basis, reporting on the actions (and inactions) of Captain Obama as the ship takes on water is a full-time job that requires intensive resources.

Full-time employment for journalists. Finally! An Obama jobs program that works.

It's an open questions whether Captain Obama is even fit to command the S.S. Minnow for a three hour tour. Sadly, we're now on a three YEAR tour, without the company of Ginger or Mary Ann.

Well, don't blame Obama for this catastrophic failure. It's not the fault of the brilliant, yet bored, chief executive of the United States of America.

Just ask him.

In a recent interview with Chris Matthews, whose bromance with Obama is well documented, Obama laid the blame for Obamacare squarely on the bureaucracy, absolving himself of any blame whatsoever.

The headline from [Real Clear Politics](#) says it well: Obama: Ongoing Obamacare Problems Don't Reflect On My Personal Management Style.

Barry acquitted himself of negligence by stating: "And, you know, the challenge, I think, that we have going forward is not so much my personal management style or particular issues around White House organization. It actually has to do with what I referred to earlier which is we had these big agencies, some of which are outdated. Some of which are not designed properly."

Oh, excuse us dumb peasants for having the temerity to question your leadership and management skills.

We were too busy clinging to our guns and religion to properly discern your unquestioned genius.

But, Barry, isn't this the very same government machine you and your liberal ilk worked so hard to build over the years?

Isn't this the same bureaucracy that was so sophisticated and enlightened that it could replace non-profits, churches, private social institutions and even the family?

And that system can't even build a web site to allow people to shop for a product?

We pause to thank the President of the United States for acknowledging that the bureaucracy doesn't do anything well, a clear observation liberals have refused to admit thus far.

Obama then went on to paint Obamacare as an anomaly, just one disaster in a sea of achievement. Just one turd in a punch bowl of heavenly nectar.

Said Obama: "I think it's important to distinguish between this particular project, this healthcare project, where it is obvious that we needed additional controls in place, because it didn't deliver on time the way we wanted. And how we've managed incredibly complex problems for the last five years. Everything from wars to pandemics to, you know, natural disasters to, you know, expanding student loans for young people."

Really? Compared to your management of the federal debt? Benghazi? Syria? Fast and Furious? IRS targeting of conservative groups? Solyndra? The "stimulus?"

Forget about that, taxpayers. The president expanded student loans for young people, so they can be even deeper in debt after graduating with that psychology degree.

We're so ever grateful.

The fact that the president refuses to accept responsibility is proof positive of his lack of leadership skills.

The leader is responsible for everything his organization does or fails to do. This is the credo of the military officer corps of which he is the Commander-in-Chief.

Keep talking, Mr. President. No one believes you anymore. Your credibility is zero and all the spin in the world won't change that reality.

**December 13, 2013**

## **Public Policy Commentary**

### **In This Issue:**

- 1. Quote of the Month.**
- 2. Government Munchausen by Proxy.**
- 3. Where's Rick Nolan?**

### **QUOTE OF THE MONTH**

George Will is one of the greatest conservative thinkers of the last 100 years.

He has been instrumental in educating Americans regarding the value of conservatism and the dangers of unchecked liberalism.

He provided, once again, profound and humorous commentary on our feckless Chief Executive (Obama in this case, not Dayton).

Here's what Will said regarding Obama's recent comment that Obamacare has failed, not because of him, but because of the Big Government bureaucracy:

*GEORGE WILL: The education of this president is a protracted and often amusing process as it was this week. As he continues to alight upon the obvious with a sense of profound and original discovery, he's alighting on what is obvious to governors. This is really why governors more often than Senators as president.*

*The president is saying the trouble with big government is that it's so darn big. And like a lot of other big organisms, dinosaurs spring to mind, is it has a simple nervous system. It's sporadic. It's governed by inertia and it's hard to move. This from a man who's devoted his life to increasing the power of government as an instrument of the redistribution of income because government is wiser than markets at that. It's as I say, highly amusing.*

Highly amusing, indeed!

### **GOVERNMENT MUNCHAUSEN BY PROXY**

[Munchausen by Proxy](#) is a mental illness in which one person seeks attention and recognition in caring for another person who is sick.

In some cases, the person who seeks attention intentionally sickens the other person in order to garner attention.

In real life, it usually an adult caregiver who sickens a child.

In the world of politics, it is a DFL government that sickens job creators with taxes and then seeks credit for giving job creators the antidote through tax cuts.

Witness our feckless governor foisting billions in tax increases on job creators through income tax increases, a warehouse tax, a farm equipment repair tax, and a host of other job-killing tax increases.

Recall that most businesses file income taxes on the individual schedule (known as "pass through"). Therefore, an income tax increase is a tax on any business that files on the individual scale.

Farms are small businesses as well.

Sickening.

And now, with a \$1 billion over-collection in taxes, the governor hints at a repeal or reduction in some business taxes.

In other words, the governor has made job creators sick (economically) and now seeks credit and attention for making them well by offering a tax cut.

Sorry, governor. Increasing taxes by \$1 and then offering a 50 cent tax cut isn't admirable.

It's a cynical political ploy designed to portray you and Democrats as something you're not: friendly to job creators.

Besides, it's doubtful that it will happen anyway.

Sources in Saint Paul tell the Watchdog that Senate DFLers aren't eager to repeal any taxes, especially ones that they recently increased.

The reasoning is that they have already taken the political heat for passing the tax and now it's time "enjoy" the revenue from the increase.

Moreover, they don't see much political benefit from voting against the tax after they voted for the tax.

After all, the reasoning goes, they aren't on the ballot until 2016 and they believe voters will have gotten over the tax increases by then.

Hey, at least there are some honest looters at the Capitol.

## WHERE'S RICK NOLAN?

Anyone with kids is familiar with the theme song to Sponge Bob Square Pants.

Well, even though Rick Nolan is about 100, he must have great-great grand kids, because he not only knows the song, he's living it.

The song goes, in part:

*If nautical nonsense be something you wish  
then drop on the deck and flop like a fish!*

To be fair, it isn't nautical nonsense that bedevils Congressman Nolan.

Instead, it's non-ferrous nonsense that has caused him to flop like a fish.

You see, the prospect of massive mineral deposits and the jobs and wealth creation that would accompany mining are twisting Nolan in knots.

Why? Because the issue divides Democrats down the middle.

Nolan, like a typical politician, is trying to dance on the head of a pin when it comes to mining in northern Minnesota, trying to please the Democrats who want jobs on the Iron Range, and Democrats who think that turning a single spade of dirt is an ecological disaster.

And it's not just Republicans who are noticing the verbal gymnastics.

Liberals are starting to smell politics as usual as well.

None other than the liberal web site Daily Kos has taken notice.

This past week, Kos [ripped](#) Nolan for being against mining, for mining, and now against mining.

The issue centers on HR 761, the [National Strategic and Critical Minerals Production Act](#), a bill that environmentalists say, in their typical understated tone, "guts" environmental protections.

Nolan has been against, for, and back to against the bill.

So which child is Nolan going to throw out of the lifeboat? The mining child or the environmental child?

Democrat on Democrat violence is so entertaining.

In any case, Republicans, especially Stewart Mills, should be all over this.

They ought to be simultaneously calling out Democrats for their hypocrisy on the "jobs, jobs, jobs" mantra while calling attention to the fact that Republicans support mining and the jobs that come with them.

This is an opportunity to show Iron Range voters, who are becoming increasingly dissatisfied with the DFL, that Republicans have ideas that benefit them. Starting with the simple yet powerful idea that setting conditions favorable for jobs and prosperity for all isn't just campaign rhetoric, it's a fundamental value.

Stewart Mills and every Republican leader should hold a press conference at the front gates of the Polymet mine, asking why only one political party seems to be interested in creating jobs on the Range.

Where's Governor Dayton on this? Speaker Thissen? Al Franken?

It looks like one party wants to create jobs on the Range while the other is content to offer unemployment benefits and a paternalistic pat on the head.

The DFL is for gun control, gay marriage, and against mining.

No wonder so many Rangers are giving Republicans a chance.

Now it's up to Republicans to make their case.

**December 20, 2013**

**Public Policy Commentary**

**In This Issue:**

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**A BANANA REPUBLIC**

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Current and past events have shown that we have really moved beyond a republic hijacked by the Left and instead are living in a banana republic, replete with the hallmarks of such a state.

Deceit, lawlessness, cronyism, incompetence, and an arrogance of entitlement amongst the ruling political class. All of it can be found in our state and federal governments today.

The collective feeling of all but the most hardcore liberals is that our government just doesn't disagree with our principles and values. Our government has become untethered from principles and values common to all republican forms of government. Worse, that government is so inept and incompetent, it can't even control the outsized governmental institutions it has built to implement its statist policies.

Start with incompetence.

Obamacare will stand as a monument to governmental incompetence. In fact, the failed roll out may very well have soured entire generations on the vapid promise of liberalism.

Hundreds of millions of dollars to build a web site that doesn't do what hundreds of other web sites can do - allow customers to securely comparison shop for products and services.

Now we learn that mini-Obamacare in Minnesota, known by the cutesy name "MnSure" isn't well, so sure.

It appears that Governor Dayton knows how to manage an IT project as well Barack Obama.



Year after year, we read of failed IT projects that fail integrate different computer systems, leaving the executive branch a Tower of Babel in which one part of government can't speak to another one, which may not be a bad idea regarding the protection of personal liberties.

Barack Obama was going to make the automotive world run on electric power, as evidenced by the Chevy Volt. How's that working out?

Governor Dayton's football stadium financing plan was a failure by orders of magnitude.

The e-pull tab scheme failed to generate even a fraction of the projected revenue, making it one of the biggest failures of Minnesota government in recent history.

And what of a governor who claims absolutely no knowledge of key legislative initiatives HE himself negotiated and signed into law?

No knowledge of personal seat licenses (PSLs) in the Vikings stadium bill? This was a heavily negotiated, high profile bill that was constructed at the highest levels of government.

It was agreed to by Dayton and signed into law with Dayton's signature.

And he didn't know about the PSLs?

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Exhaustive research by the Watchdog staff cannot find a single instance of one of Dayton's predecessors confessing ignorance of a bill signed into law.

Prior to Dayton, every governor since WWII at least has acknowledged full understanding and deliberate intent regarding their signature being affixed to every bill they signed.

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And what of deceit?

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WCCO reporter Pat Kessler has characterized MnSure's hiding of web site problems as outright lying.

Said Kessler, "I believe that this is one of the most closed, obtuse, misdirecting, camouflaging agencies I've ever dealt with."

Specifically, MnSure lied about the extent of web site problems, telling him that there were no problems with the web site when, in fact, problems were obvious and growing.

Said Kessler, "And here's where the disconnect is for me -- so we go to MNsure, and I'll just say it, I think they lied to us. I think that they misled us, they misdirected, they camouflaged, they said 'No, there's no problems, no, there's no problems,' when in fact, behind the scenes, they were sweating bullets because they couldn't fix the problems."

In addition, Obama minimized the Keystone Pipeline project by claiming that "only" 2,000 jobs would be created, when his own State Department's estimates were double that.

The president claimed the "Fast and Furious" program was initiated by President Bush. The program was created in 2009.

And so it could go for page after page.

Like a banana republic, there has been no shortage of outright lawlessness.

President Obama has regularly decided to delay or otherwise ignore Obamacare implementation dates without any statutory authority to do so.

14 times, if you're counting at home.

His administration has been spying on citizens in violation of the Fourth Amendment, and a federal district court judge agrees.

His IRS engaged in an illegal and systematic scheme to harass and delay Tea Party aligned groups, thereby hindering their ability to participate in the 2012 elections.

Governor Dayton's attempt to unionize day care workers by executive fiat was ruled illegal and the plaintiff's were awarded attorney's fees.

The Minnesota DFL was just this week fined in excess of \$100,000 for illegal campaign tactics.

These tactics were used by the party to illegally coordinate with DFL candidates for the state legislature, many of whom won by very close margins.

It is very likely this illegal activity, including exceeding spending limits, provided the margin of victory these candidates needed to get elected.

Stolen elections are a hallmark of a banana republic.

Do we even need to get into Al Franken's stolen election?

On to cronyism.

As the rule of law recedes, the vacuum is filled by political influence and cronyism.

As merit is devalued, cronyism becomes the coin of the realm.

Who you know becomes more important than what you know.

Start, once again, with Obamacare.

For months and months, a primary feature of Obamacare has been a rush to the White House to get an exemption from the law.

The exemption list is a who's who of influential friends of Barack, including labor unions, who want to keep their Cadillac health plans, and Congressional staffers, who work for Harry Reid, Nancy Pelosi and company.

Gaming Obamacare to get golden exemption ticket is in fact the hottest game in DC.

It's like musical chairs. Don't be left standing and holding the stinky, putrid Obamacare bag.

Despite pledges of the cleanest administration since Woodrow Wilson, Barack Obama has been a dispenser of cronyism, par excellence, since 2008.

Having buddies at places like Solyndra have become legend.

Thus, it wasn't surprising when we learned that the First Lady just happened to be friends with an executive running the company that won a major contract to build the federal insurance exchange web site.

Finally, there is an arrogant entitlement mentality in both administrations.

MnSure had an executive director who felt entitled to a Costa Rican getaway with her lover, even though the Minnesota insurance exchange was burning to the ground.

Our state Senators feel entitled to a \$90 million office building they occupy less than six months every year, complete with a gym and a reflecting pool.

The U.S. State Department felt entitled to nearly \$200,000 worth of liquor purchases just days before the government shut down.

Barack Obama feels entitled to be free from criticism and free from the onus of responsibility regarding Obamacare, instead blaming Big Government for the failure.

Similarly, Mark Dayton feels entitled to be free from the onus of responsibility for the Vikings stadium seat licenses.

The Wilfs are to blame, having "snuck" the PSLs into the bill, a feat of deception worthy of the CIA, given the fact that the language was in the bill when it passed Dayton's desk.

It's one thing to disagree with your government.

It's another thing to be horrified to learn that your government doesn't know what it's doing.

It's one thing to disagree with the pilot regarding the flight path.

It's a whole other thing to learn that the pilot doesn't know how to fly.

**December 27, 2013**

**Public Policy Commentary**

**In This Issue:**

**Editor's Note: As the last edition of 2013, Harold Hamilton and the entire Watchdog staff want to wish you and yours a joyous and prosperous New Year!**

**Readers should know that the Watchdog, as usual, will not publish next week. Harold Hamilton and staff will be ringing in 2014 at an undisclosed Caribbean location, enjoying fine cigars, hot dice, and the best rum we can find, out of the reach of U.S. laws, but not the NSA.**

**Happy 2014, readers! We will be back in two weeks, for another year of journalistic excellence.**

**In This Issue:**

**1. Top Story - 2013.**

**TOP STORY - 2013**

Let's face it, Watchdogs. 2013 was a miserable year in politics. With Democrats controlling the legislature and the governor's office in Minnesota, our state was in a hammer lock of liberalism all year.

In Washington, President Obama continued his incompetent and lawless ways, while Senator Harry Reid abolished over a century of comity in the Senate by abolishing the filibuster rule.

In the U.S. House, Speaker Boehner turned in a mixed performance, holding the line in some areas while capitulating in others.

Perhaps 2013 was the darkness before the dawn, as all indications show that the American public has had its fill of the whole hopey changey BS that proved to be just one more promise undelivered by a president long on rhetoric and woefully short on results.

So, what was the top political story of 2013? Was it here in Minnesota? Was it in Washington?

There were many stories that could have qualified as a finalist, but the Watchdog staff, understandably, had to limit the list.

Some stories that didn't make the cut included the NSA's domestic spying, the massive losses on the GM bail out, gay marriage in Minnesota, and the \$90 million state office building that stands as a symbol of DFL extravagance and arrogance.

Here are the stories that did qualify as the formal nominees for the 2013 Minnesota Watchdog story of the year:

**1. Tax, tax, tax.** With the DFL in charge, we all knew taxes were bound to go up in Minnesota. What we didn't know was that the DFL would engage in an unrestrained orgy of tax increases that would total over \$2 billion when it was all said and done.

Consistent with unrestrained wealth confiscation was the lie that the tax increases would be limited to "the rich," which always stands as code for "the other guy."

Which was not at all true. For example, the DFL jacked up tobacco taxes, which are the most regressive of taxes, hitting the poor extremely hard.

Whether you agree or disagree with tobacco use, it was a prime example of a broken promise and an emblem of the DFL's inability to both restrain their desire to spend and their ability to manage the government. Recall that part of the tobacco tax was needed to backstop the failed electronic pull tab scheme to finance Zygi Wilf's "People's Stadium."

By the way, "people's stadium" has to go down as one of the dumbest slogans of the year. As if calling the stadium by some collectivist name will fool people into really believing it is anything other than a massive governmental wealth transfer from the general population into the pockets of the Wilf boys.

Having said that, it wasn't the dumbest political stunt of the year. The dumbest stunt had to be Obama's "symbolic" sign up for Obamacare.

That stunt only served to remind us all of what we hate about elitist liberals in general and Obamacare in particular.

Obama isn't subject to Obamacare. He's exempt. He didn't really enter his personal data. It could be stolen. He didn't even sign up personally. He had aides do it while he golfed in Hawaii. What an ill-conceived stunt.

**2. Obamacare.** Of course, the unpopularity of the biggest liberal power grab in generations had to be included.

Obamacare was included in this list not so much because it is horrible public policy matched with inept execution.

Instead, Obamacare is included because it features everything that is wrong with the Reign of Obama.

There's lawlessness, with Obama arbitrarily moving deadlines and mandates he has no statutory authority to undertake.

There's cronyism, with Obama's allies receiving exemptions that the politically unconnected could never dream of receiving.

There's tax increases galore to finance the whole scheme. And, most importantly, there were a pack of bald faced lies offered by the president to sell this scheme.

You can keep your health plan. You can keep your doctor. Health care costs will fall. Quality and access will rise. Everyone will benefit.

All of it was a lie to mask the true nature of this monstrosity.

You see, Obamacare was never meant to make health care better for America.

Instead, Obamacare was nothing more than another liberal entitlement scheme, designed to force one part of America to pay for the health care of another part of America.

At core, it is nothing more than another wealth transfer mechanism, dressed up as health care reform.

This publication firmly believes that the Big Lie of Obamacare will negatively impact the liberal ideology for generations to come.

In the same way that the New Deal ushered in an era of faith in Big Government, Obamacare will serve to reverse that mentality and reintroduce Americans to the concept of individual liberty and a healthy, productive skepticism of the Welfare State.

**3. State of Confusion.** In one of the most bizarre chapters in the history of Minnesota politics, 2013 saw Governor Dayton on multiple occasions profess to have no knowledge of critical aspects of key legislation he signed into law.

On two occasions the governor publically declared that he didn't know that he had signed into law significant public policy initiatives.

First, he claimed he didn't know that the Vikings stadium bill contained an option for the team to institute Personal Seat Licenses (PSLs). PSLs are essentially a fee placed on each season ticket on top of the price of the tickets.

PSLs are a common feature of stadium financing and are not novel to the Vikings bill.

Months after the bill was signed into law by Dayton, he professed outrage that the PSLs were in the bill, accusing the Vikings of sneaking PSL authorization into the bill.

This was bizarre to say the least, considering that Dayton and staff were key players in negotiating the bill.

Moreover, he gets three days to read and dispose of a bill sent to him by the legislature.

Didn't he read the bill? Did his staff? Apparently not, given the ridiculous display of the state's chief executive whining about a bill he himself signed.

Then there's the farm equipment repair tax, which extends the sales tax to the repair of farm implements.

This tax was a \$28 million tax increase included in the 2013 tax bill.

This bill, like the stadium bill, was negotiated by the governor and his senior staff, including his Commissioner of Revenue.

It was signed into law by Dayton.

Yet he professed to be completely surprised when the media told him of the new tax.

How very, very strange.

Caligula, Nero, Mark Dayton.

Those are your three finalists for story of year 2013.

And the winner is....

All of them, in a sense. The real political story of 2013 is the gross mismanagement and ineptness of both chief executives.

Both Barack Obama and Mark Dayton have governed in a manner that has shocked and disgusted the majority of Americans and Minnesotans. And that's the real story of 2013.

Incompetence married with political thuggery. Here's what we said about the situation recently:

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