

July 25, 2013

Jennifer Rubin has many good posts. First is on the shrinking president. *The president heads for the campaign trail, but where there is work to be done he's never seemed so feeble.*

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"Stung by Americans' persistent worries about the economy and a capital gripped by controversy and gridlock, President Barack Obama is suffering his lowest job approval numbers in nearly two years, according to a new McClatchy-Marist poll. . . . Obama will deliver the first of a series of speeches Wednesday aimed at offering his vision for boosting economic growth, even as the new poll found that just 37 percent of the respondents approved of his handling of the economy, while 56 percent disapproved.

Overall, the poll found Obama's job approval at 41 percent last week, a sharp drop from April's 50 percent and his worst showing in the poll since 39 percent in September 2011. Forty-eight percent disapproved in the latest poll, up from April's 46 percent."

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Next she comments on his new economy road show.

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... So what does the president do? He does what he does when things are going poorly: He hits the campaign trail with recycled rhetoric. [The Post reports](#), "President Obama will deliver a series of speeches this week designed to push the economy, and his proposals to ensure its long-term growth, toward the center of the national political debate after months of focus on other issues."

In the same don't-think-I'm-responsible-for-anything tone the administration uses to deflect responsibility for most problems, the White House's communication director pronounced, "The president thinks Washington has largely taken its eye off the ball on the most important issue facing the country." Washington has, has it?

Maybe Obama's useless crusade against guns, his prevaricating about the sequestration apocalypse, his European trip to deliver a no-nukes message, his Africa jaunt and his administration's useless obsession with the "peace process" had something to do with it. ...

Reacting to Chuck Hagel's complaint about the administration's sequester policy.

Jennifer Rubin asks if anyone is in charge.

He appeared Monday at the Veterans of Foreign Wars convention in Louisville, Kentucky. After his introductory small talk he got to the nub of the matter:

"Sequestration is an irresponsible process, and it is terribly damaging. I hope that our leaders in Washington will eventually come to policy resolution, a resolution that stops sequestration. But all of us who have the responsibility of leading our Defense Department cannot lead the Department of Defense based on hope, based on "we think," based on "maybe." We have to prepare our institution for whatever comes. To that end, these cuts are forcing us to make tough but necessary decisions to prioritize missions and capabilities around our core responsibility, which is the security of our country."

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Rubin also notes the diminished democrat delight in Obamacare.

When it comes to Obamacare, Republicans have the wind at their backs.

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"The landmark health-reform law passed in 2010 has never been very popular and always highly partisan, but a new Washington Post-ABC News poll finds that a group of once loyal Democrats has been steadily turning against Obamacare: Democrats who are ideologically moderate or conservative.

Just after the law was passed in 2010, fully 74 percent of moderate and conservative Democrats supported the federal law making changes to the health-care system. But just 46 percent express support in the new poll, down 11 points in the past year. Liberal Democrats, by contrast, have continued to support the law at very high levels – 78 percent in the latest survey. Among the public at large, 42 percent support and 49 percent oppose the law, retreating from an even split at 47 percent apiece last July."

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Daniel Hannan writes in London Telegraph about Detroit. He says you thought Atlas Shrugged was fiction?

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adults in some areas are unemployed. In many neighbourhoods, the only sign of activity is a slow trudge to the liquor store."

Now have a look at the uncannily prophetic description of Starnesville, a Mid-Western town in Ayn Rand's dystopian novel, Atlas Shrugged. Starnesville had been home to the great Twentieth Century Motor Company, but declined as a result of socialism:

"A few houses still stood within the skeleton of what had once been an industrial town. Everything that could move, had moved away; but some human beings had remained. The empty structures were vertical rubble; they had been eaten, not by time, but by men: boards torn out at random, missing patches of roofs, holes left in gutted cellars. It looked as if blind hands had seized whatever fitted the need of the moment, with no concept of remaining in existence the next morning. ..."

John Stossel on the stalled motor city.

MSNBC host Melissa Harris-Perry -- the same TV commentator who said Americans need to stop raising kids as if they belong to individual families -- had an extraordinary explanation for why the city of Detroit sought to declare bankruptcy last week: not enough government.

"This is what it looks like when government is small enough to drown in your bathtub, and it is not a pretty picture." She says budget-cutting Republicans threaten to transform all of the U.S. into Detroit.

What? Detroit has been a "model city" for big-government! All Detroit's mayors since 1962 were Democrats who were eager to micromanage. And spend. Detroit has the only utility tax in Michigan, and its income tax is the third-highest of any big city in America (only Philadelphia and Louisville take more, and they aren't doing great, either).

Detroit's automakers got billions in federal bailouts.

The Detroit News revealed that Detroit in 2011 had around twice as many municipal employees per capita as cities with comparable populations. The city water and sewer department employed a "horseshoer" even though it keeps no horses. ...

Jonathan Tobin on why the left won't face the facts of Detroit.

... The wake up call that Detroit is sending Americans is one Krugman and other liberals would like us to ignore because they are confident that the federal leviathan, controlled by Democrats and fed by liberal assumptions, will always be able to squeeze enough cash out of productive citizens to pay for the left's follies. They won't face the truth about this because to do so would require Americans to do some hard thinking about a society where virtually everyone has their snouts in the collective trough of big government and thereby is a stakeholder in its survival in its current form. But what Greece showed Europe and what Detroit tells Americans is that sooner or later the well of public funds will run dry if obligations to liberal constituent groups continue to grow unchecked. And when that happens it is exactly the little guys who are hurting in Detroit who will be forced to suffer for Krugman's ideology.

Nicole Gelinas says Detroit should be a warning to NY City.

What a difference four decades makes. In the mid-'70s, New York City's threat of bankruptcy was a horror that the state, feds and city ultimately avoided. Last week, Detroit declared bankruptcy because Michigan thought it was the best choice — and Washington stayed silent.

This change should spur New York's own bondholders, public-sector workers and citizens to take a fresh look at our own financial burdens.

In 1975, Gotham couldn't pay its bills. It went to Albany for help, and Albany went to Washington. Republican President Gerald Ford hemmed and hawed, but he came through.

Why? Then-Treasury Secretary Bill Simon said default would be "awful." Fed chief Arthur Burns heard from Europe's leaders — and relayed to Ford — that bankruptcy was "unthinkable."

The city got its bailout and repaid its debt (or refinanced it — we still owe \$2.1 billion from that era).

Today, there's no chance Detroit will pay all — or even most — of the \$18 billion it owes to bondholders and public-sector retirees. ...

The Free Press provides an article that makes a nice segue from the Detroit mess to the humor section. Turns out the Detroit City Council passed a resolution supporting a federal investigation into the possibility there had been a civil rights violation by George Zimmerman. You just can't make it up. Or as Lily Tomlin said, "No matter how cynical I get, I just can't keep up."

The Detroit City Council on Tuesday unanimously passed a resolution calling for a federal investigation to see whether civil rights charges are warranted against George Zimmerman, who was acquitted July 13 of second-degree murder and manslaughter charges in the killing of Florida teen Trayvon Martin.

The resolution, sponsored by Councilwoman JoAnn Watson, sparked a discussion over the need for city leaders and others to focus more on violence in Detroit. ...

Late night humor from **Andrew Malcolm**.

... Leno: President Obama tells school children his favorite food is broccoli. Hey, it's one thing to lie to voters. But now, kids? C'mon, Mr. President!

Letterman: Edward Snowden still living in the Moscow Airport. Workers there are treating him well. Every night they leave a mint on his neck pillow.

Leno: The Pentagon says China will soon have submarine missiles capable of hitting anywhere in the US. No one will be safe, except people living near a Walmart.

Conan: Eliot Spitzer got the 4,000 signatures he needs to qualify for the New York City comptroller race by hiring people on Craigslist to help him. It was a big challenge, but if there's one thing Spitzer knows how to do, it's hire people on Craigslist.

Right Turn

The shrinking president

by Jennifer Rubin

The president heads for the campaign trail, but where there is work to be done he's never seemed so feeble.

McClatchy reports:

Stung by Americans' persistent worries about the economy and a capital gripped by controversy and gridlock, President Barack Obama is suffering his lowest job approval numbers in nearly two years, according to a new McClatchy-Marist poll. . . . Obama will deliver the first of a series of speeches Wednesday aimed at offering his vision for boosting economic growth, even as the new poll found that just 37 percent of the respondents approved of his handling of the economy, while 56 percent disapproved.

Overall, the poll found Obama's job approval at 41 percent last week, a sharp drop from April's 50 percent and his worst showing in the poll since 39 percent in September 2011. Forty-eight percent disapproved in the latest poll, up from April's 46 percent.

But with the purpose of the speeches not to roll out new solutions but recycle rhetoric, there is no sign the president will address the underlying reality of his second term: He's run out of policy ideas and political capital.

The irony here is that there are available avenues to recapture some momentum without giving up on his "signature achievement" (Obamacare) or his quest for higher taxes.

House Majority Leader Eric Cantor (Va.) and the rest of the House GOP leadership take the opportunity to offer what they call "highlighting three immediate steps the President could take to improve the economy and strengthen the middle class." These include approval of the Keystone pipeline, passage of the House's job skills training bill and "environmentally responsible offshore energy development." The measures are all well-aimed both because they have bipartisan support and because they are consistent with Big Labor's objectives. The sole reason these aren't already law is the president's refusal to take on extreme environmentalists — and, one suspects, the desire to keep flogging the Republicans.

Republicans suspect more base-rallying antics from the president. [The speaker put out a statement](#) today warning:

At issue is whether the president will again threaten a government shutdown unless Congress provides him higher taxes on small businesses to replace the deficit reduction produced by the automatic spending cuts – sequestration – that are currently in place.

You see, last month, through a series of *Statements of Administration Policy*, the president announced that he would not sign ANY spending bills this year unless sequestration spending cuts are eliminated – and replaced with his plan for higher, job-destroying taxes.

That didn't work out earlier in the year when the president tried to scare the country with sequestration cuts. Now that they are in place without triggering a national meltdown can he really convince voters that those must disappear in exchange for more taxes?

One has the sense that most everything in the second term is tactical, not substantive. Turn the tables on the GOP. Figure out how to explain inaction against Syria. Keep the base enraged. It supposes such gambits can recapture the House in 2014, whereupon he can enact his dream agenda. Instead, it only seems to confirm this is a president in decline.

Right Turn

[A stalled economy, a president out of steam](#)

by Jennifer Rubin

It is no secret that we have yet to get the robust economy President Obama has been promising since he took office.

[The Wall Street Journal observes:](#)

Disappointing economic and corporate-earnings reports in recent weeks have dashed hopes that the U.S. was at last entering a phase of solid, self-sustaining growth. Instead, while economists expect a modest second-half pickup in growth, few are predicting the kind of substantial rebound needed to quickly bring down unemployment, raise wages and insulate the U.S. from economic threats abroad.

There also are signs that consumers—whose spending has helped prop up the economy for much of the past year—are beginning to tighten their belts. Retail sales grew a paltry 0.4% in June, Commerce Department figures showed, and would have been even worse if higher gasoline prices hadn't forced drivers to spend more at the pump.

So what does the president do? He does what he does when things are going poorly: He hits the campaign trail with recycled rhetoric. [The Post reports](#), "President Obama will deliver a series of speeches this week designed to push the economy, and his proposals to ensure its long-term growth, toward the center of the national political debate after months of focus on other issues."

In the same don't-think-I'm-responsible-for-anything tone the administration uses to deflect responsibility for most problems, the White House's communication director pronounced, "The president thinks Washington has largely taken its eye off the ball on the most important issue facing the country." Washington has, has it?

Maybe Obama's useless crusade against guns, his prevaricating about the sequestration apocalypse, his European trip to deliver a no-nukes message, his Africa jaunt and his administration's useless obsession with the "peace process" had something to do with it.

But don't count on the president to try to unstuck the stuck economy. "White House officials said the three speeches will not offer new proposals or approaches, including the use of executive actions to sidestep congressional opposition. Instead, officials said, Obama will outline in broad terms his view of the economic debate ahead." It is rather lame in the fifth year of an administration to still be blaming Congress and recycling the same unpopular proposals, especially tax "reform" that amounts to tax hikes.

An adviser in Sen. Mitch McConnell's (R-Ky.) office sent a pointed e-mail today: "The President gave his first economic speech at Knox College in June 2005. At the time, the unemployment rate was at 5 percent with 7.5 million unemployed. When he gives his latest economic speech there on Wednesday, it will be with an unemployment rate of 7.6 percent and 11.8 million Americans unemployed."

And Republicans continue to hammer away at one obvious impediment to job growth, Obamacare. Republicans point to reports, such as one from [Bloomberg](#) this weekend, that tell us full-time work is falling, part-time work is increasing and small business hiring is slowing because of the new law:

Employer uncertainty surrounding the health-care law "is having a dampening effect" on full-time hiring, said Ken Mayland at ClearView Economics LLC in Pepper Pike, Ohio. He said he has "a strong suspicion" that it contributed to the recent increase in part-time workers.

Of about 75 manufacturers surveyed by the Philadelphia Fed, 5.6 percent said they have shifted from full-time to more part-time workers to avoid health-care rules and 2.8 percent have refrained from hiring or fired workers, based on results released July 18. Over the next year, 8.3 percent plan to have more part-time workers and 5.6 percent plan to fire or refrain from hiring workers because of the law.

And with Americans seeing health-care premium rates soaring, they are less inclined to make big purchases, further depressing the economy.

Obama's routine is as tiresome as it is predictable. First, he ventures into non-economic matters. When those fail, he "pivots" back to the economy. But he won't offer anything new (e.g. substantial domestic energy development) or touch one big thing that might make a difference (Obamacare). And he keeps hawking policies that would make the economy worse (e.g. an energy tax, an income tax hike).

Now wonder Democrats are in a glum mood. They've accomplished very little, the economy is dragging and they face the very real [possibility of loss of the Senate](#) majority. Oh yes, and all the incumbent Democrats (every incumbent senator) who voted for Obamacare will have some explaining to do when voters suffer the massive confusion and disruption expected at the onset of 2014.

You'd think that just to spare his Senate allies, Obama would postpone the rest of Obamacare. But his "signature" achievement was always more important than the election or his congressional allies' re-election prospects.

Right Turn

Who is in charge of this administration?

by Jennifer Rubin

I realize Defense Secretary Chuck Hagel is reading off a script, has little if no latitude to make policy and is not trusted by members of Congress. Still. When he goes out in public to deliver a speech he really needs to step it up.



Defense Secretary Chuck Hagel

He appeared Monday at the Veterans of Foreign Wars convention in Louisville, Kentucky. After his introductory small talk [he got to the nub of the matter](#):

Sequestration is an irresponsible process, and it is terribly damaging. I hope that our leaders in Washington will eventually come to policy resolution, a resolution that stops sequestration. But all of us who have the responsibility of leading our Defense Department cannot lead the Department of Defense based on hope, based on "we think," based on "maybe." We have to prepare our institution for whatever comes. To that end, these cuts are forcing us to make tough but necessary decisions to prioritize missions and capabilities around our core responsibility, which is the security of our country.

We already know the White House was the source of the irresponsible process, but that was undertaken before Hagel arrived at the Pentagon. Fine, but why has he not gone to the president to make the case against what his predecessor calls "devastating" cuts? Why is he providing cover for cuts which, among other things, force our people to endure excessive combat time? ("I met a First Sergeant who told me that in Afghanistan, he froze up and became overwhelmed by anxiety. He couldn't command. He had lost his ability to command. I asked him how many deployments he had. He told me he was on his fifth consecutive combat tour when this happened. When you push human beings this hard, they break.")

His announcement that gargantuan cuts require "tough but necessary decisions" is, to put it mildly, circular reasoning. Why are the decisions *tough*? Because they are made not on national security grounds, but because the president looks at defense spending cuts and tax hikes as the

means by which he increases domestic spending. They are *necessary* because the president refuses to agree to alternate cuts the House has already passed.

But it gets worse. He declares that “to implement the steep and abrupt reductions that have been required under sequestration, we’ve had to make very difficult decisions to reduce, stop and defer many activities and programs that keep our military prepared to fight — including training, maintenance, and modernization investments. Readiness cuts aren’t always visible, but these cuts are having and will continue to have very damaging effects. . . . These kinds of gaps and shortages could lead to a force that is inadequately trained, ill-equipped, and unable to fulfill required missions.” He adds, “You cannot buy back readiness.”

But you can avoid hollowing out our military by working with Congress to avoid those cuts that have no military justification.

Like the president he serves, Hagel appears to be a spectator in his own administration. He says things like: “If trends continue, we could ultimately be left with a much smaller force that is well-compensated but poorly trained and equipped. That would be unacceptable.” You wonder if any of the political appointees in this administration understand the import of what they are doing. The “trend” is of their own making, and the results may take years to undo.

What is missing from Hagel’s speech is any notion about how he is making the Pentagon better or addressing our threats more effectively. He can’t talk about that, you see, because all of this is about budget-cutting and not improving national security. He sounds like the OMB director, not the person in charge of the lion’s share of our national security apparatus. And hence the problem.

Right Turn

[Dems’ enthusiasm for Obamacare waning](#)

by Jennifer Rubin

When it comes to Obamacare, Republicans have the wind at their backs.

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The landmark health-reform law passed in 2010 has never been very popular and always highly partisan, but a new Washington Post-ABC News poll finds that a group of once loyal Democrats has been steadily turning against Obamacare: Democrats who are ideologically moderate or conservative.

Just after the law was passed in 2010, fully 74 percent of moderate and conservative Democrats supported the federal law making changes to the health-care system. But just 46 percent express support in the new poll, down 11 points in the past year. Liberal Democrats, by contrast, have continued to support the law at very high levels – 78 percent in the latest survey. Among the public at large, 42 percent support and 49 percent oppose the law, retreating from an even split at 47 percent apiece last July.

This only adds to Republicans’ sense that the momentum is with them, if not for repealing Obamacare entirely then at least disabling it or using it to their advantage in the 2014 elections.

Don Stewart, communications director for Minority Leader Sen. Mitch McConnell (Ky.) said in an e-mail: "It's the opposite of what Sen. Schumer promised wary Dems in 2009: 'When people see what is in this bill and when people see what it does, they will come around.'" He observed, "Sen. McConnell said the House votes to delay this failed law were "an important first step to giving all Americans and all businesses what they really need: which is not a temporary delay for some, but a permanent delay for everyone under this law. The politicians pushing Obamacare might not like that. But they're not the ones who are going to have to live with this thing the same way most Americans will."

Senate Republicans have already demanded Majority Leader Harry Reid (D-Nev.) take up the House measures to delay both the individual mandate and the employer mandate ([the latter to confirm the president's unilateral action](#)). If Reid relents, that again puts red-state Democrats in the hot seat; if he refuses, Republicans will surely use this as fodder in the 2014 election to argue the Senate leadership is out of touch with the country. Actually, they are increasingly out of touch with Democrats more generally.

The fights on Obamacare offer a preview of the fall battle when some Republicans, including [Sen. Marco Rubio of Florida](#), threaten to shut down the government unless [Obamacare](#) is defunded. In the absence of bill to replace it with something else that threat may not get far. Meanwhile, Republicans accuse the president of wanting to shut down the government unless he gets tax hikes. Frankly if the government did shut down, it would very shortly test the president's will; neither Obamacare nor a tax hike are likely to create a backlash against Republicans. But then, the game of blame-the-other-guy hasn't yet begun.

Telegraph Blogs, UK

[Statism is turning America into Detroit – Ayn Rand's Starnesville come to life](#)

by Daniel Hannan



You thought Atlas Shrugged was fiction?

Look at this description of Detroit from today's Observer:

What isn't dumped is stolen. Factories and homes have largely been stripped of anything of value, so thieves now target cars' catalytic converters. Illiteracy runs at around 47%; half the adults in some areas are unemployed. In many neighbourhoods, the only sign of activity is a slow trudge to the liquor store.

Now have a look at the uncannily prophetic description of Starnesville, a Mid-Western town in Ayn Rand's dystopian novel, *Atlas Shrugged*. Starnesville had been home to the great Twentieth Century Motor Company, but declined as a result of socialism:

A few houses still stood within the skeleton of what had once been an industrial town. Everything that could move, had moved away; but some human beings had remained. The empty structures were vertical rubble; they had been eaten, not by time, but by men: boards torn out at random, missing patches of roofs, holes left in gutted cellars. It looked as if blind hands had seized whatever fitted the need of the moment, with no concept of remaining in existence the next morning. The inhabited houses were scattered at random among the ruins; the smoke of their chimneys was the only movement visible in town. A shell of concrete, which had been a schoolhouse, stood on the outskirts; it looked like a skull, with the empty sockets of glassless windows, with a few strands of hair still clinging to it, in the shape of broken wires.

Beyond the town, on a distant hill, stood the factory of the Twentieth Century Motor Company. Its walls, roof lines and smokestacks looked trim, impregnable like a fortress. It would have seemed intact but for a silver water tank: the water tank was tipped sidewise.

They saw no trace of a road to the factory in the tangled miles of trees and hillsides. They drove to the door of the first house in sight that showed a feeble signal of rising smoke. The door was open. An old woman came shuffling out at the sound of the motor. She was bent and swollen, barefooted, dressed in a garment of flour sacking. She looked at the car without astonishment, without curiosity; it was the blank stare of a being who had lost the capacity to feel anything but exhaustion.

"Can you tell me the way to the factory?" asked Rearden.

The woman did not answer at once; she looked as if she would be unable to speak English. "What factory?" she asked.

Rearden pointed. "That one."

"It's closed."

Now here's the really extraordinary thing. When Ayn Rand published those words in 1957, *Detroit was, on most measures, the city with the highest per capita GDP in the United States.*

The real-life Starnesville, like the fictional one, decayed slowly, then collapsed quickly. I spent a couple of weeks in Detroit in 1991. The city was still functioning more or less normally, but the early signs of decomposition were visible. The man I was staying with, a cousin of my British travelling companion, ran a bar and restaurant. He seemed to my teenage eyes to be the embodiment of the American dream: he had never been to college, but got on briskly and

uncomplainingly with building a successful enterprise. Still, he was worried. He was, he told me, one of a shrinking number of taxpayers sustaining more and more dependents. Maybe now, he felt, was the time to sell up, while business was still good.

He wasn't alone. The population of Motown has fallen from two million to 700,000, and once prosperous neighbourhoods have become derelict. Seventy six thousand homes have been abandoned; estate agents are unable to shift three-bedroom houses for a dollar.

The Observer, naturally, quotes a native complaining that 'capitalism has failed us,' but capitalism is the one thing the place desperately needs. Detroit has been under Leftist administrations for half a century. It has spent too much and borrowed too much, driving away business and becoming a tool of the government unions.

Of Detroit's \$11 billion debt, \$9 billion is accounted for by public sector salaries and pensions. Under the mountain of accumulated obligations, the money going into, say, the emergency services is not providing services but pensions. Result? It takes the police an hour to respond to a 911 call and two thirds of ambulances can't be driven. This is a failure, not of the private sector, but of the state. And, even now, the state is fighting to look after its clients: a court struck down the bankruptcy application on grounds that 'will lessen the pension benefits of public employees'.

Which brings us to the scariest thing of all. Detroit could all too easily be a forerunner for the rest of the United States. As Mark Steyn [puts it](#) in the National Review:

Like Detroit, America has unfunded liabilities, to the tune of \$220 trillion, according to the economist Laurence Kotlikoff. Like Detroit, it's cosseting the government class and expanding the dependency class, to the point where its bipartisan "immigration reform" actively recruits 50–60 million low-skilled chain migrants. Like Detroit, America's governing institutions are increasingly the corrupt enforcers of a one-party state — the IRS and Eric Holder's amusingly misnamed Department of Justice being only the most obvious examples. Like Detroit, America is bifurcating into the class of "community organizers" and the unfortunate denizens of the communities so organized.

Oh dear. No wonder the president would rather talk about Trayvon Martin. If you want to see Obamanomics taken to its conclusion, look at Starnesville. And tremble.

Fox **[Stalled Motor City](#)**

by John Stossel

MSNBC host Melissa Harris-Perry -- the same TV commentator who said Americans need to stop raising kids as if they belong to individual families -- had an extraordinary explanation for why the city of Detroit sought to declare bankruptcy last week: not enough government.

"This is what it looks like when government is small enough to drown in your bathtub, and it is not a pretty picture." She says budget-cutting Republicans threaten to transform all of the U.S. into Detroit.

What? Detroit has been a "model city" for big-government! All Detroit's mayors since 1962 were Democrats who were eager to micromanage. And spend. Detroit has the only utility tax in Michigan, and its income tax is the third-highest of any big city in America (only Philadelphia and Louisville take more, and they aren't doing great, either).

Detroit's automakers got billions in federal bailouts.

The Detroit News revealed that Detroit in 2011 had around twice as many municipal employees per capita as cities with comparable populations. The city water and sewer department employed a "horseshoer" even though it keeps no horses.

This is "small enough government"? Harris-Perry must have one heck of a bathtub.

Politicians think they know best, but they can't alter the laws of economics. They can't make mismanaged industries, constant government meddling, welfare and bureaucratic labor union rules (Detroit has 47 unions) into a formula for success.

County Judge Rosemarie Aquilina wants to stop the bankruptcy process on the grounds that state law forbids Detroit to cut government services. But how will Detroit pay for the services? Unsustainable public-sector pensions, a bloated workforce -- it's all supposed to continue somehow.

Politicians on Detroit's city council aren't even willing to sell off vacant lots that the city owns, or even a portion of the billions of dollars in art in its government-subsidized museum (including the original "Howdy Doody" puppet).

On my TV show, I confronted the council's second in command about his refusal to let Detroit sell land. He says he voted against it "because the developer wants to grow trees. We don't need any more new trees in our city."

The politicians micromanaged themselves into bankruptcy, and they want to keep digging.

A member of the British Parliament writes that Detroit is like the fictional city of Starnesville in Ayn Rand's 1957 novel "Atlas Shrugged" -- a car-manufacturing city that became a ghost town after experimenting with socialism. In the novel, Starnesville's demise is the first sign that the entire society is approaching collapse.

Detroit is already there. 911 calls sometimes go unanswered. Two-thirds of the population left town.

As usual, the politicians want to try more of the same. They constantly come up with plans, but the plans are always big, simple-minded ones that run roughshod over the thousands of little plans made by ordinary citizens. Politicians want new stadiums, new transportation schemes, housing projects.

Andrew Rodney, a documentary filmmaker from Detroit, says many bad, big-government ideas that have plagued the U.S. were tried out first in Detroit. "It's the first city to experience a lot of the planning that went into a lot of cities."

Home loan subsidies, public housing, stadium subsidies, a \$350 million project called "Renaissance Center" (the city ended up selling it for just \$50 million), an automated People Mover system that not many people feel moved to use (it moves people in only one direction), endless favors to unions -- if a government idea has failed anywhere in America, there's a good chance it failed in Detroit first.

And if you criticized them for it, politicians like former Mayor Coleman Young called you a racist. "To attack Detroit is to attack black," Young said. That tends to shut critics up.

But the laws of economics apply to us all.

Insulated from serious criticism, insulated from economic reality, Detroit thought somehow it'd muddle through -- until now. There is a big lesson, if people elsewhere are willing to learn before it's too late.

Contentions

[Why Liberals Won't Face Facts on Detroit](#)

by Jonathan S. Tobin

After the initial shock, liberals have responded to Detroit's bankruptcy crisis with their usual vigor while attempting to answer conservatives who have rightly asserted that what happened to the Motor City was an inevitable result of liberal policies. What's more, some, [like Steven Ratner in the New York Times](#), are claiming that rather than forcing the city to face the consequences of misgovernment and reckless spending, the federal government should step in and bail the city out in much the same way it did with the auto industry. If, [as I wrote last Friday](#), most Americans were under the impression last November that Barack Obama had already "saved Detroit" from the bankruptcy that he claimed Mitt Romney wanted to force upon it, the goal now should be to finish the job. But while that dubious proposal is at least rooted in a sense of obligation to the beleaguered retirees and workers of Detroit who are the chief victims of this debacle, *Times* columnist Paul Krugman [is unafraid](#) to confront conservative doomsayers head on and declare the whole thing an insignificant blip on the radar.

While Krugman is dismissed by many on the right as an ideological extremist, his point of view about the mess actually goes straight to the heart of not only the crisis in Detroit but the impending tragedy of debt that threatens every other American city and municipality. If liberals won't face facts about Detroit, it is not because they aren't paying attention so much as because they see the sea of debt that their policies have created as merely the natural order of things that must be accepted. As far as he is concerned, if some people are talking about Detroit being "the new Greece," that ought to be a signal for Democrats to stop listening because he doesn't even think the problems of that bankrupt European nation are worth worrying about. The "deficit scolds" that he now regularly flays from his perch at the *Times* and his sinecure at Princeton University are, he says, trying to sell the country on an austerity mindset that is not only wrong but unnecessary. But try as he might, the example of liberal governance that Detroit (and Greece) provides shows that the liberal social welfare project is a one-way path to insolvency with desperate consequences not only for taxpayers and bondholders but to the ordinary citizens that liberals purport to want to help.

Rather than confront the problem, Krugman merely says what happened in Detroit is “one of those things” that just happen in a market economy that always creates victims. He also claims that the underfunded pension obligations that threaten the future of virtually every state, city, and municipal government in the country are no big deal. The trillion-dollar shortfall may strike Krugman as a mere detail, but Detroit may be just the first of many other large cities that will find themselves in similar predicaments. As Nicole Gelinas [writes today in the *New York Post*](#), even New York, which unlike Detroit faced and overcame not altogether dissimilar problems involving debt and urban blight in the last generation, may eventually be put in the same position unless something is done to deal with a bill for retiree medical benefits that dwarfs that of Detroit. Though, as she points out, New York has a smaller bond debt, Detroit’s sea of red ink was created by a similar confidence that they could keep borrowing money indefinitely.

Krugman is right to say that there are always winners and losers in a free economy. Every city has its own story and Detroit’s is one that is particularly heavy on bad luck as well as mismanagement. But his Adam Smith-style warning that anyone could wind up being the buggy-whip manufacturer of the future ignores the factor that powerful unions and their political protectors play in exacerbating such problems. His claim that Detroit’s situation is the result of chance rather than primarily the result of “fiscal irresponsibility and/or greedy public employees” simply isn’t credible.

A bailout of Detroit sets a precedent that can’t be repeated elsewhere because there just isn’t enough money to pay for every city that will eventually face similar problems. The wake up call that Detroit is sending Americans is one Krugman and other liberals would like us to ignore because they are confident that the federal leviathan, controlled by Democrats and fed by liberal assumptions, will always be able to squeeze enough cash out of productive citizens to pay for the left’s follies. They won’t face the truth about this because to do so would require Americans to do some hard thinking about a society where virtually everyone has their snouts in the collective trough of big government and thereby is a stakeholder in its survival in its current form. But what Greece showed Europe and what Detroit tells Americans is that sooner or later the well of public funds will run dry if obligations to liberal constituent groups continue to grow unchecked. And when that happens it is exactly the little guys who are hurting in Detroit who will be forced to suffer for Krugman’s ideology.

NY Post

[Detroit’s bankruptcy: A warning to NYC](#)

by Nicole Gelinas

What a difference four decades makes. In the mid-’70s, New York City’s threat of bankruptcy was a horror that the state, feds and city ultimately avoided. Last week, Detroit declared bankruptcy because Michigan thought it was the best choice — and Washington stayed silent.

This change should spur New York’s own bondholders, public-sector workers and citizens to take a fresh look at our own financial burdens.

In 1975, Gotham couldn’t pay its bills. It went to Albany for help, and Albany went to Washington. Republican President Gerald Ford hemmed and hawed, but he came through.

Why? Then-Treasury Secretary Bill Simon said default would be “awful.” Fed chief Arthur Burns heard from Europe’s leaders — and relayed to Ford — that bankruptcy was “unthinkable.”

The city got its bailout and repaid its debt (or refinanced it — we still owe \$2.1 billion from that era).

Today, there’s no chance Detroit will pay all — or even most — of the \$18 billion it owes to bondholders and public-sector retirees.

It killed one sacred cow when it included \$530 million in general-obligation bonds as “unsecured debt,” preparing to offer bondholders seven cents on the dollar.

It killed another when it said that pensioners will have to take a hit, if it turns out that the city’s past pension contributions indeed fall \$3.5 billion short of covering future payments.

As for the \$5.7 billion Detroit owes public workers for retiree health care? The plan is for retirees to try ObamaCare.

In the ’70s, the spectre of bankruptcy equalled urban death. Today, Detroit is pushing bankruptcy as the catalyst for a turnaround — telling locals that City Hall can do everything from fix street lights to hiring police with the money that taxpayers save by not paying creditors.

Detroit is a warning shot: New York’s bondholders and public-sector workers can never, ever look upon their city as “too big to fail” again.

But we don’t have to worry, because the ’70s forced us to get spending under control . . . right?

Nope. Consider the \$5.7 billion Detroit owes for retiree health care. New York owes \$88.2 billion — and has no money squirreled away. That’s \$20 billion more than Detroit when adjusted for our larger population (we’re 12 times bigger).

Pensions? New York owed pensioners \$69.9 billion more than it set aside as of last year’s annual report. Adjusted for population, that’s \$28 billion more than Detroit owes.

Bondholder debt? New York owes \$77.3 billion. Detroit beats us there by about \$34 billion — but even that should be a warning, not a comfort. People kept loaning until it was too late to maintain the illusion that Detroit could afford its retirement benefits — and now both groups will suffer.

What about budget deficits?

Detroit can’t balance its annual budget because it must spend one-third of its revenues on health retirement benefits and debt. Well, New York’s budget has run an operating deficit six of the past seven years (with the shortfalls covered by pre-2008 surpluses).

And we, too, spend a third of our budget on health and retirement benefits and debt.

But . . . we’re rich, right?

Yes. Our median household income, about \$51,270 (thanks to Manhattan), is nearly twice Detroit's.

Still, cities have ups and downs. Detroit lost the auto industry. And New York, half a decade after Lehman Bros. collapsed, is still missing more than 30,000 jobs from its premier industry, finance. The sector's ranks remain down 7.5 percent.

That's important, because finance still provides 28.9 percent of New York's income from wages — and we need the taxes on those wages to keep city services up so the world's global elite don't decamp with their cash.

It would be one thing if the city was working on reforms — in case Wall Street never regains its jobs.

Instead, city unions have sued — successfully, so far — to protest a city audit of their health-care plans to root out basic fraud.

And last week, city Comptroller John Liu was crowing about the city's pension funds' great quarter — as if that's not because Federal Reserve interest-rate policy has created another speculative fever.

New York is banking on continued good luck. Detroit shows what happens when luck runs out.

Nicole Gelinas is a contributing editor to the Manhattan Institute's City Journal. Adapted from a forthcoming piece at city-journal.org.

Detroit Free Press

[Detroit council supports calls for federal investigation of possible civil rights charges against George Zimmerman](#)

by Joe Guillen



Detroit City Councilwoman JoAnn Watson. Watson sponsored a resolution passed by council supporting an NAACP petition seeking federal civil rights charges against George Zimmerman.

The Detroit City Council on Tuesday unanimously passed a resolution calling for a federal investigation to see whether civil rights charges are warranted against George Zimmerman, who was acquitted July 13 of second-degree murder and manslaughter charges in the killing of Florida teen Trayvon Martin.

The resolution, sponsored by Councilwoman JoAnn Watson, sparked a discussion over the need for city leaders and others to focus more on violence in Detroit.

“We need to have that same level of outrage with respect to the black-on-black crime that takes place in our community,” Councilman Kenneth Cockrel Jr. said. “How many people were shot — maybe even shot and killed this past weekend in the city — mostly likely by folks who look just like them?”

Watson said there are many events held regularly to address violence in Detroit. “Because the so-called major media does not cover all of the expressions does not mean it does not happen,” she said. “So that’s not correct.”

IBD

Late Night Humor

by Andrew Malcolm

Leno: President Obama tells school children his favorite food is broccoli. Hey, it’s one thing to lie to voters. But now, kids? C’mon, Mr. President!

Letterman: Edward Snowden still living in the Moscow Airport. Workers there are treating him well. Every night they leave a mint on his neck pillow.

Leno: The Pentagon says China will soon have submarine missiles capable of hitting anywhere in the US. No one will be safe, except people living near a Walmart.

Conan: Eliot Spitzer got the 4,000 signatures he needs to qualify for the New York City comptroller race by hiring people on Craigslist to help him. It was a big challenge, but if there's one thing Spitzer knows how to do, it's hire people on Craigslist.

Conan: It’s come out that nine percent of Americans text during sex. The report also found that, in most cases, men text “OMG,” while women text “LOL.”

Conan: The new ad for Men’s Warehouse has dropped its famous catch-phrase, “You're going to like the way you look. I guarantee it.” Now it says, “Quit bitching- you just bought a suit at a warehouse.”

Conan: Twinkies are back on the shelves and people are complaining that they are smaller. Ironically, the people complaining about it are not smaller.

Leno: NSA leaker Edward Snowden says he may seek asylum in Russia. Well, he'll love the freedom and openness there.

Conan: McDonald's plans to open its first restaurant in Vietnam. So, it looks like we might win that war after all.

Letterman: The All-Star baseball game. Did you watch that? Boy, I tell you, nothing is more exciting than watching overpaid players give 50%.

Letterman: The NSA leaker Edward Snowden, still stuck in the Moscow airport. To kill time, the guy got a job. He drives seniors to their gate.

Leno: We're proud to say LA has one of the lowest major city crime rates. But that's just because we don't have an NFL team.

Leno: Tonight was the major league baseball All-Star game. Or as the Houston Astros call it, Tuesday night.

Conan: A new report says Johns Hopkins in Baltimore is the country's best hospital. The worst hospital? Big Al's Appendectomy Hut.

Conan: Another ex-NFL player was arrested. He was taken into custody for leaving a toddler in his car while he went into a strip club. But today the NFL commissioner said, "You know, I prefer to think of this as a story of a player who still has custody of his child and didn't murder anyone."

Fallon: The Obamas will be vacationing again on Martha's Vineyard next month. They're already preparing: Packing swimsuits, buying sunscreen, giving Biden a wrong address.

Fallon: The average ticket price for baseball's All-Star Game this year was \$859 dollars. Or as fans put it, "Still cheaper than a hot dog."

Leno: Liz Cheney is running for the Senate from Wyoming. I don't want to say she's more conservative than her VP father, but she calls him a bleeding heart liberal.

Letterman: You know performance-enhancing drugs are illegal in pro baseball. But watching the All-Star game, every ad was for Viagra. My son asked, 'Did he say 'reptile dysfunction'? I said, "Yeh, malfunctioning reptiles."

Letterman: So Edward Snowden has been stuck in the Moscow Airport for over a month. He had to get a new workout routine. He jogs on the baggage carousel.

Letterman: The All-Star baseball game. Did you notice who threw out the first pitch? Juror B-37.

Letterman: It's so hot these days those crazy North Koreans have taken to smuggling air conditioner parts.

Conan: Eliot Spitzer is now describing himself as a "feminist." The same interview where Anthony Weiner describes himself as a "photographer."

Conan: Twinkies came back on the shelves this week. Hostess reports that sales are through the roof. And customers are through the floor.

Conan: A Utah senator proposed a bill that would no longer require kids to go to school. But then someone noticed the "senator" was just three boys in a trench coat standing on top of each other's shoulders.

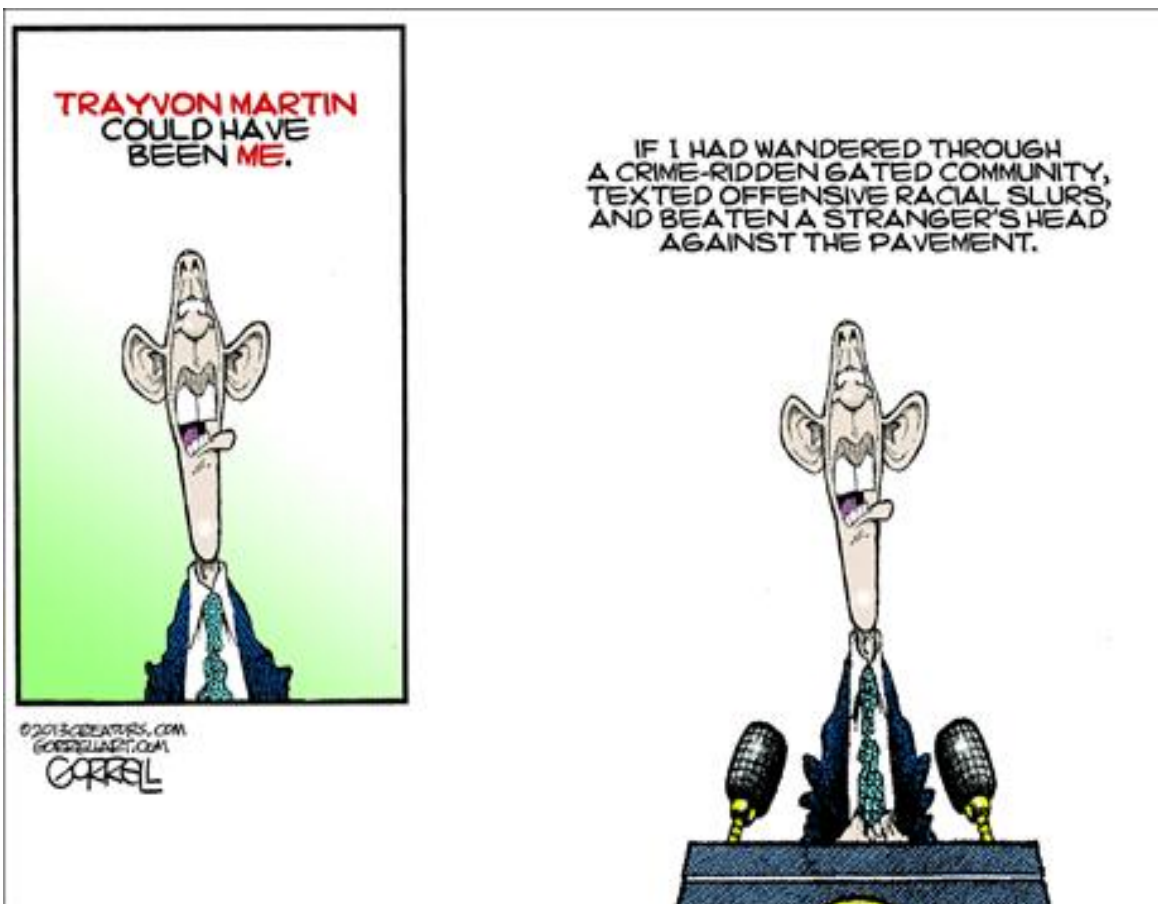
Leno: A U.S. drone has taken out al Qaeda's No. 2 leader in Yemen. He was doing a Rolling Stone cover and they tracked him.

Letterman: They're saying now Edward Snowden might get the Nobel Peace Prize. Yeh, it's between him and the team that brought back Twinkies.

Letterman: Forty-four years ago we landed on the Moon, ladies and gentlemen. And we still have 50,000 troops there.

Letterman: During summers Mayor Bloomberg turns New York City dumpsters into swimming pools. Dumpster pools. Well, now we have public pools where you can put your trash.

Leno: Remember Jerry Sandusky, the Penn State pedophile? His son is changing his last name. That's understandable. But he chose Zimmerman.



I COULD
HAVE BEEN
TRAYVON.

BUT HE COULDN'T BE...



OR



OR

BRIAN
TERRY

CHRIS
STEVENS



OR



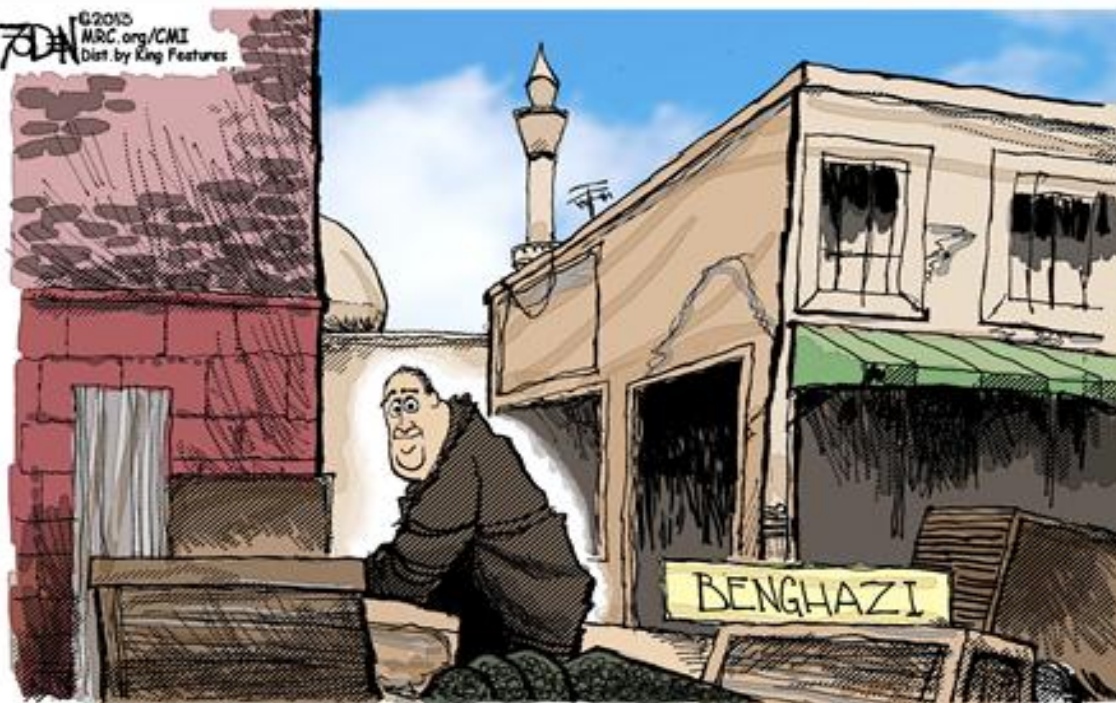
OR



SEAN
SMITH

GLEN
DOHERTY

TYRONE
WOODS



GEORGE ZIMMERMAN AND THE ONE PLACE THAT ERIC HOLDER
AND THE MEDIA WOULD NEVER, EVER DREAM OF LOOKING.