

## Remembering Julian Simon

BY STEPHEN MCINTYRE AND ROSS MCKITRICK

*The following is adapted from Messrs. McIntyre and McKittrick's Julian Simon Award acceptance speeches at the 2010 CEI Annual Gala.*

When you are Canadian in the United States, you get used to certain expressions of sympathy. How can you live in a country that has government-run health care? A government that finances itself by borrowing so much money all of the time? That talks about a value-added tax? That seems to want to regulate every aspect of your life? We feel your pain.

It is very flattering to receive an award named after the late economist Julian Simon. Stephen likes to say that he—someone who spent 30 years in the mining industry—essentially made a career taking the wrong end of the Simon-Ehrlich wager.

The wager, as you might recall, was made in 1980 between Simon and biologist Paul Ehrlich, best known for his eco-alarmist views and his thoroughly discredited 1968 book, *The Population*



The 2010 Julian Simon Award

*Bomb.* The bet was about Simon and Ehrlich's disagreement about resource scarcity in the decade leading up to 1990. They chose five metals—copper, chromium, nickel, tin, and tungsten. Simon bet the prices would fall, while Ehrlich bet they would rise. By 1990, the real prices of all five metals had dropped, and Ehrlich paid Simon to settle the wager.

Ironically, as was said, Stephen spent much of his career betting against

Simon, with predictable results. After finishing university in 1973, he started work with Noranda Mines, then an important Canadian multinational mining company and copper producer. This was right at the top of the copper market. Bad timing. Noranda was then a very large company, but it no longer exists. This fate was shared by many firms as Simon's predictions became reality. Stephen spent 30 years in the mining business, during which time the price of copper trended steadily downward, as Simon predicted.

Julian Simon made his arguments with simple intuition and real-world data—unlike most economists, unfortunately. And that is why his ideas have had so much reach and endurance than is usually the case for academics. What he taught us was that the abundance of resources in a nation is not just an accident of geography or history. Resources are not simply found; they must be developed and put to productive uses through the application of human ingenuity and creativity.

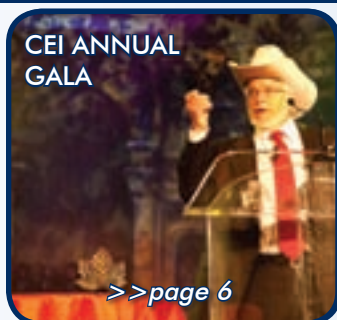
Nations that enjoy the benefits of plentiful resources are those that preserve  
*(continued on page 3)*

### FEATURED ARTICLES



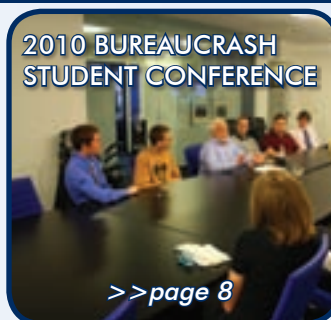
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>>FROM THE PRESIDENT



## Opera and Politics: Not So Different After All

By Fred L. Smith, Jr.

When I was younger, I enjoyed the theme that introduced the Lone Ranger, a heroic individual who went

after bad guys. Now that I've become interested in opera, I know that it was the overture to the opera *William Tell* by Giacchino Rossini.

And while both the Lone Ranger and William Tell were heroic, their targets were a bit different. The Lone Ranger fought generic bad guys. William Tell? He worked to free his nation, Switzerland, from the tyranny of a foreign power (perhaps someone Switzerland needs once again given the ongoing battle between Swiss bankers and the U.S. government).

There are many other parallels between the world of opera and that of politics. Opera is filled with drama, with intrigue, with betrayal. So is politics, except that politics has far fewer heroes. Opera also has its comedy and tragedy, its divas and castrati, but then so does politics—especially the castrati!

But just like in politics, wealth creation in opera can lead to wealth redistribution. Rossini, a very successful opera composer, was awarded a pension and retired at the early age of 38. Good for Rossini—not so good for opera, as he never composed anything further—and a very bad precedent that may well trigger the bankruptcies of Europe, California, and perhaps America.

Opera, like policy work, can be a very demanding activity. At an opening night at the New York Met, a stagehand noticed the great tenor Enrico Caruso standing behind the curtains with shaking hands.

“Mr. Caruso, what is the matter?” he asked.

“The matter? You simpleton, I’m frightened!” replied Caruso.

“But how can you, the greatest tenor in generations, be frightened?”

“You,” he exclaimed, “You do not need to be frightened. But I—every night—I must sing like the Great Caruso!”

And in policy battles, we too are only as good as our last fight. The defense of freedom is not for

summer soldiers and, unlike operas, we don’t have a fixed schedule or intermissions. Legitimizing liberty in this most illiberal world is not a 9-to-5 job, but a lifelong commitment.

At CEI, we work hard and we take seriously the challenge of preserving economic liberty. If we succeed, the peoples of the world will continue to enjoy all that life has to offer, and that includes opera.

Recall the one operatic phrase that almost everyone knows: “It’s not over until

the fat lady sings!” I don’t like that adjective, but it is worth noting that the phrase refers to Brunhilda’s final aria at the ending of Wagner’s 20-hour mini-series *The Ring*. Since Wagnerian sopranos are rarely Twiggies, the phrase became shorthand for the ending of a struggle.

To us at CEI, this phrase suggests that no policy battle is truly lost as long as we keep “singing.” So while economic liberty has recently experienced some painful setbacks, CEI continues to sing louder than ever.

“At CEI, we work hard and we take seriously the challenge of preserving economic liberty. If we succeed, the peoples of the world will continue to enjoy all that life has to offer, and that includes opera.”

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**Fred L. Smith, Jr.**

Editor  
**Marc Scribner**

Editorial Director  
**Ivan G. Osorio**

Contributing Editor  
**Richard Morrison**

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Phone:  
(202) 331-1010

Fax:  
(202) 331-0640

E-mail:  
info@cei.org

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## Julian Simon, *continued from page 1*



Stephen McIntyre (left) and Ross McKittrick received the Julian Simon Award at the 2010 CEI Annual Gala.

freedom, support entrepreneurship, encourage risk taking, and allow citizens to enjoy the fruits of their own work. In other words, the abundance of resources is a consequence of the ideas a nation holds dear.

We are being recognized for this award due to our involvement in the so-called Climategate scandal, in which thousands of emails and files were leaked from the University of East Anglia's Climatic Research Unit. Much of Climategate involves research initially called into doubt by our analysis of climate models. The scientists involved in the scandal saw us as major threats to global warming orthodoxy and to their own credibility. Consequently, we are mentioned more than 150 times in the Climategate emails.

In particular, the scientists were upset with our criticisms of the infamous "hockey stick"—the graph promoted by the Intergovernmental Panel on Climate Change as proof that global temperatures had been stable for 900 years until increasing rapidly in the 20<sup>th</sup> century. Our debunking of the hockey stick was confirmed in 2006 by a panel of

professional statisticians convened by the House Energy and Commerce Committee.

With respect to energy and global warming policy, we merely ask for transparency, honesty, and common sense in the scientific and political processes. Before laws regulating energy use are enacted that could well cost the global economy trillions of dollars, it is crucial to understand the extent to which the alleged scientific consensus supporting global warming alarmism has been discredited by Climategate and related scandals. That, we feel, is not too much to ask.

Being on the receiving end of this award, it is an irony that the people who probably deserve this award more than anyone are the ones that are giving it away. But we do wish to thank Fred Smith and Myron Ebell and everyone involved at CEI for all the work that they do. Thank you very much.

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*Stephen McIntyre is editor and founder of Climate Audit. Ross McKittrick is a professor of economics at the University of Guelph in Ontario, Canada. They were jointly awarded the 2010 Julian Simon Award.*

## My legacy?

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*I need to provide for my loved ones. But like my family, I want CEI to carry on for generations to come. What can I do?*

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- ▶ Making a gift now, and receiving income for life
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# SAVING ECONOMICS FROM THE ECONOMISTS



BY RYAN YOUNG

Has the financial crisis ruined economics? Not only did economists fail to predict it, nobody seems to have a clue how to right the ship. Unemployment went up despite hundreds of billions of dollars of stimulus spending. Tinkering with interest rates and the money supply hasn't worked, either. The dismal science now has a dismal reputation. But economics itself isn't to blame. Economists are.

Everyone knows that economists are terrible at predicting the future. If the price of pencils goes up, people buy fewer of them. If the price goes down, they buy more. Economists can predict that much—but they cannot say *by how much*, which would require a depth of knowledge known only to the divine.

They would have to know the shape and the slope of hundreds of millions of ever-changing individual demand curves for pencils at any given moment and the elasticity of demand for the same. They would need the same information for competing products, like pens. Nobody can predict the future because nobody has that kind of information.

Yet many economists pretend otherwise. One reason for their doing so is that they revel in seeing themselves on television and in print. They preach to all, "I have the answer!" They are liars. As with most liars, they get caught, and people

stop listening. People are right to ignore such snake-oil salesmen, but they should still listen to economics.

Consider the value of the basic insights of supply and demand. Prices are a fundamental driver of human behavior. Economics teaches us that prices aren't random numbers. They convey information about the time, effort, and difficulty in producing a given good or service and providing it to consumers. From rush-hour commuting to Black Friday to the theory of natural selection, the economic way of thinking helps us understand our world as no other discipline can.

Let us go back to the humble pencil. Pencils are cheap and abundant—but nobody knows how to make one. It is mentally and physically impossible. You would have to chop and cut the wood yourself. If you use an axe, you'd have to mine, smelt, and process the iron ore in the blade—and make the tools to do so. You'd have to find rubber trees to make the eraser (hopefully you happen to live in a tropical climate), extract and process the rubber yourself, and make all the tools. Then you would need to mine and mold the aluminum for the bit that holds the eraser. You would need to make yellow paint and the paintbrush you need to apply it. And you would need to have access to all the ingredients at every step of the process. Then there is the matter of finding graphite for the pencil lead...

You get the point—even the everyday

is way beyond the capacities of any individual. It takes thousands of specialists coming together from all around the world just to make a small, inexpensive everyday item you can buy at any convenience store for less than a dollar. Insights like that are why I became an economist.

Now apply the pencil lesson to the economy at large—computers, tires, books, clothing, banking, insurance. No wonder nobody can get a handle on the ebbs and flows of the global economy—it is literally impossible! That is the source of economics' diminished prestige. Anybody with any sense knows how complicated the world economy is, but the human mind has limits. So does economics.

Too many economists have pretended away those limits. To go on television and say "I know how to fix the financial crisis" is pure hubris. It is also a way to look good and feel good in the short run; that is precisely why people do it. But events will prove such charlatans wrong soon enough.

It is folly for any economist to say that he understands global business cycles when he can't even understand the origins of the pencil poking out of his breast pocket. But the insights of the discipline he dishonors can be as sublime as poetry.

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*Ryan Young (ryoung@cei.org) is the Warren Brookes Journalism Fellow at CEI. A version of this article originally appeared in The American Spectator.*



# U.S. Tech Firms' China Presence Furthers Internet Freedom

BY RYAN RADIA AND GREGORY CONKO

On July 9, China renewed Google's license to operate in that country, leading critics to condemn the firm for acceding to China's oppressive policies. But the presence of Google and other American tech firms actually benefits the people of China and helps advance global Internet freedom.

The Google-China saga has repeatedly made headlines since January 2010, when Google announced that hackers in China had breached the Gmail accounts of Chinese human rights activists. In March, after much internal debate, Google shut down its China-based site, Google.cn, and began redirecting visitors to its site in Hong Kong. Last month, the company reactivated some of its China-based services, though it continues to redirect search traffic to Google.com.hk.

Doing business in China has long posed a dilemma for Google due to the Chinese government's notorious disregard for human rights. Chinese law requires websites operating within the country to censor a broad range of information, such as photos of the 1989 Tiananmen Square massacre. And the infamous "Great Firewall of China" enables the government to surveil Internet traffic and censor information the government considers unfavorable.

While Google does not censor its Hong Kong site, search results are still censored by China's firewall, and Google recently stated that its China-based services comply with Chinese laws.

Human rights advocates have derided Google and other U.S. tech companies, including Microsoft and Yahoo!, for doing business in China. These critics, such as Amnesty International, argue that facilitating censorship by complying with China's oppressive laws is immoral and unethical.

Such criticism, however principled, misses the forest for the trees. If Google were to exit China, that would mean it would essentially cede the online search market to the Chinese company Baidu, which has a long history of doing the Chinese government's bidding.

Google has publicly criticized the regime's oppressive practices. Prior to disabling its Chinese search engine, Google warned users when search results were being censored. Baidu's site makes no mention of that fact.

Many American businesses operating in China do so with trepidation. Google, for example, hesitated to enter China until 2005, partially due to human-rights concerns. But American and other foreign firms often repudiate Chinese human rights violations and sometimes push back when the government has gone too far.

Still, U.S. tech firms operating in China are often attacked by politicians in Congress. Rep. Chris Smith (R-N.J.) recently accused Microsoft of "enabling tyranny" in China, while Sen. Dick Durbin (D-Ill.) is pushing for federal regulation of U.S. companies operating in oppressive nations.

But saber-rattling by U.S. politicians actually emboldens the Chinese Communist regime, which plays upon nationalist sentiments to garner popular support and strengthen its hold on power. It also undermines the autonomy of private businesses and discourages constructive economic engagement with the Chinese people.

In China, American firms like Google are household names. These companies are in a far better position to criticize Chinese



ensorship and are much harder for the Chinese government to demize than the U.S. government.

Yes, China has a horrendous human-rights record. But demanding that businesses operate only in nations that respect human rights is no recipe for spreading freedom. Relegating Chinese citizens to the likes of Baidu will only perpetuate human-rights violations in China.

Disengaging China will not foster political freedom, but commerce between the U.S. and China creates wealth and opportunities in both nations. These opportunities help grow China's middle class, bringing rural subsistence farmers into cities and, thus, closer to the global economy. A sizable middle class is crucial for China to become economically and politically freer. While U.S. tech firms may not seem to be improving China's human-rights situation today, their presence will undoubtedly help in the long run.

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*Ryan Radia (rradia@cei.org) is Associate Director for Technology Studies and Gregory Conko (gconko@cei.org) is a Senior Fellow at CEI. A version of this article originally appeared in The Seattle Times.*

# CEI's Annual Gala

The Competitive Enterprise Institute held its Annual Gala on Capitol Hill in Washington D.C. celebrating free markets and limited government, which face the greatest assault upon them in at least a generation. This year's keynote speaker exemplified CEI's commitment to the principles of liberty, as well as its playful approach to public policy advocacy—Chief Judge of the U.S. Court of Appeals for the Ninth Circuit Alex Kozinski.

Judge Kozinski is widely respected for his legal analysis—and is very well known for his wit and sense of humor. In a case involving motion pictures, *U.S. v. Syfy Enterprises* (1990), Judge Kozinski managed to weave over 200 film titles into the text of his opinion, setting movie buffs around the world into a mad scramble to find the most titles. His speech on antitrust policy at the CEI Gala was very well received. There is something to be said for a jurist who can give an entertaining speech on antitrust policy, which is not normally considered a humorous topic. Judge Kozinski closed performing a song about price fixing to the tune of Frank Sinatra's "Strangers in the Night."

Stephen McIntyre and Ross McKittrick were jointly awarded the Julian Simon Award (see cover) for their debunking of the infamous "hockey stick" graph and for their ongoing battle against global warming alarmists.

Thomas Donlan, editorial page editor of *Barron's*, served as the master of ceremonies.

## PHOTOS

- A. Judge Alex Kozinski delivers the keynote address at CEI's 2010 Annual Gala.
- B. *Barron's* Editorial Page Editor Thomas Donlan, Master of Ceremonies at CEI's 2010 Annual Gala.
- C. *Left to right*: CEI Board Member Thomas Gale Moore, American Conservative Union Vice Chairman Donald Devine, and Atlas Economic Research Foundation Vice President of Academics and CEI Board Member Leonard Liggio.







- D. Brian Mannix (left) and Alan Carlin.
- E. Left to right: Emmanuelle Richard, *American Spectator* Washington Correspondent Philip Klein, and *Washington Examiner* senior political columnist and former CEI Warren Brookes Fellow Timothy Carney.
- F. Ecos Energy President Edward McCammon and Lisa Markham of Markham Antique Services.
- G. CEI President Fred Smith delivers the opening remarks at CEI's 2010 Annual Gala.
- H. C-SPAN Host and Assignment Editor Robb Harleston and CEI Director of Development Julie Taylor.
- I. Left to right: CEI Adjunct Scholar Robert J. Smith, syndicated talk show host G. Gordon Liddy, and Karen Moreau of the Land Rights Foundation of New York.



## 2010 Bureaucrash Student Activism Competition and Conference

A few months ago, CEI and Bureaucrash created a contest for students, asking them to answer the question, "How can students best spread the message of liberty to the next generation?" The top 10 video or written responders from around the world were subsequently invited to CEI for an all-day conference on July 24.

During that conference, the students listened to lectures from CEI policy experts and other activists from around Washington, D.C. The winners were instructed to use the tools they learned to spread the message of liberty back at their schools.

After the conference, the students were invited to dinner with Fred Smith, for an opportunity to socialize. Overall, the conference was a tremendous success and the responses from students exceeded our expectations.

*Photos by Nicole Ciandella.*

*Captions, from top to bottom:*

Bureaucrash Crasher-in-Chief Lee Doren leads a seminar on YouTube activism.

CEI Journalism Fellow Ryan Young discusses the dos and don'ts of communicating the message of liberty.

Students for Liberty Executive Director Alexander McCobin presents his student organizing strategy.

CEI President Fred Smith addresses the conference.





**My name is Patrick McGorrey**, and I come from Philadelphia. I study English/professional writing with Cultural and Media Studies program at Kutztown University. I hope to continue my education in the humanities in graduate school and teach writing at a university while publishing.



**My name is Leland Moss**, and I live in Tolland, Connecticut. I go to school at Roger Williams University in Bristol, Rhode Island. I am a double major in marine biology and economics. I hope to go to graduate school in a concurrent masters degree program and get a job in the environmental economics field, specifically coastal, if possible.



**My name is Daniel Margolis**, and I was born and raised in Houston, Texas. I am majoring in math and economics at Tulane University. At 16, I entered Tulane. At 17, I attempted to get a Bureaucrash campus organization off the ground. I hope to be a neurosurgeon with a hobby as an economist.



**My name is Philip Nelson**, and I study Psychology at Bangor University in Wales. My hope is to study for a Ph.D. in social/personality psychology in the United States, and work on psychological issues surrounding freedom and individuality. I am also an Objectivist and hope to integrate my academic work with the philosophy of Ayn Rand and subsequent activism.



**My name is Martin Huber**, and I live near Lake Constance in Austria. I am studying management and economics—mainly management—at Innsbruck University in Austria. While I'm not planning on professionally engaging in the promotion of liberty, it remains a personal objective.



**My name is Manas Gautam**, and I'm a junior concentrating in applied mathematics and economics at Brown University. I am a private equity, value investor, write for the *Brown Daily Herald*, and am the Deputy Editor for *The Spectator*. I also do research for Bretton Woods Research (which is a macroeconomic group). I am a fervent supply-side economist.



**My name is Rick Thom**, and I live in Mesa, Arizona. I am studying management and economics at the W.P. Carey School of Business at Arizona State University. I hope to one day open a brewery and also maybe open a BBQ restaurant in Germany. However, I keep getting involved in politics because I get upset at the loss of my freedoms.



**My name is Lauren Walker**, and I am currently studying the Korean language at Geumgang University in Nonsan, South Korea, in order to more effectively continue working with North Korean defectors and South Korean activists. Please visit my website at [www.seouldreamers.com](http://www.seouldreamers.com) for more information and to take action to help the people of North Korea.



## THE GOOD

### CEI Scores Supreme Court Victory in PCAOB Ruling

Nearly five years ago, CEI and accountant Brad Beckstead discussed mounting a constitutional challenge to the Sarbanes-Oxley Act's Public Company Accounting Oversight Board (PCAOB). The PCAOB's rules were strangling Beckstead's two-person firm in Henderson, Nevada, and the small public companies he served, with miles of red tape, the bulk of which provided little value to shareholders. On June 28, the Supreme Court struck down key provisions of the PCAOB as unconstitutional. A majority of justices agreed that the current structure of the PCAOB fails to adhere to constitutional provisions governing the removal of major officers. CEI General Counsel Sam Kazman said that the ruling "reestablishes the fact that Congress cannot simply create agencies wrapped up inside other agencies unable to be disciplined whatsoever. Instead, we now have a new possibility of seeing the incredibly expensive and oppressive accounting requirements imposed by this agency now being subject to challenge in court by those who've been laboring to comply with them."

## THE BAD

### House "Privacy" Bill Would Undermine Privacy and Commerce

In mid-July, Rep. Bobby Rush (D-Ill.) introduced the BEST PRACTICES Act, a bill ostensibly aimed at enhancing online privacy by imposing stringent new rules on companies that collect and store individual data. Yet such a command-and-control approach is misguided. "Natural competitive outcomes in the online privacy arena cannot properly emerge in a world in which government policies discourage responsible data collection altogether," argued CEI Vice President for Policy Wayne Crews. "Today, businesses increasingly compete to deliver technologies that enhance our privacy and security. At the same time, information sharing also enables firms to sell us the things we want. This seeming tension is perfectly natural—privacy is a complex relationship that varies from person to person, not a 'thing' for governments to specify for anyone beforehand."

## THE UGLY

### "Climategate" Investigation Yields Whitewash Report

After emails from the University of East Anglia's Climatic Research Unit (CRU) were leaked last November—in which top climate scientists were shown illegally conspiring against politically disfavored scientists and discussing the manipulation of data—the resulting firestorm led to the creation of an investigatory commission. Predictably, the commission was largely comprised of climate alarmists and friends of the accused, so the ultimate exoneration of those concerned should not be surprising. On the release of the Muir Russell report, CEI Director of Energy and Global Warming Policy Myron Ebell said, "The committee relied almost entirely on the testimony of those implicated in the scandal or those who have a vested interest in defending the establishment view of global warming. The critics of the CRU with the most expertise were not interviewed." Ebell also noted that the whitewash is unlikely to succeed in sweeping some of the more damning evidence under the rug because it "is simply too obvious and too strong to cover up."



# MediaMentions

Compiled by Richard Morrison



**Senior Fellow Gregory Conko and Adjunct Fellow Dr. Henry I. Miller warn us that by falling for exaggerated safety risks we may be ignoring more important concerns, ultimately making us less safe overall:**

For more than 50 years, bisphenol-A (BPA) has been an important additive that helps make the plastics used in everything from soda bottles and plastic storage containers to medical devices and children’s toys tough yet flexible. It is also used in the lining of food cans to prevent spoilage that can lead to bacterial contamination and the risk of botulism.

BPA is one of the most thoroughly tested chemicals of all time. And regulatory authorities from around the world, including the FDA, have judged BPA to be safe at the very low levels at which it is used, and to which consumers are exposed.

Nevertheless, some environmental activists have long sought a ban on the substance because at very high doses, BPA acts like the hormone estrogen and might theoretically lead to brain, breast or prostate abnormalities. However, a basic tenet of toxicology is that the dose makes the poison. This means that mere exposure to a chemical like BPA does not imply harm; one needs to know the dose and length of exposure, what the substance does (if anything) in the body, how it is disposed of and so forth. Virtually any substance can be toxic at high enough levels.

–July 21, *The Washington Times*

**Center for Investors and Entrepreneurs Director John Berlau explains how big retailers chains made out like bandits with the passage of the recent financial regulation bill:**

It’s usually not that easy for big retail chains to win battles on Capitol Hill—particularly if they are trying to secure a benefit rather than fending off a tax or regulation. But with “financial reform,” Walgreens, Home Depot and even the

infamous BP (a retailer through its ownership of gas stations) jumped into the fray using anti-Wall Street rhetoric and were able to lure lawmakers—knowingly or unknowingly—into inserting a provision that would give them a windfall at the expense of consumers.

An amendment introduced in May by Senator Richard Durbin, a Democrat from Illinois, requires the Federal Reserve Board to set “reasonable and proportional” interchange fees for debit cards. Interchange fees are what merchants pay to process these cards. The senator actually invoked the costs to the Deerfield, Ill.-based Walgreens, one of the biggest drugstore chains in the country, in arguing for his measure.

–July 15, *The New York Times* “Room for Debate” blog

**Labor Policy Counsel F. Vincent Vernuccio discovers some cause for hope in the debate over bloated public employee union benefits:**

According to a report by the Pew Research Center, state and local governments only have on hand \$2.35 trillion to pay for \$3.25 trillion in health and retirement benefits promised to current and retired workers. Pew used the latest numbers available, from fiscal year 2008. With the current economic crisis, the gap is probably even worse today.

Today’s taxpayers could be on the hook for the actions of politicians in past generations, who, when confronted with ever increasing union demands, kicked the can down the road rather than make hard choices. Choices are simple but unpalatable: cut generous benefits to a key voting block or impose a greater tax burden on citizens. Finally, citizens may get the upper hand.

Last week, New Jersey took a major step when Governor Chris Christie signed a \$29.4 billion budget that slashes

spending by 2.2 percent (8.6 percent if federal spending is included) from former Governor Jon Corzine’s final budget. The budget is the smallest in New Jersey in five years.

–July 7, *The Daily Caller*

**Policy Analyst Alex Nowrasteh debunks the myth of welfare-seeking immigrants:**

Rules in place now could be slightly modified so Americans reap the benefits of expanded immigration without paying the costs of increased social services. Immigrants, both legal and illegal, actually underconsume health care and other public benefits relative to native-born Americans of similar incomes and skills.

Immigrants are generally energetic, entrepreneurial, young and healthy, and not candidates for government support. They come to America to work, not to collect public benefits. The 1996 welfare reform barred legal immigrants from receiving most public benefits for their first five years of residency and denied the undocumented altogether—yet the inflow of immigrants didn’t stop.

–July 7, *AOL News*

**Energy Policy Analyst William Yeatman describes Maryland’s smart grid fiasco:**

Last month, the Public Service Commission rejected Baltimore Gas & Electric Co.’s “smart grid” proposal. From start to finish, the whole affair demonstrated everything that is wrong with Maryland’s socialized electricity industry.

To begin with, BGE’s plan was a dud. The whole idea of “smart grid” is to inform customers how much electricity costs in real time so that they have an incentive to use less electricity during times of peak demand (usually hot summer afternoons), when electricity is expensive to generate and transmit. There are a number of ways to achieve this price signal, but BGE chose an ill-defined, incomplete technology that would not have allowed consumers to see their energy costs in real time and adjust their usage accordingly.

–July 5, *The Baltimore Sun*



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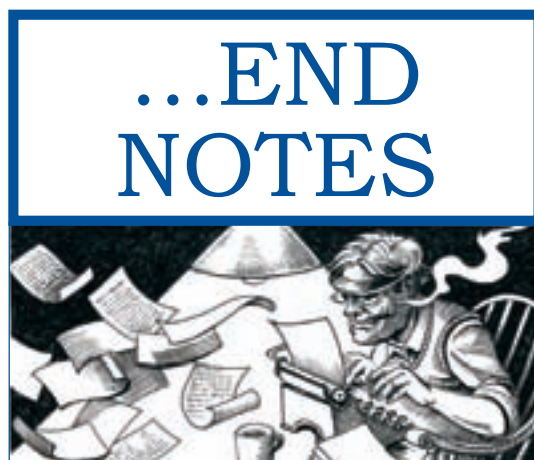
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### Senate Candidate Proposes G.I. Joe Jobs Plan

Alvin Greene, the Democratic candidate for the United States Senate from South Carolina, is an interesting politician. Unemployed since being discharged by the Army in 2009, Greene defeated his primary opponent despite next to zero campaigning, very little money, no website, and no yard signs. He has made a name for himself thanks to media coverage of some of his stranger proposals. One such proposal is to create jobs by manufacturing Alvin Greene action figures. “So you see I think out of the box like that,” Greene told the U.K.’s *Guardian* paper. “It’s not something a typical person would bring up. That’s something that could happen, that makes sense. It’s not a joke.” Were Greene to pull an upset in November, these may just be out in time for Christmas.

### Caught Red-Light Handed

After 83 percent of the Texas House of Representatives voted to ban photo enforcement of traffic laws, many were puzzled by the body’s apparent endorsement of red-light cameras. In early July, it was discovered that state Rep. Linda Harper-Brown (R-Irving) had quietly inserted a single-sentence provision authorizing the use of the cameras, one that her fellow legislators failed to notice before it was too late. It was also revealed that Harper-Brown had accepted significant gratuities from two Texas Department of Transportation contractors, including the use of a \$55,000 luxury sedan. Harper-Brown’s defense? The automobiles were provided for use by her husband, who has been employed by one of the leading traffic camera companies in Texas. Lawmakers and watchdog groups, apparently unsatisfied with Harper-Brown’s excuse, filed several ethics complaints against her.



### Congress Aids Administration’s Spill Shroud of Secrecy

After numerous reports of officials from the federal government and BP blocking reporters from covering the Gulf oil spill, House Democrats blocked an amendment to the Carbon Limits and Energy for America’s Renewal (CLEAR) Act that would specifically permit press access. The text was as follows: “Except in cases of imminent harm to human life, federal officials shall allow free and open access to the media of oil spill cleanup activity occurring on public lands or public shorelines, including the BP Deepwater Horizon oil spill.” This seems

reasonable enough, considering that the government “officially” lifted the 65-foot media ban for “credentialed journalists.” However, many in the press remain skeptical, particularly after a CBS camera crew was threatened with arrest while trying to film on a public beach, and the Department of Homeland Security refused to allow a *New Orleans Times-Picayune* photographer to fly over the slick in a plane.

### “Shared Sacrifice?” Not if You Work for the Governor

Illinois is currently facing a \$13-billion budget shortfall. Governor Pat Quinn (D) has been touting his planned \$1.3 billion budget cuts as an example of “shared sacrifice.” However, while many are certainly tightening their belts, Quinn has given 35 of his staffers pay raises in the last 15 months. Several of these did not involve title changes, promotions, or added workloads, but were coded as “salary adjustments.” Members of Quinn’s own party are incensed his hypocrisy. “It’s insulting,” said State Rep. Jack Franks (D). “It shows how out of touch he is with the real world, where businesses are freezing salaries and in some cases laying people off.” Governor Quinn, under bipartisan pressure, has since promised to revisit the issue.